

Transport Workers Union, answers to questions on notice, 24 September 2019 (received 3 October 2019).

Question on Notice – Fair Work (Registered Organisations) Amendment (Ensuring Integrity) Bill 2019

Submitted by Senator for New South Wales, Tony Sheldon

- a. Can the Transport Workers' Union please provide further details regarding the Federal Court case involving Aldi that was referenced in the witness' opening statement?

Answer:

Please find attached:

- A summary of the Aldi injunction case Senator Sheldon is referring to;
- The Federal Court decision regarding this case;
- A summary of the overall Aldi legal action against the TWU; and
- A recent Federal Court decision involving the NRMA and CFMMEU which is referenced in the above summary.

Decision summary - ALDI v TWU [2017] FCA 1004

Aldi filed an application for an interlocutory injunction on 21 August 2017 to stop the TWU from conducting pickets at their premises and from publishing certain communications.

At the Federal Court hearing on 23 August, an Aldi regional managing director gave evidence stating there was reason to believe a picketing event might occur on 24 and 25 August 2017 at the company's Minchinbury distribution centre. This was partly based on his observations that whenever the TWU held a meeting near its premises, a picket seems to have followed shortly thereafter.

TWU Campaign

Since the Road Safety Remuneration Tribunal was abolished in April 2017 the TWU has been conducting a campaign to highlight the position of independent contractors in supply chains in the transport industry and has been seeking to persuade large grocers such as Woolworths, Coles and Aldi to adopt particular practices in relation to their supply chains. This campaign has involved both formal communications with the large companies and "old-fashioned industrial activity".

As part of this campaign, the TWU was involved in 2 pickets – the first took place on 16 May 2017 at the company's distribution centre in Fremantle (WA) and the second on 16 August 2017 at its Regency Park (SA) distribution centre. The TWU also made a number of publications that Aldi has taken exception to. This includes a press release issued on the same day as the Fremantle picket, with similar comments posted on the TWU's Facebook page, a flyer which was issued around the same time containing a number of statements which Aldi has taken issue with, and a press release issued by the TWU on 16 August 2017, around the time of the Regency Park picket.

Federal Court Decision

Aldi's case was based on six different causes of action, two of which concerned the picketing events and the remaining, with publications by the TWU. Justice Nye Perram addressed each of the causes in his decision and concluded that while Aldi has arguable claims in relation to each, he would not rate any as being "particularly high" and accordingly did not issue the injunction sought by the company.

Causes of Action – Picketing

- **Tort of besetting** – Justice Perram said there was some debate at the hearing about whether there was a tort of besetting or whether it was to be seen as an aspect of nuisance. Based on video footage of the Regency Park picket, Justice Perram was prepared to assume that Aldi has established an arguable case for the tort of nuisance given it was apparent in the video that for a period of time, trucks were prevented from entering and exiting Aldi's premises.
- **Secondary boycotts for the purpose of causing substantial loss or damage** (Section 45D of the *Competition and Consumer Act 2010* (Cth)) – Justice Perram said he found it difficult to accept that section 45D could apply to the Regency Park picket as the argument would have to be that the TWU, together with the SDA, had engaged in conduct that prevented the suppliers from supplying goods to Aldi. Given the suppliers were leaving the distribution centre and had already delivered their goods, Justice Perram said a case based on section 45D is a reasonably weak case.

Causes of Action – Communications / Publications

- **Tort of injurious falsehood** – Justice Perram said he could not conclude that Aldi had any real prospect of establishing the tort of injurious falsehood through its communications. He referred to the campaign that the TWU was running and said that it may be that the TWU had conducted itself in a way that was upsetting to Aldi, had used strong language and that harboured a lingering degree of resentment but that none of it detracted “from the proposition that the views which the TWU are pursuing are bona fide views”.
- **Prohibitions against false and misleading conduct** (section 18, Australian Consumer Law) – Justice Perram said Aldi’s case based on section 18 was a reasonably weak one given the company will have difficulties establishing one of the two limitations relevant to this section, that the TWU’s conduct is one in trade or commerce.
- **Misleading conduct relating to employment** (section 31, Australian Consumer Law) – Justice Perram said that he does not think Aldi’s case in relation to this section is particularly strong as it seems more likely the provision is concerned with representations made by potential employers to potential employees. He also said that it seems the company is engaging in an “adventurous construction” of section 31.
- **Misleading conduct as to the nature etc. of services** (section 34, Australian Consumer Law) – Aldi argued that the statements made by the TWU would mislead the general purchasing public about the nature of Aldi’s services. Justice Perram said he does not think that it is a plausible reading of section 34, that it seems much more likely that it is directed to statements made by corporations about the suitability for the purposes of their own services and accordingly, that it was an “unlikely construction”.

Loss and Damage

Justice Perram said that Aldi has demonstrated that there is “a risk that the conduct which they are afraid will occur, will occur” but that the company had put forth fairly speculative claims about its proposed losses. He accepted that the Regency Park picket was an interruption and probably tortious but that it was very brief and while it is possible that there could be supply chain delay consequences, the evidence provided by Aldi was of a fairly theoretical basis.

In regards to the pickets, he said “taking into account the strength of the causes of action, the prejudice to the union in the form of disruption of what is effectively one of its core functions and, at the same time, the relative paucity of the loss which is likely to be suffered by reason of the picketing activity from Aldi”, he is not sure that this is a case for an injunction.

Justice Perram said that Aldi faced a similar problem with the union's publications, as the suggested losses were largely speculative, especially in relation to the loss of reputation with potential employees. He accepted that there is a degree of brand damage caused but said that the balance of convenience didn't favour granting the injunction.

FEDERAL COURT OF AUSTRALIA

Aldi Foods Pty Ltd as general partner of Aldi Stores (A Ltd Partnership) v Transport Workers Union of Australia [2017] FCA 1004

File number: NSD 1441 of 2017

Judge: **PERRAM J**

Date of judgment: 23 August 2017

Catchwords: **PRACTICE AND PROCEDURE** – application for interlocutory injunctive relief – whether arguable case – whether balance of convenience favours granting of injunctions

Legislation: *Constitution* ss 51(v), 51(xx)
Competition and Consumer Act 2010 (Cth) ss 5, 6, 6(3A)(a)(i), 6(3A)(a)(ii), 31, 34, 45D, sch 2, *Australian Consumer Law*, s 18

Cases cited: *Concrete Constructions (NSW) Pty Ltd v Nelson* [1990] HCA 17; (1990) 169 CLR 594

Date of hearing: 23 August 2017

Registry: New South Wales

Division: General Division

National Practice Area: Employment and Industrial Relations

Category: Catchwords

Number of paragraphs: 34

Counsel for the Applicant: Mr B Cross with Ms A Perigo

Solicitor for the Applicant: Enterprise Law

Counsel for the First Respondent: Mr M Gibian

Solicitor for the First Respondent: Transport Workers Union of Australia, Legal

Counsel for the Second Respondent: Mr W Friend QC

Table of Corrections

28 August 2017

In [2], the word ‘Minchinbury’s’ has been replaced with ‘Minchinbury’.

In [6], final bullet point, the acronym ‘TWV’ has been replaced with ‘TWU’.

In [28], the words ‘the TWU’ have been replaced with ‘Aldi’.

In [34], the word ‘punitive’ has been replaced with ‘putative’.

ORDERS

NSD 1441 of 2017

BETWEEN: **ALDI FOODS PTY LTD AS GENERAL PARTNER OF ALDI STORES (A LTD PARTNERSHIP)**

Applicant

AND: **TRANSPORT WORKERS UNION OF AUSTRALIA**

First Respondent

SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION OF AUSTRALIA

Second Respondent

JUDGE: **PERRAM J**

DATE OF ORDER: **23 AUGUST 2017**

THE COURT ORDERS THAT:

1. The interlocutory relief sought against the Second Respondent in the Applicant's originating application filed on 21 August 2017 be dismissed by consent.
2. The interlocutory relief sought against the First Respondent in the Applicant's originating application filed on 21 August 2017 be dismissed.

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

REASONS FOR JUDGMENT

PERRAM J:

- 1 This is an application for an interlocutory injunction having a twofold effect. First, it would restrain the First Respondent ('TWU') from conducting pickets at premises owned and operated by the Applicant ('Aldi'). Secondly, it would restrain the publication by the TWU of certain communications relating to the dispute between the parties. So far as the pickets are concerned, there have been two pickets by, or involving, the TWU of Aldi's premises. The first of these occurred on 16 May 2017 at Aldi's then unfinished premises in Fremantle, Western Australia. The second occurred as recently as 16 August 2017 at Aldi's premises at Gallipoli Drive, Regency Park in South Australia.
- 2 There is evidence from Mr Jakupec, the Managing Director of Aldi's Regency Park region, which suggests that picketing activity in the future is not altogether to be unexpected. That evidence consists, in part, of an observation on his part that whenever the TWU had held a meeting near its premises, in the past, a picket seems to have followed shortly thereafter. He observes that a meeting of the TWU is planned to take place at Rooty Hill in Sydney on 24 and 25 August. Rooty Hill is proximate to Aldi's Minchinbury distribution centre and, on that basis, he is concerned that the picketing which occurred at Fremantle and Regency Park may be repeated at Minchinbury.
- 3 There is a second element to his concern. Part of the evidence he gives about what occurred at the Regency Park premises includes some hearsay evidence – and I do not say that in a critical fashion – of a discussion which took place between one of his logistics managers and a person wearing TWU livery. I will return to this conversation in more detail, but part of it involved a woman wearing the TWU livery saying words to this effect: 'We will be running more of these events in the future if you do not agree to meet with us to discuss safe rates.' Those two elements taken together were said by Aldi to suggest that there was reason to believe that a picketing event might occur on 24 and 25 August at Aldi's Minchinbury premises.
- 4 So far as the publications which are sought to be restrained are concerned, it is necessary to begin with a little bit of background information. There was formerly a tribunal known as the Road Safety Remuneration Tribunal which regulated, when it occasionally sat, the rates which were paid to independent contractor drivers operating in the transport industry. That

tribunal was abolished by statute some time ago which has generated a degree of industrial unhappiness about the position of independent contractors in the transport industry.

- 5 The TWU represents transport workers and has been conducting a campaign since, but possibly even before May this year, seeking to highlight the position of independent contractors in supply chains in the transport industry and has been seeking to persuade large grocers such as Woolworths, Coles and Aldi to adopt particular practices in relation to their supply chains. That campaign has had a number of aspects to it, including both formal communications between the TWU and the large entities which it seeks to persuade to its view, but has also involved a degree of old-fashioned industrial activity. As part of that campaign, a number of publications have been made and it is these to which Aldi has taken exception. The first publication to which exception is taken is a press release which was issued by the TWU on the same day as the events at Fremantle. The press release contained a large quantity of material but includes a description of what occurred at the Fremantle site. Some relevant excerpts are as follows:

‘Truck drivers and TWU supporters angry at wealthy retailer Aldi over a spike in deaths from truck crashes have blocked the road in South Fremantle.

Traffic was halted on Hampton Road as over 150 protestors demanded that Aldi and the financial squeeze on transport companies and truck drivers which is leading to deaths on our roads.

...

“Aldi needs to take responsibility for what is happening in its supply chain. Cutting transport costs and underpaying truck drivers has massive consequences on our roads. This financial pressure leads to trucks not being maintained and drivers forced to speed, drive long hours and skip mandatory rest breaks. This squeeze has got to stop for the sake of the entire community,” said TWU national secretary, Tony Sheldon.

“The Federal Government is also to blame for this problem. Last year, it tore down an independent tribunal which was holding wealthy clients, like Aldi, to account for the financial squeeze on transport that kills and injures people. This increase in deaths should not come as any surprise to the Government. Its own report showed the tribunal would cut truck crashes by 28 per cent. Transport workers are paying with their lives with this government’s mismanagement,” said Mr Sheldon.

Aldi, last year, attempted to pay truck drivers less, misclassifying them in an enterprise agreement which the Federal Court struck down.

WA Senator, Glen Stewell addressed the rally, “We are here to demand that our truck drivers and our families should be safe on the roads. Wealthy retailers like Aldi and federal government need to listen because we are not going away,” he said.’

6 Comments to a similar effect were posted on the TWU's Facebook page. That Facebook page was, I accept, accessed by media organisations and gave the contents of the Facebook page broad television coverage. A corresponding press release was also issued on about 16 August at the same time as the picket which occurred at the Gallipoli Drive, Regency Park premises of Aldi, which relies upon that as well. Finally, at the same time as the original Fremantle picket, a flyer was produced which is set out in an annexure to Mr Jakupc's affidavit, which contains a number of statements about which Aldi complains. These include:

- The use of the Aldi trademark in close proximity to the slogans "stop the race to the bottom" and "undercutting road safety";
- That 'the transport industry is Australia's deadliest industry';
- That 'multinational corporations at the top of the supply chain, like Aldi, put pressure onto trucking companies and owner drivers to fulfil unsafe deadlines';
- That 'it's a fact that safe rates for truckies save lives'; and
- The comment that 'Aldi needs to engage with transport workers through the TWU and take responsibility for its supply chain to ensure transport workers are not being unfairly pressured and are being properly compensated. If Aldi wants to be in our community, it needs to ensure good jobs with good conditions for everyone in its supply chain. After all, its competitors – the major supermarkets – have agreed to work with the TWU. So, what's the deal, Aldi?'

7 So these are the matters which Aldi complains about. Insofar as loss and damage which Aldi might suffer is concerned, it is necessary to consider the position of the pickets and the publications separately.

8 So far as the pickets are concerned, there did not seem to be a debate that the premises at which the Fremantle protest had occurred had not yet been finished, so there can be no suggestion, at least in relation to those premises, of any diversion of trade or delay in delivery. I accept, nevertheless, that by means of their coverage which accompanied the communications associated with that protest, it is possible that persons in the public may have formed – or may have been inclined to form – a negative view about Aldi as a company.

9 I make no statement, at this stage, about whether I accept that argument but I note that it is open on the evidence in relation to the Fremantle protest. Insofar as the protest in South

Australia is concerned, the evidence was quite a bit more developed, not only in terms of the affidavit but also because the Court was provided with a video of the protest. It became Exhibit Two. The protest involved a picket across the driveway to the entrance to Aldi's Regency Park distribution centre. A distribution centre is not actually a supermarket but, rather, a significant premises from which supermarkets are supplied by Aldi.

10 The video which went for about 15 minutes, I think, showed a black vehicle with a trailer attached to it, parked across the exit lane of the truck driveway between the boundary of Aldi's premises and the road. The truck had a sign on it with the acronym 'TWU' and the words "safe rates save lives". Behind the truck was a large group of people carrying banners with disparate colours of yellow, orange and white, to my observation. Members of the Shop Distributive and Allied Employees Association appear to have been amongst those protesting.

11 Indeed, that association was the Second Respondent to this application, however, at the commencement of the hearing, I was notified by the parties that the application for interlocutory relief against the Second Respondent had been dismissed by consent. Notwithstanding that, this evidence satisfies me that there were a number of representatives of the TWU in the crowd generally wearing orange and, of course, the truck appeared to be the TWU's or, at least, to be under its custody and control. It is hard to put a precise estimate on the number of people who were standing behind the truck but, in my estimation, it would probably be 50 or 60, or thereabouts. Those people were standing immediately behind the trailer and were blocking the entry lane of the truck driveway between the other boundaries of Aldi's premises and the road. At its maximal point, the protest made it impossible for a truck to drive in and out of the premises.

12 The evidence satisfies me that requests were made to those who were present to move and that those requests were not immediately complied with. Indeed, the evidence suggests that when the request was made, Aldi was told that the action would continue to be taken until it agreed to meet and discuss the safe rates campaign. All in all, this blockade went for about 20 minutes and the evidence suggests that the ingress and egress of three trucks was affected by it. Because of one of the points raised by the TWU, it is necessary to be reasonably precise about what happened. Two trucks from Aldi's suppliers were prevented from leaving the site. In addition, one Aldi truck was prevented from leaving by the normal truck driveway but, as I understood it, it left by an alternate route.

13 The point that was made by the TWU was that the Aldi suppliers who were leaving the distribution centre would not have been leaving with any goods on them because they would have delivered their goods to the distribution centre already. In relation to the Aldi truck which was prevented from leaving, whilst it might have been replete with goods, it would have been on the way to an Aldi shop and would not have been on its way to providing the contents to some other supplier. The loss and damage which these events are said to have given rise to differs as between the two injunctions. So far as the picket is concerned, the affidavit evidence suggested that interruption to Aldi's operations at its Minchinbury centre, even for a very brief period such as 20 minutes, could have a severe impact upon the transport operations from that centre. This was because it operates on the basis of booked time slots for receiving deliveries from suppliers. If there is an interruption to those time slots, it requires the drivers for all its suppliers to wait, either on site, or causes them to drive around until the problem goes away, which raises the potentiality for a large number of trucks backed up as a result of the interruption.

14 Because of the backlog resulting from the interruption to access, it will usually take some time for the problem to clear. The evidence of Mr Jakupiec was that this state of affairs had the potential to put the drivers or their employers in breach of road safety legislation and, as New South Wales road safety legislation concerned itself with what is characterised as the chain of responsibility, the picketing could result in Aldi being in breach of its legal obligations. I assume what is had in mind here is the presence of large numbers of trucks circulating the distribution centre.

15 So far as the deliveries to individual stores are concerned, Mr Jakupiec said that Aldi could manage around the interruption by having some drivers do overtime or engaging transport contractors to take other loads but that problem was said to be aggravated by the drivers having insufficient time to do the delivery within a safe regime of hours. He said that Aldi might have to replace the drivers in that circumstance.

16 So far as the publications were concerned, the damage which Aldi was concerned about suffering was twofold. The first was brand damage amongst the purchasing public who would, by reason of the publications, come to regard Aldi as an unsavoury supplier of groceries. The second category of loss was said to be reputational harm amongst potential employees of Aldi. Here, the argument was that Aldi had invested considerable time and

effort in making itself a responsible and generous employer and had a reputation for being just that.

17 The remarks being made by the TWU, in its various communications, were apt to suggest that it was not such an employer and that, in fact, it was the kind of employer who underpaid people in its supply chain with all the negative connotations necessarily travelling with that. This was said to cause a loss, (a) in the sense of its reputation as an employer, and (b) more directly that it would have to start advertising for positions, a problem which it had not previously had. That is to say, as a result of the damage to its reputation amongst prospective employees, it would be moved from a position where it had a surplus of people making applications to it for employment, to a position where it would find itself forced into the indignity of having to advertise for the jobs. Therefore, it was said that it would suffer loss and damage being the cost to it of conducting that advertising campaign.

18 Turning then to the various causes of action, so far as the picketing is concerned, it was said that picketing constituted the tort of besetting. There was some debate at the bar table as to whether there was a tort of besetting or whether it was to be seen as an aspect of nuisance. It does not seem to me to be necessary to resolve that debate. Having seen the video footage, it is apparent that for a period of time, maybe six or seven minutes, trucks were prevented from entering and exiting Aldi's premises by reason of the picket and I will be prepared to assume that, for the purposes of the interlocutory injunction that the applicant has established an arguable case for the commission of the tort of nuisance.

19 The second way the case was put was under section 45D of the *Competition and Consumer Act 2010* (Cth) ('the Act'). Section 45D provides as follows:

'45D Secondary boycotts for the purpose of causing substantial loss or damage

- (1) In the circumstances specified in subsection (3) or (4), a person must not, in concert with a second person, engage in conduct:
 - (a) that hinders or prevents:
 - (i) a third person supplying goods or services to a fourth person (who is not an employer of the first person or the second person); or
 - (ii) a third person acquiring goods or services from a fourth person (who is not an employer of the first person or the second person); and
 - (b) that is engaged in for the purpose, and would have or be likely to have the effect, of causing substantial loss or damage to the business of the fourth person.
- (2) A person is taken to engage in conduct for a purpose mentioned in subsection

- (1) if the person engages in the conduct for purposes that include that purpose.
- (3) Subsection (1) applies if the fourth person is a corporation.
- (4) Subsection (1) also applies if:
 - (a) the third person is a corporation and the fourth person is not a corporation; and
 - (b) the conduct would have or be likely to have the effect of causing substantial loss or damage to the business of the third person.’

20 I think there are difficulties in accepting that section 45D could apply on the particular facts which I have found to be arguable in relation to the South Australian premises, in particular, because the argument must be that the TWU is a person who has, in concert with another person (whom I imagine would be the Second Respondent), engaged in conduct which prevents a third person supplying goods to a fourth person. The third person here would have to be the suppliers who were blocked by the demonstration but, as Mr Gibian who appeared for the TWU pointed out, the suppliers were leaving the distribution centre and had already delivered their goods.

21 So there may be serious difficulties in understanding how section 45D could apply. I am not willing to say that it does not apply in absolute terms but it seems to me that a case based upon it is a reasonably weak case.

22 So far as the communications are concerned, the case was put on four different bases. First, it was said that the actions which had happened in the publications constituted commission of the tort of injurious falsehood. I do not think the case in relation to injurious falsehood is a good case. An important element of the tort of injurious falsehood is the presence of malice. Resort to the back history to this dispute reveals that the TWU is engaged in a particular campaign, trying to assert its particular view about how the transport sector ought to be regulated so far as independent contractors are concerned. It may be – and I make no conclusive comment about this – that it has conducted itself in a way which is upsetting to Aldi. It may be that it has used language which is strong. It may be that it has a lingering degree of resentment towards Aldi. But none of that detracts from the proposition that the views which the TWU are pursuing are bona fide views and I do not think I can conclude, in that circumstance, that there is any real prospect of making out the tort of injurious falsehood.

