

## Bonz Group (Pty) Ltd v Cooke

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High Court Christchurch  
 16-20 May, 20-24 June; 8 July 1994  
 Tipping J

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*Copyright – Infringement – Artistic work – Model – Handknitted garments – Prototype garment made of same material as finished product – Whether prototype an artistic work – Copyright Act 1962, s 2.*

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*Copyright – Infringement – Artistic work – Work of artistic craftsmanship – Handknitted garments designed and knitted by different persons – Whether work of artistic craftsmanship – Whether different persons can create one work of artistic craftsmanship – Copyright Act 1962, s 2.*

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*Copyright – Infringement – Copying – Handknitted garments – Whether sufficient objective similarity to suggest copying – Whether defendant showing sufficient independent skill, effort and labour to claim originality in own garments – Copyright Act 1962.*

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*Commercial law – Fair Trading Act – Misleading and deceptive conduct – Whether misrepresentation to section of public – Whether real risk of misleading or deception of section of public – Fair Trading Act 1986, s 9.*

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The plaintiffs claimed that the defendant had breached its copyright by making and selling handknitted woollen sweaters and cardigans too similar to its own. The garments depicted similar scenes, such as dancing lambs and golfing kiwis, although the defendant's designs were cruder and her colours more muted than the plaintiffs'. The plaintiffs claimed copyright not in the individual features of the garments, but from a collocation of the colours, design and materials. They contended that the garments were works of "artistic craftsmanship" under para (c) of the definition of "artistic work" in s 2 of the Copyright Act 1962, or (in closing submissions) that a prototype of the garments was, irrespective of artistic quality, a "model" and therefore within para (a) of the definition of "artistic work". The plaintiffs' garments had been designed and knitted by separate persons. The plaintiffs also claimed the defendant had engaged in misleading or deceptive conduct in breach of s 9 of the Fair Trading Act 1986 as her garments so closely resembled the plaintiffs' garments that members of the public, especially Japanese tourists, were likely to be misled or deceived into purchasing the defendant's garments or believing they were the plaintiffs' or were associated with them.

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**Held:** 1 A prototype garment could be a "model" for the purposes of the definition of "artistic work" in s 2 of the Copyright Act 1962 since a model could be made of any material, including the material in which the finished item was made. However, the plaintiffs had not sufficiently pleaded, argued or produced evidence that a prototype existed with sufficient similarity to its garments (see p 221 line 17, p 222 line 12).

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*Thornton Hall Manufacturing Ltd v Shanton Apparel Ltd (No 2)* [1989] 1 NZLR 239 followed; *Wham-OMFG Co v Lincoln Industries* [1984] 1 NZLR 641 (CA), *Bleiman v News Media (Auckland) Ltd* [1994] 2 NZLR 673 (CA) applied; *Ladbroke (Football) Ltd v William Hill (Football) Ltd* [1964] 1 WLR 273; [1964] 5 1 All ER 465 (HL) discussed; *Hanfstaengl v H R Baines & Co Ltd* [1895] AC 20, referred to.

2 A “work of artistic craftsmanship” within para (c) of the definition of “artistic work” in the 1962 Act was a work made by a craftsman and an artist, not necessarily being the same person. A craftsman made something in a skilful way, taking justified pride in his workmanship. An artist had creative ability and produced something with aesthetic appeal. The handknitters of the garments were craftsmen as they had imparted sufficient skill, experience and effort in creating the garments; the designer was an artist as she had brought sufficient artistry to the design and the garments had more than sufficient aesthetic appeal. The joint efforts of the craftsmen and artist had therefore created a “work of artistic craftsmanship” in which the plaintiffs had copyright (see p 223 line 53, p 224 line 14, p 224 line 26).

*George Hensher Ltd v Restawile Upholstery (Lancs) Ltd* [1976] AC 64; [1974] 2 All ER 420 considered; *Merlet v Mothercare plc* [1986] RPC 115 (Ch D & CA) referred to; *Burke and Margot Burke Ltd v Spicers Dress Designs* [1936] Ch 400; [1936] 1 All ER 99 doubted.

3 A rebuttable inference of copyright infringement by copying arose if there was sufficient objective similarity between an infringing and copyright work and the infringer had had access to the copyright work. In this case there was insufficient objective similarity between the plaintiffs’ and defendant’s works to suggest copying. Further, even if there had been sufficient objective similarity, the defendant had shown sufficient independent skill, effort and labour to claim originality for her garments (see p 227 line 5, p 227 line 31, p 227 line 54, p 228 line 7).

Dictum of Davison CJ in *Wham-O MFG Co v Lincoln Industries* [1984] 1 NZLR 641 (CA) at p 666 applied.

4 For conduct to breach s 9 of the Fair Trading Act 1986 there had to be a misrepresentation involving a real risk that a section of the public would be misled or deceived. In this case there was only a minimal risk of misleading or deception as there was insufficient similarity between the plaintiffs’ and defendant’s garments (see p 229 line 12, p 229 line 20, p 229 line 29, p 229 line 35, p 229 line 42, p 230 line 45).

*Levi Strauss & Co v Kimbyr Investments Ltd* [1994] 1 NZLR 332 adopted; *Chase Manhattan Overseas Corporation v Chase Corporation Ltd* (1985) 63 ALR 345; 6 IPR 59 (FCA), *Puxu Pty Ltd v Parkdale Custom Built Furniture Pty Ltd* (1980) 31 ALR 73; 43 FLR 405, *Taylor Bros Ltd v Taylors Group Ltd* [1988] 2 NZLR 1 (CA) referred to.

*Judgment for defendant: plaintiffs’ interim injunction discharged; leave for defendant to apply for damages in relation to interim injunction.*

**Other cases mentioned in judgment**

*Allied Liquor Merchants Ltd v Independent Liquor (NZ) Ltd* (1989) 3 TCLR 328. *Carter Holt Harvey Roofing Aluminium & Glass Group Ltd v Trevor Bills Ltd* [1988] 2 TCLR 592.

