

KRUNE (NZ) TECHNIQUE LTD v
CONNECTOR SYSTEMS LTDHigh Court (CP649/88)
Master Williams QC

23 August; 6 November 1991

Copyright — Artistic works — Discovery and interrogatories — Documents showing design trail sought — Only drawings discovered were those in which copyright claimed — Whether Court could go behind list — Defendant claimed plaintiffs in dominant position in market — No relevant documents discovered — Terms of inspection where document claimed to be confidential — Commerce Act 1986, s 63 — Fair Trading Act 1986, ss 9, 10, 13 — High Court Rules, r 185.

Practice and procedure — Discovery — Further particulars — Interrogatories — Access to confidential documents — Substantive proceeding claimed breach of copyright — Documents showing design trail sought — Whether Court could go behind list — Only drawings discovered were those in which copyright claimed — Defendant claimed plaintiffs in dominant position in market — No documents discovered relating to position in market — No notice prior to application for further particulars — Whether claim alleging breach of copyright adequately particularised — Whether interrogatories were oppressive, irrelevant, or fishing — Terms of inspection where document claimed to be confidential — Whether copies of drawings for which copyright claimed should be supplied to defendant — Whether copies should be supplied to a non-party — Commerce Act 1986, s 63 — Fair Trading Act 1986, ss 9, 10, 13 — High Court Rules, r 185.

The substantive proceedings between the parties concerned alleged breach of copyright in respect of a backmount frame and distribution frame used as part of an insulation displacement system known as the Krone-LSA-plus system. The first plaintiff manufactured and sold the system and the second and third plaintiffs held an exclusive licence for the sale of the system in New Zealand. The plaintiffs claimed that the defendant had infringed copyright by importing into New Zealand and selling a frame claimed to be a reproduction of the backmount frame and by manufacturing and selling in New Zealand a frame claimed to be a reproduction of the distribution frame. The backmount frame imported by the defendant was manufactured by ADC Communications. The defendant denied breach of copyright and counterclaimed that the plaintiffs were in a dominant position in the New Zealand market in respect of insulation displacement terminating systems and were in breach of s 36 Commerce Act 1986. It further claimed that the plaintiffs were in breach of ss 9, 10, and 13 Fair Trading Act 1986.

The defendant had sought discovery from the plaintiffs and after inspection (which had been the subject of special orders by Eichelbaum J) sought further and better discovery from the plaintiffs. The defendant was seeking sketches, drawings, and other documents used for the development,

production, or otherwise of the drawings relied on in the statement of claim and documents relating to the blanking tool also referred to in the statement of claim. The only drawings which had been discovered were the specific drawings in which the copyright had been claimed. Further and better discovery relating to the plaintiffs' position in the New Zealand market for the importation, manufacture, and supply of insulation displacement terminating systems was also sought. No documents on this matter had been discovered at all.

The defendant also sought the following:

- (a) A number of particulars about revisions and publications of the drawings, the authors of the drawings, and details as to the plaintiffs' allegation that the defendant could have sold other componentry for use in the infringing frames. The plaintiffs objected on the grounds that the requisite notice had not been given prior to the application and further that they had complied fully with their obligations to particularise their claim properly.
- (b) Answers to specific interrogatories. The plaintiffs objected to these on the basis that they were not necessary to enable the defendant properly to understand, analyse, and thus defend the action and also that they were oppressive, irrelevant, and fishing in their nature.
- (c) An order requiring the plaintiffs to supply copies of the drawings relied on by the plaintiffs and permitting disclosure of those copies to officers of the defendant and ADC Communications and to their advisers.

Held, granting the applications in part:

(1) An order for further and better discovery in terms of the defendant's application was made. The evidence for the defendant was that it would be extraordinary if there were no design trail. In the light of that evidence, and the fact that two of the lists of the plaintiffs were verified outside New Zealand with the consequent possibility that the persons verifying them might not have fully understood the requirements of the High Court Rules, the defendant was entitled to have the issue directly addressed by each of the plaintiffs. Further, it was inconceivable that none of the plaintiffs would have any documents relating to their business.

(2) Because the defendant had not given notice under r 185 High Court Rules before the commencement of the application for further particulars, the Court was obliged to dismiss the application as far as it related to further particulars. (In any event some of the particulars sought went beyond what was justifiable but these would have been allowed if posed as interrogatories.)

(3) If the defendant was entitled to answers to the interrogatories on all other grounds, it did not matter whether or not the answers would assist the defendant in properly understanding, analysing, and defending the proceeding. Having put in issue drawings that were produced from 1978 onwards, the plaintiffs could not complain that it was oppressive for them to be asked to discover those drawings and others produced at about that time. However, an objection of oppression would be upheld in respect of an interrogatory which required the plaintiffs to state the purposes for which any sales were undertaken by the purchasers of the frames. This would involve the plaintiffs in a considerable task and would not obtain for the defendant the information sought. Interrogatories relating to the objectives taken into account during the design, the first sales made, and the appointment of licensed manufacturers would be disallowed on the basis of irrelevance. Other interrogatories relating to the sources from which the

artistic work was derived, the design and functional considerations, and changes made to the original designs were relevant to the issues in the proceedings. The fishing objections on the interrogatories relating to the choice of the particular dimensions of the frames, third party involvement in the design and manufacture of the frames, and the objectives taken into account would be disallowed on the grounds that "fish of those particular kind must have been in the pool" and therefore interrogatories were directed at obtaining information relevant to issues in the proceeding.

(4) Some relaxation of the order made by Eichelbaum J was appropriate since there was a risk of injustice to the defendant if wide disclosure of the drawings in which copyright was claimed was not permitted. Any risk of injustice to the plaintiffs could be minimised by requiring suitable undertakings from those to whom the documents were to be disclosed. Accordingly the plaintiffs were to provide the defendant with legible copies of the drawings, with those copies being disclosed to the defendant's officers and its professional or technical advisers, on the basis of appropriate undertakings being given to the Court by all persons other than the defendant's solicitors and counsel. The order would also extend to officers of ADC Communications and its professional and technical advisers, on the basis of undertakings to submit to the jurisdiction of the Court in respect of any enforcement proceedings which might be taken for breach of the order.