23 Secondly, reliance was placed upon s 18 of the *Australian Consumer Law* (‘ACL’) which is the general provision prohibiting engaging in conduct which is misleading and deceptive

and/or likely to mislead or deceive. There are two limitations on that section which are pertinent for present purposes. One is that by reason of the constitutional underpinning of the Act, section 18 is expressed in its language to be limited only to conduct which is engaged in, in trade and commerce.

24 The High Court has explained that not every activity of a corporation is in trade or commerce. So, for example, in *Concrete Constructions (NSW) Pty Ltd v Nelson* [1990] HCA 17; (1990) 169 CLR 594 it was held that a misleading statement to an employee working on a site in the Sydney CBD which then subsequently caused the employee to suffer an injury was not in trade or commerce because the statement was not made as part of the trading or commercial activities of the corporation. Therefore, an attempt by the injured worker to step outside the compulsory system of workers compensation under New South Wales law and to use the federal statute instead was unsuccessful. Here, the argument which the TWU advances is that its activities as a union conducting a union campaign wholly lack a trading or commercial character. Related to that point is the second point it pursues which is that the operation of the Act is constrained by section 51(xx) of the Constitution only to apply to trading corporations.

25 It is true that a large part of the Act has, as a matter of history, been erected on a constitutional foundation in which section 51(xx) has been at the forefront of the drafters' intention; but there has always been present sections 5 and 6. Section 5 deals with jurisdiction outside Australia. Section 6, however, involves an attempt to drag in as many heads of power as can be availed of and it is apparent from section 6 that the powers relied upon include the postal and telecommunications power: ss 6(3A)(a)(i)-(ii).

26 I am reasonably satisfied that Aldi will be able to overcome whatever difficulties these provisions present because the communications upon which it relies all seem, in various ways, to have been communicated via telecommunications network to which the power in section 51(v) in the Constitution relates. On the other hand, I believe that Aldi will have difficulties in establishing that the conduct by the TWU of its campaign is an activity which is in trade or commerce. For that reason, although I accept that it has a case based on section 18 of the ACL, I believe that case to be a reasonably weak one.

27 Thirdly, reliance was also placed upon section 31 of the ACL. Section 31 is in the following terms:

‘31 Misleading conduct relating to employment

(1) A person must not, in relation to employment that is to be, or may be, offered by the person or by another person, engage in conduct that is liable to mislead persons seeking the employment as to:

(a) the availability, nature, terms or conditions of the employment; or

(b) any other matter relating to the employment.’

28 Mr Cross of counsel, who appeared for Aldi, submitted that this applied because the TWU would be the first referred to person and therefore the section would be applicable on its terms. I am not sure I accept that as an available construction of section 31. It seems to me more likely that the provision is concerned with representations made by potential employers to potential employees. Certainly, that is the way it has been traditionally read. It seems to me an adventurous construction of section 31, which is being advanced in this case. I do not think, therefore, that the case in relation to section 31 is particularly strong, although I do not discount it as perhaps ultimately being available to succeed.

29 Fourthly, reliance was also on placed upon 34 of the ACL. Section 34 is in these terms:

‘34 Misleading conduct as to the nature etc. of services

A person must not, in trade or commerce, engage in conduct that is liable to mislead the public as to the nature, the characteristics, the suitability for their purpose or the quantity of any services.’

30 The argument was that the statements which were being made by the TWU would mislead the general purchasing public about the nature of Aldi’s services with the consequence that the section was engaged. I do not think that is a plausible reading of section 34. It seems to me much more likely that section 34 is directed to statements made by corporations about the suitability for the purposes of their own services. Whilst I accept it may be possible for section 34, ultimately, to succeed, it seems to me to be an unlikely construction.

31 So the position I have arrived at is that Aldi has arguable claims in relation to each of these causes of action, although I would not rate any of them as being particularly high. It also has demonstrated that there is, I accept, a risk that the conduct which they are afraid will occur, will occur.

32 However, I think the proposed losses which are put forward to justify the injunctions are fairly speculative. What happened at the South Australian premises was certainly an interruption and probably tortious but it was very brief and, although I accept that it is possible that there could be supply chain delay consequences by reason of conduct of that

kind, the evidence which was put on in that regard was of a fairly theoretical basis. I can easily imagine a case where substantial blockading or picketing activity really does cause a knock-on effect in supply chains and really does cause delays which cost money. But for such a claim to be sufficient to warrant an injunction, in my view one would need to have either much stronger evidence about the likely impact of the picketing or, alternatively, have very much more detailed evidence about how the picketing which is occurring actually has the financial consequences to which attention is drawn.

33 In this case, the loss which is said possibly to derive from the picketing activity is quite non-specific and unclear. That is not to say it is not a real head of loss or that there might not be something in it, but it is relevant when it comes to weighing what, effectively, would be an injunction having a reasonably serious interference with activities of an entity pursuing what it says is a course of political activity. I would not, for myself, accept that that would mean in every case that an injunction could not be granted to restrain picketing activity, but this just does not seem really to be an extremely serious incident calling for injunctive relief.

34 If the activity becomes worse or the evidence about the losses it is causing becomes better, then it might be appropriate to reconsider it but, as presently advised, taking into account the strength of the causes of action, the prejudice to the union in the form of disruption of what is effectively one of its core functions and, at the same time, the relative paucity of the loss which is likely to be suffered by reason of the picketing activity from Aldi, I am not sure this is a case for an injunction so far as the pickets are concerned. So far as the publications are concerned, a similar problem arises. It seems to me that the loss which has been foreshadowed – certainly the loss relating to the position of putative employees – is largely speculative. I am prepared to accept that there is a certain degree of brand damage caused to Aldi by what is taking place but I do not think that the balance of convenience favours the granting of the injunction. For those reasons, I will dismiss both applications for an injunction.

I certify that the preceding thirty-four (34) numbered paragraphs are a true copy of the Reasons for Judgment herein of the Honourable Justice Perram.

Associate:

Dated: 25 August 2017

History – Perram J Urgent Injunction

In August 2017, ALDI sought an urgent injunction against the TWU in relation to various campaign activities engaged in by the TWU. The injunctions sought, amongst other things, were as follows:

- An order stopping the TWU from publishing any material that suggested ALDI pay transport workers less than they are entitled;
- An order stopping the TWU from publishing any material that suggested ALDI places pressure on transport workers in its supply chains leading to a range of negative safety outcomes;
- An order stopping the TWU from publishing any material that suggested ALDI imposes a financial squeeze on its operators;
- An order stopping the TWU from attending any ALDI store or DC unless permitted under statute;
- An order stopping the TWU from engaging in any picketing or related activities at its stores or DC's.

The matter was heard by Perram J in the Federal Court on 23 August 2017. Perram J dismissed ALDI's application for a range of reasons (see enclosed summary of Decision). Most notably Perram J comments at paragraph 34 of the Decision in relation to various activities including picketing and so on that:

“...the prejudice to the union in the form of disruption of what is effectively one of its core functions and, at the same time, the relative paucity of the loss which is likely to be suffered by reason of the picketing activity from Aldi, I am not sure this is a case for an injunction so far as the pickets are concerned. So far as the publications are concerned, a similar problem arises. It seems to me that the loss which has been foreshadowed....is largely speculative.”

Application September 2017 – April 2019

In September 2017 ALDI filed a further application in the Federal Court. This application has since been amended by ALDI on a number of occasions.

The key causes of action arising in the SOC are:

- Misleading and deceptive conduct in trade or commerce (section 18 ACL);
- Damage to reputation as employer of choice (section 31 ACL);
- Secondary boycott (section 45D);
- Injurious falsehood (tort);
- Trespass (tort); and
- Nuisance (tort).

Causes of Action

Injurious Falsehood

The tort of injurious falsehood is a claim made in circumstances where a person or organisation has made false statements publicly and maliciously against another which have caused actual financial loss. Injurious falsehood claims can only be made out in circumstances where the Applicant can show

the comments were made maliciously or with reckless indifference to the truth AND actual, demonstrable financial loss as a result of the public statements must be shown.

In the ALDI case, they have said that the comments the TWU has made in the media and on TWU flyers (amongst other things) have been made maliciously with reckless indifference to the truth. However, ALDI did concede during the course of the hearing no quantifiable financial loss can be identified. Instead, ALDI has claimed that they will have suffered reputational damage as a result of the public comments and actions of the TWU.

ALDI are wrong to sue us under this tort because they cannot quantify loss and they cannot demonstrate any malice in the comments made by the TWU. Further, even if there was some malice demonstrated, reputation damage is not sufficient to make such a claim.

Misleading and Deceptive Conduct

Claims of misleading and deceptive conduct must be made in trade or commerce. The section sets out that it is illegal for a business to engage in conduct that misleads or deceives or is likely to mislead or deceive in trade or commerce. No actual quantifiable loss has to be established for an action under this claim to succeed. However, the conduct complained of must be in trade or commerce and relating to business activity.

ALDI claims that the claims the TWU made to the public at large in media interviews and on flyers, are misleading and deceptive conducts in trade or commerce. The TWU has always maintained that the comments made by the Union are as a result of an industrial campaign and are not in trade or commerce. The TWU has always maintained that the comments made are justified on the basis of complaints made to us and form part of a broader industrial campaign relating to safety.

Other Claims

- *Trespass* – TWU trespassed in ALDI stores, in their car parks and on other property when their actions took place. The TWU says this is wrong because ALDI operates in a public space and there is an implied licence to enter the ALDI store or walk in the car park. ALDI has not focused or placed much emphasis on this claim.
- *Secondary Boycott* – This claim is unclear. No evidence has been adduced on this claim. To the extent that is obvious, ALDI alleges that when the TWU was partially blocking a driveway at one of their DC's during an action that occurred in SA for approximately 20-30 minutes that this caused 2 trucks from 2 other companies to be unable to leave at the exact moment they attempted to do so, that that conduct is a secondary boycott.
- *Section 31 ACL* – Damage to reputation as employer of choice. No evidence has been adduced which demonstrates that the TWU has caused any damage to ALDI's reputation as employer of choice. Further, the TWU does not directly engage truck drivers and therefore, the claim cannot be made out as the TWU is both an employer also operating in the industry that would otherwise be competing with ALDI in the engagement of drivers.
- *Nuisance* – That the Activity engaged in by the TWU at its stores and DCs is a nuisance to ALDI the public at large and must be restrained.

NRMA Case

There are a range of matters for which ALDI has taken legal action against the TWU. In respect of the *NRMA v CFMMEU* case, the only 2 causes of action that are particularly relevant are:

- Injurious falsehood (Tort); and

- Misleading and deceptive conduct in trade or commerce (s 18 of the Australian Consumer Law).

Injurious Falsehood

The NRMA also made the same claim against the CFMMEU on the basis that comments they made, particularly on flyer to the public at large, were knowingly false. Like in the ALDI case, they could not quantify damage and claimed the damage was reputational. The key aspects obviously relating to our case are found at paragraphs 209-219 of the Decision.

It should also be noticed that malice must be demonstrated, and it was not in this case.

Misleading and Deceptive Conduct

In the NRMA Case, the NRMA alleged that the comments made by the CFMMEU on flyers and in the media were misleading and deceptive and were made in trade or commerce.

The Judge in the case held that the comments were not made in trade or commerce and, most importantly, that he thought it was unlikely that the legislature intended to extend this section to industrial organisations given that there were other relevant laws with better addressed complaints of this nature. The relevant paragraphs of the Decision addressing this matter are 313-354.

FEDERAL COURT OF AUSTRALIA

National Roads and Motorists' Association Limited v Construction, Forestry, Maritime, Mining and Energy Union [2019] FCA 1491

File number: NSD 1065 of 2019

Judge: GRIFFITHS J

Date of judgment: 11 September 2019

Catchwords: **TRADE MARKS** – infringement proceeding under ss 120(1) and (3) of the *Trade Marks Act 1995* (Cth) – where a trade union is using a sign depicting the applicant's brand or logo as part of an industrial campaign against the employer – where the employer is a wholly owned subsidiary of the applicant – whether the union's sign is being used as a trade mark – no use of the sign as a trade mark

CONSUMER LAW – claims of misleading or deceptive conduct arising from representations made during the course of an industrial campaign – whether impugned conduct is “in trade or commerce” – principles derived from *Concrete Constructions (NSW) Pty Ltd v Nelson* (1990) 169 CLR 594 considered – conduct not “in trade or commerce”

TORTS – claims of injurious falsehood arising from statements and representations made during an industrial campaign – malice – necessity to establish actual damage – no malice or actual damage

Legislation: *Competition and Consumer Act 2010* (Cth) ss 4, 6, Sch 2 ss 2, 18 and 29

Fair Work Act 2009 (Cth) ss 345 and 349

Fair Work (Registered Organisations) Act 2009 (Cth)

Judiciary Act 1903 (Cth) s 78B

Trade Marks Act 1995 (Cth) ss 10, 17, 120 and 185

Trade Practices Act 1974 (Cth) ss 4 and 52

Work Health and Safety Act 2011 (Cth)

Fair Trading Act 1987 (NSW)

Fair Trading Act 1999 (Vic) s 9

First Council Directive 89/104/EEC art 5

European Parliament and Council Directive 2015/2436 art

Trade Mark Act of 1946 s 43, 15 U.S.C. § 1125(c)(1)(2012)

Marrakesh Agreement Establishing the World Trade Organization. Opened for signature 15 April 1994. 1867 UNTS 3 (entered into force 1 January 1995). Annex 1C ('Agreement on Trade-related Aspects of Intellectual Property Rights') art 16

Paris Convention for the Protection of Industrial Property. Opened for signature 20 March 1883 (entered into force 7 July 1884) art 6^{bis}

Cases cited:

Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd [2017] FCAFC 56; 345 ALR 205

AMI Australia Holdings Pty Ltd v Fairfax Media Publications Pty Ltd [2010] NSWSC 1395; [2011] Aust Torts Reports 82-077

Anchorage Capital Partners Pty Ltd v ACPA Pty Ltd [2018] FCAFC 6; 259 FCR 514

APLA Limited v Legal Services Commissioner of New South Wales [2005] HCA 44; 224 CLR 322

Aristocrat Technologies Australia Pty Ltd v Global Gaming Supplies Pty Ltd [2016] FCAFC 22; 329 ALR 522

Astra Recourses Plc v Full Exposure Pty Ltd [2012] FCA 1061

Australian Securities and Investments Commission v Accounts Control Management Services Pty Ltd [2012] FCA 1164

Australian Woollen Mills Ltd v F. S. Walton and Company Ltd (1937) 58 CLR 641

Beecham Group plc v Colgate-Palmolive Pty Ltd [2004] FCA 1335; 64 IPR 45

Beecham Group Plc v Colgate-Palmolive Pty Ltd [2005] FCA 838; 66 IPR 254

C A Henschke & Co v Rosemount Estates Pty Ltd [2000] FCA 1539; 52 IPR 42

Cantarella Bros Pty Ltd v Modena Trading Pty Ltd [2013] FCA 8; 299 ALR 752

Carnival Cruise Lines Inc v Sitmar Cruises (1994) 120 ALR 495

Clubb v Edwards [2019] HCA 11; 366 ALR 1

Commonwealth Bank of Australia v Kojic [2016] FCAFC 186; 249 FCR 421

Concrete Constructions (NSW) Pty Ltd v Nelson (1990) 169 CLR 594

Fasold v Roberts (1997) 70 FCR 489
Firewatch Australia Pty Ltd v Country Fire Authority
[1999] FCA 761; 93 FCR 520
*Giraffe World Australia Pty Ltd v Australian Competition
and Consumer Commission* [1998] FCA 1560; (1999)
ATPR 41-669
*Google Inc v Australian Competition and Consumer
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Houghton v Arms [2006] HCA 59; 225 CLR 553
*Johnson & Johnson Aust Pty Ltd v Sterling
Pharmaceuticals Pty Ltd* (1991) 30 FCR 326
Jones v Dunkel (1959) 101 CLR 298
Knight v Victoria [2017] HCA 29; 261 CLR 306
Madden v Seafolly Pty Ltd [2014] FCAFC 30; 313 ALR 1
Marc A Hammond Pty Ltd v Papa Carmine Pty Ltd [1976]
2 NSWLR 124
McCloy v New South Wales [2015] HCA 34; 257 CLR 178
Meadow Gem Pty Ltd v ANZ Executors & Trustee Co Ltd
(1994) ATPR (Digest) 46-130
MID Sydney Pty Ltd v Australian Tourism Co Ltd (1998)
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Neville Mahon v Mach 1 Financial Services Pty Ltd [2012]
NSWSC 651; 96 IPR 547
*Orion Pet Products Pty Ltd v Royal Society for the
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Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd
[1982] HCA 44; 149 CLR 191
Pham Global Pty Ltd v Insight Clinical Imaging Pty Ltd
[2017] FCAFC 83; 251 FCR 379
Plimer v Roberts (1997) 80 FCR 303
*Proctor & Gamble Australia Pty Limited v Energizer Pty
Limited* [2011] FCA 1347
Ratcliffe v Evans [1892] 2 QB 524
Re application by Pfizer Products Inc [2004] ATMO 25; 61
IPR 165
Registrar of Trade Marks v Woolworths Limited [1999]
FCA 1020; 93 FCR 365
Roberts v Bass [2002] HCA 57; 212 CLR 1
San Remo Macaroni Co Pty Ltd v San Remo Gourmet

Coffee Pty Ltd [2000] FCA 1842; 50 IPR 321
Seafolly Pty Ltd v Madden [2012] FCA 1346; 297 ALR 337
TCN Channel Nine Pty Ltd v Ilvari Pty Ltd [2008]
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The Hershey Company v Friends Of Steve Hershey 33 F.
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Tobacco Institute of Australia Ltd v Woodward (1993) 32
NSWLR 559
Unilan Holdings Pty Ltd v Kerin [1992] FCA 211; 35 FCR
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South Wales* (1927) 40 CLR 333
V Secret Catalogue, Inc v Moseley 605 F. 3d 382 (6th Cir.
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Pty Ltd* [2004] FCA 133; 134 FCR 422
Vivo International Corporation Pty Ltd v Tivo Inc [2012]
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Westpac Banking Corporation v Wittenberg [2016] FCAFC
33; 242 FCR 505
Wingate Marketing Pty Ltd v Levi Strauss & Co (1994) 49
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Woolworths Ltd v BP plc (No 2) [2006] FCAFC 132; 154
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Date of hearing: 2, 5 and 6 August 2019
Registry: New South Wales
Division: General Division

National Practice Area: Commercial and Corporations
Sub-area: Regulator and Consumer Protection
Category: Catchwords
Number of paragraphs: 221
Counsel for the Applicant: Mr R Cobden SC and Mr P Flynn
Solicitor for the Applicant: Gilbert + Tobin
Counsel for the Respondent: Mr M Gibian SC and Mr A Slevin
Solicitor for the Respondent: Slater & Gordon Lawyers

ORDERS

NSD 1065 of 2019

BETWEEN: **NATIONAL ROADS AND MOTORISTS' ASSOCIATION
LIMITED (ACN 000 010 506)**
Applicant

AND: **CONSTRUCTION, FORESTRY, MARITIME, MINING AND
ENERGY UNION**
Respondent

JUDGE: **GRIFFITHS J**

DATE OF ORDER: **11 SEPTEMBER 2019**

THE COURT ORDERS THAT:

1. The originating application dated 5 July 2019 be dismissed.
2. The applicant pay the respondent's costs, as agreed or taxed.

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

REASONS FOR JUDGMENT

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GRIFFITHS J:

A. INTRODUCTION

1 These proceedings, which came on urgently, arise in the context of a lengthy industrial dispute between the parties. The National Roads and Motorists' Association Limited (NRMA) claims that the Construction, Forestry, Maritime, Mining and Energy Union (CFMMEU) (principally via its branch, the Maritime Union of Australia (MUA)), has engaged in trade mark infringements, misleading or deceptive conduct and committed the tort of injurious falsehood. The industrial dispute relates to the wages and conditions of employees of the My Fast Ferry business (MFF) (previously named Manly Fast Ferry). The

NRMA acquired MFF in early January 2018. The business is operated by a wholly-owned subsidiary of the NRMA, Noorton Pty Ltd (**Noorton**).

- 2 By consent, the Court heard and determined as a separate and preliminary matter the issue of liability, leaving to another day, if necessary, the issue of damages and any other relief.

B. SOME BACKGROUND MATTERS

- 3 The NRMA is a mutual, being a company entirely owned by its members. From its establishment, one of the core values associated with the NRMA brand has been safety.

- 4 The NRMA, including through its subsidiaries, presently provides services in the following broad areas: membership and motoring services, including the core offering of roadside assistance; transport services, including the operation of Thrifty Car Rental; tourism services, including the operation of holiday parks and resorts across Australia; and marine services, including the MFF. NRMA has a particular reputation for promoting and being associated with safety, traditionally road safety, but has more recently been able to diversify beyond its core motoring business to deliver and develop tourism and transport assets.