50 *Cuisenaire v Reed* [1963] VR 179; (1962) 5 FLR 180. *Green v Broadcasting Corporation of New Zealand* [1988] 2 NZLR 490 (CA). *L B (Plastics) Ltd v Swish Products Ltd* [1979] RPC 551 (HL). *Taco Co of Australia Inc v Taco Bell Pty Ltd* (1982) 42 ALR 177; ATPR 40-303 (FCA).

**Civil proceeding**

This was a claim alleging infringement of copyright and misleading and deceptive conduct under s 9 of the Fair Trading Act 1986.

*D F Dugdale, S P Rennie and S B Hetherington* for the plaintiffs.  
*W G G A Young QC and C Elliott* for the defendant.

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*Cur adv vult*

**TIPPING J.** The plaintiffs Bonz Group (Pty) Ltd (Bonz) sue the defendant (Mrs Cooke) for infringement of copyright and for breach of the Fair Trading Act 1986. At the trial only questions of liability were in issue. Matters of relief and quantum were reserved for later consideration if and to the extent necessary.

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Bonz manufactures and sells handknitted woollen garments in Australia and New Zealand. Three of those garments are in issue in this case. They are sweaters and cardigans called dancing lambs, ski kiwi and golfing kiwi. Mrs Cooke worked for Bonz in Christchurch for nearly two months in March and April 1993. She was dismissed on 25 April 1993. A short time later she started business on her own account manufacturing and selling handknitted woollen garments. She thereby came into competition with Bonz. Both parties use outworkers to knit their garments. Bonz sells its garments through its own retail outlets. Mrs Cooke sold her garments through selected retail outlets. Bonz contends that Mrs Cooke has been making and selling three garments too similar to their own.

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These proceedings were commenced in November 1993. Bonz secured an interim injunction and also an Anton Piller order. There was a variation of the interim injunction entitling Mrs Cooke to carry on her business under various conditions but before long she stopped trading altogether to prepare for the trial. I shall deal first with the claim for breach of copyright. It will be necessary to consider the evidence as I proceed. I must say at this point that the evidence was extensive. Much of it did not, in my judgment, relate very closely to the essential issues. Those issues are first whether the Bonz garments have copyright protection and second whether there has been infringement by Mrs Cooke. Further but subsidiary issues were pleaded in relation to the buttons on the garments as individual items and the Bonz base graphs and knitting instructions. However in his closing submissions Mr Dugdale indicated that Bonz did not seek judgment in relation to those matters (paras 3(b), (c) and (d) of the first amended statement of claim). I have considered all the evidence but it is unnecessary in this judgment for me to deal with every point and every issue canvassed at the trial.

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*Copyright*  
*General*

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The law of copyright in New Zealand is entirely statutory. It derives from the Copyright Act 1962. Copyright subsists in every original literary, dramatic, musical or artistic work. Bonz contends that its garments are artistic works. The expression "artistic work" means a work of any of the descriptions set out in the Act. There is a dispute about whether the Bonz garments amount to artistic works. I shall address that issue below. It is to be noted that copyright subsists only in the relevant works if they are original.

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The word "original" is not defined in the Act but it is clear from the authorities that there is a material distinction for present purposes between originality and novelty. The subject-matter of a work for which copyright is claimed does not have to be novel. The work must, however, be original to the author. In one of the leading New Zealand cases *Wham-O MFG Co v Lincoln Industries* [1984] 1 NZLR 641 the Court of Appeal emphasised that the originality that is required relates to the manner in which the claimant to the copyright has expressed his

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thought or ideas. It is not necessary that the work be novel in form. What is necessary is that the work should originate from the author and not be copied from another work. For reasons which I will mention later, originality is not in issue because the collocation of features found in the Bonz garments is accepted as being original to Bonz as opposed to the features individually.

The next general point relates to the conventional dichotomy between ideas and expression. In *L B (Plastics) Ltd v Swish Products Ltd* [1979] RPC 551, 619, Lord Wilberforce said that copyright does not reside in a mere idea. Thus copyright does not reside in an idea as such but rather in its mode of expression in visible or audible form. Recently, however, the Court of Appeal has emphasised that the conventional distinction between ideas and their expression is helpful only up to a point; see *Bleiman v News Media (Auckland) Ltd* [1994] 2 NZLR 673 per Gault J. Their Honours noted the speech of Lord Hailsham of St Marylebone in the *Swish Products* case where His Lordship said at p 629: "as the late Professor Joad used to observe, it all depends on what you mean by ideas."

Developing the point Gault J indicated that it was all a matter of the degree of particularity or generality to which the idea is taken. Noted also was the observation of Somers J in *Green v Broadcasting Corporation of New Zealand* [1988] 2 NZLR 490, 497 that the abstraction implicit in a general idea or concept may be delineated or attended with detail, pattern or incidents sufficiently substantial to attract copyright in the whole. Their Honours in *Bleiman* indicated that it was perhaps more helpful to consider whether the effort, skill and judgment of the copyright owner in the making of his original work had been appropriated in the making of what appeared, on a realistic assessment, to be a reproduction of a substantial part. I do not, with respect, consider that the Court of Appeal was advocating the total abandonment of the conventional ideas/expression dichotomy. What I think Their Honours were pointing out is that while ideas as such are not susceptible of copyright protection, an idea behind the method of expression can be protected if it is an integral part of the method of expression itself.

The next general point is that an infringing work does not have to be an exact copy. The acts restricted by copyright in an artistic work include reproducing the work in any material form. The Court of Appeal said in *Wham-O* that the plaintiff does not have to establish a sufficient degree of similarity between the copyright work and the allegedly infringing work each taken as an entirety. It is sufficient for the plaintiff to establish that such similarity exists between a substantial part of the copyright work and the allegedly infringing work. Whether a part of a copyright work is a substantial part is to be decided more by quality rather than quantity. Quantity may nevertheless have a bearing.

The essence of copyright is that the original author's effort, skill and judgment are protected. No person may take the benefit of that effort, skill and judgment by reproducing the original author's work or a substantial part thereof. It was Lord Reid in *Ladbroke (Football) Ltd v William Hill (Football) Ltd* [1964] 1 All ER 465, 469 who made the point that whether a substantial part has been copied depends more on the quality of what has been taken than its quantity. If the essence of a work has been copied that is enough for infringement. Lord Reid suggested that one test of substantiality is whether the part taken is novel or striking or is merely a commonplace arrangement of ordinary words or well-known data, such being the subject-matter of that case. This point has relevance in the present case in that Bonz claims copyright in a collocation of features none of which in themselves would justify copyright protection.