Cases referred to

British Assn of Glass Bottle Manufacturers Ltd v Nettlefold [1912] AC 709 (HL)

Carter Holt Holdings Ltd v Fletcher Holdings Ltd [1981] 2 NZLR 613n

Centri-Spray Corp v Cera International Ltd [1979] FSR 175

Chandris Lines Ltd v Wilson & Horton Ltd [1981] 2 NZLR 600

Science Research Council v Nassé [1980] AC 1028

Securitibank Ltd (No 31), Re (1984) 1 PRNZ 514

Thomson v Westpac Banking Corp (No 1) (1986) 2 PRNZ 503

Warner-Lambert Co v Glaxo Laboratories Ltd [1975] RPC 354 (CA)

Application

This was an application for further and better discovery, further particulars, answers to interrogatories and the supply of drawings claimed to be confidential.

C F Finlayson and *D Laurenson* for plaintiffs

A R Galbraith QC and *C L Elliott* for defendant

MASTER WILLIAMS QC: The substantive proceeding between these parties is a claim for breach of copyright. The applications before the Court are for further and better discovery, particulars and interrogatories. No greater reference needs to be made to the pleadings in the case than to outline the matters at issue between these parties and to make this judgment comprehensible.

The second plaintiff ("Krone Germany") manufactures and sells a range of equipment including an insulation displacement terminating system known as the Krone-LSA-plus system, one of the components of which is a backmount frame used to accommodate the Krone-LSA-plus system in a number of different configurations, principally in relation to telephone systems. The first and third plaintiffs ("Krone NZ" and "Krone Australia" respectively) hold an exclusive licence for the sale of the Krone-LSA-plus system in New Zealand. Krone Germany claims to be the owner of the

copyright in a number of artistic works produced for the purpose of manufacturing the ten position Krone backmount frame, these being described in the pleadings in the following way:

“7(a) Production drawings prepared for the purposes of producing the ten position Krone frame and being drawings numbered and dated as follows:

(i)	6092 3 010-00	30 March 1978
(ii)	6050 3 010-00	9 May 1979
(iii)	6050 3	29 April 1982
(iv)	6442 3	24 June 1982

“(b) A sculpture and/or model being a blanking tool used in the manufacture of the ten position Krone frame.

“(c) Sculptures and/or engravings being the stainless steel ten position Krone frames themselves.”

these artistic works being claimed to have been made by Krone Germany’s employees as part of their employment “or by third parties commissioned to carry out such works”.

Krone Germany claims to be the owner in New Zealand of the copyright in those works under the Copyright Act 1962 and claims that the defendant (“Connector Systems”) has infringed that copyright by importing into New Zealand and selling a ten position backmount frame manufactured by a company called ADC Communications, the ADC frame being claimed to be a reproduction of the Krone backmount frame and manufactured for the purpose of accommodating the Krone-LSA-plus system. Connector Systems admits importing the ADC frame into New Zealand and selling it in this country but denies that it breached Krone Germany’s copyright in so doing.

The first cause of action seeks a declaration that the importation into New Zealand of the ADC frame and its sale in this country is in breach of Krone Germany’s copyright in the artistic work and also seeks an injunction against further importation and sale of the ADC frame together with orders for the delivery up of the ADC frames for destruction, damages, or an account of profits.

A second cause of action brought by Krone NZ and Krone Australia relates to a distribution frame which is part of the Krone-LSA-plus system and of which Krone Australia claims to be the owner of the copyright. Those artistic works are described in the pleadings as follows:

“17(a) Production drawings prepared for the purpose of producing the Krone distribution frame, namely drawing No 6460 1 001-01GZ.

“(b) A sculpture and/or engraving and/or model being a blanking tool used in the manufacture of the Krone distribution frame.

“(c) Sculptures and/or engravings being the Krone distribution frames themselves.”

those artistic works having been made in Australia by employees of Krone Australia “or by third parties commissioned to carry out such works”. Krone Australia therefore claims to be the owner of the copyright and the artistic works and alleges that Connector Systems has infringed that copyright in manufacturing or selling a distribution frame in New Zealand which is a reproduction of the works just described by making three drawings numbered 1004, QDF.30.XX, and QDF.55.XX.457 and manufacturing a distribution frame from those drawings. Similar relief is sought as in the first cause of action. Connector Systems admits that it has manufactured

distribution frames from those three drawings but otherwise denies the allegations.

Connector Systems also raises alternative defences that denies the plaintiffs' claim for copyright and recites an undertaking which Connector Systems gave the plaintiffs on 1 September 1988 to cease from manufacturing or selling backmount frames as mentioned in the second cause of action.

Of some importance in relation to this matter is that both by way of an additional defence and also by way of counterclaim, Connector Systems claims that the plaintiffs are in a dominant position in the New Zealand market for the importation, manufacture, and supply of insulation displacement terminating systems; that they are seeking to enforce copyright in their backmount frames and equipment by way of injunctions preventing the defendant from marketing the ADC systems and backmount frame; that they are advising the defendant's potential customers that the ADC backmount frame infringes the plaintiffs' copyright so that if they buy those frames the customers expose themselves to the possibility of litigation; that they are refusing to grant a licence to the defendant for backmount frames and refusing to sell the same to the defendant; and that by those means the plaintiffs are using their dominant position in the market to restrict the defendant's entry to the market, or to prevent it from engaging in competitive conduct and eliminate it from the market, all of which is claimed to be in breach of s36 Commerce Act 1986. Declarations to that effect and injunctions are sought together with an alternative that if the plaintiffs are held to be the owners of the copyright and the defendant's actions constitute an infringement of it, then a declaration should be made to the effect that the plaintiffs are not entitled to enforce the copyright without offering the defendant the licence.

In a further cause of action, the defendant claims that the plaintiffs' advice to customers and potential customers that their purchase and use of the ADC frames may constitute a breach of copyright is in breach of ss 9, 10, and 13 Fair Trading Act 1986. Declarations and injunctions are sought.

The plaintiffs deny all the allegations made against them in the counter-claims.