- 5 The NRMA's brand reputation (as independently measured by the Reputation Institute) is formidable; the brand is consistently in the top 10 most trusted brands in Australia in the Roy Morgan Net Trust Score survey and as at October 2018, is rated as Australia's seventh most trusted brand.

- 6 As part of the NRMA's acquisition of the MFF business, it acquired MFF's interest in a seven year contract signed on 1 April 2015 between Transport for New South Wales and Manly Fast Ferry Pty Ltd to provide a high-speed ferry service between Circular Quay and Manly and vice versa. The New South Wales Government plays a significant role in regulating the route, the timetable requirements of the service, its fare structure (including capping the fares) and access to wharf arrangements. The MFF business also operates a range of sightseeing, whale watching and special event cruises around Sydney Harbour. Vessels in the fleet are branded with the NRMA device mark, which is a registered trade mark.

- 7 The CFMMEU is a registered organisation under the *Fair Work (Registered Organisations) Act 2009* (Cth). On 27 March 2018, the MUA amalgamated with the CFMMEU and effectively became the MUA Division of the CFMMEU. For convenience, in the main I will

simply refer to the MUA. Mr Paul Garrett has been Branch Assistant Secretary to the MUA since 2003.

- 8 Since around September 2018, the NRMA (via Noorton) and the MUA have been in dispute about the wages and conditions upon which, in particular, the “on water” staff of MFF are engaged.
- 9 The NRMA’s claims include that the MUA has used the NRMA’s word mark, one of the NRMA’s device marks, and a logo that incorporates it, and made false or misleading statements which are detrimental to, and designed to injure, the NRMA and its brand. The negative publicity campaign includes express statements and imagery which the NRMA claims convey the representation that it is an unsafe ferry operator, as well as other allegedly false or misleading statements relating to various aspects of the employment conditions of MFF staff and their treatment by the NRMA. On 2 November 2018, at the NRMA’s Annual General Meeting (AGM), NRMA members were handed pamphlets by members of the MUA containing statements criticising NRMA, and also bearing the NRMA trade mark positioned to form the hull of a sinking ferry (the **Offending Logo**). The NRMA device mark and the Offending Logo are as follows:



As will shortly emerge, the Offending Logo has usually been accompanied by text which includes the words “Don’t let wages sink to the bottom of Sydney Harbour”. The NRMA’s claims under the *Trade Marks Act 1995* (Cth) (**TM Act**) include claims of infringement by the MUA’s use of the word mark “NRMA” in the Offending Logo. One of the important NRMA word marks, is the following trade mark (the **NRMA 437 TM Registration**):

Number	Trade Mark	Registered Services	Priority Date
370437	NRMA	Class 39: Travel agency, services consisting of information about journeys, vehicle towing service, vehicle pilot service	26 April 1979

10 The Offending Logo also appeared on placards and pamphlets which were carried or handed out by MUA members during further industrial action taken by the MUA, as well as on black T-shirts worn by MUA members and on an online petition.

11 In June 2019, the MUA's negative publicity campaign against the NRMA escalated. In late June 2019, following the wearing of the black T-shirts and the handing out of pamphlets bearing the Offending Logo, Mr Rohan Lund (NRMA's CEO) received emails from some MFF customers (including an NRMA member) and communications from some NRMA board members evidently elicited by the MUA's activities.

C. NRMA'S CASE SUMMARISED

12 On 5 July 2019, the NRMA commenced these proceedings by originating application and statement of claim. The proceedings were returnable before the Court on 11 July 2019 for the hearing of the NRMA's claim for interlocutory relief. On that day, the Court listed the matter for an urgent final hearing on 5-6 August 2019. Before then, the NRMA filed an amended statement of claim (ASOC). It should be noted that because the MUA raised the implied freedom of political communication in its defence, notices were issued under s 78B of the *Judiciary Act 1903* (Cth), but no notice of intervention was received.

13 The NRMA filed affidavits by Mr Lund, Ms Catherine Horan (General Manager, Human Resources (Corporate)), Ms Sarah Ashton (General Manager – Safety, Operational Risk and Quality), Ms Joyti Sallan (HR Consultant), Mr Timothy Heberden (an expert witness), Ms Gemma Piper (General Counsel and Company Secretary) and Ms Siabon Seet (Solicitor). All but Ms Piper and Ms Seet were cross-examined. Mr Lund was cross-examined at some length.

14 It is convenient to outline each of the three causes of action raised by the NRMA.

(a) Trade marks infringements

15 In its ASOC the NRMA identified the following instances of use of the Offending Logo by the MUA for the purposes of the trade marks infringement causes of action:

(a) on pamphlets (the **Pamphlets**) as follows:

- Pamphlet 1 – circulated at the NRMA's AGM on 2 November 2018;
- Pamphlet 2 – circulated at holiday parks owned by the NRMA in December 2018;

- Pamphlet 3 – circulated on MFF vessels from on or around 1 April 2019;
 - Pamphlet 4 – circulated on MFF vessels around 2019;
 - Pamphlet 5 – circulated on MFF vessels around 14 June 2019;
- (b) on placards (the **Placards**) by members of the MUA on the following occasions:
- 6 March 2019 strike – Offending Logo used on placards as shown in Sky News clip;
 - 3 April 2019 strike – Offending Logo used on placards as depicted in Facebook live stream;
 - 14 June 2019 strike – Offending Logos used on placards as depicted in a video on the MUA’s Facebook page;
 - 20 June 2019 strike – 7news.com.au article dated 26 June 2019 referring to strike showed the Offending Logo used on placards; and
 - 29 June 2019 strike – Offending Logo used on placards carried by MUA members during the strike action;
- (c) on T-shirts:
- on or around 14 June 2019, MUA members wearing T-shirts bearing the Offending Logo (**Logo T-Shirts**) were working on the MFF vessels; and
 - on or around 11 June 2019, pamphlets containing the Offending Logo were placed on seats and tables in MFF vessels presumably by employees wearing Logo T-Shirts;
 - on 13 June 2019, the MUA Twitter account retweeted a photo of individuals wearing T-shirts bearing the Offending Logo;
 - at the 14 June 2019 strike, MUA members wore Logo T-Shirts;
 - at the 20 June 2019 strike, MUA members wore Logo T-Shirts, as shown in a 7news.com.au article dated 25 June 2019; and
 - at the demonstration at the NRMA’s offices at Sydney Olympic Park on 20 June 2019, demonstrators wore Logo T-Shirts; and
- (d) on an online petition hosted on a website located at the URL <https://www.megaphone.org.au/p/NRMA> (the **Megaphone Website**).

16 NRMA puts its trade mark infringement case in two ways: under ss 120(1) and 120(3) of the *TM Act*. Section 120(1) covers “traditional” or “historical” trade mark infringement. It involves use of a sign as a trade mark that is, or is substantially identical with or deceptively similar to, the registered owner’s mark, on goods or services explicitly covered by the registration. There is a single, narrow claim by the NRMA of s 120(1) infringement. It involves the question of whether the MUA, through its members handing out Pamphlets and wearing Logo T-Shirts, engaged in the provision of “services consisting of information about journeys”, thereby infringing the NRMA 437 TM Registration word mark which registers the letters “NRMA” in relation to the provision of “Class 39: Travel agency, **services consisting of information about journeys**, vehicle towing service, vehicle pilot service” (emphasis added).

17 The NRMA’s broader and alternative s 120(3) claim, raises different considerations, some of which are relatively untested (see further below). The s 120(3) involves claims of infringement of both the NRMA’s word marks and the NRMA’s device mark (above at [9]). The difference between the ss 120(1) and 120(3) claims is that the former requires use of the infringing sign or mark in relation to goods or services in respect of which the trade mark is registered. The latter, on the other hand, only requires that the interests of the registered owner are likely to be adversely affected.

(b) Elements common to both ss 120(1) and (3) of the *TM Act*

18 In either case, the impugned use has to be:

- (a) use of a sign that is substantially identical with, or deceptively similar to, the trade mark; and
- (b) use of the sign “as a trade mark”.

(i) *Substantially identical with or deceptively similar to the trade mark*

19 The NRMA’s position on this requirement may be outlined as follows.

- (a) For the purposes of s 120(1), the Offending Logo is substantially identical with or deceptively similar to the NRMA word mark – it incorporates the NRMA’s word mark in its entirety and has no other words, and thus the NRMA word is the “dominant cognitive cue” in each mark (*Pham Global Pty Ltd v Insight Clinical Imaging Pty Ltd* [2017] FCAFC 83; 251 FCR 379 at [56]), and a total impression of similarity emerges from a comparison between the two marks, indicating that the

marks are “substantially identical” (*Carnival Cruise Lines Inc v Sitmar Cruises* (1994) 120 ALR 495 at [62]). At the very least, they are deceptively similar, in that the Offending Logo so nearly resembles the other mark that it is likely to deceive or cause confusion (see s 10 of the *TM Act*).

- (b) For the purposes of s 120(3), the Offending Mark is substantially identical with or deceptively similar to the NRMA registered word marks and device marks (which are set out in Sch 1 to the ASOC). It points in particular to the device mark which appears on MFF vessels (a copy of which is at [9] above). In support of this contention, the NRMA highlights the following aspects of the Offending Logo: the font-style of the letters; the joining of the letters “M” and the “A” at their base; “smoke” coming out of the smoke stack which is reminiscent of, and evocative of, the wings of the NRMA device; and the overall interlineation of the letters NRMA in the stylised font within a broader logo, including a semi-circle at the bottom.

(ii) Use of the Offending Logo “as a trade mark”

- 20 The NRMA identifies the MUA’s activities in handing out Pamphlets, which purport to be information to the public about the MUA’s industrial action in relation to the MFF, as use of the Offending Logo as a trade mark. The NRMA contends that the MUA has chosen not merely to use its own logo on those Pamphlets, but to place the Offending Logo in an equally or more prominent position. The NRMA submits that the Offending Logo is effectively the “brand” of the MUA’s campaign. The NRMA relies on two authorities in support of this submission.

- 21 In *Woolworths Ltd v BP plc (No 2)* [2006] FCAFC 132; 154 FCR 97, the Full Court (Heerey, Allsop and Young JJ) said at [77]:

Whether or not there has been use as a trade mark involves an understanding from an objective viewpoint of the purpose and nature of the use, considered in its context in the relevant trade. How the mark has been used may not involve a single or clear idea or message. The mark may be used for a number of purposes, or to a number of ends, but there will be use as a trade mark if one aspect of the use is to distinguish the goods or services provided by a person in the course of trade from the goods or services provided by any other persons, that is to say it must distinguish them in the sense of indicating origin...

- 22 In *Beecham Group Plc v Colgate-Palmolive Pty Ltd* [2005] FCA 838; 66 IPR 254, Emmett J said at [48], when determining that MAXCLEAN had been used as a trade mark:

The prominence and positioning of the MaxClean sign on the packaging of the toothbrush and in promotional material, together with the font size, styling, colour

and shading of the MaxClean sign, suggests even greater significance than the “Colgate” brand. Other products, of both Colgate and its competitors, position distinguishing names that are properly characterised as sub-brands in the same place as the MaxClean sign appears in relation to Colgate on the packaging and leaflet. The distinctive styling, colouring and shading has a graphic element akin to a logo. The distinctive blue and white colouring, with a halo effect of white shading around the words, is also indicative of use as a trade mark, rather than as a merely descriptive phrase. Although the “C” appears in upper case, there is no space between the “X” and the “C”. That suggests an invented word intended for use as a trade mark.

23 The NRMA submits that the following are strong indicia that the Offending Logo is being “used as a trade mark” on the Pamphlets:

- (a) The Offending Logo is extremely prominent on the Pamphlets. Prominence is a factor indicative of trade mark use (*Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* [2013] FCA 8; 299 ALR 752 at [33]).
- (b) The Offending Logo is not merely words, but is (in the words of Emmett J in *Colgate* at [48]), a “graphic element akin to a logo”, which is strongly indicative of trade mark use.
- (c) Strong elements of the NRMA device marks, themselves well-known trade marks, are deliberately distorted and used in the Offending Logo. This is indicative of trade mark use. It shows that the NRMA device marks were likely deliberately copied, and distorted, to form the Offending Logo—that is, the MUA’s intention to use the Offending Logo as a trade mark may be inferred from the fact that it copied, and references, a well-known trade mark to serve that function.
- (d) While the MUA logo is also used on the Pamphlets, this does not negate use of the NRMA word mark and NRMA device marks as trade marks (*Johnson & Johnson Aust Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 30 FCR 326 at 349). Indeed, the necessary information would have been conveyed merely by the text of the notice, together with a MUA logo. The MUA has made a deliberate choice to give the Pamphlets added impact by the use of the NRMA word mark and a distorted form of the NRMA device marks in a graphical form akin to a logo.

24 The NRMA submits that a sign or mark can appear and be used at the same time in relation to different goods and services, speaking at the same time to different recipients. It referred to a mark such as DAVID JONES (taking as an example uses in the cosmetics department) being used all at once in-store and on invoices in respect of retailing services, own-brand goods, advice services, make-up and beauty services, gift-wrapping services etc.

- 25 The NRMA submits that it is no answer that the MUA is a non-commercial body. The MUA itself uses signs or marks as trade marks in the course of its activities: it has its own portfolio of registered trade marks. It is inherent in filing and prosecuting an application for registration of a trade mark that the applicant and registered owner have an intention to use the mark as a trade mark and that it continue to use it to preserve validity. Further, the NRMA submits that it is plain that charitable or voluntary organisations may obtain the benefit of using trade marks or trade names in the same way as commercial enterprises, and use them in providing services gratuitously (citing the Red Cross as one of the most famous trade marks in the world). The NRMA submits that it would be a distraction to focus on the MUA's status as a registered organisation under workplace laws to the exclusion of the many other indicia that it is using the sign "NRMA", and the Offending Logo, as trade marks. The NRMA further submits that the MUA may be using "NRMA" and the Offending Logo in connection with different services being delivered to different people (see the David Jones example above), including as a badge of origin of one of the services being actually provided by the MUA to their members, being the campaign conducted by the MUA. The NRMA describes the services of industrially organising and campaigning as being at the core of the services the MUA provides to its members. It points to the fact that some of the MUA's own marks are registered for "association services".
- 26 The NRMA submits that the overall effect is that the MUA has appropriated the NRMA word mark and the NRMA device mark, and used the Offending Logo as a trade mark and badge of origin of the present campaign. In the context where any vessel on which the MFF is operated itself contains an NRMA device mark, the NRMA said that it is clear that at least "one aspect" of the MUA's use of the Offending Logo is that the MUA seeks to indicate by use of the Offending Logo that it is the origin of the source of the information about the strikes in the Pamphlets. The NRMA submits that the Offending Logo brands the MUA's campaign services as having originated from a person critical of the actions of the NRMA (namely, the MUA), by reference to, and distortion of, the NRMA trade marks.
- 27 The NRMA contends that these submissions apply *a fortiori* in relation to the use of the Offending Logo on the T-shirts, which display the Offending Logo (in proximity to the phrase "Don't let wages sink to the bottom of the harbour"), where there is not even any MUA-branding apparent on the front of the Logo T-Shirts. By the use of the T-shirts the MUA seeks, by reference to the Offending Logo, to indicate that the campaign message on the T-shirt emanates from the MUA, and so uses the Offending Logo as a trade mark in

relation to the campaign services it provides to its members. In its oral submissions, the NRMA submitted that where a logo is of the strong and graphic kind of the sinking ferry logo (referring to *Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd* [2017] FCAFC 56; 345 ALR 205), it is not appropriate to treat accompanying words as part of the mark.

28 The NRMA submits that the position is similar in relation to the Placards, which display the Offending Logo in close proximity to phrases such as:

- “NRMA and Manly Fast Ferry”;
- “It’s time to negotiate a fair deal with your workers”; and
- “Don’t let wages sink to the bottom of Sydney Harbour”.

29 The NRMA submits that the consistency of use of the Offending Logo across the Pamphlets, Logo T-Shirts and Placards confirms that the use of the Offending Logo is use as a trade mark – the Offending Logo has become the “brand” of the MUA’s campaign, being a service it is providing to its members.

(iii) Trade mark infringement under s 120(1)

30 The NRMA submits that the letters “NRMA” as used in the Offending Logo are substantially identical with (or deceptively similar to) the NRMA word mark. It relies on what Nicholas, Yates and Beach JJ said in *Anchorage Capital Partners Pty Ltd v ACPA Pty Ltd* [2018] FCAFC 6; 259 FCR 514 at [177]-[178]:

[177] ...If the employees of the second respondent were to hand out business cards or brochures in Australia that included the word ANCHORAGE used as a trade mark it would very likely be liable for trade mark infringement (unless the marks are cancelled) even if there was no possibility of the recipients of those documents being deceived or confused. This is because the respondents will have used as a trade mark a mark that is identical to the ANCHORAGE mark. The fact that the word ANCHORAGE as it appears on the business card or brochure might not deceive or confuse because it is accompanied by some form of statement making clear that it was the second respondent and its affiliates using the ANCHORAGE mark would be immaterial in an infringement action brought under s 120(1) of the Act.

[178] The rights enjoyed by the registered owner include the exclusive right to use the registered mark or any substantially identical or deceptively similar mark as a trade mark (subject to any relevant defences) in relation to the goods or services in respect of which the mark is registered (see s 20). This right is much broader than the right to prevent others from using an unregistered trade mark to engage in passing off. It represents one of the principal advantages that the Act confers on a registered owner of a trade mark. As

Gummow J explained in *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 30 FCR 326 at 349:

[T]here may be a trade mark use and thus infringement in a case where the defendant adds words to indicate that it, rather than the plaintiff, is the trade origin of the goods or services in question. The addition of such words might negative the risk of passing-off. But this is one distinction which marks off an infringement action from a passing-off suit. Further, there may still be a trade mark use in a given case (such as the phrase in the *Tub Happy* case, “Exacto Cotton Garments — Tub Happy Cotton Fresh Budget Wise”), although another trade mark also is used by the defendant in the same packaging or advertisement.

(Citations omitted.)

(iv) Trade mark infringement under s 120(3)

31 While acknowledging that there are few authorities on s 120(3), the NRMA submits that:

- (a) Section 120(3) was introduced to meet obligations imposed by Art 6^{bis} of the *Paris Convention for the Protection of Industrial Property*, as supplemented by Arts 16(2) and 16(3) of the Agreement on Trade-related Aspects of Intellectual Property Rights (**TRIPS Agreement**). The Explanatory Memorandum to the *Trade Marks Bill 1995* (Cth) at [98] refers only to the need to establish that the use complained of is likely to “adversely affect” the interests of the registered owner. Article 16(3) of the TRIPS Agreement refers to the likelihood of damage to the interests of the trade mark owner. It is “unclear whether there is a difference between the concepts of ‘damage’ and ‘adverse effect’” (Mark Davidson and Ian Horak, *Shanahan’s Australian Law of Trade Marks and Passing Off*, 6th ed, 2016 at [85.800]).
- (b) The authorities suggest that “adverse effect” has a broader connotation than damage caused by diversion of sales (*Beecham Group plc v Colgate-Palmolive Pty Ltd* [2004] FCA 1335; 64 IPR 45 at [16]), and that it would seem to encompass damage to the reputation of the trade mark owner by injurious association and other heads of damages recognised in passing off actions, for instance, loss of opportunity to engage in brand extension. The NRMA says that this suggests that s 120(3) may go as far as to cover damage by dilution, but at the very least it encompasses reputational tarnishment.

32 As Sch 1 to the ASOC indicates, the NRMA owns many trade mark registrations, including the following subset of registrations: 588892 (NRMA word mark) for class 6 (goods); 588902 (NRMA word mark) for class 25 (goods); 332020 (NRMA word mark) for class 42

(services); 51110719 (NRMA word mark) for class 16 (goods); 588619 (NRMA word mark) for class 37 (services); 1222133 (NRMA word mark) for class 35, 41 and 43 (services); 508841 (NRMA device mark) for class 37 (services); 508842 (NRMA device mark) for class 39 (services).

33 The NRMA submits that the cause of action under s 120(3) has additional utility because if, contrary to the submissions above, the Court were to consider that whilst there had been use by the MUA of the Offending Logo as a trade mark, but such use by the MUA was not in relation to services “consisting of information about journeys”, s 120(3) may still be engaged.

(v) The criteria for the application of s.120(3)

Section 120(3)(a): the NRMA trade marks are well-known in Australia

34 The NRMA emphasises that the MUA did not dispute that its trade marks are well-known in Australia.

Section 120(3)(b): the MUA uses as a trade mark a sign which is substantially identical with, or deceptively similar to, the NRMA trade marks in relation to unrelated goods or services

35 Having regard to its terms, the NRMA submits that for the Offending Logo to infringe s 120(3), it must be used in relation to unrelated goods or services (s 120(3)(b)), i.e., goods or services that are not of the same description as, or are not closely related to, the goods or services of the NRMA registrations.

36 Thus, s 120(3) in effect covers the whole universe of services (and goods, not presently relevant) outside those delineated in the NRMA’s registered marks. The question according to the NRMA is more what services the MUA services are not, rather than what services they are. Many of the NRMA trade marks are registered for services which are not of the kind provided by the MUA. That is sufficient for s 120(3) to apply.