As Lord Reid emphasised, the correct approach is first to determine whether the plaintiff's work as a whole is original and protected by copyright. The second step is to see whether such part as may have been taken by the defendant is a substantial part of the plaintiff's work. It is not correct to subdivide the plaintiff's

work into its component parts and ask whether copyright might attach to the individual parts. Copyright, if it exists at all, exists in relation to the work as a whole. For example, an author may have taken six different components for his work by copying from six different sources. The combination of the six components may nevertheless have sufficient originality to attract copyright in the whole. 5

Where, as in this case, the plaintiff relies for its copyright on a collection of individual features, none of which on their own would attract copyright, this has ramifications when it comes to infringement. To infringe in such circumstances the defendant must have used the same or a substantially similar arrangement or collocation of the individual features. If the defendant has copied the individual 10 features but has made its own arrangement of them, this will not represent an infringement. That is because the plaintiff has no monopoly in the individual features as such but only in their arrangement or collocation. Because the plaintiffs' copyright resides in the arrangement or collocation the defendant, to infringe, must have copied the arrangement or collocation or a substantial part thereof. As to 15 infringement in collocation and compilation cases see *Brown and Grant, The Law of Intellectual Property in New Zealand* (1989) at p 360 and in particular the authorities collected in footnotes 10 and 11.

The final general point relevant to the present case is the trite one that it is of the essence of infringement that there must have been a copying. The copying 20 may, of course, be either of the whole or of a substantial part of the copyright work. Proof of copying is seldom direct. Indeed the copying itself does not have to be direct. There are circumstances in which indirect copying can amount to infringement. Proof of copying involves an examination of the objective similarities of the two works. If there is sufficient objective similarity to suggest copying, either 25 of the whole or of a substantial part of the copyright work, the next inquiry is whether there is a sufficient causal connection shown to justify the ultimate inference of copying. The greater the objective similarity the stronger will be the prima facie inference of copying and vice versa.

As Lord Shand said in *Hanfstaengl v H R Baines & Co Ltd* [1895] AC 20, 30 31 the first question is whether there is such a degree of similarity as would lead one to say that the alleged infringement is a copy or reproduction of the original — “having adopted its essential features and substance”. I myself mentioned in *Carter Holt Harvey Roofing Aluminium & Glass Group Ltd v Trevor Bills Ltd* [1988] 2 TCLR 592, 596 that whether there is sufficient objective similarity and whether 35 there is a causal connection between the two works are both questions of fact. The first is an objective matter and the second is subjective.

I have set out that general background against which the key issues in the present case are to be decided for ease of reference. I turn now to the first of the issues which is whether the Bonz works, ie the garments in respect of which Bonz 40 claims copyright, qualify for copyright.

### Models

Bonz contends that its garments are artistic works under two of the three limbs of the definition of that expression in the Act. This reads: 45

“Artistic work” means a work of any of the following descriptions, that is to say, —

- (a) The following, irrespective of artistic quality, namely, paintings, sculptures, drawings, engravings, [models], and photographs: 50
- (b) Works of architecture, being either buildings or models for buildings:
- (c) Works of artistic craftsmanship, not falling within either of the preceding paragraphs of this definition.

The first contention is that prototype garments are models within the meaning

of para (a). If so, they are artistic works irrespective of artistic quality. A number of issues arise on this contention. The first relates to the meaning of the word “models”. I have put it in square brackets when setting out the definition because the word “models” was inserted into the definition by the 1985 amendment to the

5 Act.

The authors of *The Law of Intellectual Property in New Zealand* describe at p 248 the circumstances in which the amendment came to be made. They also set out various ways in which they thought that the word “model” was likely to be interpreted. They suggest that a model includes a prototype and then observe  
10 that the recognition of copyright in a prototype would overcome problems in the fashion industry where a final garment had hitherto been held not to be a copyright work unless it fell within the definition of a work of artistic craftsmanship. The authors’ prophecy was fulfilled by the decision of Hillyer J in *Thornton Hall Manufacturing Ltd v Shanton Apparel Ltd (No 2)* [1989] 1 NZLR 239, 245. His  
15 Honour held that a prototype dress came within the term “model” in the definition of artistic work.

Mr Young did not invite me to depart from that conclusion but rested Mrs Cooke’s case on different points. While initially hesitant I now see the force of the conclusion that a true prototype garment can be regarded as a model. The  
20 medium in which the model is made can hardly be decisive. Models are often made of wood or clay or plasticine but there seems no reason in logic why for the purposes of the fashion industry, a model should not be made of some other material, ie the material with which the finished product is to be made. I therefore accept that a prototype garment is capable of being a model within the definition. That,  
25 however, is far from the end of the present matter.

Mr Young pointed out that in its pleadings Bonz had not expressly said that it was claiming copyright in a prototype garment on the basis that such prototype was a model. In its pleading Bonz asserted that it was the owner of copyright in  
30 “the original artistic and literary works set out below”. The reference to literary works is of no continuing relevance. The description of the artistic works then set out was “handknitted woollen garments entitled ski kiwi, kiwi golf and dancing lambs and incorporating the following features”. Those features are then set out and will be the subject of further reference later in this judgment. There is, however  
35 no suggestion that Bonz was relying on the prototypes of the garments as opposed to the finished garments themselves. There is a document purporting to give further particulars of Mrs Cooke’s defence upon which Mr Dugdale relied but I cannot see it as in any way aiding Bonz on this point.

Had the pleading point stood alone it might have been possible to say that the pleading was sufficiently wide, in the absence of a request for further particulars,  
40 to let in the prototype/model contention. The pleadings do not, however, stand alone. When Mr Rennie opened for Bonz there was not the slightest suggestion that Bonz was seeking to rely on para (a) of the definition. The focus was entirely on artistic craftsmanship, ie para (c). Thus Mrs Cooke was not put on any sort of notice that Bonz was going to rely on para (a). What is more, during the course  
45 of Mr Elliott’s opening for Mrs Cooke he seemed to be covering ground not relied upon by the plaintiff. I intervened for the purpose of inquiring whether it was necessary for Mrs Cooke to guard herself against a wider aspect of artistic work than artistic craftsmanship. The note I have, and this was confirmed by Mr Young, is that Mr Dugdale, on behalf of Bonz, said that for better or for worse Bonz  
50 was putting its case on the basis of artistic craftsmanship.