Verified lists of documents of the plaintiffs were filed between 29 November 1989 and 30 January 1990 and it is common ground that the defendant has inspected such of those documents as it wishes to inspect but subject to certain restrictions in that regard. Those restrictions related to the drawings described in the first cause of action and followed the hearing of a number of interlocutory applications before Eichelbaum J (as he then was) on 6 October 1988. One of those applications related to the restricted viewing of the drawings. The order as sealed (and dated 1 December 1988, the date of the sealing not the date of its pronouncement) reads as follows:

- "1. That the drawings numbered 6092/3/010/00; 6050/3/001/00; 6050/2 : 6442/3 and 6460/1/001/01GZ ('the drawings') be provided to the Defendant's solicitor at Auckland on Friday 2 December 1988 to be held in the custody of the Defendant's solicitor for a period of one week for the purpose of enabling the drawings to be viewed by the persons referred to in paragraph 3 hereof and to be returned to the Plaintiffs' solicitor 4 pm on Friday 9 December 1988.
- "2. That the drawings are to be so provided to the Defendant's solicitor on the undertaking of the Defendant and its solicitor not to allow the drawings to leave

the Auckland office of the Defendant's solicitor without the leave of the Court or of the Plaintiffs and not to allow any notes or memoranda or copies of the said drawings to be made by any person.

- “3. That the drawings be made available for viewing by:
 - (i) Brian Maynard Gurr of Auckland, Managing Director of the Defendant;
 - (ii) Earl D Reiland of Minnesota, USA, Patent Lawyer; and
 - (iii) An independent expert to be nominated by the Defendant, the name of such person to be notified to the Plaintiffs' solicitors prior to that person viewing the drawings.
- “4. Prior to the said drawings being made available for viewing the persons referred to in paragraph 1 hereof shall undertake:
 - (i) That they will not, without leave of the Court or of the Plaintiffs, take any notes or memoranda or copies of the said drawings.
 - (ii) That they will keep any information gained by inspection as confidential and will not communicate such information to any third person and will not use it save for the purposes of this proceeding.
- “5. Leave is reserved to any party to apply on notice for a variation of this Order.”

(The Court notes that the description of the second and third drawings in that order varies from that in the amended statement of claim but nothing appears to hang on that as far as this application is concerned: the parties dealt with it as if the only matters in contention were the five drawings listed in the amended statement of claim.)

Further discovery

The application for further discovery was for an order requiring the plaintiffs to discover any “sketches, drawings, or other documents used for the development, production or otherwise” relating to the four drawings listed in the first cause of action and the drawing listed in the second cause of action in the amended statement of claim and any similar material relating to the design or operation of the blanking tool also mentioned in the second cause of action. In the alternative a further list of documents was required giving the date of the documents and when they ceased to exist, if those sketches, drawings, and other documents no longer existed. The application was supported by affidavits by Mr Gurr, Connector Systems Managing Director and a man of considerable experience in the telecommunications industry, and Mr Hawkins, a patent attorney and a partner in the firm of solicitors acting for the defendant.

Mr Gurr says that he was surprised at the paucity of the documents discovered by the plaintiff because, in his experience, there would have been a large number of sketches, drawings, and technical documents likely to have been generated in the development of the new product. He says that having viewed the drawings in accordance with Eichelbaum J's order, he recalls that there were changes of dimensions in the drawings by comparison with the actual product and he continues:

“I have seen no material in the plaintiff's discovery which explains the reasons for the changes. I have discussed these issues with my company's advisers who also confirm that there is no material of this nature in the discovery. I find this surprising. My memory is that the drawings I saw were obviously part of a series but were not the whole series. Indeed that is . . . what I would normally expect. There is usually a lengthy and documented design process with all the development stages and changes, documented and recorded so that there is a complete design trail. That is necessary

because questions may well arise years after the original design was developed when the original participants are no longer available. I have not become aware in the defendant's (sic) discovered documents of any such design trail, only the specific drawings for which copyright is claimed. From my experience and from my memory of the nature of those drawings it would be extraordinary if they are all of the documents that were produced during the design process. Even if the design trail has not been preserved I am sure that there must have been other documents including preliminary sketches and drawings and probably a design brief that did exist at some time."

Mr Gurr's view is supported by Mr Hawkins who says that from his experience it would be "highly unlikely" that the plaintiffs arrived at the drawings referred to in the statement of claim without "preparing at least some working sketches, preparatory drawings, or other supporting documentation".

To the contrary, however, a Mr Jones, a director of Krone Australia, made an affidavit. He said:

"Before the lists of documents dated 28 November and 4 December 1989 and 10 January 1990 were sworn on behalf of the First, Second, and Third Plaintiffs, all necessary enquiries were made of officers and staff of the Plaintiffs to ensure that all relevant documents were discovered. In the light of the application for further and better discovery and the recent affidavits in support, I have again made enquiries of all three Plaintiffs. I am satisfied that all documents relevant to the issues in this proceeding are disclosed in the Plaintiffs' lists of documents. I am also satisfied that the documents requested by way of further and better discovery, which are not contained in the Plaintiffs' lists of documents, do not exist."

All three lists of documents filed by the plaintiffs are verified. The first part of each of those lists is, save for some four or five letters, identical. All answer Part C, that relating to other relevant documents, "nil". The lists filed by Krone Germany and Krone Australia were sworn in those countries, the latter by Mr Jones.

The plaintiffs submitted that a verified list of documents is conclusive and that it is not open to the Court to go behind such a list. It is correct that the Court will not lightly go behind a verified list of documents settled by experienced solicitors and counsel clearly sensitive of the obligations cast on them by the Rules. (*Chandris Lines Ltd v Wilson & Horton Ltd* [1981] 2 NZLR 600; *Carter Holt Holdings Ltd v Fletcher Holdings Ltd* [1981] 2 NZLR 613n.) But it is equally clear that the Court does have power to go behind such an affidavit if the discovery is shown to be inadequate. That may arise in a variety of circumstances which are, with respect, helpfully collected in the decision of the House of Lords in *British Assn of Glass Bottle Manufacturers Ltd v Nettlefold* [1912] AC 709, 714:

"But while it is true that as a general rule you cannot go behind the affidavit in the absence of admissions in that or some other document, the rule is qualified where the basis on which the affidavit of documents has been made turns out to have been wrong. If the party making the affidavit has misconceived his case, so that the Court is practically certain that if he had conceived it properly, and had acted upon a proper view of the law, he would have disclosed further documents, then the Court can refuse to recognise an affidavit as conclusive, and order a further affidavit."