37 The NRMA submits that there is no difficulty in holding that services of several kinds being supplied by the MUA are relevant “unrelated services” for the purposes of s 120(3). It relies upon the US decision in *The Hershey Company v Friends Of Steve Hershey* 33 F. Supp. 3d 588 (D. Md. 2014), where the Maryland District Court granted a preliminary injunction restraining the distribution of campaign literature by (Maryland State) Senator Steve Hershey which bore a mark similar to the famous HERSHEY trade mark for chocolate. The Court found at 594 that:

Here, the Defendants used their design to promote a political candidate, disseminate

political information, host campaign events, and solicit donations. Accordingly, the Defendants are using Hershey Trade Dress in connection with services.

Section 120(3)(c): because the trade mark is well-known, the sign would be likely to be taken as indicating a connection between the unrelated goods or services and the registered owner of the trade mark

38 The NRMA submits that the central concept behind s 120(3)(c) is that once a trade mark achieves a sufficient level of fame, or becomes “well-known”, its capacity to indicate a connection to the registered proprietor transcends the requirement that there be use in relation to goods or services of the same kind as those to which the registration relates. It claims that the NRMA word marks and the NRMA device are just such trade marks and that their distortion by the MUA into the Offending Logo are likely to indicate a connection to the NRMA, notwithstanding that the services provided by the MUA to their members and also to others are very different from the goods or services the subject of the registrations referred to at [32] above. The NRMA emphasises that it is important to note that the nature of the “connection” which must be shown under s 120(3) is not limited to confusion as to origin. The NRMA contrasts s 120(3) with s 120(2) and the proviso therein which provides that lack of confusion is a defence to an action under s 120(2). Section 120(3) provides no such defence. The NRMA acknowledges that, while the precise nature of the “connection” required under s 120(3) has not been the subject of any detailed judicial consideration, it points out that very similar language to that used in s 120(3) is used in s 185 of the *TM Act*, which allows for the registration of a defensive trade mark.

39 The NRMA also relies upon decisions of the Trade Marks Office which it claims have recognised the similarity between s 120(3) and s 185 of the *TM Act* and, recognising that similarity, have held that the “connection” for the purposes of s 185 is “open-ended”, in the sense that it is not limited to traditional types of consumer confusion as to the origin of goods or services (*Re application by Pfizer Products Inc* [2004] ATMO 25; 61 IPR 165 at 167-168). The traditional test for likelihood of confusion is that a “number of persons are caused to wonder whether it might not be the case that the two products or closely related products and services come from the same source” (*Registrar of Trade Marks v Woolworths Limited* [1999] FCA 1020; 93 FCR 365 at [50]). Thus, the NRMA submits that it would not be necessary for it to prove, in the present proceedings, that a consumer had been confused, in the sense of “caused to wonder whether it might not be the case”, that the material emanating from the MUA had actually emanated from the NRMA. A wider test of connection involving, for example, association or affiliation is sufficient.

40 The NRMA submits that US authority supports this construction of s 120(3). Under s 43 of the Trade Mark Act of 1946, 15 U.S.C. § 1125(c)(1) (2012) (*Lanham Act*), a plaintiff is entitled to injunctive relief if the defendant's use of its trade mark "is likely to cause dilution... by tarnishment" of the famous trade mark. In the *Lanham Act*, "dilution by tarnishment" is defined in § 1125(c)(2)(C) as an:

association arising from the similarity between a mark or trade name and a famous mark that harms the reputation of the famous mark.

41 These terms were considered in the case of *V Secret Catalogue, Inc v Moseley* 605 F. 3d 382 (6th Cir. 2010). The US Court of Appeal for the Sixth Circuit considered that use of the mark VICTOR'S SECRET for an adult store was likely to tarnish the VICTORIA'S SECRET trade mark, and the semantic link between the two marks was sufficient to constitute the relevant "association". The NRMA submits that "connection" should be read in a similar way in s. 120(3) and includes the making of a mental link or association between the services badged with the Offending Logo and the NRMA trade marks, and hence to the NRMA.

42 In its oral submissions, the NRMA contended that the requirement of "connection" was satisfied here by the reference in the MUA's internal email to it "hacking" the NRMA logo. The NRMA submitted that even if there were many aspects to the MUA's use of the NRMA marks, the presence of an offending use, namely hacking the NRMA's brand, was sufficient to establish infringement.

43 In any event, the NRMA submits that the distinction does not loom large in the present case because, even on the narrowest reading of "connection", it says the requirements of s 120(3) are satisfied. The use of the Offending Logo on the Pamphlets, Logo T-Shirts and other material is such that it is likely that a person would be "caused to wonder whether it might not be the case" that the NRMA (the registered owner) had sanctioned, approved, or otherwise been involved in, the distribution of the Pamphlets or the information contained in them. This constitutes a connection between NRMA and the services provided by the MUA in relation to which the Offending Logo is being used by the MUA as a trade mark.

44 The NRMA submits that there are two reasons why any text in the Pamphlets which may provide material to suggest that NRMA does not approve of them is no answer:

- (a) the focus of s 120(3) is on the use of the "sign", i.e. the Offending Logo, which is not answered by the use of other material such as text – an action under s 120(3) is not a passing off action in which all such material must be taken into account; and

- (b) in any event, the context of a person viewing a Pamphlet will often encompass an ephemeral or fleeting viewing, for example, briefly reading a Pamphlet after getting off the ferry before placing it in the bin. In this regard, it submits that the dominant impression left when viewing the Pamphlet without studying it in detail is of the Offending Logo – that is, the NRMA word mark and the NRMA device distorted into a sinking ferry.

45 The NRMA says that its case under s. 120(3) is considerably stronger than that considered in *San Remo Macaroni Co Pty Ltd v San Remo Gourmet Coffee Pty Ltd* [2000] FCA 1842; 50 IPR 321, where the “connection” requirement was discussed at [38]:

The applicant submitted that there was a serious question to be tried that, because the applicant’s trade mark SAN REMO was so well known, the first respondent’s use of the words “San Remo” would be likely to be taken as indicating a connection between its coffee products and the applicant. The evidence establishes that the applicant has promoted and advertised the name “San Remo” extensively in television and magazine advertising and in supermarket promotional activities. According to Mr Knight, since 1990 the applicant has spent at least \$8 m a year in consumer and trade marketing to develop and further the San Remo brand name. Having regard to the extent of this advertising and marketing and the fact that the applicant’s San Remo brand products have achieved a market share in excess of 40% of the national and Victorian State dry pasta markets, I consider that there is a serious question that trade mark No 564652 is sufficiently well known, for the purposes of s. 120(3)(c) of the Act, to the extent that the first respondent’s use of those words would be likely to be taken as indicating a connection between the first respondent’s coffee products and the applicant even though pasta and coffee are not goods of the same description.

46 In relation to the Logo T-Shirts, in considering the context of that use, the NRMA submits that it must be borne in mind that the persons wearing the Logo T-Shirts have been handing out one or more of the Pamphlets. In that context, the use of the Offending Logo on the T-shirts takes its colour from the use of the Offending Logo on the Pamphlets.

Section 120(3)(d): for that reason, the interests of the NRMA are likely to be adversely affected

47 As to what is meant by “adversely affected”, the NRMA submits that the connection with the adverse safety message conveyed by the Offending Logo (which is the NRMA word mark and the NRMA device distorted into a sinking ferry), is likely adversely to affect the NRMA’s interests whatever the full scope of “adversely affected”, given that a core element of its brand is its long-standing association with transport safety.

48 The NRMA submits that it is also clear that its interests are being adversely affected in other respects by reason of the connection which is indicated by the Offending Logo between the

NRMA and the services being provided by the MUA. For the reasons explained in relation to the consumer law and injurious falsehood claims, the Offending Logo is being accompanied by representations which seriously misstate the position in relation to the NRMA's workforce. Consumers who consider that the NRMA is connected to those false representations in the way described, i.e. that the NRMA has sanctioned, approved or otherwise been involved in, the distribution of that information, whether on the Pamphlets, the T-shirts, or the Placards, will view that extremely adversely to NRMA, including that some may view it as an admission of wrongful conduct by the NRMA. The NRMA relied on the evidence outlined above in relation to the emails which have been sent to the NRMA's CEO, plus the recent escalation of the MUA's campaign, as demonstrating that not only are the NRMA's interests "likely" to be adversely affected as required by s. 120(3), but that they have, in fact, already been adversely affected. The NRMA submits that the Court should accept the expert evidence of Mr Heberden, an intellectual property valuer, which is to the effect that the MUA campaign has already damaged the NRMA brand and that, should it continue, there is a risk of a significant decline in value of the NRMA's brand.

(b) Misleading or deceptive conduct

49 The NRMA submits that the *Australian Consumer Law (ACL)*, at both a Commonwealth (*Competition and Consumer Act 2010* (Cth) Sch 2 (*CC Act*)) and State level (see Pt 3 of the *Fair Trading Act 1987* (NSW)), apply to the MUA. In the former case, it submits that the Commonwealth *ACL* applies because, even if the MUA is not a trading or financial corporation, that legislation applies to the extent that the representations complained of arise from the CFMMEU's use of a telephonic service, namely the Internet, to publish material on the Megaphone Website, its media releases and the social media posts, relying on s 6(3) of the *CC Act*. As to the position under State legislation, the NRMA submits that the NSW *ACL* applies because the MUA is a person which carries on business in, or is otherwise connected with, NSW.

(i) Is the conduct in trade or commerce?

50 This is a central issue in the case. The NRMA's primary position is that it is unnecessary to decide whether the activities of a trade union are "in trade or commerce" as long as the persons to whom the MUA made the representations are themselves "in trade or commerce", relying upon authorities such as *Houghton v Arms* [2006] HCA 59; 225 CLR 553 and *Concrete Constructions (NSW) Pty Ltd v Nelson* (1990) 169 CLR 594 at 613 per Toohey J;

TCN Channel Nine Pty Ltd v Ilvari Pty Ltd [2008] NSWCA 9; 71 NSWLR 523 at [48]-[49] per Spigelman CJ and *Astra Recourses Plc v Full Exposure Pty Ltd* [2012] FCA 1061 at [26]-[31] per Besanko J.

51 The NRMA relies upon the following matters concerning the context in which the relevant representations were made to persons who themselves were acting in trade or commerce with the NRMA:

- (a) Pamphlet 1 was provided to attendees at the NRMA's AGM, which included persons who would be deciding whether or not to remain a member of the NRMA;
- (b) Pamphlets 3, 4, 5 and the Logo T-Shirts intended to be seen by persons making a decision as to whether to travel on and be a customer of the MFF;
- (c) Pamphlet 2 was provided to persons making a decision as to whether to patronise the tourist parks of the NRMA; and
- (d) the media releases were directed to the public generally, to inform them in deciding whether to become or remain members of NRMA or to patronise any of the NRMA's businesses, or to invest in them.

(ii) The safety representation

52 The safety representations are that NRMA is not a safe ferry operator and that its safety standards fall short and are not at an appropriate level. The NRMA submits that this representation is conveyed by each of the following matters (emphasis added):

- (a) On or around 25 October 2018, Mr Garrett posted a comment on a Facebook post by the NRMA which stated:

Well done NRMA. Another ferry company that underpays workers and haves [sic] a **very poor safety management system**. Why is NRMA participating in ongoing wage theft?
- (b) On or around 2 November 2018, the MUA posted a video on Facebook using the account @MUASydneyBranch which stated:

MUA rally at the NRMA AGM. Their company Manly Fast Ferry underpays and robs workers **running with a shonky safety system**.
- (c) On or around 11 December 2018, the MUA posted a post on Facebook using the account @MUASydneyBranch which stated:

Sydney Harbour workers at NRMA company My Fast Ferry are being treated like second class citizens: 100% casual, underpaid **and forced to work in unsafe conditions**.

- (d) Most importantly, the Offending Logo, as it appears on each of the Logo T-Shirts, and the Pamphlets, conveys the notion of a sinking and unsafe ferry.
- (e) The Pamphlets containing the Offending Logo link to the Megaphone Website which contained the following statement:

“NRMA Sydney harbour workers want job security, to be paid fair industry rates, and **worlds (sic) best practice safety standards**”.

53 The NRMA submits that the representation is false because:

- (a) The NRMA currently holds a valid Certificate of Survey issued by the Australian Maritime Safety Authority (AMSA) for all of the vessels in the MFF fleet, a certificate that all domestic commercial vessels are required to have to allow the vessel to be operated commercially in Australia.
- (b) In February 2019, MFF was praised by AMSA regarding the steps implemented by MFF management in relation to safety.
- (c) The MFF is regularly audited and inspected by AMSA in order to comply with the requirements for certification renewal. This process includes AMSA reviewing MFF’s Certificates of Survey, safety equipment, logs, drill records and drill frequency and safety systems documents, as well as observing crews conducting drills in accordance with MFF’s written safety policies and procedures. An email dated 15 May 2019 from a Marine Safety Business Partner at the NRMA records a recent random AMSA inspection.
- (d) Since NRMA acquired the MFF business, NRMA has not received an improvement notice from SafeWork NSW.
- (e) On 20 August 2018, the MUA issued right of entry notices under the *Work Health and Safety Act 2011* (Cth) and boarded and inspected the NRMA vessels pursuant to those notices on 22 August 2018. No complaint was made to SafeWork NSW following the inspection in relation to any alleged safety concerns.
- (f) The NRMA has developed a number of specific MFF safety policies and procedures, for which there can be no suggestion of inadequacy, including:
 - (i) The Marine Safety Manual which is also available in a digital form on all on-board vessel computers and corporate intranet sites;
 - (ii) The Generic Safety Management System;
 - (iii) Vessel Operations Manuals.

- (g) All new MFF employees are required to complete comprehensive training, including in relation to the safety policies and procedures outlined above.
- (h) Safety drills are regularly held on the MFF.
- (i) The safety policies and procedures referred to above actively encourage all MFF employees to report any safety concerns they may have, or any safety issues they may see arise during their shift, to either the NRMA's management or a member of NRMA's designated safety team. The NRMA regularly sends safety updates by email to MFF employee.
- (j) In the 2018/2019 financial year, NRMA also decreased its lost time injury frequency rate by 22%.

54 The NRMA submits that Mr Garrett's attempt to gather observations and incidents together in his affidavit evidence and his characterisation of them are an attempt, with hindsight, to justify the safety representation no matter how minor or irrelevant and speculative the observations are.

55 In relation to all the representations of which it complains, including the safety representation, the NRMA submits that it is relevant to take into account the class to whom the representations were made, namely a broad class of passengers using the MFF ferries (as well as NRMA members). It emphasises that, having regard to this class of persons and the circumstances in which they were exposed to the conduct complained of, they would not have paid close attention to the text which accompanied the Offending Logo on the various relevant materials.

(iii) The non-permanency representations

56 The pleaded representations relating to the non-permanency of the workforce on the MFF are as follows:

- (a) not one of the 90 jobs on the MFF fleet is permanent;
- (b) the MFF fleet consists of an entirely casual workforce;
- (c) the NRMA has not offered one permanent job to any of the 90 MFF fleet workers; and
- (d) the NRMA is sinking or destroying job security on the MFF.

57 The NRMA makes the following submissions. These representations should not be viewed in isolation. They were plainly designed with the purpose of, and had the effect of, reinforcing the safety representations. The suggestion that not one of the jobs was permanent was plainly important to the MUA's campaign, because of its absoluteness – in other words, it was not a representation that the workforce was substantially non-permanent. The import of the representations as a whole is that the NRMA is not interested in providing a permanent workforce or offering any job security.

58 These representations are said by the NRMA to arise from media releases and social media posts published by the MUA (emphasis added):

(a) The Facebook post made by the MUA on or around 11 December 2018:

Sydney Harbour workers at NRMA company My Fast Ferry are being treated like second class citizens: **100% casual**, underpaid and forced to work in unsafe conditions.

(b) 3 March 2019 media release:

The ferry skippers, all of whom are casual, are still yet to receive a complete wage offer from NRMA in the EBA negotiations, despite the company formally initialising the bargaining process on 24 September 2018.

(c) 1 April 2019 media release:

(i) NRMA are twiddling their thumbs, instead of recognising that their staff have had enough of the years of nonsense, casual jobs and rates of pay which are below Award and frankly, the lowest in the ferry industry.

(ii) All ferry skippers who are taking the industrial action still remain casually employed.

(d) 14 June 2019 media release:

MUA Sydney Branch Assistant Secretary Paul Garrett said ferry crews met yesterday, endorsing the work stoppage between 5pm and 11pm. The decision follows six months of negotiations **with NRMA that have failed to see the company resolve the wage discussions or offer a single permanent job to the entirely casual workforce.**

(e) 27 June 2019 tweet posted by the MUA used the Twitter handle @MaritimeUnionAU stating:

Did you know? **Not one of the 90 jobs on the NRMA-owned Manly Fast Ferry fleet is permanent.** NRMA, Stop Sinking Job Security!

59 The NRMA submits that these representations were misleading or false when made, in that:

- (a) business records indicate that as at 8 October 2018, two ferry masters were permanent employees, and had been since well before NRMA purchased the MFF;
- (b) on 21 November 2018, the NRMA commenced a process inviting expressions of interest for permanent employment for casually employed deckhands of MFF;
- (c) on 29 November 2018, MFF received an expression of interest from a MFF deckhand in converting to a permanent position, and the employee commenced his permanent employment with MFF on 1 February 2019;
- (d) on 18 December 2018, the NRMA sent a further email to MFF staff in relation to the option of converting to permanent employment; and
- (e) as of 1 July 2019, NRMA's payroll record indicate that 8 of 155 employees of MFF are "full time", i.e. permanent employees, including 1 deckhand and 2 Masters on MFF vessels.

60 As to Mr Garrett's suggestion that it was for the NRMA or Noorton to inform him that there were permanent employees against the possibility, or fact, that he may propose to make false representations on that topic, the NRMA submits that there is no such transfer of obligation. It says that the MUA has chosen to make unequivocal and absolute representations for some seven months, apparently at the very least reckless as to their accuracy. Additionally, the representations have not been withdrawn.

(iv) The wages representation

61 As originally pleaded, the wages representation primarily related to statements by the MUA that "Manly Fast Ferry management have deliberately forced their workers to accept below minimum conditions, and robbing them of their rightful pay rates". Resolution of this claim would have involved consideration of various industrial awards and their applicability to MFF staff. During the course of the hearing, however, the NRMA narrowed its case regarding the wages representation and confined it to a representation that the NRMA had deliberately forced its workers at MFF "to accept below minimum wages", which the NRMA claims necessarily refers to the national minimum wage. Although it is not pleaded in the ASOC, the NRMA contends that this reading of the reference to "below minimum wages" is supported by statements which Mr Garrett made in an interview on 2GB Radio, including that the wages paid to MFF deckhands were "similar to what you get when you worked at McDonald's". When Mr Garrett was asked in the radio interview what was the rate of pay,

he responded: “It’s under award. The figures are there – about 21/\$22 an hour when the commensurate rate in the industry is about 30 to \$35 an hour”.

(v) The derogatory representations

62 The pleaded derogatory representations are as follows:

- (a) the NRMA does not treat its MFF employees with respect, decency and/or the dignity that they deserve;
- (b) the NRMA treats its employees at MFF as second-class citizens; and
- (c) the NRMA engages in conduct that is dishonest, improper and/or illegal.

The NRMA claims that these representations were conveyed by various statements which are set out in [26] of the ASOC, including statements regarding wages and conditions of MFF staff (such as that they were being robbed of their rightful pay rights and that the NRMA had engaged in “wage theft”, as well as a statement in Pamphlet 2 which described the NRMA’s conduct as “dodgy behaviour”).

(vi) The licence representation

63 The NRMA also complains the use of the Offending Logo on the Pamphlets, the Megaphone Website, the Logo T-Shirts and in a social media post also conveys the representation that the Offending Logo, or that part of it which comprises the letters “NRMA”, is being used by or with the licence of the NRMA.

64 On an issue raised by the Court on the misleading or deceptive conduct claims, namely whether there was in the particular circumstances of this case an analogous concept of some licence or indulgence for “puffery”, the NRMA referred to Bennett J’s observations in *Proctor & Gamble Australia Pty Limited v Energizer Pty Limited* [2011] FCA 1347 at [139] ff and emphasised the difference between a complaint of misleading or deceptive conduct which arises in the context of representations which compare competing goods, as opposed to statements of fact such as those complained of here, including the unequivocal claim that there were no permanent jobs at MFF.

(c) Injurious Falsehood

65 The NRMA accepts that the elements required to prove injurious falsehood are well established, as restated by Gummow J in *Palmer Bruyn & Parker Pty Ltd v Parsons* [2001] HCA 69; 208 CLR 388 at [52] (footnotes omitted):

The elements of the action for injurious falsehood usually are expressed in terms which derive from Bowen LJ's judgment in *Ratcliffe v Evans*...generally, it is said that an action for injurious falsehood has four elements: (1) a false statement of or concerning the plaintiff's goods or business; (2) publication of that statement by a defendant to a third person; (3) malice on the part of the defendant; and (4) proof by the plaintiff of actual damage (which may include a general loss of business) suffered as a result of the statement.

66 The injurious falsehood claim is based on the statements and representations made by the MUA about safety and permanency of employment. The NRMA submits that elements (1) and (2) are established by the same matters relied upon in respect of its *ACL* claims, save that Mr Cobden SC (who appeared for the NRMA together with Mr Flynn) made clear in his opening oral address that the NRMA did not suggest in its injurious falsehood case that the sinking ferry logo is a statement. The NRMA does, however, rely on the sinking ferry in the Offending Logo as part of the context which gives character to the MUA's representations about safety.