Against that background it is not surprising that the focus of the cross-examination of the Bonz witnesses was not directed to any prototype/model contention. Nor was there much exploration of the point in any serious way in evidence-in-chief. I have the clear impression that when Bonz realised that its claim

to artistic craftsmanship might not be as clear cut as it would have liked, a decision was made to seek to rely on para (a) as well as para (c). I say that because the first suggestion of reliance on para (a) came during the course of Mr Dugdale's closing address after Mr Young had made his closing submissions. There was immediate objection from Mr Young, who raised the matter only a few moments before I might have done. In addition to all those points, there is no clear evidence of the existence of qualifying prototype garments. Nothing was produced as a prototype. There were no sketches or drawings or photographs of anything which was said to be a prototype. There may indeed have been prototype garments but what exact resemblance they bore to the garments in issue is really left by Bonz to a matter of conjecture.

It came down in the end to my being invited to draw the inference first that there were prototype garments and second that they had sufficient similarity to the garments in issue for me to be able to conclude that for all practical purposes the two were the same. I do not feel able on the evidence to draw that inference. Indeed I am quite satisfied that Bonz was never in substance trying to claim copyright in prototype garments until Mr Dugdale's closing address. Neither its opening nor its evidence was directed to that proposition. For the reasons given I am unable fairly to hold that Bonz has established copyright in prototype or model garments in terms of para (a). This will not actually matter for Bonz because of my conclusion in relation to para (c) to which I now turn.

#### *Artistic craftsmanship*

Bonz argues that its garments are works of artistic craftsmanship. The composite expression "artistic craftsmanship" has caused difficulties. Although one must not lose sight of the fact that the expression is a composite one, for the purposes of analysis both words must be construed. The word "craftsmanship" has been found easier than the word "artistic". The leading English decision is *George Hensher Ltd v Restawile Upholstery (Lancs) Ltd* [1976] AC 64. That case concerned a prototype of a suite of furniture consisting of a settee and two chairs. It is not easy to derive any common theme from the five speeches in the House of Lords.

The appellants maintained that the prototype was a work of artistic craftsmanship within the meaning of para (c) of the English definition of "artistic work" which is in identical terms to our para (c). The respondents admitted the prototype was a work of craftsmanship but denied that it was a work of artistic craftsmanship. The concession that the prototype was a work of craftsmanship caused some of Their Lordships difficulty and may well have been unwise.

Lord Reid said that a work of craftsmanship suggested to him a durable useful handmade object. His Lordship added that the expression "work of artistic craftsmanship" suggested something, whether of practical utility or not, which its owner values because of its artistic character. Elaborating on the meaning of the word "artistic" Lord Reid said that by common usage it is proper for people to say that a thing has an artistic character if they receive pleasure or satisfaction or, it may be, uplift from contemplating it.

Lord Morris of Borth-y-gest suggested that the word "artistic" in the phrase "work of artistic craftsmanship" was a word which would be well understood and needed no interpretation. That said, His Lordship acknowledged that there would certainly be differences of opinion as to whether some particular work of craftsmanship did or did not measure up to the standard which must be reached before the use of the word "artistic" was warranted. That, His Lordship said, was because in this field personal judgment has to be formed. His Lordship added that a general consensus of opinion among those whose views command respect would be firm ground on which judgment in a Court of law could be based.

However in the present case there is really very little direct evidence to help in the assessment whether the Bonz garments are works of artistic craftsmanship.

Viscount Dilhorne said that a work of craftsmanship, in his view, was something made by hand and not something mass produced. His Lordship's discussion of the concept behind the word "artistic" includes the proposition that mere originality of design does not make a thing an artistic work but on the other hand His Lordship was of the view that a work of artistic craftsmanship does not lose that character on account of its functional qualities. In the end His Lordship took the view that the phrase was made up of words in ordinary use in the English language which should be given their ordinary and natural meaning.

Lord Simon of Glaisdale's judgment is particularly interesting for its tracing of the historical background to the introduction of works of artistic craftsmanship into copyright law. He said that craftsmanship, particularly when considered in its historical context, implies a manifestation of pride in sound workmanship. He added that the craftsmanship, not the work itself, must in addition be artistic. Lord Kilbrandon made the point that Parliament has insisted that the work must not only be a work of craftsmanship but one of artistic craftsmanship. That meant, in his view, that the work must have come into existence as the product of an author who was consciously concerned to produce a work of art. Yet His Lordship was of the view that whether the work is a meritorious work of art is not the point.

In *Merlet v Mothercare plc* [1986] RPC 115 Walton J and the Court of Appeal were concerned with a baby's cape which the plaintiff designer had made originally for her own child but which was later manufactured for sale by the second plaintiff. The defendants obtained one of the plaintiff's garments and caused it to be copied. They then began to sell a baby's cape made in accordance with the copy. One of the issues was whether or not the work was one of artistic craftsmanship. Walton J discussed the various approaches of Their Lordships in *Hensher* and came finally to what he described as the reluctant conclusion that there existed a clear majority of voices in the House of Lords for the view expressed by Viscount Dilhorne. Under that approach the test is whether the object in question is a work of art. Walton J acknowledged that he himself was of the view that this was too stringent a test. That was also the view of Lord Reid in *Hensher*. Nevertheless Walton J considered himself bound to take what he discerned to be the majority view.

In the earlier case of *Burke and Margot Burke Ltd v Spicers Dress Designs* [1936] Ch 400 Clauson J concluded that a woman's dress was not a work of artistic craftsmanship. That conclusion may well have been correct in the particular case but it cannot have general application to items of apparel; each work must depend upon its own features against the statutory concept properly understood. The concept was examined in considerable detail by Pape J in *Cuisenaire v Reed* [1963] VR 719. This case involved the well-known Cuisenaire rods used to teach young people mathematics. Pape J said at p 729 that the addition of the adjective artistic to the noun craftsmanship required that the craftsman in exercising his skill and labour must set out to produce something which possesses those attributes suggested by the word itself even if the article also possesses a functional character such as a Chippendale chair or table.