In this case, the defendant's deponents have expressed their incredulity that there are no documents held by the plaintiff other than those listed, no

“design trail” but against that are the results of Mr Jones’s investigations to which he has deposed.

In the view of this Court, after considering the evidence as to what might be expected to have preceded the documents listed in the statement of claim, this Court is of the view that the defendants are entitled to have the issue directly addressed and addressed by each of the plaintiffs, particularly given that two of the verified lists were so verified outside this country with the consequent possibility that the persons verifying those lists may not have fully understood the requirements of the New Zealand High Court Rules in that regard. That view is fortified by the fact that Mr Jones — who can of course only give admissible evidence on behalf of Krone Australia — merely says that the plaintiffs’ documents are either all discovered or do not exist: he does not address the issue as to whether they may have existed and, if so, what has become of them. The Court also notes that the pleadings in relation to both causes of action speak of artistic works being partly made by “third parties commissioned to carry out such works” but there do not appear to be any documents in the present verified lists which might come under that description even though those documents, for the purposes of this proceeding, might be arguably within the plaintiffs’ control.

In the light of that, the Court makes orders in terms of paras 1.1, 1.2, and, in the alternative, 1.4 of the defendant’s application. The application for inspection, para 1.3, is adjourned sine die to be brought on at 7 days’ notice in the event that further documents are discovered and the parties cannot agree on a regime for inspection and the provision of copies.

There is an additional application for further and better discovery. It relates to the counterclaims under the Commerce Act 1986 and the Fair Trading Act 1986 and seeks the provision of a verified list of documents setting out all documents “relating to the plaintiffs’ position in the New Zealand market for the importation, manufacture, and supply of insulation displacement terminating systems” particulars of which appear in the application.

No documents whatever appear in any of the plaintiffs’ verified lists of documents in relation to that matter even though the plaintiffs’ lists were sworn and filed some months after the counterclaim was commenced. Mr Jones makes no mention of this aspect of the application in his affidavit sworn in relation to this application despite Mr Hawkins saying that “all documents relating to the plaintiffs’ market share, its marketing activities, and conduct vis-à-vis third parties” are relevant and Mr Gurr saying:

“An issue central to the defendant’s defence and counter-claim is that the plaintiffs are in a dominant position in the telecommunications connector/bracket market in New Zealand and they have misused this dominance. My company cannot establish that dominance without proper discovery by the Defendant of its records relating to its sales, marketing activities market share, product range, competitors etc. This information is needed by the defendant for submission to its expert advisers. I can accept that some of this information is sensitive. I am advised that this sensitivity can be met by restricting access to those aspects of the discovery which is sensitive to my company’s independent advisers only. My company would obviously accept such a restriction. However, it would be necessary for me to be able to discuss that information with the advisers because of my knowledge of the industry without which they probably cannot put it into a relevant context. Without this information the defendant’s counter-claim cannot be effectively prosecuted.”

This Court accepts those views. It is inconceivable that none of the plaintiffs would have any documents whatsoever relating to their business in the manufacture, importation, supply, and sale of the equipment with which this proceeding is concerned. The plaintiffs are entitled to verified lists covering those matters and there will be an order that each of the plaintiffs provides a verified list of documents within 21 days of the date of the service of this order on them complying with para 1.5 of the application. Any question of inspection and confidentiality is adjourned sine die to be brought on at 7 days' notice in the event that the parties cannot agree on the same.

Further particulars

The defendant's application sought a number of particulars about such things as the authors of the drawings, whether or not there were any revisions in the drawings and if so by whom, the dates and places of any publishing of the drawings and details of the plaintiffs' allegation that the defendant had been able to sell or distribute other componentry for use in relation to the infringing frames.

However, the plaintiffs took the point that no notice under r 185 had been given prior to the commencement of this application. That that is a prerequisite to the making of an order was decided by Eichelbaum J (as he then was) in *Thomson v Westpac Banking Corp (No 1)* (1986) 2 PRNZ 503 (*McGechan on Procedure* para 185.04(2)). In those circumstances this Court has no option but to dismiss the application so far as it related to further particulars.

That, however, is an unfortunate finding, given that this proceeding was commenced as long ago as 25 August 1988, has gone through a number of interrogatory steps and is now nearing the point where it can be set down. In the light of that, this Court records that the plaintiffs' submissions that in respect of particulars sought in para 2.1.1-8 of the defendant's application it was the plaintiffs' submission that it had complied fully with its obligations to particularise its claim properly. The plaintiffs relied on the elements of pleading of a breach of copyright claim appearing in *Bullen and Leake and Jacobs, Precedents of Pleadings* (13th ed) section 29, p 279-80, where those elements are described as:

- (1) The title of the plaintiff to sue.
- (2) The subsistence of the copyright, identified with precision.
- (3) Defendant's infringement for relief.

The Court accepts that the particulars sought in para 2.1.1-8 go beyond particulars justifiable in terms of that authority and, had it been open to the Court so to do, would have disallowed them under that aspect of the application.

The Court, however, records the plaintiffs' proper acknowledgment that having regard to the way in which paras 14 and 22 of the amended statement of claim are phrased, had the requisite r 185 notice been given, it would have been difficult for the plaintiffs to have resisted the application for further particulars of those paragraphs sought in paras 2.2 and 2.3 of the application. The Court observes that in those circumstances, and when the plaintiffs are anxious to have the matter set down for hearing as soon as convenient, the plaintiffs may well feel themselves able to provide the particulars sought in those paragraphs just mentioned without the necessity for a r 185 notice and a further interlocutory application being brought in its train.

Connector Systems acknowledged the force of the r 185 notice point but submitted that if the Court felt unable because of a lack of a r 185 notice to order that the particulars applied for be given, then the Court might feel free to deal with those particulars in the alternative as interrogatories.