67 As to elements (3) and (4) from *Ratcliffe v Evans* [1892] 2 QB 524 (malice and actual damage), the NRMA's submissions may be summarised as follows.

Malice

68 The NRMA submits that knowledge of falsity, or reckless indifference as to the truth of statements, have consistently been held to justify an inference of malice in injurious falsehood cases. If this is present, it is no excuse that the relevant statement was made with a view to furthering the respondent's own interests.

69 In relation to the safety representations, the NRMA submits that knowledge of falsity, or reckless indifference as to falsity, may be inferred from matters which include the following:

- (a) The MUA issued right of entry notices under the *Work Health and Safety Act 2011* (Cth) and boarded and inspected the NRMA vessels pursuant to those notices in August 2018. No complaint was made to SafeWork NSW following the inspection in relation to alleged safety concerns.
- (b) The MUA was aware from 31 October 2018 that the NRMA gave its commitment regarding staff safety (which Mr Garrett had requested).
- (c) As to Mr Garrett's claim that the MUA was not intending to make the safety representations, the NRMA contends that this is inconsistent with internal documents, including an email which explicitly refers to hacking the NRMA logo.

70 As to the permanent employment representations, the NRMA submits that the MUA was aware from a letter dated 8 April 2019 from Mr Lund to Mr Garrett that there was an agreed shared commitment to permanent employment, as is reflected in the following statement:

I am pleased, however that there are agreed positions on the important issues regarding conversion of current employees to permanent employment, an appropriate level of commitment to future full time permanent employment, as well as a limitation on the use of casual employees within the business.

71 The NRMA claims that the MUA also had at least one document in its possession which showed that it knew that there was a permanent employee of MFF from 18 February 2019.

72 The NRMA submits that other matters which support a finding of malice include:

- (a) The “Richard Fraud” Facebook page, which contains photoshopped and derogatory photographs of the MFF CEO, Mr Richard Ford. Mr Garrett commented on and “liked” some of the posts, suggesting it might be associated with the MUA.
- (b) Vitriolic statements made at a 20 June 2019 demonstration at Sydney Olympic Park, where MUA members were chanting phrases including “Rohan Lund is a coward”, after MUA members advised that they wanted to hand deliver a copy of a petition to Mr Lund, and that Mr Lund was not at the Sydney Olympic Park office. I note, as an aside, the relevant part of Mr Lund’s affidavit relied on for this submission was not read.
- (c) Statements in various documents and materials produced by the MUA, including videos which appeared on the MUA Facebook page.
- (d) The fact that, upon the NRMA acquiring MFF, Mr Garrett and the MUA intended to attack the NRMA and, it may be inferred, to cause it collateral damage because of a lack of success in dealing with the immediate employer (Noorton).
- (e) Statements made by Mr Paul Keating, Deputy Divisional Branch Secretary of the MUA, at a protest at Manly Wharf on 3 April 2019, when he stated:

I say to Sydneysiders boycott Manly Fast Ferries until wage justice is delivered;

and

We will boycott, and I say this to all Sydneysiders, boycott Manly Fast Ferries until this justice is served! Until we get the Enterprise Agreement. There is no other way, we must damage this company because they damage and exploit our members.

- (f) Evidence by Ms Sallan that she overheard a conversation between Mr Garrett and Mr Ford in which Mr Garrett acknowledged that one deckhand had taken up the invitation for expressions of interest in a permanent role and had been converted to a permanent role.

73 Finally, the NRMA submitted that it was relevant to take into account the fact that a trade mark is “property”.

Actual damage

74 The NRMA relies upon four categories of evidence which it says show that it has suffered actual damage by reason of the representations:

- (a) evidence the public is being actually misled about the NRMA’s business, from which it is a short step to inferring that NRMA will lose custom;
- (b) direct evidence of the NRMA’s long-standing and valuable reputation being damaged;
- (c) Mr Heberden’s expert evidence in relation to brand damage; and
- (d) evidence that the NRMA is suffering a loss of custom on the MFF, which temporally coincides with and may be inferred to arise from the representations. This has caused a significant loss of profit to date and a projected future loss of profit.

75 In its oral submissions concerning actual damage, which were presented by Mr Flynn of counsel, the NRMA contended that while it accepted that there was a need to show actual loss, there was no need at this stage of the proceedings to quantify that loss. It was submitted that the decline in passenger numbers was sufficient for current purposes. Secondly, as to NRMA’s claim for injunctive relief, Mr Flynn submitted that it was sufficient for current purposes to proceed on the basis that even if actual financial loss had not yet manifested itself, it would be sufficient for the Court to find that if the contravening conduct continues such loss is an ongoing probability, citing *Neville Mahon v Mach 1 Financial Services Pty Ltd* [2012] NSWSC 651; 96 IPR 547 at [22] per McCallum J (as her Honour then was). Thirdly, as to the MUA’s contention that reputational damage is insufficient for the tort of injurious falsehood, the NRMA relied on *Orion Pet Products Pty Ltd v Royal Society for the Prevention of Cruelty to Animals (Vic) Inc* [2002] FCA 860; 120 FCR 191 at [198] per Weinberg J in support of its contention that, because the trade mark infringements related to the NRMA’s property, namely the effects on its trade marks, its complaint went beyond mere reputational damage. Mr Flynn candidly acknowledged that this proposition had not yet been

“squarely considered on the authorities”. In this regard, the NRMA submitted that a finding of malice, if established by the evidence concerning the MUA’s intention to “hack the brand”, is relevant. The relevance lies in the fact that a Court having found malice through an intention to damage the NRMA’s property in its trademarks, would be slow to say that the intention had not been realised.

76 As to the public being actually misled, the NRMA submits that the emails from the public to the NRMA’s CEO (Mr Lund), provides evidence of MFF passengers, or members of the public, accepting as true representations or statements made in MUA Pamphlets.

77 The NRMA submits that there is direct evidence that the reputation of the NRMA is being damaged, as shown by the following comments apparently made by members of the public on the MUA Facebook page:

- (a) “... obviously NRMA don’t [sic] give a rats [sic] arse about its workers, job security is everything to an Aussie worker. Safety should be everyones [sic] concern. NRMA pull your head in”;
- (b) “Just like the Big Australian (BHP) ready to sack Australian workers and put the fear of losing everything. The NRMA is exactly doing the same to SYdney [sic] Fast Ferry workers, who want better working conditions ...”; and
- (c) “The NRMA has lost its standing as a reliable and trustworthy Australian company. They are behaving like an out of control multinational company ...”.

78 Similar sentiments appear on the Megaphone Website:

- (a) “I’m puzzled why the NRMA doesn’t resolve this dispute quickly, the crew of the fast ferries are clearly woefully underpaid given their responsibilities for passenger safety. NRMA is showing absolutely no leadership in this situation”; and
- (b) “I signed because workers deserve better than to be exploited while doing a dangerous job in all weather conditions”.

79 Of the signatories to the MUA’s petition on the Megaphone Website, the NRMA points out that 880 out of 1,986 have identified themselves as NRMA members.

80 Further, it contends that the extent of the reputational damage is exacerbated by the fact that various statements made by the MUA have also been publicised in the media, including on 7news.com.au and in the Daily Telegraph newspaper.

81 The NRMA relies on Mr Heberden’s evidence as confirming that NRMA has likely already suffered damage to its brand and, should it continue, there is a risk of significant decline in

the value of that brand. In Mr Heberden's opinion, this would include damage suffered as a result of a decline in brand equity within certain stakeholder groups, including members, consumers, business partners and employees. According to Mr Heberden, the MUA's conduct has the potential seriously to erode shareholders' perceptions of the core attributes underpinning the value of the NRMA's brand, namely trust, safety and reliability. Mr Heberden provides illustrative examples of reputational damage and brand value losses (at paras 45 to 46 of his report).

82 The NRMA also relies upon Mr Lund's evidence that the MUA's conduct has already had an adverse impact on MFF patronage. Mr Lund provides comments on the decline in passenger numbers, with reference to a confidential internal document recording those passenger numbers. It claims that the decline in passenger numbers has had a material and significant impact on the NRMA's profits since January 2019, and is projected to have an ongoing significant impact on profits over the next 12 months.

(d) Implied Freedom of Political Communication

83 The NRMA points out that the MUA did not plead a constitutional defence in answer to the case of injurious falsehood, but only in relation to the claims made under the *TM Act* and the *ACL*.

84 Relying on the structured proportionality tests set out in *McCloy v New South Wales* [2015] HCA 34; 257 CLR 178 at [2] per French CJ, Kiefel, Bell and Keane JJ, the NRMA submits that the constitutional defence is not engaged here because:

- (a) the subject-matter of the key communications is not a political or governmental matter;
- (b) neither s 120 of the *TM Act* nor ss 18 or 29 of the *ACL* burdens the implied freedom of communication in their terms, operation or effect;
- (c) but if (contrary to the above) there were any such burden, it meets the structured form of proportionality testing set out in *McCloy* because:
 - (i) the purpose of each of s 120 of the *TM Act* and ss 18 and 29 of the *ACL*, and the means adopted to achieve those purposes, are compatible with the maintenance of the constitutionally prescribed system of representative government, in the sense that they do not adversely impinge upon the functioning of the system of representative government; and

- (ii) both the *TM Act* and the *ACL* are reasonably appropriate and adapted to achieve those legitimate purposes, in the sense that they are suitable (in the sense of having a rational connection with the source of the power), necessary (in the sense that there is no obvious and compelling alternative means of achieving the same end), and adequate in their balance between the purpose of the law and the implied freedom.

85 The NRMA submits that many of the relevant communications were not on a political or governmental matter so as to attract the implied freedom, citing *Wotton v State of Queensland* [2012] HCA 2; 246 CLR 1 at [20] per French CJ, Gummow, Hayne, Crennan and Bell JJ and *Clubb v Edwards* [2019] HCA 11; 366 ALR 1. It submits that neither of the relevant statutory provisions the subject of MUA's defence relying upon the implied freedom burdened that freedom, citing *APLA Limited v Legal Services Commissioner of New South Wales* [2005] HCA 44; 224 CLR 322 and that, in any event, any burden passed the *McCloy* test.

86 It is unnecessary to further elaborate on these matters because, as will emerge, it is unnecessary and inappropriate to determine the constitutional issue in circumstances where the proceeding is determined on non-constitutional grounds.

D. THE MUA'S CASE SUMMARISED

87 The MUA relied upon two affidavits by Mr Paul Garrett (Divisional Branch Assistant Secretary of the Sydney Divisional Branch of the MUA), who was cross-examined at some length.

88 The MUA emphasises that these proceedings involve an unprecedented attempt by a large corporation to use consumer and trade marks law to regulate the conduct and statements of a trade union and its members in the context of an industrial dispute.

89 In brief, the MUA submits that none of the NRMA's claims should be accepted because:

- (a) The conduct complained of was not engaged in "in trade or commerce" so as to be able to constitute contraventions of ss 18 or 29 of the *ACL* and, in any event, the NRMA has not established that the conduct was misleading or deceptive for the purposes of either provision.
- (b) The MUA has not used any trade mark registered to the NRMA in connection with any goods and services in respect of which the NRMA trade mark is registered, nor in

connection with other goods or services in a manner that would indicate a connection between the unrelated goods or services and the NRMA for the purposes of ss 120(1) or (3) of the *TM Act*.

- (c) The NRMA has not established the tort of injurious falsehood in that it has not proven that the statements complained of are false, that the MUA was actuated by malice or that it has suffered actual loss as a result of the particular statements alleged to give rise to the tort.

90 As previously noted, the MUA relies upon the implied freedom of political communication as a defence in the event that Court was otherwise minded to uphold the NRMA's claims regarding trade marks infringement and/or consumer law.

91 To avoid adding to what are already lengthy reasons for judgment, I will not set out in greater detail the MUA's submissions in respect of the three causes of action. Many of those submissions are reflected in my reasons below for rejecting the NRMA's legal claims.

E. CONSIDERATION AND DETERMINATION

92 It is convenient generally to adopt the headings used above in summarising the NRMA's case.

(a) Trade marks infringements

93 At the outset, it is well to set out the relevant terms of ss 120(1) and (3) of the *TM Act*:

120 When is a registered trade mark infringed?

- (1) A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered.

...

- (3) A person infringes a registered trade mark if:

- (a) the trade mark is well known in Australia; and
- (b) the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to:
 - (i) goods (*unrelated goods*) that are not of the same description as that of the goods in respect of which the trade mark is registered (*registered goods*) or are not closely related to services in respect of which the trade mark is registered (*registered services*); or
 - (ii) services (*unrelated services*) that are not of the same

description as that of the registered services or are not closely related to registered goods; and

- (c) because the trade mark is well known, the sign would be likely to be taken as indicating a connection between the unrelated goods or services and the registered owner of the trade mark; and
- (d) for that reason, the interests of the registered owner are likely to be adversely affected.

94 The trade marks infringements raised by the NRMA are set out at [15] to [17] above. As noted earlier, the alleged infringement under s 120(1) is quite confined. It relates to the question whether the Pamphlets and Logo T-shirts on which the Offending Logo is displayed amounts to the MUA using as a trade mark a sign that is substantially identical with, or deceptively similar to, the NRMA 437 TM Registration (which mark comprises the letters “NRMA”) in relation to services consisting of information about journeys.

95 The NRMA’s claim of infringement under s 120(3) is broader. It relates to the NRMA trade marks generally (as set out in Sch 1 to the ASOC), which it says are well known in Australia. It claims that the MUA’s use of the Offending Logo is in relation to services that are not of the same description as the services in respect of which the NRMA trade marks are registered and are not closely related to goods in respect of which one or more of those trade marks is registered. But, because the NRMA trade marks are well-known in Australia, the NRMA says that the use of the Offending Logo is likely to be taken as indicating a connection between such services and the NRMA, thereby adversely affecting the NRMA’s interests.

(b) Elements common to both ss 120(1) and (3) of the *TM Act*

96 It is convenient to address the issue whether the MUA is using the NRMA’s trade mark or a sign substantially identical with it or deceptively similar to it, as a trade mark in relation to goods and services in respect of the NRMA 437 TM Registration (see [9] above), before addressing whether the use is as a trade mark.

(i) *Substantially identical or deceptively similar*

97 The concepts of “substantial identity” and “deceptive similarity” are independent criteria which invite different approaches. As Windeyer J said in *The Shell Company of Australia Pty Ltd v Esso Standard Oil (Australia) Ltd* [1963] HCA 66; 109 CLR 407 at 414-415 (citations omitted):

In considering whether marks are substantially identical they should, I think, be compared side by side, their similarities and differences noted and the importance of these assessed having regard to the essential features of the registered mark and the

total impression of resemblance or dissimilarity that emerges from the comparison. "The identification of an essential feature depends", it has been said, "partly on the Court's own judgment and partly on the burden of the evidence that is placed before it"... Whether there is substantial identity is a question of fact:...

On the question of deceptive similarity a different comparison must be made from that which is necessary when substantial identity is in question. The marks are not now to be looked at side by side. The issue is not abstract similarity, but deceptive similarity. Therefore the comparison is the familiar one of trade mark law. It is between, on the one hand, the impression based on recollection of the plaintiff's mark that persons of ordinary intelligence and memory would have; and, on the other hand, the impressions that such persons would get from the defendant's television exhibitions. To quote Lord Radcliffe again: "The likelihood of confusion or deception in such cases is not disproved by placing the two marks side by side and demonstrating how small is the chance of error in any customer who places his order for goods with both the marks clearly before him.... It is more useful to observe that in most persons the eye is not an accurate recorder of visual detail, and that marks are remembered rather by general impressions or by some significant detail than by any photographic recollection of the whole"... And in *Australian Woollen Mills Ltd v F.S. Walton & Co. Ltd*. Dixon and McTiernan JJ. said: "In deciding this question, the marks ought not, of course, to be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same".

98 Although Windeyer J was overturned on appeal, no doubt was cast on his Honour's exposition of the tests for "substantial identity" or "deceptive similarity" (*Aristocrat Technologies Australia Pty Ltd v Global Gaming Supplies Pty Ltd* [2016] FCAFC 22; 329 ALR 522 at [92]).

99 The expression "deceptively similar" is defined in s 10 of the *TM Act*:

For the purpose of this Act, a trade mark is taken to be **deceptively similar** to another trade mark if it so merely resembles that other trade mark that it is likely to deceive or cause confusion.

100 There is no requirement that there be an intention to deceive or cause confusion, although the presence of such an intention may be highly probative (*Australian Woollen Mills Ltd v F. S. Walton and Company Ltd* (1937) 58 CLR 641 at 657 per Dixon and McTiernan JJ; *Vivo International Corporation Pty Ltd v Tivo Inc* [2012] FCAFC 159; 294 ALR 661 at [109] per Nicholas J). The NRMA carries the onus. For the purposes of a claimed infringement of s 120(1), the task is to compare the registered trade mark in relation to all the goods or services for which it is registered with what the respondent has actually done, ignoring matter added to the mark (such as a disclaimer) and circumstances which are extraneous to the trade mark itself (see *Wingate Marketing Pty Ltd v Levi Strauss & Co* (1994) 49 FCR 89 at 128-129 per Gummow J). The following relevant guiding principles concerning the issue of

deceptive similarity, albeit in the context of objection proceedings, were adopted by French J (with whom Tamberlin J agreed) in *Woolworths Limited* at [50]:

...

- (i) To show that a trade mark is deceptively similar to another it is necessary to show a real tangible danger of deception or confusion occurring. A mere possibility is not sufficient.
- (ii) A trade mark is likely to cause confusion if the result of its use will be that a number of persons are caused to wonder whether it might not be the case that the two products or closely related products and services come from the same source. It is enough if the ordinary person entertains a reasonable doubt.

It may be interpolated that this is another way of expressing the proposition that the trade mark is likely to cause confusion if there is a real likelihood that some people will wonder or be left in doubt about whether the two sets of products or the products and services in question come from the same source.

- (iii) In considering whether there is a likelihood of deception or confusion all surrounding circumstances have to be taken into consideration. These include the circumstances in which the marks will be used, the circumstances in which the goods or services will be bought and sold and the character of the probable acquirers of the goods and services.
- (iv) The rights of the parties are to be determined as at the date of the application.
- (v) The question of deceptive similarity must be considered in respect of all goods or services coming within the specification in the application and in respect of which registration is desired, not only in respect of those goods or services on which it is proposed to immediately use the mark. The question is not limited to whether a particular use will give rise to deception or confusion. It must be based upon what the applicant can do if registration is obtained.

...

101 The phrase “substantially identical” has been described as involving “a total impression of similarity to emerge from a comparison between the two marks” (*Carnival Cruise Lines* at 513, as approved by the Full Court in the context of the current *TM Act* in *Anchorage* at [58]).

102 The determination of substantial identity is somewhat complicated by the fact that the comparison which must be made here is between a word mark and a device mark or sign. Apart from the obvious similarity through the prominent presence of the letters “NRMA” in both marks, there are clear differences in the styling and get up. However, as I accept the NRMA’s submission that its word mark and the Offending Logo are deceptively similar, it is unnecessary to reach a final determination on the question of substantial identity.

103 As outlined above, in simple terms, the test is whether there is a real likelihood that use of the mark would cause persons of ordinary intelligence and memory to wonder or be left in doubt about whether the two sets of goods or the goods and services in question come from the same source (see *MID Sydney Pty Ltd v Australian Tourism Co Ltd* (1998) 90 FCR 236 at 245 per Burchett, Sackville and Lehane JJ). I am satisfied that that test has been satisfied in the present circumstances.

104 The registered word mark “NRMA” is the essential feature and dominant cognitive cue in both the registered mark and the MUA’s sign. I am satisfied that the general impression or recollection that would be taken away by a person of ordinary intelligence and memory would be one that would involve a real or tangible danger of confusion. As has been observed many times, this stage of the enquiry is focussed on the marks themselves, rather than the broader context of their use such as in an action for passing off (*MID Sydney* at 245; *C A Henschke & Co v Rosemount Estates Pty Ltd* [2000] FCA 1539; 52 IPR 42). As Wooten J said in *Marc A Hammond Pty Ltd v Papa Carmine Pty Ltd* [1976] 2 NSWLR 124 at 127:

Hence it is no answer ... that the defendant’s use of the mark is in all the circumstances not deceptive, if the mark itself is deceptively similar.

105 For this reason, it is not to the point that the accompanying text, “Don’t let wages sink to the bottom of the harbour”, may mitigate or eliminate the chance of confusion flowing from use of the MUA’s sign (*Anchorage* at [178]). This conclusion is unsurprising as the purpose of the MUA’s sign is to identify the NRMA.

106 A significant difficulty, however, for the s 120(1) claim is that the only relevant service covered by the NRMA 437 TM Registration is that “consisting of information about journeys”. The MUA’s use of the letters “NRMA” in the Offending Logo does not involve the use of the NRMA sign in relation to the provision of “information about journeys”. Rather, the use arises in the context of an industrial campaign which is directed to improving the wages and conditions of the staff employed by Norton. The sign is used as part of the Offending Logo to identify that the NRMA operates the MFF business, which is the target of the MUA’s industrial campaign.