A little later His Honour said that the person making the article must have applied his skill and taste to its production intending to produce something which would have a substantial aesthetic appeal to its owner. It is not surprising that His Honour held that the Cuisenaire rods were not works of craftsmanship and a fortiori not works of artistic craftsmanship. In the end the Court must make its own assessment of the work in question assisted by whatever evidence has been produced on the point.

I have some difficulty with the proposition that an author can have tried to be artistic and failed, yet the product, because this was the intention of the author,



is nevertheless to be regarded as a work of artistic craftsmanship. I consider that the end result objectively viewed must have a significant bearing on the question. That is not to make the Court an arbiter in comparative terms of the merits of an allegedly artistic product. It simply recognises that for a work to be one of artistic craftsmanship it must, in my judgment, have some artistic quality. There is support for that view from the fact that certain works under para (a) qualify irrespective of artistic quality. It would be strange if a work of artistic craftsmanship could qualify without having any artistic quality. At the risk of being regarded as unduly simplistic I am of the view that for a work to be regarded as one of artistic craftsmanship it must be possible fairly to say that the author was both a craftsman and an artist. A craftsman is a person who makes something in a skilful way and takes justified pride in their workmanship. An artist is a person with creative ability who produces something which has aesthetic appeal.

In my judgment it can be said of the Bonz garments that they are works of artistic craftsmanship. They are certainly works of craftsmanship in that those making them, the handknitters, need to impart a sufficient degree of skill, experience and effort in creating the ultimate product. The idea of craftsmanship relates more to the execution of the work than to its design. The idea denoted by the word artistic relates more to design than execution. In many cases the same author will be responsible both for design and execution. There are some passages in the authorities which suggest that it is essential that the same person both conceive and execute the work. For myself I do not regard that as being necessary. If two or more people combine to design and make the ultimate product I cannot see why that ultimate product should not be regarded as a work of artistic craftsmanship.

Mrs Rodwell of Bonz was the principal designer of the garments. I consider that she brought sufficient artistry to the task to qualify the ultimate garments as works of artistic craftsmanship. They have, in my judgment, more than sufficient aesthetic appeal. The designer can, in my judgment, fairly be described as an artist. She brought together the combination of features to which I shall be making further reference below, in an artistic manner. I am therefore satisfied that the designer of the garments can fairly be called an artist and the handknitters can fairly be described as craftsmen. The result of their joint skill and labour can therefore fairly be described as a work of artistic craftsmanship. Thus Bonz has copyright in the garments at issue. The next question is whether Bonz has established infringement by Mrs Cooke.

### *Infringement*

It was common ground that the starting point on the question of infringement was to be found in the decision of the Court of Appeal in *Wham-O* at p 666. There are three aspects to the question of infringement which Their Honours framed as follows:

“To amount to infringement by reproduction:

- (a) The reproduction must be either of the entire work or of a substantial part.
- (b) There must be sufficient objective similarity between the infringing work and the copyright work, or a substantial part thereof.
- (c) There must be some causal connection between the copyright work and the infringing work. The copyright must be the source from which the infringing work is derived.”

I shall discuss these three points under the headings “Substantiality”, “Objective similarity” and “Causal connection”, but, before I do, I will give a description of the competing garments and refer briefly to the pleadings.

### *Description of garments*

It is not easy to capture the essence and the appearance of the competing

garments in words but I will do my best. The Bonz dancing lambs garment depicts bright coloured mountains at the top of its front. Lower down there are three rather stylised lambs in the act of jumping or leaping, two over hurdles and the other simply jumping. There is a similar lamb on each sleeve. At the bottom of  
5 each sleeve is a feature appearing to pick up the hurdles on the front. There is broadly the same mountain pattern at the top of the back of the sweater. Lower down on the back are two lambs similar to those on the front. They are jumping but not over anything.

Mrs Cooke's dancing lambs garment attempts, but not very effectively, to  
10 portray a mountain scene at the top of the front. Lower down on the wearer's left is a tree. There is a diagonal path running downwards from left to right. All my references to left or right will be from the wearer's point of view. Two lambs appear on either side of the front in a dancing or leaping pose. They are not dancing or leaping over anything. They are more naturalistic in appearance than the Bonz  
15 lambs, albeit that the Cooke lambs are, in my view, rather crudely portrayed. There is no pattern on either sleeve or on the back of the Cooke garment nor any pictorials. The colours in Mrs Cooke's garment are more muted than those of the Bonz garment. Broadly speaking, the general shape of the garments is the same. Mrs Cooke's sweater has a yellow sun on its top right.

The Bonz ski kiwi sweater has in the middle of its front a bold and dominant  
20 picture of a kiwi skiing down hill. The kiwi is wearing a hat and a long scarf but no other clothing. The scarf is portrayed streaming out behind the kiwi in quite a skilful demonstration of speed. On the right of the front are two fir trees near the top. On the back of the garment there is again a substantial figure of a kiwi  
25 dressed in similar fashion to the kiwi on the front. The kiwi on the back is ascending a ski lift.

Mrs Cooke's corresponding garment depicts on its front a kiwi skiing down hill. It is a smaller and less dominant portrayal than that on the Bonz garment. Mrs Cooke's primary kiwi is clothed. The portrayal of the scarf is significantly  
30 different from that on the Bonz garment. In addition Mrs Cooke's garment has on its front another kiwi involved in skiing. It is smaller than its companion and appears to be in a state of imbalance, indeed imminent collapse. The back of Mrs Cooke's garment is entirely plain without pattern or pictorials.

The parties' golfing kiwi garments are both cardigans or jackets as they were  
35 sometimes called. They each button down the front and each uses fimo clay buttons in harmony with the pictorials and colours on the garment itself. The Bonz colours are brighter and bolder than those used by Mrs Cooke which are more muted. The front of the Bonz garment shows two clothed kiwis in golfing poses. There is one on each side of the button line which runs down the middle. The kiwi on  
40 the left is shown as having followed through after driving the ball. The one on the right is shown putting on the number seven green, whose pin is still in the hole. On the back of the Bonz garment is portrayed a large representation of a kiwi driving a golf cart. There are clubs in the rear of the cart. The colours of the Bonz garment are bold and striking. Those on Mrs Cooke's garment by contrast  
45 are softer and more muted.