Interrogatories

In addition to the particulars sought in para 2.1.1-8 of Connector Systems' application, it also sought answers to specific interrogatories in paras 3.1-26 of its application. The plaintiffs objected to being required to answer those questions on the basis that answers were not necessary to enable Connector Systems "to properly understand, analyse, and thus defend this action", that formulation being taken from the grounds in the interlocutory application, and were oppressive, irrelevant and fishing in their nature.

The first of those grounds misstates the effects of the rules on interrogatories. Both r 278 relating to the notice and r 282 relating to any order to answer limit the matters on which interrogatories may be posed "to any matter in question in the proceeding" so that, if Connector Systems is entitled to answer to its interrogatories on all other grounds, it does not matter whether or not the answers assist the defendant in properly understanding, analysing, and defending the proceeding.

The approach to this matter is, in this Court's view and with respect, conveniently summarised in the decision of Barker J in *Re Securitibank Ltd (No 31)* (1984) 1 PRNZ 514. The learned Judge first observed (at p 516):

"A useful statement of the objects of interrogatories is to be found in the judgment of Lockhart J in *WA Pines Pty Ltd v Bannerman* (1980) 41 FLR 175, 190:

"There are four objects of interrogatories: 1. To obtain admissions as to facts which will support the case of the interrogating party. 2. To obtain admissions which will destroy or damage the case of the party interrogated. 3. Interrogatories which are in the nature of a request for further and better particulars. 4. Interrogatories which seek to obtain accounts from a party occupying a fiduciary position.'"

The learned Judge then continued (at pp 517-8):

"The position adopted in New Zealand seems to have been the approach of Lord Esher MR in *Marriott v Chamberlain* (1886) 17 QBD 154, 163; that approach is:

"The law with regard to interrogatories is now very sweeping. It is not permissible to ask the names of persons merely as being the witness whom the other party is going to call, and their names not forming any substantial part of the material facts; and I think we may go so far as to say that it is not permissible to ask what is mere evidence of the facts in dispute, but forms no part of the facts themselves. But with these exceptions it seems to me that pretty nearly anything that is material may now be asked. The right to interrogate is not confined to the facts directly in issue, but extends to any facts the existence or non existence of which is relevant to the existence or non existence of the facts directly in issue.'

"That statement was expressly approved by Quilliam J in *Athfield v Drewitt* unreported, 26 April 1982, HC Wellington A554/79; see also the comments of Gresson J in *Shore v Thomas* [1949] NZLR 690, 695:

"It is not necessary that the answers should be conclusive on the questions at issue; it is enough that they should have some bearing on the question and that they

might have a tendency to establish, or form a step in establishing the allegations made.'

'Later, Gresson J quoted from *White & Co v Credit Reform Assn and Credit Index Ltd* [1905] 1 KB 653:

'One general principle underlying the whole law as to interrogatories, namely, is that they must not be of such a nature as to be oppressive, and to exceed the legitimate requirements of the particular occasion.'

'That statement I respectfully adopt. I note also that the test of *Marriott v Chamberlain* has been followed by Somers J in *Hope v McLoughlin* [1976] 1 NZLR 715, and also in the Supreme Court of New South Wales in *American Flange & Mfg Co Inc v Rheem (Australia) Pty Ltd (No 2)* [1965] NSW 193.

'I respectfully adopt the view expressed by Quilliam J in the *Aithfield* case, particularly in the circumstances of this case; ie that the Court should err, if it is to err at all, on the side of allowing interrogatories; being too liberal rather than too conservative.'

Then, dealing with a submission that the interrogatories with which he was concerned were "fishing" the learned Judge held (at pp 519-20):

'The word 'fishing' had been considered in a number of cases. In the *Pines [WA Pines Pty Ltd v Bannerman]* (1980) 41 FLR 175] decision, Lockhart J said:

'The moment it appears that questions are asked and answers insisted upon in order to enable the party to see if he can find a case, either of complaint or defence, of which at present he knows nothing, and which will be a different case from that which he now makes, the rule against 'fishing' interrogatories applies.'

'Lockhart J also quoted from the decision of Owen J in the Supreme Court of New South Wales in *Associated Dominions Assurance Soc Pty Ltd v John Fairfax & Sons Pty Ltd* (1952) 72 WN (NSW) 250:

'A "fishing expedition", in the sense in which the phrase has been used in the law, means, as I understand it, that a person who has no evidence that fish of a particular kind are in a pool desires to be at liberty to drag it for the purpose of finding out whether there are any there or not.'

'Another metaphor was that used by Menzies J in the High Court of Australia in *Mulley v Manifold* (1959) 103 CLR 341, 345: 'This is not merely clutching at a non-existent straw, but expecting to be carried by it.'

'However, there is not necessarily a successful claim that an interrogatory is 'fishing' if the answer may prove irrelevant, so long as the interrogatory complies with the criterion about being potentially relevant to the subject matter. This point was made by Gray J in the Supreme Court of Victoria in *Petchem Ltd v BF Goodrich Chemical Ltd* [1982] VR 485, 488.

'I consider that many of the suggestions that these interrogatories are 'fishing' may be answered by that consideration; until one knows what the answer is, it is hard to say whether the interrogatory is relevant. On the question of 'fishing', Gibbs J (as he then was) in *Sharpe v Smal* (1975) 49 ALJR 130, 133, said:

'An interrogatory cannot be described as fishing if it is directed to obtaining information as to a fact relevant to an issue raised by the pleadings.'

Finally, dealing with an objection that the interrogatories with which he was concerned were oppressive because they required a "vast foray over years of a company's business records or . . . require interviews with persons long out of the company's employ" the learned Judge held (at p 520):

“One must look to the context to see what constitutes oppression. As Jeffries J commented in *Elston v SSC (No 2)* [1979] 1 NZLR 210, 215:

‘The word oppressive is established as a ground for a Court declining to order the answer of interrogatories. The leading New Zealand authority is *Avon Studios Ltd v Scott* [1951] NZLR 546, where Hutchison J declined to allow certain interrogatories about information which might have been available concerning events of approximately two years prior to that which was in issue. The word oppressive is not specifically defined in any case that I have been able to discover related particularly to interrogatories, but in other aspects of the law, namely the criminal law, and company law, oppressive is generally understood to mean contrary to the rules of justice or fair play, and to be burdensome or wrongful.’”