107 Section 120(3) does not share the same difficulty, as it is specifically directed to providing coverage for well known marks across goods and services for which the mark is **not** registered. As noted, the NRMA’s case on s 120(3) relies on the full range of the NRMA’s registered trade marks. Some of those registered trade marks simply involve the letters

“NRMA” while others comprise various device marks, including but not limited to the device mark reproduced at [9] above. It may be accepted that the MUA’s use of the Offending Logo is in relation to services that are very different from the services in respect of which the NRMA trade marks are registered. Accordingly, that part of the condition in s 120(3)(b) is satisfied.

I am also satisfied that the MUA’s sign is deceptively similar to a number of the NRMA’s registered trade marks. I believe the general impression given by the visual similarities of the two marks is such that there would be real likelihood of confusion on the part of persons of ordinary intelligence and memory viewing the marks.

For similar reasons to those outlined above at [104]-[105], I am satisfied the MUA’s sign is deceptively similar to the NRMA registered marks.

The difficulty lies, however, in the additional requirements that the sign be used as a trade mark and in the separate requirement in s 120(3)(c) that, because the NRMA trade marks are well known, the MUA’s use of the Offending Logo would be likely to be taken as indicating a connection between the unrelated services and the NRMA. Those two requirements are discussed further below.

(ii) Use of the Offending Logo “as a trade mark”

Both ss 120(1) and (3) require that, for there to be an infringement, the relevant sign the subject of the infringement allegation must be used “as a trade mark”. Section 17 of the *TM Act* defines a “trade mark” as follows:

17 What is a trade mark?

A **trade mark** is a sign used, or intended to be used, to distinguish goods or services dealt with or provided in the course of trade by a person from goods or services so dealt with or provided by any other person.

Note: For **sign** see section 6.

Whether a sign is being used as a trade mark is “a pivotal question” and “requires an understanding of the ‘purpose and nature’ of the impugned use...” (see *Johnson & Johnson* at 347 per Gummow J). In *Anchorage*, the Full Court said at [54] that use of the mark as a trade mark “involves use of the mark to distinguish the goods or services of the person using the mark from the goods or services of other persons or, as it is sometimes expressed, as a badge of origin indicating a connection in course of trade between the goods or services in relation to which the mark has been used and the person applying the mark”. Further, in

Woolworths, the Full Court said at [77] (which is set out at [21] above) that the question whether or not there has been use as a trade mark involves an understanding, viewed objectively, of the purpose and nature of the use, considering its context in the relevant trade. Thus, the context in which use occurs is important and a mark may be used as a trade mark even though it performs several functions, only one of which is to act as a badge of origin.

113 I accept the MUA's submission that it is not using the letters "NRMA" in the Offending Logo, being a sign, as a trade mark. An important objective factor in determining this issue is the context in which the use of the sign has occurred. That context is an ongoing industrial dispute between the parties. The MUA's use of the sign occurs in the context where it is not seeking to distinguish any goods or services provided in the course of trade by one person from goods or services provided by another person. Rather, it is using the sign, the NRMA, to identify that organisation as the owner of the MFF business, which is the target of its industrial campaign.

114 Nor is the MUA using the sign as a "badge of origin" to indicate a connection, in the course of trade, between goods or services and the person who applies the mark to those goods or services. The evidence is clear that the MUA is using the Offending Logo as the "brand" of the campaign, in the sense that it identifies the industrial campaign and the NRMA as the target of that campaign. The evidence does not, however, establish that the Offending Logo is being used to indicate a connection between goods or services provided in the course of trade by the MUA. I accept the MUA's submission that it is artificial to regard the MUA's industrial campaign as the provision of a service to its members in the course of trade. The MUA is not a business; it does not have a trade. Nor should it be regarded as providing services to its members. Functionally, the members are the Union. The activities using the Offending Logo are conducted by the members of the Union for their own benefit, albeit under the auspices of the MUA. Even if it is accepted the MUA as an organisation is using the Offending Logo through its members, it is not using the Offending Logo **as a trade mark**. The Offending Logo is not being used as a trade mark within the meaning of s 17 or the relevant caselaw.

(iii) Trade mark infringement under s 120(1)

115 For the reasons given above, I reject the NRMA's claim that the MUA infringed s 120(1) of the *TM Act*.

(iv) Trade mark infringement under s 120(3)

116 The MUA admitted that the NRMA trade marks as identified in Sch 1 of the ASOC were “well known in Australia”. Thus the condition in s 120(3)(a) is met.

117 Turning to the conditions in s 120(3)(b), even if the Offending Logo is viewed as a sign that is substantially identical with, or deceptively similar to, any of the NRMA trade marks (and, as noted above, I consider that is the case in respect of the NRMA 437 TM Registration), and also that the use of that sign is in relation to services unrelated to those covered by the NRMA trade marks, this condition would still not be satisfied because, for similar reasons to those given above at [111] ff, the sign is not being used as a trade mark.

118 There are additional difficulties with the NRMA’s s 120(3) infringement case. A fundamental difficulty is that, for there to be an infringement under s 120(3), it must be established that the sign would be likely to be taken as indicating a connection between the unrelated goods or services and the registered owner of the trade mark and that the use of the trade mark is likely adversely to affect the interests of the trade mark owner (being in this case the NRMA). It is notable that, in contrast with the position under s 120(1), the reference points between the requisite indicative connection is between the unrelated goods or services of the respondent and the registered owner of the trade mark without explicit reference to services in respect of which the owner’s trade mark is registered.

119 The context in which the sinking ferry sign has been used does not suggest a relevant connection between its use and the NRMA. The Offending Logo has been displayed on T-shirts and Placards and used in communications protesting against the NRMA. The Offending Logo is generally used accompanied by the text, such as:

NRMA AND MANLY FAST FERRY

Its time to negotiate a fair deal with your workers.

Don't let wages sink to the bottom of Sydney Harbour.

120 Rather than suggesting any connection between the image and the NRMA, the circumstances and substance of the communications plainly indicate an intention to protest **against** the NRMA. There is no likelihood that a member of the public or a NRMA customer (or likely customer) or NRMA investor (or likely investor) would think there is a connection between the communications and the NRMA or that the image comes from the “same source”. No such person would think that the NRMA was calling upon itself to increase wages of its

employees or criticising itself for letting wages sink to the bottom of the harbour. The suggestion that people (or, more specifically, NRMA customers (or likely customers) or NRMA investors (or likely investors)) might think the NRMA had in any way “sanctioned, approved or otherwise been involved in the distribution of the pamphlets” or other communicators complained of is rejected.

121 I am not persuaded that the MUA’s use of the Offending Logo is likely to be taken as indicating a connection with the NRMA in the sense referred to in that provision. Context is a very important consideration in determining whether the requisition connection exists. The sign is used as part of the Offending Logo to identify the NRMA as the operator of the MFF business, to which the industrial campaign is principally directed. Taking into account the context of the industrial campaign and the particular circumstances in which the Offending Logo is used so as to target the NRMA and put pressure on it to accede to the MUA’s demands, I do not accept that persons viewing the Offending Logo in that context would see it as indicating any connection with the NRMA apart from it being the target of the industrial campaign.

122 That is sufficient to dismiss the NRMA’s claims of infringement under s 120(3).

123 For completeness, I should indicate that I do not consider that this is a case where the MUA has adopted the NRMA trade marks with a view to “sailing close to the wind”, which is a potentially relevant contextual matter (see *Wingate Marketing* at 129 per Gummow J). The NRMA placed particular reliance upon the terms on an internal MUA email dated 18 October 2018. The email was sent shortly before the industrial campaign began. It relevantly stated (emphasis added):

The MUA is looking to launch a campaign targeting the NRMA. The NRMA recently purchased Fast Ferries (Sydney Harbour) and are resisting the workers’ demand that they settle a fair collective agreement. The MUA will be running a series of direct actions looking to disrupt NRMA marketing, as well as an online campaign targeting their brand. The first action will take place on Friday November 2nd. For this campaign, we want some graphics that **hack the NRMA logo**, and marketing. The graphics would be used for twitter, fb, placards and banners.

124 This email should not, however, be viewed in isolation. Shortly after it was sent, another MUA officer (Ms Myers) asked the authors who had sent the earlier email whether their proposal had been run by the CFMMEU’s legal department. She rhetorically asked: “Before we go brand hacking?”.

125 While it may be accepted that the MUA campaign deliberately targeted the NRMA brand, I do not accept that the MUA was “sailing close to the wind”, in the sense referred to in *Wingate Marketing*. In particular, some weight must be placed on other internal MUA emails which indicate that there was a genuine concern not to encroach upon the NRMA’s intellectual property rights and that steps were taken to minimise the risk of that occurring. For example, in an email dated 23 October 2018 from Mr Bieniak (the National Digital Campaigner for the CFMMEU), to one of the authors of the 18 October 2018 email (Mr Reside). Mr Bieniak asked for more background information “to make sure we get this right”. Similarly, Mr Garrett emailed Mr Reside on 25 October 2018 and asked him to “touch base” with Mr Bieniak because he had “an issue with the NRMA logo”. On 26 October 2018, Mr Garrett sent another email to Mr Reside in which he said that he had spoken to another MUA officer (Mr Jacka) regarding the logo. Mr Garrett said:

... The issue is the NRMA is trademarked and type of swines that would sue (sic).

In line with what you have done I would suggest something along the lines of...

1. Keep the theme about the boat sinking.
2. Put some line in like “Don’t let wages sink to the bottom of the harbour”.
3. “It’s time for NRMA and Manly Fast Ferry to sit down with workers and negotiate proper wages”.
4. And then maybe something at the bottom like “Com on NRMA and Manly Fast Ferry! Ferry workers deserve a fair go!”.

Or something to that effect.

126 Shortly thereafter, the Offending Logo was finalised. This evidence suggests that the MUA wanted to use the NRMA logo as part of its industrial campaign, but not in a way which would cause an infringement. This concern caused the logo to be modified in the way in which it finally appeared as part of the Offending Logo. To avoid doubt, I am not suggesting that the infringement case fails merely because the MUA implemented steps with a view to avoiding any such infringement. Rather, I point to these matters in explaining why, as a matter of context, this case falls short of “sailing close to the wind”.

127 In view of the findings above, it is unnecessary to resolve a debate which has arisen regarding the proper construction of s 120(3) and whether it contains a specific anti-dilution infringement provision, along the lines of anti-dilution provisions in, for example, s 43 of the Lanham Act or Art 5(2) First Council Directive 89/104/EEC (now reflected in Art 10(2)(c) of Directive 2015/2436). In those jurisdictions, protection is provided to a well-known trade

mark against a loss of distinctiveness and there is no requirement to prove actual confusion on the part of consumers. The objective of anti-dilution provisions is to protect against “a gradual whittling away or dispersion of the identity and hold upon the public mind of the mark or name by its use upon non-competing goods” (see Frank Schechter, “The Rational Basis of Trade Mark Protection” (1927) 40 *Harvard Law Review* 813). At the heart of the debate is whether s 120(3) of the *TM Act* requires proof of confusion. The competing views are ventilated in *Shanahan’s* at [85.795], Maurice Gonsalves and Patrick Flynn, “Dilution Down Under: The Protection of Well-Known Trade Marks in Australia” [2006] *European Intellectual Property Review* 174 and Michael Handler, “Trade Mark Dilution in Australia?” [2007] *European Intellectual Property Review* 307.

128 In view of the findings above concerning the failure of the NRMA to establish the conditions in s 120(3)(b) and (c), it is unnecessary to determine whether the condition in s 120(3)(d) is established (i.e. that its interests are likely to be adversely affected).

129 For these reasons, I reject the NRMA’s claim that the MUA infringed s 120(3) of the *TM Act*.

(b) Misleading or deceptive conduct

130 The representations complained of are set out at [52], [53], [56], [58] and [61] above. Before addressing each of those categories of representations, it is necessary to address the threshold question whether or not the conduct giving rise to those representations is conduct “in trade or commerce”. This is a central issue in this part of the NRMA’s case. For this purpose, it is sufficient to focus on the relevant provisions of the Commonwealth *ACL* (which have been incorporated into the State *ACL*) (*Houghton* at [32]). I shall assume, without determining the matter, that the MUA is a body to which the relevant provisions of the Commonwealth and State *ACL* applies.

(i) Is the conduct in trade or commerce?

131 The term “trade or commerce” is defined in s 4(1) of the *CC Act* and s 2(1) of the *ACL* to refer to trade or commerce within Australia or between Australia and places outside Australia. The definition in s 2(1) also refers to “any business or professional activity (whether or not carried on for profit).”

132 Although a wider operation of the provision may be envisaged, the High Court determined, in *Concrete Constructions*, that a narrow construction should be adopted to the phrase “in trade or commerce” in s 52 of the *Trade Practices Act 1974* (Cth). The approach in *Concrete*

Constructions remains applicable to ss 18 and 29 of the *ACL*. The key principles established in *Concrete Constructions* may be summarised as follows.

- (a) The prohibition on misleading or deceptive conduct is not confined to cases involving the protection of consumers alone, but consumer protection nevertheless lies at the heart of the legislative purpose of the prohibition, as was reflected in the heading “Consumer Protection” to Pt V of the *Trade Practices Act* and now in the very name of the *Australian Consumer Law* which is Sch 2 to the *CC Act* and this affects the proper construction of the phrase “in trade or commerce” (at 601-602).
- (b) The phrase “in trade or commerce” has a restrictive operation. It refers only to conduct “which is itself an aspect or element of activities or transactions which, of their nature, bear a trading or commercial character.” Thus it refers to the central conception of trade or commerce and not to the immense field of activities in which corporations may engage in the course of, or for the purpose of, carrying on some overall trading or commercial business (at 603). The focus is on the conduct which is alleged to be in breach of the prohibition and not upon the range of activities in which the relevant corporation engages.
- (c) The prohibition was not intended to impose “by a side-wind, an overlay of Commonwealth law upon every field of legislative control into which a corporation might stray for the purposes of, or in connection with, carrying on its trading or commercial activities” (at 604).
- (d) It is insufficient that conduct **concerns** matters of trade or commerce or that it could be said to be **in relation to** trade or commerce or have **some connection** with trade or commerce (at 614). Rather, the relevant conduct must actually be “**in**” trade or commerce or, alternatively, “as part of trade or commerce”.
- (e) The section is concerned with “the conduct of a corporation towards persons, be they consumers or not, with whom it (or those whose interests it represents or is seeking to promote) has or may have dealings in the course of those activities or transactions which, of the nature, bear a trading or commercial character” (at 604).
- (f) Importantly, the dividing line between what is or is not conduct “in trade or commerce” may be less clear and may require the identification of what imports a trading or commercial character to an activity which is not, without more, of that character (at 604).

133 There is a body of caselaw which indicates that it is not the intention of ss 18 and 29 of the *ACL* (or its predecessor) to govern public or political debate. These cases involve a more specialised enquiry focussed on whether the impugned conduct is itself in trade or commerce, rather than merely capable of affecting trade or commerce. As Finn J observed in *Village Building Co Ltd v Canberra International Airport Pty Ltd* [2004] FCA 133; 134 FCR 422 at [61]-[63] (emphasis added):

61. The representations in question were all made in the context of a planning application having been made to rezone Tralee – an application which CIA openly and repeatedly opposed. Its opposition was consistent with its own business interests and took the form of community consultation and representation for the purpose of informing and influencing public, political and governmental opinion. By virtue of the provisions of the *Airports Act* (and especially s 71), CIA had a necessary and ongoing interest in aircraft noise and its incidence. It sought to engage community interest not only in the subject of noise exposure as a matter of public concern but also in its specific opposition to the Tralee development. In both respects it was engaging in what properly should be described as political activity, but especially so in relation to the latter. The rezoning application highlighted both conflicting private interests and conflicting public interests. Those conflicts could only be resolved by governmental action. **In seeking, directly or indirectly, to contrive or influence outcomes by representations made in public debate, or in the processes of informing the public, CIA was engaging in activities of a political, not of a commercial or trading, character. And this was not the less so because its activities were informed by a degree of self-interest.** Altruism is often a stranger to political action.
- 62 It is notable that the impugned representations were not made in circumstances in which it could properly be said that CIA was promoting, directly or indirectly, the services provided by the airport. It was, nonetheless, acting to protect its business. As I earlier indicated, action so taken is not for that reason alone in trade or commerce. It would be surprising if the legislature had intended the contrary to be the case in the *Trade Practices Act*. Corporations engage directly and indirectly in public and political debate on a myriad of matters that do or might impact actually or prospectively on their own interests. While all such debate will not be beyond the reach of s 52 of the *Trade Practices Act*: see e.g. *Tobacco Institute of Australia Ltd v Australian Federation of Consumer Organisations Inc* (1992) 38 FCR 1; much will be as it will not be directed at consumers (actual or potential), or will not be an incident of an activity which bears a trading or commercial character.
- 63 What Village is seeking to do in this proceeding is to have imposed on CIA “by a side-wind”: cf *Concrete Constructions*; a form of legislative control in circumstances in which s 52 has no role to play. One may desire conduct in public and political debate to be not misleading or deceptive. Section 52 is not designed to secure that state of affairs. In saying this I express no view on whether or not CIA's conduct was misleading or deceptive.

134 Other decisions have confirmed that communications or conduct (including by corporations who are engaged in commercial or trading businesses), in the course of public or political debate are likely to fall outside of the phrase “in trade or commerce”. A good example is *Orion*. The question there was whether false statements by persons associated with the RSPCA regarding electronic dog collars which were manufactured by the applicants were statements made in trade or commerce. It was held that the RSPCA’s trading activities were anything but modest and that it was a “trading corporation” within the meaning of s 4 of the *Trade Practices Act*. Although having found that the RSPCA was a trading corporation, Weinberg J noted at [192] that many of its functions had a non-trading or commercial character. He emphasised that the relevant statements were part of “an educational and political agenda” (at [193]). Although they may have provided some benefit to the RSPCA from greater public exposure of its intellectual property, including its name and logo, Weinberg J described those benefits as “purely incidental”. He concluded that the applicants had not established that the statements were made “in trade or commerce” (see also *Tobacco Institute of Australia Ltd v Woodward* (1993) 32 NSWLR 559 (statements in relation to the dangers passive smoking); *Plimer v Roberts* (1997) 80 FCR 303 (statements made by an academic in the course of public lectures and taped interviews) and *Canberra International Airport* itself (representations made by the owner of Canberra Airport and Airservices Australia regarding noise forecasts or projected flight-paths for the Canberra Airport which affected the applicant’s proposed land use activities)).

135 It was properly acknowledged by Mr Cobden SC that there is no precedent which establishes that the conduct of a trade union or its members in campaigning for improved wages or conditions of employment constitutes conduct “in trade or commerce”. Conduct in the course of an existing employment relationship is unlikely to constitute conduct “in trade or commerce” even where it is the conduct of the parties to the relationship itself (see, for example, *Westpac Banking Corporation v Wittenberg* [2016] FCAFC 33; 242 FCR 505). Similarly, I consider that statements by an employer to its employees in the context of a proposed enterprise agreement will not generally constitute conduct “in trade or commerce”. By analogy, representations made by a trade union in the context of an industrial campaign in relation to the existing conditions of employment of employees will generally fall outside conduct that is “in trade or commerce”.

136 Another important matter to bear in mind is that the enquiry must remain focussed on the particular conduct which is said to be misleading or deceptive. As Hayne J observed in

Google Inc v Australian Competition and Consumer Commissioner [2013] HCA 1; 249 CLR 435 at [89] (emphasis in original):

Section 52 and the identification of the impugned conduct

The generality with which s 52 was expressed should not obscure one fundamental point. The section prohibited engaging in *conduct* that is misleading or deceptive or is likely to mislead or deceive. It is, therefore, always necessary to begin consideration of the application of the section by identifying the conduct that is said to meet the statutory description “misleading or deceptive or ... likely to mislead or deceive”. The first question for consideration is always: “What did the alleged contravener do (or not do)?” It is only after identifying the conduct that is impugned that one can go on to consider separately whether that conduct is misleading or deceptive or likely to be so.

137 In the present case, the impugned conduct is the conduct identified by the NRMA as giving rise to the representations which it says are misleading or deceptive (see above at [52], [58], [61], [62] and [63]).

138 The conduct and representations the subject of complaint by the NRMA are, on their face and in their proper context, part of an industrial and incidental political campaign (noting the role of the NSW Government as described at [6] above, and the correspondence which was in evidence between the MUA and the NSW Government concerning the dispute) aimed at securing permanent employment, achieving wage outcomes consistent with industry rates and recouping underpayments for employees. The conduct complained of has no trading or commercial character and is not directed at any person with whom the MUA has, or potentially has, any trading or commercial relationship.

139 The substance and content of the communications subject of the proceedings are overtly industrial and/or political in substance and purpose. The communications or publications all directly concern the MUA’s views as to the fairness of the wages or conditions of employment of employees working on the My Fast Ferry service, including whether the rates of pay are adequate and the insecure nature of the employment. For example, each of the Pamphlets contains the following words encapsulating the campaign:

NRMA AND MANLY FAST FERRY

Its time to negotiate a fair deal with your workers.

Don't let wages sink to the bottom of Sydney Harbour.

140 The MUA is not a commercial business and is not engaged in trading activities in representing its members. The Rules of the CFMMEU set out the objects of the union which

concentrate on regulating and protecting the wages and conditions of members, regulating the relations between members and employers and fostering the best interests of members.

141 It is not sufficient that some or even most of the communications relate to or concern the business of the NRMA or Noorton. The conduct must itself be undertaken **in** trade or commerce and have a trading or commercial character.