The front of Mrs Cooke's garment has a relatively small clothed kiwi in a rather unnatural pose but apparently playing golf because there is a green with an unmarked flag in the background. On the right hand side of the front of Mrs Cooke's garment there is no golfing kiwi but what appears to be an unattended  
50 trundler containing some clubs. On the back of Mrs Cooke's garment there is a large fairly dominant depiction of a kiwi about to putt. It is on the green and there is a pin in the hole in the background. The flag has no number but it does have the letters NZ.

This representation, ie that on the back of Mrs Cooke's golfing kiwi garment,

is, in my judgment, the only aspect of her three garments which has any real claim to similarity with what Bonz claims to be its style or look, ie bright and bold colours accompanied by dominant pictorials of a whimsical kind against bright backgrounds. Overall, however, the Cooke colours on the back of her golfing kiwi garment are still distinctly softer and more muted than those on the Bonz garment. 5

### *Pleadings*

Bonz claims copyright in its three garments which it pleads incorporate the following features:

- “(i) Bright and vivid colours. 10
- (ii) Animals associated with New Zealand and Australia incorporated into a design, depicting those animals engaged in sporting and recreational activities.
- (iii) Handmade fimo clay buttons also incorporating the above features. 15
- (iv) 12-ply ‘Cleckheaton’ and ‘Crucci’ machine washable wool.
- (v) Abstract landscapes to convey the feeling of the ‘outdoors’.
- (vi) Distinctive crew neck, crew neck jacket, V-neck and Aran handknit styles.”

It was emphasised on a number of occasions by counsel for Bonz that it was 20 in the combination or collocation of these individual features that Bonz copyright was said to reside. During the course of the trial considerable attention was paid to what was described as the blouson style or appearance of the bottom of the Bonz garments. This became one of the key planks in the Bonz case. It is strange that if the blouson effect was something so indicative of the Bonz look or style, 25 as was suggested, that this was not one of the pleaded combination of features. It would surely have been a much more distinctive feature than, for example, the use of a particular type of wool.

Yet, for whatever reason, Bonz was not asserting through its pleadings that the blouson effect was one of the matters which in combination demonstrated the distinctive Bonz style or look. If this factor was not apparent to Bonz when describing the essence of its garments for the purposes of this proceeding, then it hardly seems logical to suggest that in reality it was one of the key features from which the Bonz style or look could be recognised. 30

### *Substantiality*

There are useful discussions of the concept of a substantial part and what it means for the purposes of copyright law in Brown and Grant at para 4.114 (p 350) and in *Copinger and Skone James on Copyright* (13th ed, 1991) at pp 186-189. The question whether a substantial part of the copyright work has been taken is one of fact and degree. As Brown and Grant point out at p 351, the taking of a considerable quantity will not of itself necessarily constitute the taking of a substantial part because what is taken may in fact be common subject-matter or a stock design. If the originality lies in the compilation or collocation of a number of unoriginal aspects, the concept of a substantial part will, as I indicated in the introductory part of this judgment, relate more to the compilation or collocation than to the non-copyright raw materials from which the compilation or collocation is derived. 40 45

An allied point is made in *Copinger and Skone James* at p 187 where the authors say: 50

“Whether or not there has been an infringement must be a matter of degree and, in the case of an artistic work, the degree of resemblance is to be judged by the eye. But in the case of commercial designs, general resemblance is not so good a test, since resemblance may be due to common subject-matter or

stock designs, and it is necessary to make a close examination of detail to see whether there has been infringement.”

*Objective similarity*

5 Against that background I move on to consider the aspect of objective similarity. Where, as here, the alleged copying is not exact, the Court must examine and evaluate the degree of resemblance. Again, in the case of a compilation or collocation of non-copyright features, the primary focus must be on the degree of resemblance between the way the plaintiff has arranged those features and the  
10 way the defendant has done so. Where there is sufficient objective similarity between the plaintiff’s work and that of the defendant an inference of copying may be open if it is shown that the defendant has had access to the plaintiff’s work; ie if the plaintiff has had the opportunity of copying. In such a case the defendant will be vulnerable to a finding of copying and thus infringement, unless by evidence  
15 she can rebut the inference of copying suggested by the degree of similarity and opportunity.

*This case*

20 The evidence presented to me was voluminous. There is, in my view, no advantage in traversing that evidence now, either witness by witness or topic by topic. In the end a judgment has to be made. I have considered all the evidence which bears on the issue of infringement. I had the benefit of detailed assessments and opinions from a number of people with expertise in the field—in particular  
25 Ms Slicer and Ms Nolan for Bonz and Ms Fitzpatrick and Ms McRae for Mrs Cooke. After examining the evidence carefully as it was being given and subsequently, I have a firm preference for the views of Ms McRae. The other expert witnesses at times became advocates for their cause, which is only natural. Ms McRae, in my view, displayed commendable objectivity. Her qualifications were impressive. I found her evidence wholly convincing in its manner of  
30 presentation and in its content.

The experts cannot make the decision for the Court. In the end that is my responsibility and I must make the necessary decision on matters of substantiality and objective similarity based on my own judgment with the benefit of the evidence which I heard. I had the garments displayed before me throughout the ten days  
35 of trial. I had the benefit of a close examination of the garments and a discussion of them by the experts. In short I am of the view that objectively the degree of similarity between the competing garments is small. A comparison of this kind is a combination of analysis and impression. From both points of view I regard the resemblance as slight. There is, in my judgment, insufficient objective similarity  
40 between the Bonz garments and the Cooke garments to suggest copying simply from appearance. The Bonz garments have a professional and striking appearance. For the most part the Cooke garments are by comparison rather pallid and amateurish in their appearance. The difference goes beyond a question of bad copying; there is no reasonable inference of copying to be drawn from an objective  
45 comparison of the garments themselves. Analytically the individual pictorials, which are one of the key features of the garments, bear little, if any, resemblance.