Turning to the individual interrogatories it is convenient to set out the interrogatory and then summarise the objections to it and rule on each seriatim.

3.1 Why were the particular dimensions of the ten position frame and distribution frame chosen?

The Krone companies objected on the ground of oppression and fishing in that the interrogatory “seeks historical detail going back to the time the items in question were designed by the plaintiffs’ staff and advisers” and because it was looking for “information that will provide the basis of a defence to the allegation of breach of copyright”.

It is certainly the case that the Krone companies, if ordered to answer this interrogatory, will need to go back in their records as far back as 1978, the date of the earliest drawing on which the proceeding is based, and to speak with employees and former employees who were involved in the matter at that period but that, of itself, does not in this Court’s view render the interrogatory oppressive. When the plaintiffs issued proceedings based on alleged breach of copyright of drawings produced from 1978 onwards, doubtless they would have been advised or would have had in contemplation the likelihood that as part of the interlocutory processes associated with those proceedings, they would be subjected to discovery and interrogatories relating to documents which were produced and other matters which occurred at or before the production of those drawings. Having put in issue drawings that were produced from 1978 onwards, they can scarcely complain that it is oppressive for them to be asked to discover those drawings and any others produced at about that time and to be subjected to interrogatories, otherwise relevant, of matters which occurred at that juncture.

Similarly, as to the “fishing” objection, it is clear that there must have been reasons at the time for the choice of the particular dimensions of the frames. Fish of that particular kind must be in the pool and therefore the interrogatory is directed to obtaining information relevant to an issue in the pleadings.

Interrogatory 3.1 is accordingly allowed.

3.2 Where were these dimensions and the particular configuration of the ten position frame and distribution frame derived?

The Krone companies objected to this interrogatory on the bases that it was irrelevant and oppressive.

The claimed lack of relevance arose out of the undoubted fact that copyright subsists in every original artistic work and that accordingly if there were earlier original artistic works from which the dimensions and

configuration of the frames were derived, then that was irrelevant to the copyright in the frames on which this proceeding is based. That is undoubtedly correct, but it rather begs the question since the interrogatory is not aimed at copyright other than that on which this proceeding is based but at the sources from which the copy on which this proceeding is based is derived.

The oppression objection was based on the same ground as question 3.1 and attracts the same response.

The interrogatory is allowed.

3.3 Were any of the dimensions of the design requirements obtained or devised from a third party source, ie not the plaintiffs?

3.4 To the knowledge of any of the plaintiffs and if so which of the plaintiffs were any similar systems incorporating such ten position frame and distribution frame designed or used in Germany or any overseas country prior to 1978? If yes, provide details of such similar systems.

3.5 To the knowledge of any of the plaintiffs and if so which of the plaintiffs did the German Post Office design, produce, or use prior to 1978 a ten position or distribution frame?

3.6 If yes, did any of the plaintiffs have access to the German Post Office design or equipment at the time when the plaintiff's frame was being developed?

3.7 If so, was any direct or indirect reference made to the said German Post Office product or the drawings or documents during the course of the design or manufacture of the Krone ten position frame or distribution frame. If so, what reference was made and what if any influence did it have on the design or manufacture of the Krone ten position frame or distribution frame?

3.8 (a) Was reference made to any third party designs or existing equipment in the course of designing or manufacturing the ten position frame and distribution frame?

(b) If yes, identify those designs or equipment and specify what, if any differences there are between those designs or equipment and the designs referred to in the drawings in para 1.1 and what use was made of those designs or equipment.

3.9 What development path did the design of the ten position frame and distribution frame take?

3.10 Was an internal design brief provided to the individual or collective designers of the ten position frame and distribution frame?

3.11 If so, what was included in such a design brief/s?

All these proposed interrogatories were objected to on the grounds of oppression and "fishing", those objections being based on the same submissions as the objection to interrogatory 3.1. Proposed interrogatory 3.7 was also objected to on the grounds of prolixity and the submission that it rolled several interrogatories into one.

In relation to these interrogatories, Mr Gurr said:

"14. As to the alleged originality of the Plaintiff's copyright I have reason to suspect from having reviewed various documentation and having discussed this matter with ADC, that the Krone frame may have been originally designed in Germany with input from or in conjunction with the German Post Office. I also believe that the Krone frame/s may well be derived in some way from an earlier

Telecom frame from either the German, British, or another Telecom organisation. In particular I believe that Krone and British Telecom have co-operated with each other in various product development areas for a number of years. If this is the case, this information and any supporting documentation is highly relevant to this case.

- "15. Having considered the whole matter again recently, I believe there is a dimensional and design linkage from the Krone backmount frame and distribution frame back to the cable channels used by the German, British, and other Telecom organisations. That is, the 'U' shaped channels used to house various types of cables in buildings and the like. If there is some linkage I believe information on this is both relevant and central to the issues in dispute."

In the light of that evidence the objections based on oppression and "fishing" attract the same finding as earlier appearing in respect of interrogatory 3.1 and the objections are disallowed.

As regards the additional ground of objection to interrogatory 3.7, it would appear that the first sentence of that interrogatory poses at least 12 questions and that number is multiplied by the second sentence. What is justifiably sought by the proposed interrogatory must be capable of refinement and the plaintiffs are entitled to know precisely what questions are being posed. The interrogatory is disallowed in its present form. Leave is granted to amend the interrogatory. If objection continues to be taken to it in its amended form, leave is reserved to apply further on this matter on 7 days' notice.

Interrogatories 3.3-6 inclusive and 3.8-11 inclusive are allowed.

3.12 What were the objectives taken into account during the design of the ten position frame and distribution frame?

The Krone companies objected to this interrogatory on the grounds of oppression, "fishing" and irrelevance asking the rhetorical question "what have the objectives to do with this claim?"

The objections based on oppression and "fishing" are disallowed for the same reasons as applied to the earlier proposed interrogatories, but the objection based on relevance has weight. The rhetorical question posed by the plaintiffs is truly rhetorical and, having evoked no answer from the defendant, the interrogatory is disallowed as irrelevant to any issue in the proceedings.