142 In support of its contention that the relevant conduct was in trade or commerce, the NRMA relied heavily on the High Court's decision in *Houghton* and emphasised that it post-dated *Orion*. As noted above, it relied upon *Houghton* for the proposition that the central question was not whether the activities of the MUA were "in trade or commerce", but rather whether its conduct and representations were directed to persons who themselves are "in trade or commerce". In oral address, Mr Cobden SC refined this submission into a contention that, by their representations, the MUA had "thrust themselves" into the NRMA's trade or commerce.

143 In *Houghton*, which concerned the equivalent provision in s 9(1) of the *Fair Trading Act 1999* (Vic), the High Court held that two employees (Mr Houghton and Mr Student) of a corporation (trading under the name "WSA") which had been engaged to advise on website design, construction and administration were personally liable (as well as the corporation itself), for representations made by them which were misleading or deceptive concerning the extent of documentary obligations which would fall on participants on the internet website being set up by the applicant (Mr Arms) in developing an online wine order business. The representations were to the effect that the applicant would be able to operate the website without having to obtain from participating wineries any documentation other than a form with provision for banking details. The plurality held at [34] that statements made by a person who was not himself or herself engaged in trade or commerce may be caught by the prohibition if, for example, "they are designed to encourage others to invest, or to continue investments, in a particular trading entity", citing *Fasold v Roberts* (1997) 70 FCR 489 at 531 per Sackville J (although there is no mention in *Houghton*, an appeal from Sackville J's decision was dismissed in *Plimer v Roberts* and an application for special leave to appeal was refused on 19 June 1998).

144 The core finding in *Houghton* is at [35]:

Mr Arms was engaging in trade and commerce under the name "Australian Cellar Door" and by means of the auscellardoor web site. He enlisted WSA to provide services and advice for the purposes of his business. It was the business of WSA to provide such advice and services. It is not to the point that Mr Houghton and Mr

Student themselves were not business proprietors or that their activities were an aspect or element of the trade or commerce of WSA (and of Australian Cellar Door) but not of "their" trade or commerce. Mr Houghton and Mr Student nevertheless engaged in conduct in the course of trade or commerce and were thus within the ambit of the FT Act.

145 In my view, *Houghton* turns very much on its own facts. I do not consider that it establishes an absolute and unqualified principle that it is sufficient to establish that conduct is "in trade or commerce" if the persons to whom representations are made are themselves in trade or commerce even if the person making the representation is not. In *Houghton*, there undoubtedly was a trading or commercial relationship between WSA and Mr Arms in the form of the services and advice being provided by the former to the latter in establishing an online wine order business. The fundamental point made by the plurality in *Houghton* at [35] was that it was unnecessary to establish that the conduct of the two employees was in "their" trade or commerce in circumstances where the conduct of their employer (WSA) plainly was conduct in trade or commerce and the employees' activities were an aspect or element of WSA's trade or commerce.

146 The plurality's reference to *Fasold* is revealing. *Fasold*, which involved claims of misleading or deceptive conduct under both the then *Trade Practices Act* and the *Fair Trading Act 1987* (NSW), related to whether statements made in public lectures and in tapes of the lectures were made "in trade and commerce". The statements were made by an ordained Christian minister, Dr Roberts. They were made in the course of public lectures in which Dr Roberts advanced the hypothesis that a boat-shaped geological formation in Eastern Turkey is or could contain the remnants of Noah's Ark and thereby provide tangible evidence of the literal truth of the account of the great flood in Genesis, 6:13-8:19. Justice Sackville emphasised at 528 that the critical question was whether Dr Roberts' statements constituted "conduct which is itself an aspect or element of transactions which, **of their nature, bear a trading or commercial character**" (emphasis in original), quoting *Concrete Constructions*. Other cases to which Sackville J referred, included *Unilan Holdings Pty Ltd v Kerin* [1992] FCA 211; 35 FCR 272, where it was held that a speech given by a Commonwealth Minister at an overseas conference, which statements the Minister conceded were intended to influence wool prices in the interests of Australian wool growers and to persuade people to buy the product, were held not to have been made "in trade or commerce". The statements were described by Hill J as not having been made as an aspect or element of activities or transactions which, of their nature, bear a trading or commercial character, but rather were statements made **in relation to** trade or commerce.

147 Justice Sackville also referred to *Meadow Gem Pty Ltd v ANZ Executors & Trustee Co Ltd* (1994) ATPR (Digest) 46-130. In that case, claims were made that comments by two Victorian Government Ministers were misleading or deceptive. The claims related to public statements by the Ministers which represented that investments in the Pyramid Building Society were secure and that there were no risks to investors. The building society later failed. The Ministers unsuccessfully sought to strike out portions of the statement of claim on the basis that their statements had not been made in trade or commerce. Justice Hedigan stated at 53,631 that the conduct in question “does not have to be conduct in connection with one’s own business, and that it would be sufficient if the conduct engaged in was for the purpose of promoting the business of some other person or corporation”. In analysing *Meadow Gem*, Sackville J said in *Fasold* at 530 that the Ministers’ statements were arguably made to “shore up” the building society during the time when there was a run by depositors and the statements were capable of being viewed as “promotional activities” in respect of a particular trading corporation.

148 It was in this context that, in *Fasold*, Sackville J said at 531:

Public statements by a person not engaged in trade or commerce himself or herself, may be made in trade or commerce if designed to encourage others to invest, or continue investments, in a particular trading corporation: *Meadow Gen*.

149 This is the passage which the plurality in Houghton referred approvingly to at [34]. I do not consider that this supports the NRMA’s case here. That is primarily because the conduct of the MUA which is challenged is not conduct which was “designed to encourage others to invest, or continue investments” in the NRMA. Rather, it was designed to secure improved terms and conditions of employment by MFF staff. For similar reasons, I do not consider *Firewatch Australia Pty Ltd v Country Fire Authority* [1999] FCA 761; 93 FCR 520 at [62]-[67] assists the NRMA’s case. That case concerned a bulletin issued by the Country Fire Authority to its equipment maintenance servicing brigades and consumers or potential consumers of the applicant’s fire extinguishers. The bulletin expressed a view that the applicant’s extinguishers did not meet Australian Standards for use with respect to certain classes of fire. Justice Goldberg held at [64] that the bulletin was of “a trading and commercial character” because and it was intended to “influence servicing brigades not to be involved in the distribution or recommendation of the Firewatch extinguisher” and “have a consequence or impact on trading and commercial activities”.

150 It is important to apply the relevant principles (including those in *Houghton*), with close attention to the facts and circumstances of the particular case. I view the following matters as particularly important here:

- (a) there was no commercial or trading relationship between the NRMA and the MUA;
- (b) the MUA's conduct occurred in the course of an industrial campaign which was directed to securing improved terms and conditions of employment for MFF staff;
- (c) the conduct complained of was not motivated by a desire on the part of the MUA to promote any of its business activities but, as has been emphasised, was designed to secure improved working conditions;
- (d) although the MUA's conduct in conjunction with the NRMA AGM was plainly directed at NRMA members and other persons who were attending that meeting, I do not consider that the conduct was undertaken with a view to discouraging NRMA members from maintaining their membership. The MUA clearly wanted to enlist the support of NRMA members in their industrial dispute but that is a common feature of any industrial campaign targeting a particular trading or commercial body;
- (e) similarly, any such industrial campaign is likely also to be directed to a wider section of the public, not confined to the target company itself, in order to garner public support for the campaign; and
- (f) none of conduct said to give rise to the representations pleaded by the NRMA was primarily directed to encouraging or discouraging members of the public, or members of the NRMA from investing in the NRMA's businesses or providing patronage to its businesses. Rather, the underlying conduct was directed to garnering support from the public and members of the NRMA for the MUA's industrial campaign for better wages and working conditions for the MFF workers (such as the emails to Mr Lund referred to at [11] above). In this regard, it is worth noting expressly that Mr Keating's calls to boycott NRMA services (see above at [72]) were not relied on as founding any of the NRMA's misleading or deceptive conduct claims.

151 It is clear that the MUA's industrial campaign was directed to a much wider audience than the NRMA itself, including its staff and members. This is reflected in the extensive use of social media, Pamphlets, Placards and the Logo T-Shirts, which were designed to engage the interest and support of members of the public, including MFF customers. Unlike the position in *Astra*, the conduct was not designed to encourage others not to invest in a particular

trading entity. The MUA's conduct is also far removed from that which arose in *TCN Channel Nine*, upon which the NRMA also relied. The deceptive conduct there was specifically directed to the trading or commercial activities of the building company. That was because the television reporter used the false pretext of inquiring about the possibility of engaging the building company's commercial services with a view to procuring an interview for the purposes of broadcasting it in a telephone program.

152 Finally, it is relevant to note that acceptance of the NRMA's position concerning the *ACL* would bring the entire field of industrial relations within the operation of consumer legislation. It is highly unlikely that was the intention of either the Commonwealth or NSW State Parliament. It is not without significance that at the Commonwealth level, detailed and specialised legislation, principally in the form of the *Fair Work Act 2009* (Cth), has been enacted to regulate industrial matters. That legislation contains specific prohibitions on misrepresentations relating to workplace rights or industrial activities (see, for example, ss 345 and 349 of the *Fair Work Act*), as well as an array of specific regulations governing the conduct of the participants in industrial disputes. This is a relevant, but not determinative, contextual consideration.

153 For completeness, I should also make clear that I am not suggesting that there is a global carve out from the *ACL* of all conduct and activities of a trade union. As the analysis above of some of the relevant caselaw relating to the making of political comments or statements reveals, each case necessarily turns upon its own facts and circumstances. The expression "in trade or commerce" is somewhat chameonlic and does not lend itself to dogmatic prescription.

154 For these reasons, I consider that the relevant conduct of the MUA was not conduct "in trade or commerce". That is a sufficient reason alone to dismiss the NRMA's claims under both the Commonwealth and State *ACL*.

(ii) Some other matters concerning the *ACL*

155 In view of my finding above that the conduct complained of is not conduct "in trade or commerce", it is unnecessary to determine whether or not, for the purposes of the State *ACL*, MUA carries on business within the State or is otherwise connected to the State (*Houghton* at [32]). Nor is it necessary to determine, for the purposes of the NRMA's complaints concerning s 29 of the *ACL*, whether or not the relevant representations were made "in

connection with the supply or possible supply of goods or services or in connection with the promotion by any means of the supply or use of goods or services”.

156 Although it is also unnecessary to determine the question whether the representations or conduct complained of are in fact misleading or deceptive, having regard to the detailed submissions made by both parties on that issue and the overlap with the injurious falsehood case, it is perhaps desirable that I make the following brief observations.

157 The principles for determining whether conduct is misleading or deceptive are well settled. They may be summarised as follows:

- (a) It is necessary to identify the relevant section of the public, which may be the public at large, by reference to whom the issue is to be tested.
- (b) The matter is to be considered by reference to all who come within the relevant class.
- (c) It is not essential that there be evidence that some person has in fact formed an erroneous conclusion because the Court must determine the issue of whether the conduct is misleading or deceptive for itself, and the test is an objective one.
- (d) In determining whether conduct is misleading or deceptive, it is necessary to view the conduct as a whole and it is wrong merely to select words or acts which, if considered alone, would be likely to mislead or deceive, but which in context are not capable of giving rise to that description (see *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* [1982] HCA 44; 149 CLR 191 at 199 per Gibbs CJ. In the particular circumstances of this case, a significant contextual matter is that the conduct complained of occurred in the context of what might fairly be described as an aggressive industrial campaign targeting the NRMA.

158 With those general principles in mind, I now turn to the various categories of representations which are the subject of the NRMA's complaint.

A. The safety representation

159 The safety representation is described at [52] above and the reasons why the NRMA contends that the representation is false are outlined at [53] above. The relevant section of the public, are the persons to whom the impugned statements were directed, such as persons attending the NRMA AGM; passengers and potential passengers using the MFF service; members of the public who saw the Placards, Pamphlets and Logo T-Shirts and people who viewed the relevant social media material.

160 It is important to focus on how the NRMA has pleaded this part of its case. Although it refers to various statements made by the MUA on safety matters (which are set out at [26] of the ASOC) and form part of what are described there as the “Offending Statements”, the safety representation itself (which forms part of the “First Representations” in the ASOC), is confined to a representation that “the NRMA is not a safe ferry operator and its safety standards fall short and are not at an appropriate level”. The NRMA does not plead that each of the individual Offending Statements relating to safety as pleaded in [26] of the ASOC gives rise to its own separate safety representation. Rather, the various individual statements are aggregated and characterised as giving rise to the representation concerning safety which is pleaded at [27] of the ASOC. This reading of the pleading is reinforced by the fact that, in that part of the ASOC ([30]) which pleads why the representation is false, misleading or deceptive, the NRMA only addresses the aggregated safety representation and not the individual Offending Statements which are said to convey it.

161 Thus it is sufficient to focus on the aggregated safety representation, namely that the NRMA is not a safe ferry operator and its safety standards fall short and are not at an appropriate level.

162 The MUA denies that its conduct conveyed the pleaded safety representation. I disagree. The pleaded representation is supported by two of the four Offending Statements, which the MUA accepts were made by its officials in the course of the industrial campaign. Those statements are:

- (a) the video posted by the MUA on Facebook on or around 2 November 2018 which said (emphasis added):

MUA rally at the NRMA AGM. Their company Manly Fast Ferry underpays and robs workers **running with a shonky safety system**; and

- (b) the item posted by the MUA on Facebook on or around 11 December 2008, which stated (emphasis added):

Sydney Harbour workers at NRMA company My Fast Ferry are being treated like second class citizens: 100 percent casual, underpaid and **forced to work in unsafe conditions**.

163 In my opinion, the pleaded safety representation is sufficiently conveyed by those two statements.

164 The following two statements which were also relied upon by the NRMA as supporting the pleaded safety representation do not convey that representation:

- (a) the item posted on Facebook by Mr Garrett on or around 25 October 2018, which described the NRMA as “[A]nother ferry company that underpays workers and haves (sic) a very poor safety management system”. As the MUA pointed out, this statement was not directed to MFF but rather to another ferry business which the NRMA had acquired, called Fantasea, and thus it did not amount to a representation about the safety standards of MFF; and
- (b) nor do I accept that material on the Megaphone Website conveyed the pleaded safety representation. That website included a copy of the petition to Mr Lund which the MUA encouraged people to sign in support of its industrial campaign. The website included a copy of the Offending Logo which was accompanied by text and which contained the statement “Don’t sink wages to the bottom of Sydney Harbour”. The text below the Offending Logo also included the following additional statement:

NRMA: its time (sic) to treat your workers with the respect and dignity they deserve. NRMA Sydney harbour workers want job security, to be paid industry rates, and worlds (sic) best practice safety standards.

165 If necessary, I would have accepted the MUA’s submission that the reference to “worlds (sic) best safety standards” expresses an aspiration of MFF workers and does not, by itself, convey the pleaded safety representation.

166 I should add that, if necessary, I would not have accepted the NRMA’s contention that the safety representation is supported by the Offending Logo which appeared on the Pamphlets, Placards and Logo T-Shirts. The NRMA contends that this conveys the notion of “a sinking and unsafe ferry”. That might be the case if the Offending Logo was unaccompanied by any text. But that is not the case. The accompanying text made clear that the concept or metaphor of the ferry sinking is related not to safety, but to wages. I would reject the submission that people who viewed the Offending Logo in these various forms would not absorb that important accompanying text.

167 As to the safety representation, Mr Garrett said at [99] of his first affidavit that the relevant statements were not intended to refer to the safety standards of the NRMA generally, but were a reference to the safety standards of MFF. He accepted under cross-examination nevertheless that the statements amounted to saying that the MFF safety standards fell short and that the MFF safety standards were not at an appropriate level. I accept that evidence.

168 Accepting as I do that the safety representation was made by the MUA, the issue is whether it was false or inaccurate so as to be misleading or deceptive. If it had been necessary to decide

this issue, I would have determined it in the NRMA's favour based upon the matters outlined at [53] above. I would have rejected the MUA's submission that the representation should not be viewed as false or inaccurate because the Offending Statements which convey it were isolated statements in a wider industrial campaign which focussed on wages and conditions and not the safety of MFF.

169 Nor would have I accepted the MUA's submission that there was sufficient material to establish the accuracy or correctness of the relevant two Offending Statements which conveyed the safety representation. While it is true that the MUA had been made aware of concerns in relation to safety practices and that Mr Garrett conducted a safety inspection in August 2018, and identified various safety issues, I do not accept that those matters provide a sufficient basis for the two relevant Offending Statements.

B. The non-permanency representations

170 The non-permanency representations of which the NRMA complains are set out at [56] above.

171 The MUA accepted in final address that at the time the claims of no permanent employees were made, two or three persons may have converted to permanency out of a total of ninety staff. In particular, it accepted that when it was stated that there had been no offer of a single permanent job, there had in fact been one offer at that time and that, as at 14 June 2019, there were three permanent employees.

172 If it had been necessary to determine this aspect of the NRMA's case, I would have upheld its claims that the representations were false. The MUA did not dispute that the non-permanency representations were made by it, and it accepted that they were "technically inaccurate". The evidence is plain that the representations were false at the time they were made. It is no answer that the statements were not corrected by the NRMA at the time that they were made.

C. The wages representation

173 As noted above, during the course of the hearing the NRMA narrowed its claim in respect of this subject by confining its complaint to the MUA's representation that it had deliberately forced the MFF workers "to accept below minimum wages". To establish the representation, the NRMA relied on a statement by the MUA that MFF "management have been deliberately forcing their workers to accept below minimum conditions, and robbing them of their rightful

pay rates". The NRMA submits that the MUA's claim amounts to a representation that the MFF workers earned below the national minimum wage.

174 If necessary, I would have determined that this representation was not misleading or deceptive in the manner claimed by the NRMA. I do not accept that a member of the relevant section of the public would understand that statement to be a reference to the national minimum wage. The position might be different if the reference was to "below the minimum wage", but it is significant that the statement refers to "below minimum conditions" and "rightful pay rates".

175 I do not accept that the NRMA's case is advanced by reference to what Mr Garrett said in the radio interview on 2GB. As mentioned, this statement is not part of the NRMA's pleaded case. Moreover, no evidence has been adduced to suggest that people who were exposed to the statement that the NRMA had forced MFF workers "to accept below minimum wages", included the radio audience who heard the interview.

176 For these reasons, I would have rejected the NRMA's case insofar as it relates to the wages representation.

D. The derogatory representations

177 The representations complained of are to the effect that MFF workers are not being treated with respect, decency and/or dignity and that the NRMA treats its employees as second-class citizens. The NRMA asserts that the representations are false because the company has various policies dealing with matters such as bullying and harassment, health and safety, whistle-blowing and an ethics hotline.

178 If it had been necessary to determine the matter, I would have found that each of the references to treating employees with dignity and respect is, on its face, connected to the wages paid and offered to employees and involves the expression of an opinion by the MUA (see the discussion in *Seafolly Pty Ltd v Madden* [2012] FCA 1346; 297 ALR 337 at [64]-[66] (appeal dismissed in *Madden v Seafolly Pty Ltd* [2014] FCAFC 30; 313 ALR 1)). For example, Pamphlet 4 asserts as follows (emphasis in original):

Workers on this vessel can earn as little as half the pay of those doing the same work, on the same boats, on the same harbour. **Their only mistake is working for the NRMA.**

The workers and their union have requested that the NRMA **do the right thing** and treat thier (sic) workers with the respect they deserve.

Sadly, NRMA has decided to dig in behind existing practices, and continue to treat Ferry workers like second class citizens.

179 The NRMA does not contend that it is false or misleading to say that workers on its vessels can earn as little as half that earned by comparable workers. The MUA was expressing an opinion that persisting with such a payment structure fails to treat workers with dignity and respect. It is not misleading or deceptive for the MUA to express the opinion that its members are being treated as second-class citizens when they receive as little as half the pay of other workers doing the same work on the same harbour.

180 The NRMA's complaint that the MUA made a representation that it engaged in illegal conduct relates to a reference in one of the Pamphlets to "dodgy" behaviour. When viewed in context, and with particular reference to the statement made earlier in the Pamphlet that NRMA was paying inadequate wages, I accept the MUA's submission that the reference to the continuation of "this dodgy" behaviour is a reference to the continuation of the payment of wage levels the MUA believes to be substandard and below industry levels. The relevant Pamphlet does not convey the representation pleaded by the NRMA.

E. The licence representation

181 Part of the Second Representations pleaded by the NRMA is that the MUA, by using the Offending Logo (or at least that part of it which involves use of the letters "NRMA"), represents that use of the Offending Logo has occurred with the licence or approval of the NRMA. If necessary, I would have rejected this aspect of the NRMA's case. Viewed in context, it is plain that the use of the Offending Logo did not involve any such representation. That is not the least because, viewed in context, the use of the Offending Logo was a prominent part of the MUA's industrial campaign which targeted the NRMA. No reasonable person would infer that the use of the NRMA word mark represented that the NRMA had given its licence to the MUA to use that mark in a vigorous campaign against it.