I appreciate immediately that Bonz puts its case on the concept of collocation. There too, both as a matter of impression and as a matter of analysis, I do not consider there is sufficient objective similarity to suggest copying. A visual objective  
50 comparison of the garments in issue does not suggest to my mind that the effort, skill and judgment of Bonz has been appropriated by Mrs Cooke in the making of what appears, on a realistic assessment, to be a reproduction of a substantial part of the Bonz garments.

Overall, while it can be said that there is some similarity between the underlying

theme manifested in the Bonz garments and that of the Cooke garments there is no real similarity between the way that underlying theme has been expressed in the two garments. The ideas behind the method of expression in each case are significantly different.

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#### *Causal connection*

Lest I be wrong in that assessment and because the matter is of moment anyway, I have considered the evidence dealing with the process by which Mrs Cooke designed her garments. In this respect I accept the evidence which she gave. Mrs Cooke acknowledged being inspired by and influenced by the general ideas behind the Bonz garments. She said, however, and I accept, that she herself, with the assistance of Mrs Hasson, conceived her own designs and the configuration of the various features on her garments. Mr Cooke's evidence, which I also accept, supported that of his wife in this respect. If there was any copying it was from the tea towel produced in evidence rather than from the Bonz garments. I am satisfied from the evidence that Mrs Cooke exercised sufficient independent skill, effort and labour to be able to claim originality for her own garments. This is the other side of the infringement coin. Mrs Cooke's design path was such that even had there been sufficient objective similarity to suggest copying, she would have been able to rebut that suggestion.

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In *Swish Products* at p 619 Lord Wilberforce said:

“That copying has taken place is for the plaintiff to establish and prove as a matter of fact. The beginning of the necessary proof normally lies in the establishment of similarity combined with proof of access to the plaintiffs' productions.”

25

The plaintiff, Bonz, has not proved copying. There was access but insufficient objective similarity. Indeed I am satisfied from Mrs Cooke's evidence, together with that of Mr Cooke and Mrs Hasson, that there was in fact no copying by Mrs Cooke of the Bonz garments either directly or indirectly.

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Emphasis was placed by Bonz on the fact that people in the trade are able to recognise the Bonz look. That may be so, but it does not of itself demonstrate that Mrs Cooke copied that look. I have considered the evidence of Mr Sumner and Mrs Everett but am unpersuaded that Mrs Cooke's garments are Bonz look alike, as was submitted. The proposition that Mrs Cooke selected Mrs Hasson as her designer in the expectation that she would come up with something sufficiently similar to Bonz is, in my judgment, unpersuasive. While Mrs Cooke may have seen some of Mrs Hasson's work she, Mrs Hasson, had no previous knowledge of Bonz. The proposition that there has somehow been indirect copying by Mrs Cooke, through Mrs Hasson, on this process of reasoning is, in my view, unconvincing.

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#### *Conclusion*

For the reasons which I have given Bonz, while having copyright in its garments, has failed to prove infringement of that copyright by Mrs Cooke. Therefore the breach of copyright cause of action must fail. I turn now to the Fair Trading Act cause of action, noting that the cause of action for passing off was abandoned.

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#### *Fair Trading Act*

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Bonz claims a breach by Mrs Cooke of s 9 of the Fair Trading Act which provides that no person shall, in trade, engage in conduct that is misleading or deceptive or is likely to mislead or deceive. The allegation made by Bonz is that in making, selling and marketing garments, which so closely resembled its own

garments, Mrs Cooke engaged in conduct in breach of s 9. The particulars in support of that allegation were framed as follows: "Members of the public will be or are likely to be misled or deceived into purchasing the [Cooke] garments . . . believing them to be [Bonz] garments . . . or that they are somehow associated with or connected with [Bonz]."

The principal focus of the evidence and the submissions was upon the Japanese tourist market. Quite a lot of evidence was directed to the habits and attitudes of Japanese tourists, both those in the younger age group who are likely to have some ability with the English language and those in the older age group who are unlikely to have any such ability. Before I review the evidence and state my conclusions certain matters of law need to be briefly addressed.

In *Levi Strauss & Co v Kimbyr Investments Ltd* [1994] 1 NZLR 332 Williams J dealt in some detail with s 9 of the Fair Trading Act at pp 381-383. I respectfully adopt His Honour's summary and mention only a few matters which have particular relevance to the present case. The essence of a cause of action based on s 9 is some misrepresentation by the defendant. Conduct cannot be described as misleading or deceptive or likely to be so unless it involves a misrepresentation: see *Chase Manhattan Overseas Corporation v Chase Corporation Ltd* (1985) 6 IPR 59 and *Taco Co of Australia Inc v Taco Bell Pty Ltd* (1982) 42 ALR 177, 202.

My own judgment in *Marcol Manufacturers Ltd v Commerce Commission* [1991] 2 NZLR 502 considered at pp 505-506 the concept of representation. I suggested that the essence of a representation for present purposes is that the representor must be saying something to the representee either by words (whether spoken or written) or by other means. The representee can be a specific person or a group of persons or persons generally, such as potential purchasers. In the present case Bonz asserts that Mrs Cooke is saying to potential purchasers, through the appearance of her garments, that they are Bonz garments or that they have some association with or are connected with the Bonz stable.

An important question in the present case is the degree of likelihood required before it can be said that the conduct in question is likely to mislead or deceive. The words in s 9 "likely to mislead or deceive" import a lesser degree of likelihood than something which is more probable than not. The degree of likelihood must involve a real risk in the sense that the misleading or deception could well happen. The consequence must be more than a mere possibility.

The fact that there is evidence that someone has been misled or deceived is relevant but not conclusive. It is necessary to identify those members of the public who are vulnerable to or at risk of being misled or deceived by the conduct in question. As was said by Lockhart J in *Puxu Pty Ltd v Parkdale Custom Built Furniture Pty Ltd* (1980) 31 ALR 73, 93 one must consider "the astute and the gullible, the intelligent and the not so intelligent, the well educated as well as the poorly educated, men and women of various ages pursuing a variety of vocations".