3.13 What design considerations went into the design of the ten position frame and distribution frame?

3.14 What design and functional considerations went into the selection of the shape, physical dimensions, and configuration of the ten position frame and distribution frame?

3.15 What design and functional considerations went into the selection of the spacing between the individual tabs on the ten position frame and distribution frame?

3.16 What design and functional considerations went into the selection of the shape, physical dimensions, and configuration of the associated modules or blocks adapted to fit onto such ten position or distribution frames.

3.17 When and to whom were the first ten position frame and distribution frames sold or offered for sale?

All these proposed interrogatories were objected on the grounds of oppression, “fishing” and relevance and in each case the plaintiffs supported the last of those objections by again posing rhetorical questions as to what the design and functional considerations and sales had to do with the claim.

No detailed submissions in reply were made by the defendant on this or the other interrogatories. In the light of that, this Court is of the view that very much the same matters are raised by the proposed interrogatory 3.14 as appear in the proposed interrogatory 3.13. The latter accordingly appears superfluous but conceivably the design and functional considerations which influenced the matters in questions 3.14-16 inclusive are relevant to matters in issue in this proceeding and accordingly, on the basis that the Court should be too liberal rather than too conservative in allowing the interrogatories, the Court disallows the objections to those questions. However, no submissions were made as to the relevance the first sales of the frames might have as asked in interrogatory 3.17 and the Court accordingly upholds the objection.

3.18 Have any of the plaintiffs authorised the manufacture of ten position frames or distribution frames by any third parties?

3.19 If so, to whom, when and on what basis?

The plaintiffs objected to these proposed interrogatories on the ground of irrelevance submitting that the appointment or otherwise of licensed manufacturers was not a matter in issue in this proceeding. The Court agrees. The interrogatories are disallowed.

3.20 Have any of the plaintiffs sold or otherwise supplied upon request to any non-Krone company or organisation for purposes of resale on its own or in conjunction with any other componentry ten position frames or distribution frames?

3.21 If so, to whom, when, and on what basis?

3.22 Have any of the plaintiffs refused to sell or otherwise supply upon request from any non Krone company or organisation for purposes of resale on its own or in conjunction with other componentry either the ten position frames or distribution frames?

3.23 If so, to who, when, and on what basis?

These proposed interrogatories relate to the second cause of action. The plaintiffs objected to them on the same grounds as were raised in respect of interrogatories 3.1. They submitted that they were oppressive because they would require the plaintiffs to go back many years to determine the answers and they submitted that the question was additionally oppressive because it required the plaintiffs to state the purposes for which any such sales were undertaken by the purchasers of the frames.

The former of those objections meets the same response as the objection to interrogatory 3.1. If the plaintiffs have put in issue matters arising many years ago by the commencement of this litigation, then they cannot object if the defendant seeks information about those matters in issue by the proper use of the Court’s interlocutory procedures.

The latter part of the objection is, however, well founded in this Court’s view but to delete the words “for purposes of resale on its own or in conjunction with any other componentry” might both face the plaintiffs with a very considerable task in answering the interrogatory and not obtain for the defendant the information which it seeks. Connector Systems did not assist the Court with any submissions as to the objects of these interrogatories but it should be possible for the defendant to refine the

questions in the light of the Court's observations and, therefore, as with interrogatory 3.7, leave is reserved to the defendant to amend this interrogatory and leave is reserved to the parties to seek a further hearing on the same in the event that they are unable to agree on the interrogatory as so amended.

3.24 Were the original designs for the ten position frame and distribution frame changed?

3.25 If so, what changes took place and when?

3.26 Why was/were such change/s made?

The plaintiff objected to these interrogatories on the ground of oppression making similar submissions to those earlier recorded in respect of interrogatory 3.2, namely that this Court is dealing with the claimed breach of copyright in the drawings mentioned in the pleading and not earlier designs. That objection attracts the same comments as earlier set out in respect of interrogatory 3.2. In addition, the interrogatories clearly relate to that "design trail" which Mr Gurr believes must exist (even if it may not relate to documents). On those bases, it would appear to be relevant and not oppressive and the objections are accordingly disallowed.

Turning then to the particulars sought in paras 2.1.1-8 of the application, if these are to be treated as interrogatories, then the Court records its views on them on that basis.

2.1.1 Who was the author/s of the drawing, was the drawing based on any earlier sketches or drawings and if so, what drawings and who was the author/s of such earlier sketches or drawings?

2.1.2 Were any revisions made to the drawings? If so, when were such revisions made and what were the revisions made?

2.1.3 If applicable, who was/were the author/s of such revisions?

The plaintiffs objected to these matters on the basis that they were oppressive in requiring the plaintiffs to go back too far in history and also required them to speak not only about matters up to 13 years old with their existing employees but also locate former employees who may have been involved in these matters as well.

Those grounds of objection cannot be upheld for the reasons appearing in *Re Securitibank* (supra at p 520) in Barker J's discussion of oppression. Those objections also attract the same comments as interrogatories 3.1 and 3.20.

If these questions were therefore to be posed as interrogatories, the Court would disallow the objections to them.

2.1.4 Was the relevant author of any of the drawings or revisions an employee of any of the plaintiff companies or was the author commissioned by the said plaintiff companies?

2.1.5 If commissioning took place, who was the person who commissioned the drawings?

2.1.6 How were the drawings first published?

2.1.7 When did such publishing take place?

2.1.8 Where did such publishing occur?

The plaintiffs' objections to these questions, had they been posed as interrogatories, were that they, too, were oppressive and were of questionable relevance. The plaintiffs also objected on the ground that this

would involve them in making inquiries of third parties. All those matters, however, have been put in issue by the plaintiffs in the form of the pleadings which they have issued. They, too, therefore attract the same comments as previously and the objections would have been disallowed had these questions been posed as interrogatories.

In summary, proposed interrogatories 3.12, 3.13, 3.17-19 inclusive are disallowed. Proposed interrogatories 3.7 and 3.20-22 inclusive are adjourned part-heard. Particulars 2.1.1-8 would have been allowed had they been posed as interrogatories. All other proposed interrogatories are allowed and there will be an order that the plaintiffs answer the interrogatories as allowed within 21 days of the date of service of them of this order.

