Legal Professions’ Admission Board – Diploma in Law

INTELLECTUAL PROPERTY COURSE

Lecture 9 – Confidential Information (Pt 2) & Business Reputation (Pt 1)

Confidential information (cont’d): Defences

1. The public interest defence.

2. Balancing competing interests: the example of disclosure of government papers.

Remedies

3. Overview of remedies available for breach of confidence.

Group discussion – past exam question (confidential information)

4. A past exam question dealing with confidential information issues (attached) will be discussed.

Introduction to business reputation

5. Overview of tort of passing off vs causes of action under TPA.

Tort of passing off

6. Introduction and historical background.

7. The elements of the modern action for passing off.

8. 1st requirement: Reputation. Review of issues including:

   a. What commercial activities are covered?
   b. How is reputation fixed in the minds of consumers?
   c. The problem with descriptive names/words.
   d. How is reputation proved?
   e. Reputation of a foreign plaintiff without local business activity.
   f. What effect does ‘intention to deceive’ have?
Past Exam Question – Confidential Information

BioMet Limited ("BioMet") is a public company in Australia. It is a developer of pharmaceutical products for the treatment of heart disease. BioMet has spent the last 3 years developing a new treatment that involves a drug known as ‘ZFT-10’.

BioMet has made an application to the Commonwealth Department of Health & Community Services ("Department of Health") for the purpose of having ZFT-10 approved and registered as a therapeutic drug for distribution and sale in Australia. As part of its application, BioMet provides to the Department of Health the following documents:

1. Copies of BioMet’s annual reports for the 1995-2004 financial years which reveal the company’s financial status and also the level of its investment in research into the causes of heart disease.

2. Copies of 100 BioMet scientific reports marked ‘Strictly Confidential’. The reports set out the results of various stages of testing in the development of the ZFT-10 treatment.

3. Copies of 10 reports of scientific investigations conducted by a Swiss company known as ‘BioSwiss’. The reports set out the results of investigations conducted by BioSwiss on a treatment that it had been developing between 1980-1985 for the treatment of liver disease. BioSwiss provided the reports to BioMet as part of a joint collaboration agreement entered in 1993 between BioMet and BioSwiss regarding the proposed joint development of a treatment for heart disease.

In addition, a technical team of 3 BioMet scientists attended before the Chief Secretary of the Department of Health for a specially convened 1-day departmental hearing (ie. an internal departmental inquiry) which probed into the technological advances claimed in the ZFT-10 treatment. The Chief Secretary used the day long hearing to ask questions of the scientists regarding how the ZFT-10 treatment was operated and was developed. At the beginning of the hearing the BioMet scientists informed the Chief Secretary that it was highly likely that the information they would reveal during the course of the hearing would be highly commercially sensitive to BioMet. The attendees at the hearing were the Chief Secretary, a stenographer (who recorded the transcript of the hearing), two aides to the Chief Secretary and the BioMet scientists.

Following BioMet providing the documents set out in 1, 2 and 3 above and the holding of the 1-day hearing, the Chief Secretary advised BioMet that she proposed to use all the information obtained from BioMet in the course of the Department of Health considering an application made by ‘Advanced Medicines’, one of BioMet’s competitors, for the approval and registration of its competing heart disease drug treatment.

BioMet seeks your advice as to whether it can bring any action against the Department of Health to restrain the proposed use of its information in the adjudication of its competitor’s drug treatment. [25 marks].