Of importance is the decision of the Court of Appeal in *Taylor Bros Ltd v Taylors Group Ltd* [1988] 2 NZLR 1, 39. Speaking of conduct alleged to be in breach of s 9, Cooke P said:

"It is not enough that the conduct causes a state of wonder or doubt in the minds of people about, for example, the identity or otherwise of two businesses. The line in the latter respect can be a fine one, we think, for if the Court is satisfied (on the balance of probabilities) that some consumers will wonder, it may at times not be difficult to take the further step of concluding that some are likely to be misled; but of course this is not necessarily so."

Also of importance is the observation of Gault J in *Allied Liquor Merchants Ltd v Independent Liquor (NZ) Ltd* (1989) 3 TCLR 328, 336:

“Further, that some people may not be misled is no answer if there is a real likelihood that a substantial number of others will be.”

I note that in the *Taylor Bros* case at p 40 Cooke P also used the expression “real likelihood” when speaking of the chance that people might be misled.

I turn back now to the facts of this case. In the broadest sense the section of the public who could be likely to be misled or deceived are those who are potential purchasers of Bonz garments. Potential purchasers, whether Japanese tourists or not, who have never heard of Bonz will not be deceived or misled into thinking Mrs Cooke’s garments have a connection with Bonz. That section of the public can therefore be eliminated. The other relevant group represents those who have some knowledge of or familiarity with Bonz. This could arise through Bonz advertising, which extends to Japan, through familiarity with Bonz shops or indeed by word of mouth. This second group can be further divided.

The first subgroup represents those who are specifically looking for a Bonz garment. They are likely to go into a Bonz shop. It will obviously not be stocking Mrs Cooke’s garments or, if it does, it will be made plain that her garments do not have any association with Bonz. The potential purchasers who go into a Bonz shop to buy a Bonz garment are therefore not likely to be misled by a Cooke garment. The second subgroup represents those who are looking for a Bonz garment but who do not go into a Bonz shop but into some other shop which can be assumed, for present purposes, to stock Mrs Cooke’s garments. The question is what risk is there of these people thinking that Mrs Cooke’s garments are Bonz garments.

Some previous familiarity with the Bonz look might make a potential purchaser wonder whether the Cooke garments have some association with Bonz. However, the different impact which the Bonz and Cooke styles make on a viewer suggests to me that there is little room for confusion. In spite of the evidence about the attitude of some Japanese tourists to labels, I think it probable that someone who saw a Cooke garment but was looking for a Bonz garment and who therefore wondered if the Cooke garment had any connection with Bonz, would take a look at the label or make an inquiry of the shop assistant. Mrs Cooke’s trading name, which appears clearly both on her swing tags and on the neck tag of her garments, is “Southern Exposure”. This could not possibly cause confusion with Bonz garments which are clearly labelled “Bonz”.

I am therefore of the view that, by reason of appearance, labelling and the answer which would be given to any inquiry, there is no real risk that those looking for a Bonz garment would be misled by the Cooke garments into thinking that they were Bonz garments or had some association with Bonz.

The third subgroup consists of potential purchasers having some knowledge of the Bonz product, but who are shopping without any specific intent to buy a Bonz product. For reasons similar to the second subgroup I do not consider that people in the third subgroup are likely to be misled or deceived into thinking Mrs Cooke’s garments emanate from Bonz or have some association with Bonz.

Mr Dugdale submitted that unsophisticated elderly Japanese tourists in a hurry because of their tight schedule could well be misled or deceived. This is certainly the most promising subcategory of purchaser from the Bonz point of view. Accepting that there is a Bonz look, as Bonz contends, I am nevertheless of the view that there is insufficient similarity between Mrs Cooke’s garments and those of Bonz for a real risk of confusion or deception to arise from the appearance of the garments, even in the minds of that group of potential purchasers most vulnerable to confusion or deception. Obviously the possibility of a purchaser being misled cannot be discounted altogether.

I referred earlier to the degree of likelihood that is required. It is my judgment that the degree of risk that potential purchasers could be misled or deceived is

not at the level where I can fairly say that this could well happen. I accept that there is some risk, but, in my view, it is, in all the circumstances, minimal and not a risk of such consequence that I can say that Bonz has established that Mrs Cooke's conduct is either misleading or deceptive or likely to mislead or deceive. Looking at the same issue from the point of view of misrepresentation, Bonz has not satisfied me that Mrs Cooke has misrepresented her garments as Bonz garments or as having a connection or association with Bonz.

*Formal judgment*

10 It is accordingly my conclusion that Bonz has failed to establish either of the two causes of action upon which it relied. There must, therefore, be judgment for Mrs Cooke on all issues of liability. I reserve all questions of costs. If agreement cannot be reached the parties are to confer with the Registrar as to the best method in the circumstances of resolving that issue. The Registrar will then confer with  
15 me and I will give appropriate directions.

As Bonz has failed to establish liability no question of relief arises against Mrs Cooke. However, she must have the opportunity of seeking damages, if she wishes, in relation to the interim injunction which Bonz obtained. I understand that Mrs Cooke may also wish to seek damages in relation to the granting of the  
20 Anton Piller order. If those matters cannot be the subject of agreement leave is reserved to Mrs Cooke to make such claim as she is advised.

In order to expedite that issue, I direct that, should it be necessary, Mrs Cooke is to file a statement of claim setting out the amounts which she seeks on each head with as much particularity as possible. Mrs Cooke is also directed to file in  
25 support of her statement of claim an affidavit verifying, to the extent possible, the quantum of the claims which she makes. The statement of claim and supporting affidavit are to be filed and served within two calendar months of the date of delivery of this judgment. Bonz is to have one calendar month from the date of service upon it of Mrs Cooke's statement of claim and affidavit within which to file a  
30 statement of defence together with any supporting affidavit or affidavits which it may wish to file. The matters at issue are then to be referred to me at a judicial conference. After hearing counsel I will give such further directions of a procedural kind as may be necessary and will arrange for all remaining issues to be set down for trial.

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*Judgment for defendant accordingly.*

Solicitors for the plaintiffs: *Rhodes & Co* (Christchurch).

Solicitors for the defendant: *Baldwins* (Auckland).

*Reported by: S J Benson, Barrister*