(c) Injurious Falsehood

182 The ASOC identified four statements and four representations for the injurious falsehood case, namely, those pleaded at [26(a)-(d)] and [27(a)-(d)] of the ASOC (the **injurious statements** and **injurious representations** respectively). The injurious statements are as follows:

- (a) "Not one of the 90 jobs on the NRMA-owned Manly Fast Ferry fleet is permanent";

- (b) “As MUA members go on strike, it is worth noting that the NRMA business is four years, two months and thirteen days into a Government contract with Transport for NSW to provide the high-speed Manly service, yet there has still not been one permanent job offered to any of the 90 ferry workers”;
- (c) “MUA Sydney Branch Assistant Secretary Paul Garrett said ferry crews met yesterday, endorsing the work stoppage between 5pm and 11pm. The decision follows six months of negotiations with NRMA that have failed to see the company resolve the wage discussions or offer a single permanent job to the entirely casual workforce”;
- (d) “NRMA Sydney harbour workers want job security, to be paid fair industry rates, and worlds (sic) best practice safety standards”; ...

183 The injurious representations are as follows:

- (a) the NRMA is not a safe ferry operator and its safety standards fall short and are not at an appropriate level;
- (b) not one of the 90 jobs on the MFF fleet is permanent;
- (c) the MFF fleet consists of an entirely casual workforce; and
- (d) the NRMA has not offered one permanent job to any of the 90 MFF fleet workers.

184 The NRMA bears the onus of proving that the injurious statements and injurious representations were false. Unlike an action for defamation, the applicant has the obligation to prove falsity, which is not presumed but must be affirmatively established.

185 The historical origins of the tort of injurious falsehood can be traced back to the late 16th century in cases involving a challenge to the plaintiff's title to land, which gave rise to the tort also being referred to as “slander of title” (*Palmer Bruyn* at [57] per Gummow J; *Orion* at [196]). The tort developed so as to cover the knowingly making of a false assertion that the plaintiff's products (not limited to title to land), were inferior in circumstances where the mendacity was calculated to injure the person in his or her trade. Weinberg J also explained the differences between the tort and defamation at [198] of *Orion* (see also *Palmer Bruyn* at [58]).

186 In *AMI Australia Holdings Pty Ltd v Fairfax Media Publications Pty Ltd* [2010] NSWSC 1395; [2011] Aust Torts Reports 82-077, Brereton J explained at [30]:

In injurious falsehood, unlike in defamation, the plaintiff bears the onus of proving falsity [*Palmer Bruyn*, 406 [58]]. From time to time, AMI's submissions slipped into the form that there was no evidence to support or justify an imputation, and therefore that it was false. This is not the way in which the tort of injurious falsehood works; unlike in defamation, where it is for a defendant to justify an imputation, in injurious falsehood the plaintiff must prove the imputation to be false. However, the absence of evidence to justify a falsehood is not without significance: where there is nothing to justify it, it may take very little to establish, on balance, that the imputation is false.

187 The injurious statements that are alleged to be false fall into two categories. First, the statements pleaded at [26(a) to (c)] of the ASOC relate to the claim that there were no permanent jobs within the MFF workforce and that the NRMA had not offered permanent jobs to the MFF workforce. The statements are said to be false on the basis that there were in fact three permanent employees and that Noorton had offered permanent employment to one employee in February 2019. This is all relevant to the absence of recklessness and malice for the purposes of injurious falsehood. The second category concerns the statement pleaded at [26(d)] of the ASOC, namely that "NRMA Sydney harbour workers want job security, to be paid fair industry rates, and worlds (sic) best practice safety standards".

188 The injurious representations all fall within the first of those categories, namely that relating to the alleged non-permanency of the MFF workforce.

189 For the reasons given above in relation to the non-permanency representations the subject of the NRMA's complaints concerning misleading or deceptive conduct under the *ACL*, I find that the injurious statements and injurious representations were made by the MUA and that they were false. An exception is drawn in relation to the NRMA's claim that the statement "NRMA Sydney harbour workers want job security, to be paid fair industry rates, and worlds (sic) best practice safety standards". That statement is not false. It is aspirational (see [165] above).

190 But that is insufficient to make good the NRMA's claims of injurious falsehood. As noted, it has the onus of establishing that the falsehoods were made maliciously and that it suffered actual damage as a result of those falsehoods. I shall now explain why I am not satisfied that the NRMA has discharged its onus.

(i) Malice

191 Malice is an essential element of the tort. As Weinberg J observed in *Orion* at [200], malice "is never easy to define in the law of tort". His Honour referred approvingly at [202] to a passage at paragraphs [145-835]-[145-845] in volume 10 of *Halsbury's Laws of Australia*

where it is stated that malice may not be inferred from the fact of publication, but will be inferred where a false publication was made with an intent to injure without just cause and with knowledge of the falsity or reckless indifference as to its truth or falsity (see also *Roberts v Bass* [2002] HCA 57; 212 CLR 1 at [91] per Gaudron, McHugh and Gummow JJ and the authorities referred to therein).

192 Significantly, however, it is insufficient to show that the false publication was made with a mere lack of care or with an honest belief in its truth. Malice is often understood to involve an intent to injure another without just cause or excuse or by some indirect, dishonest or improper motive. Malice involves that the statement was made *mala fide* or with a lack of good faith. A person who acts in good faith is not liable.

193 In *Fairfax Media*, Brereton J gave the following explanation at [31], with which I respectfully agree:

Again unlike in defamation, in injurious falsehood malice is also an essential element of the cause of action, to be proved by the plaintiff. While the notion of “malice” in the context of this tort is not easy to define [*Schindler Lifts Australia Pty Ltd v Debelak* (1989) 89 ALR 275, 291 (Pincus J)], it is a question of motive, intention or state of mind and it involves the use of an occasion for some indirect purpose or indirect motive such as to cause injury to another person [*British Railway Traffic & Electric Co Ltd v CRC Co Ltd & London County Council* [1922] 2 KB 260, 269; *Browne v Dunn* (1893) 6 R 67, 72; *Dickson v Earl of Wilton* (1859) 1 F&F 419, 427; (1859) 175 ER 790; *Stuart v Bell* [1891] 2 QB 341, 351; *Shapiro v La Motta* [1923] All ER Rep 378; *Schindler Lifts Australia Pty Ltd v Debelak*, 291]. The English Court of Appeal has said that the criteria for malice in injurious falsehood are the same as at common law for libel and slander [*Spring v Guardian Assurance PLC* [1993] 2 All ER 273, 288; reversed on other grounds *Spring v Guardian Assurance PLC* [1995] 2 AC 296]. Its content has been variously described as “an intent to injure another without just cause or excuse” or “some indirect, dishonest or improper motive” [J Fleming, *The Law of Torts*, 9th ed (1998) LBC Information Services at 780; *Palmer Bruyn*, 423 [108] (Kirby J)], or “a purpose or motive that is foreign to the occasion and actuates the making of the statement” [cf *Roberts v Bass* (2002) 212 CLR 1, 30; [2002] HCA 57, [75] (Gaudron, McHugh & Gummow JJ)]. It involves that the statement was made *mala fide* or with a lack of good faith. In this context, while a person who acts in good faith is not liable [*Joyce v Sengupta* [1993] 1 All ER 897], malice may exist without an actual intention to injure [*Wilts United Dairies Ltd v Thomas Robinson Sons & Co Ltd* [1957] RPC 220; *Wilts United Dairies v Thomas Robinson* [1958] RPC 94]

194 Whilst malice will typically be inferred from affirmative knowledge of falsity and, perhaps, from reckless indifference as to the truth, a mere lack of affirmative belief in truth is insufficient of itself to establish malice (*Roberts v Bass* at [15], [39]-45] per Gleeson CJ, [76]-[104] per Gaudron, McHugh and Gummow JJ). In *Orion*, Weinberg J said at [222] that the relevant threshold of malice was not met in the circumstances there:

[I]t is my view that Mr Apostolides genuinely believed that all of the factual allegations which he made about the collars were true. He believed that dogs had been burned as a result of their use. He also believed that they inflicted a 3,000 volt shock. These were damaging statements to make about Innotek's products. However, though false, they were not made maliciously.

195 In establishing malice, recklessness does not simply mean carelessness, even in a high degree. It means "indifference to its truth or falsity." Negligence or carelessness is insufficient to establish malice and thereby give rise to liability for injurious falsehood. Even a lack of affirmative belief in truth will not, of itself, establish malice.

196 In an attempt to establish malice, the NRMA pointed to the satirical Facebook page about Mr Ford (called "Richard Fraud") and it also claimed that the MUA knew from around 18 February 2019 that a general purpose hand had converted from casual to permanent employment. The NRMA also claimed that Mr Ford told Mr Garrett at a meeting in early 2019 that one MFF employee had converted to permanent employment as part of the expression of interest process.

197 As to the first of those matters, although Mr Garrett did "like" and write "comments" on posts on the Richard Fraud Facebook page, there is no evidence that that account was established or maintained by the MUA. I do not accept that this matter supports the NRMA's claim of malice.

198 Furthermore, to establish malice the NRMA needed to show the improper purpose actuated the injurious representations, that is an improper motive was the dominant reason for making the injurious representations (*Roberts v Bass* at [104]). Even if the NRMA established personal animus by Mr Garrett against Mr Ford through the Richard Fraud Facebook page, it is unclear how that would establish an inference that the pleaded injurious representations about the safety standards of the MFF or the permanency of their staff was actuated by an improper motive.

199 The second matter concerns evidence said to establish knowledge that the MUA knew its permanency representations were false. It has two elements to it. The first is the fact that the MUA had in its possession a MUA Membership Application Form dated 18 February 2019 which had been filled out by a member who recorded on the form that he was a permanent MFF employee. When cross-examined about this document, Mr Garrett said that he was not aware of the particular form and that such forms were provided to the Branch Secretary of the MUA, Mr Paul McAleer. I accept Mr Garrett's evidence that he was unaware of the

particular form. The NRMA does not contend that any of the statements regarding permanency which are the subject of its complaint were made by Mr McAleer or that anyone within the MUA who did make those statements was aware of the form.

200 The NRMA did, however, submit that the supply of the membership form to Mr McAleer meant that the MUA had knowledge of the permanent employee some weeks before the impugned representation and that this fact assisted in establishing the MUA's malice. I disagree. The submission ignores the care that must be taken in attribution of knowledge to an artificial legal person, particularly by means of aggregation, and the necessity for paying close attention to the rationale and underlying principles of the relevant substantive rule of liability (*Commonwealth Bank of Australia v Kojic* [2016] FCAFC 186; 249 FCR 421 at [63]-[67] per Allsop CJ, [94]-[100] and [109]-[115] per Edelman J). As explained above at [193], the element of malice in injurious falsehood is concerned with *mala fides* and dishonest, improper or collateral motives.

201 The second aspect of the permanency matter relates to whether or not Mr Ford told Mr Garrett during the course of a meeting in early 2019 that one person had converted to permanency as part of the expression of interest process which had been introduced towards the end of 2018. The determination of this allegation requires the Court to resolve a dispute in the evidence between Ms Sallan (a HR consultant at NRMA) and Mr Garrett. For the reasons which I now give, Mr Garrett's evidence is preferred.

202 Ms Sallan says that she was present at a meeting and overheard Mr Ford tell Mr Garrett that one casual employee had converted to permanency under the expression of interest process. Ms Sallan attended the meeting to take notes and so that she knew what was going on. She said that she had attended several such meetings with the MUA. She could not remember all the meetings which she had attended, the number of those meetings or the date of the meeting when she said she overheard a conversation between Mr Ford and Mr Garrett. The meeting took place in the context of negotiations for an enterprise agreement for Masters, as opposed to other MFF staff. Ms Sallan did not take a note of the conversation and she could not recall who else was there. She could not recall whether Mr Morley was there but she recalled both Mr Ford and Mr Garrett being present. She could not identify the names of other union representatives attending the meeting. Ms Sallan said that the relevant conversation between Mr Ford and Mr Garrett was a "side discussion" and was part of the enterprise agreement negotiation. She accepted that the expression of interest process did not apply to Masters and

she agreed that any conversation on the expression of interest process was not part of the substance of the meeting. She also accepted that it was possible that Mr Ford would be in a better position to give evidence in relation to his conversation and that the conversation between the two men was between themselves and not directed to her. When pressed, Ms Sallan said that she was not mistaken in stating that Mr Ford told Mr Garrett that an employee had in fact converted to permanency.

203 While I accept that Ms Sallan was an honest witness, I cannot and do not accept her version of what was said at the relevant meeting, having regard to the matters outlined immediately above. Ms Sallan's recollection of the meeting was notably vague and uncertain, as she candidly acknowledged. I am not confident that her recollection of what was said between Mr Ford and Mr Garrett in their side discussion is accurate.

204 It is also notable that the relevant meeting was attended by both Mr Richard Ford and Mr Morley (who is the General Manager of Human Resources for the NRMA). The NRMA called neither of them to give evidence. The *Jones v Dunkel* (1959) 101 CLR 298 principle applies.

205 For the following reasons, I prefer Mr Garrett's evidence on this issue. It was put to Mr Garrett in cross-examination that, during the course of the meeting in early 2019, he was told by Mr Ford that one person had converted to permanency under the expression of interest process. He said that he was not told that fact. I accept his evidence. He said that if he had been told that fact he would not have stated that there were no permanent jobs because he would not have allowed himself "to be tripped upon on that technicality". I accept his evidence. I also accept Mr Garrett's evidence that he honestly believed in December 2018 that all of the MFF staff were casual and that he had no direct understanding of what proportion of MFF employees might or might not have taken up the expression of interest process. I also accept his evidence that the maritime industry is small and that "seagulls" keep the MUA informed about developments and that he had not been told that anyone had been made permanent. I also accept Mr Garrett's evidence that he repeatedly tried to call Mr Ford, the CEO of Noorton, and Mr Ford refused to take his calls about the expression of interest process generally. Mr Garrett stated unequivocally at T 240.5 that there was "no doubt in my mind at the time" that all the staff were casual. I accept his evidence that he "had nothing in my possession, knowledge or otherwise or any indication from the company, the workers, the delegates or anyone else had been made permanent". I find that it was not

until shortly before these proceedings commenced that Mr Garrett learned that some of the MFF staff were permanent.

206 I am satisfied that Mr Garrett's evidence demonstrates that the statements and representations complained of were made as part of a campaign by the MUA aimed at securing permanent employment for members, achieving wage outcomes that are consistent with the prevailing rates in the industry and recouping underpayments for employees. There is no suggestion that the industrial campaign is not genuine or the objectives are not legitimate. The MUA's conduct cannot be described as an attempt to injure the NRMA without just cause or excuse or by some indirect, dishonest or improper motive. In assessing whether the matters relied upon by the NRMA establish malice, it is also relevant to take into account the context in which the conduct occurred, namely an industrial dispute in which it is customary for the disputants to engage in confronting and sometimes belligerent behaviour. The context is hardly that which might be expected at, say, a tea party or a prayer meeting (to adopt Perram J's memorable expression in *Australian Securities and Investments Commission v Accounts Control Management Services Pty Ltd* [2012] FCA 1164 at [14]).

207 I accept the NRMA's submission that the industrial campaign had as an intended target the NRMA brand. This included persuading members of the public that the NRMA brand was no longer trustworthy, as well as calls by MUA officials, including Mr Paul Keating, for consumers to boycott the company. Viewed in the context of an industrial campaign, however, I do not consider that these matters rise to the high level of malice. I am not satisfied that the statements and representations complained of were made with knowledge that they were false or with a reckless disregard as to whether or not they were true. For completeness, I should add that I do not consider the Offending Logo or the emails concerning "hacking" of the NRMA's brand assist the malice case. That evidence does not go so high as to establish improper motive, bearing in mind the context of the industrial campaign, nor does it show that any improper motive actuated the pleaded injurious representations.

208 For these reasons, I am not satisfied that the NRMA has established malice. The injurious statements and injurious representations were genuinely made and in circumstances in which Mr Garrett honestly believed the statements to be true.

(ii) Actual Damage

209 An applicant alleging the tort of injurious falsehood must prove that it has suffered particular and identifiable loss or damage as an essential element of the tort. The actual damage done is the very gist of the action. The requirement has been variously stated as requiring the plaintiff to establish “special damage”, “particular and identifiable loss or damage” and “actual damage” (*Ratcliffe v Evans* at 527-528 per Bowen LJ; *Giraffe World Australia Pty Ltd v Australian Competition and Consumer Commission* [1998] FCA 1560; (1999) ATPR 41-669 at 42-537 per Lindgren J). The tort of injurious falsehood does not provide a cause of action for mere injury to either reputation or feelings. A party seeking to establish injurious falsehood must plead and prove actual, that is, identifiable financial loss or damage, as an essential element of the tort.

210 For example, in *Orion*, Weinberg J said at [198]:

In some respects, this tort bears a marked resemblance to defamation. Both involve a false and harmful imputation concerning the plaintiff which is made to a third party. They differ, however, in that the law of defamation protects interests in personal reputation while injurious falsehood protects interests in the disposability of a person's property, products or business. Defamation is generally actionable without proof of damage. Falsehood is presumed and liability is strict. In an action for injurious falsehood, the plaintiff must prove that he sustained actual economic loss, that the offending statement was false, and that it was made with intent to cause injury without lawful justification. The requisite state of mind is often described as malice.

211 Similarly, in *Haines v Australian Broadcasting Corporation* (1995) 43 NSWLR 404, Hunt CJ at CL said at 408:

The importance of actual damage as an element of the tort of injurious falsehood is that, because the tort is not concerned with injury to either reputation (*Ballina Shire Council v Ringland* (1994) 33 NSWLR 680 at 694) or feelings (*Fielding v Variety Inc* [1967] 2 QB 841 at 850), damages for injurious falsehood would appear to be restricted to the recovery of that actual damage: *ibid* at 850.

212 The ASOC pleads that the NRMA has incurred expenses and loss, its business was harmed and it has suffered actual financial loss or damage. The NRMA has not, however, provided details of any particular or identifiable loss or damage that has been suffered as a consequence of any of the statements that are pleaded nor is there any evidence of any specific damage suffered.

213 To make out the tort and prove actual damage, the NRMA needs to demonstrate actual financial loss as a result of the pleaded statements which, it is said, were false and

maliciously made. That is, it is necessary to prove that actual financial loss resulted from the four particular statements pleaded as constituting the tort of injurious falsehood.

214 There is an additional relevant requirement. Even if actual financial loss is established with respect to the actions of the MUA generally, to make out the tort it is also necessary for the NRMA to prove the loss resulted from the **particular** injurious statements and/or injurious representations as pleaded in the ASOC.

215 To prove damage, the NRMA relies primarily on alleged “reputational damage” or assertions that the public had been “misled”. The evidence of damage to reputation is tenuous and, at best, speculative. For example, the NRMA alleges damage to reputation as a result of three comments on the MUA Facebook page and two comments on the Megaphone website. The suggestion that five comments on social media indicates any appreciable damage to reputation is fanciful. In any event, the tort of injurious falsehood, does not protect against mere damage to business reputation. Alleged “reputational damage”, even if established, is insufficient to make out the tort. The NRMA must show how the alleged “reputation damage” translated into actual economic loss.

216 As to Mr Heberden’s evidence, I accept the MUA’s submission that it all goes to reputation and brand. Mr Heberden did not give any evidence of any particular financial loss to the NRMA which was causally connected to the injurious statements or injurious representations.

217 As to the NRMA’s claim that because the alleged trade mark infringements related to the NRMA’s property in its trade marks, I am not satisfied the NRMA has established any damage to property separate from its allegation of damage to business reputation generally. Trade marks protect a proprietor’s ability to use exclusively registered signs and marks as markers of association with the proprietor. While the NRMA may contend the value of that association has been lessened due to damage to its business reputation, its ability to use its trade marks (and prevent others from using them) to establish association of its goods and services with the NRMA remains unimpeded.

218 Turning to the NRMA’s reliance upon MFF passenger numbers (which is confidential), the evidence falls far short of establishing a causal connection between those numbers and the injurious statements and injurious representations. There is a wide range of other possible explanations for those numbers — alternative transport arrangements, other statements made

by the MUA, the effect of the strikes, seasonal factors and home telecommuting replacing the need for people to travel to and from work.

219 For these reasons, I find that the tort of injurious falsehood has not been established, not only because the relevant statements and representations were not made maliciously, but also because the NRMA has not established actual damage in the relevant legal sense.

(d) Implied Freedom of Political Communication

220 As explained above, it is unnecessary in the particular circumstances of this case to consider and determine the MUA's reliance on the implied freedom of political communication (see *Universal Film Manufacturing Co (Australasia) Ltd v New South Wales* (1927) 40 CLR 333 at 342 per Isaacs ACJ; *Knight v Victoria* [2017] HCA 29; 261 CLR 306 at [32] and *Clubb v Edwards* at [32] ff per Kiefel CJ, Bell and Keane JJ), noting that there is nothing about this case which would warrant departing from the well-established approach that Constitutional issues should only be determined if the proceeding cannot be disposed of on a non-Constitutional basis.

F. CONCLUSION

221 For these reasons, the proceeding will be dismissed, with costs. It is unnecessary to determine the MUA's contention that declaratory or injunctive relief should be refused in the Court's discretion having regard to the NRMA's delay in bringing these proceedings or that the injunctive relief sought is unacceptably uncertain. That is simply because the NRMA has failed to establish any of its three causes of action.

I certify that the preceding two hundred and twenty-one (221) numbered paragraphs are a true copy of the Reasons for Judgment herein of the Honourable Justice Griffiths.

Associate:

Dated: 11 September 2019