Supply of copies of drawings

This application arises out of the form of the order made by Eichelbaum J (as he then was) on 7 October 1988. On this topic Mr Gurr said:

“This application also seeks to permit my company, its officers and advisers and ADC to have copies of the drawings for which copyright is claimed. At present I feel totally hampered in trying to deal with the identified drawings without having copies. At the centre of the case will be issues relating to ownership, originality, and utility. Without having the drawings in our possession and without the ability to copy, sketch, or make notes it is at present a hopeless task trying to analyse and research these issues. My company needs to obtain technical advice in these areas, again it is a hopeless task without having the drawings available. It simply is not practicable to inspect the drawings and then carry away in one’s memory the dimensions between various components, to take but a simple example. My company needs the technical assistance and the research assistance of ADC to properly defend this case and again it is hopeless, particularly given their location in the US to do this efficiently without having copies of the actual drawings.

“The plaintiffs seem to be saying that their drawings have some sort of secret quality and that they should not be seen by me or my advisers. This is quite nonsensical. I have seen the Krone frame on a number of occasions. It is clearly a very simple product and I fail to see what confidential or secret nature the Krone drawings could possibly have.”

and Mr Hawkins also says that Connector Systems and its advisers need fuller access to the drawings and that the defendant is hampered by its inability to take any notes or copies and by the limited number of persons by whom the drawings may be inspected.

Connector Systems sought orders requiring the plaintiffs to provide it with legible copies of the five drawings which underpin this proceeding within 21 days and an order permitting it to disclose those copies to officers, professional technical advisers, solicitors, patent attorneys or counsel, both of the defendant and ADC Telecommunications. The plaintiffs opposed those orders on the ground that they were not necessary under r 312 and that if the order was to be broadened to permit the drawings to be made available to persons who were not parties to the proceedings then those persons ought to be identified. The plaintiffs said that the documents were commercially sensitive and should therefore be regarded as confidential. At bottom, however, the plaintiffs’ objection was directed more to devising a means by which appropriate limitations could be placed on those to whom the documents might be disclosed rather than seeking to prevent disclosure.

In this Court's view, some relaxation of the order of 7 October 1988 is called for. That order was doubtless appropriate at the time — less than 2 months after the proceedings were commenced — but it would appear that now — some 3 years later and in the run-up to the hearing — there is a risk of injustice to the defendant if somewhat wider disclosure is not permitted. Any risk of injustice to the plaintiffs can be minimised by requiring suitable undertakings from those to whom the documents are to be disclosed. Somewhat wider disclosure appears to be necessary to dispose fairly of the proceedings (*Science Research Council v Nassé* [1980] AC 1028). Counsel for the plaintiffs helpfully referred the Court to two intellectual property cases where the Courts faced similar problems. In *Warner-Lambert Co v Glaxo Laboratories Ltd* [1975] RPC 354, Buckley LJ, delivering the leading judgment in the Court of Appeal, reviewed the authorities on the topic, particularly those applying in the intellectual property sphere and held (at p 358):

“In my judgment, the Court must in each case decide what measure of disclosure should be made, and to whom, and upon what terms, having regard to the particular circumstances of the case, bearing in mind that, if a case for disclosure is made out, the applicant should have as full a degree of appropriate disclosure as will be consistent with adequate protection of any trade secret of the respondent.”

In the event, the Court of Appeal permitted disclosure and, of interest to this case, permitted disclosure to the principal executive officer of the plaintiff, a company incorporated in the USA, on the basis of that person giving an appropriate undertaking in writing to the defendant and to the Court but the Court did not require any submission to its jurisdiction by the US national in the event of enforcement proceedings being required for breach. A similar conclusion was reached in *Centri-Spray Corp v Cera International Ltd* [1979] FSR 175, 180-1.

In this Court's view, there can be no legitimate objection to an order requiring the plaintiffs to provide the defendant with legible copies of the drawings with which the proceedings are concerned with those copies being disclosed to the defendant's officers, its professional or technical advisers, solicitors, patent attorneys, and counsel on the basis of appropriate undertakings being given to the Court by all those persons other than defendant's solicitors and counsel, who, as officers of the Court, are subject to the Court's disciplinary procedures in the event of abuse of this order.

A more difficult question, however, arises in respect of the extension of the order to officers of ADC Telecommunications and its professional and technical advisers, patent attorneys, and legal counsel since, of course, those persons are not resident within New Zealand and accordingly the plaintiffs and the Court would have difficulty in enforcing any undertakings required of those persons in the event of breach of the Court's order. However, in this Court's view, that difficulty can be overcome by two means. First, those persons in their undertakings should agree to submit to the jurisdiction of this Court in respect of any enforcement proceedings which might be taken for breach of the order. Secondly, as in the *Warner-Lambert* case, the undertaking should be given not merely to this Court but also to the plaintiffs so that, in the event of the breach, the plaintiffs' ability to enforce those undertakings against the persons giving them in their own jurisdictions would be enhanced.

There will accordingly be orders in terms of paras 4.1 and 4.2 of the defendant's application but subject to the defendant providing the plaintiffs

prior to the copies of the drawings being made available with a list of the persons to whom disclosure of the copies of the drawings is to be made and the provision by each of those persons to the Court and, in respect of persons resident outside New Zealand to the plaintiffs as well, of an undertaking in a form to be settled by agreement between the parties' solicitors and counsel or, failing agreement, to be settled by this Court. The names of those to whom disclosure is to be made may be added to from time to time upon a similar undertaking being given. Leave is reserved to the parties to apply further on 7 days' notice in the event of there being any difficulties in the implementation of this order.

Formal orders and costs

The Court's formal orders are:

- (1) That there will be orders for further and better discovery, particulars, interrogatories, and the supply of drawings in the terms appearing in this judgment.
- (2) The costs of this application are reserved (hearing time: 1 hr 20 min).

As a postscript the Court regrets the delay which has occurred in the delivery of this judgment. This has been caused by factors almost wholly outside the Master's control.

Orders granted in part

Reported by Jillian M Mallon