

BRINER v THE HAPPY HERB COMPANY & ORS - [2017] FCCA 1854

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## FEDERAL CIRCUIT COURT OF AUSTRALIA

*BRINER v THE HAPPY HERB COMPANY & ORS* [2017] FCCA 1854

### Catchwords:

COPYRIGHT – Photograph of camomile flowers – photograph uploaded onto the respondents’ website – photograph taken down following notification by the applicant of asserted breach of copyright – assessment of damages for breach.

### Legislation:

*Copyright Act 1968* (Cth), ss. 13, 14, 21, 31, 32, 115, 184, 194, 195, 195AA, 195AO, 195AZA,  
*Copyright (International Protection) Regulations 1969* (Cth),  
*Federal Circuit Court Act 1999* (Cth)  
*Federal Circuit Court Rules 2001* (Cth)

### Cases cited:

*Apple Computer Inc v Computer Edge Pty Ltd* (1986) 161 CLR 171,  
*Australasian Performing Right Association Limited v Illusion Bar & Nightclub Pty Ltd* [2017] FCCA 883,  
*Dynamic Supplies Pty Ltd v Tonnex International Pty Ltd* (2014) 107 IPR 548,  
*Eagle Rock Entertainment v Caisley* [2005] FCA 1238,  
*Fairfax Media Publications Pty Ltd v Reed International Books Australia Pty Ltd* (2010) 189 FCR 109,  
*Flags 2000 Pty Ltd v Smith* (2003) 59 IPR 191,  
*Francis Day & Hunter Ltd v Bron* [1963] Ch 587 at 614 ; (1963) 1A IPR 331,  
*Futuretronics.com.au Pty Ltd v Graphix Labels Pty Ltd & Anor (No 2)* (2008) 76 IPR 763,  
*Geneva Laboratories Ltd & Anor v Prestige Premium Deals Pty Ltd & Ors (No 5)* (2017) 122 IPR 279,  
*Lamb v Cotongo* (1987) 164 CLR 1,  
*Halal Certification Authority Pty Ltd v Scadilone Pty Ltd* (2014) 107 IPR 23,  
*IceTV Pty Ltd v Nine Network Australia Pty Ltd* [2009] HCA 14, (2009) 254 ALR 386,  
*Ladbroke (Football) Ltd v William Hill (Football) Ltd* [1964] 1 All ER 465,  
*Pacific Gaming Pty Ltd v Aristocrat Leisure Industries Pty Ltd* [2001] 116 FCR 448,  
*Prior v Lansdowne Press Pty Ltd* (1975) 12 ALR 685,  
*Sands & McDougall Pty Ltd v Robinson* (1917) 23 CLR 49,  
*SW Hart & Co Pty Ltd v Edwards Hot Water Systems* (1985) 159 CLR 466,  
*Telstra Corporation Ltd v Phone Directories Company Pty Ltd* (2010) 273 ALR 725,  
*Truong Giang Corporation v Quach* (2015) 114 IPR 498,  
*Tylor v Sevin* [2014] FCCA 445,  
*Victoria Park Racing v Taylor* (1937) 58 CLR 479,

Applicant: MIKE  
BRINER

First Respondent: THE HAPPY HERB  
COMPANY

Second Respondent: RAYMOND WALTER  
THORPE

Third Respondent: ELIZABETH EILEEN  
RIX

File Number: SYG 2252 of  
2016

Judgment of: Judge  
Driver

Hearing date: 4 August  
2017

Delivered at: Sydney, via  
telephone

Delivered on: 11 September  
2017

## REPRESENTATION

Counsel for the Applicant: Ms R  
White

Solicitors for the Applicant: Banki Haddock  
Fiora

The Second Respondent appeared in person  
and  
on behalf of the First Respondent

## ORDERS

1. Pursuant to s. 115(2) of the *Copyright Act 1968 (Cth)*, the first and second respondents are to pay compensatory damages to the applicant in the sum of AUD\$500 within 28 days.
2. Pursuant to s. 115(4) of the *Copyright Act*, the first and second respondents are to pay additional damages to the applicant in the sum of AUD\$1,000 within 28 days.

**FEDERAL CIRCUIT COURT  
OF AUSTRALIA  
AT SYDNEY**

**SYG 2252 of 2016**

**MIKE BRINER**

Applicant

And

**THE HAPPY HERB COMPANY**

First Respondent

Second Respondent

ELIZABETH EILEEN RIX

Third Respondent

## REASONS FOR JUDGMENT

### Introduction and background

1. By application filed on 22 August 2016, the applicant (Mr Briner) seeks declaratory and injunctive relief as well as damages and costs for the infringement of copyright in a photograph taken by him in 2001 (the Work) and first published in the United States of America in 2004.
2. Declaratory and injunctive relief is not required in view of undertakings given by the respondents in Court on 20 September 2016, which was the first return date on the application. In the result, this is really a case about damages under ss.115(2), 115(4) and 195AZA of the *Copyright Act 1958* (Cth) (Copyright Act).
3. The following statement of background facts is derived from the applicant's submissions filed on 26 July 2017.
4. Mr Briner is a professional photographer and is a citizen of the United States of America.<sup>[1]</sup>

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<sup>[1]</sup> Briner Affidavit sworn 16 May 2017 at [1] and [2].

5. Mr Briner's works have been published in books, magazines and calendars as well as on greeting cards, postcards and posters. A portfolio of some of Mr Briner's works is on display at [www.mikebrinerphotography.com](http://www.mikebrinerphotography.com)<sup>[2]</sup>.

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<sup>[2]</sup> Briner Affidavit sworn 16 May 2017 at [4] and [5].

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6. A copyright notice is displayed on each page of Mr Briner's website and watermarked on each work published on that website.[\[3\]](#)

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[\[3\]](#) Briner Affidavit sworn 16 May 2017 at [6].

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7. Mr Briner created the Work in 2001. It was first published in 2004 and appears on Mr Briner's website. The Work is registered with the United States Copyright Office with registration number VA0001-951-132.[\[4\]](#)

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[\[4\]](#) Briner Affidavit sworn 16 May 2017 at [9] and [16].

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8. Mr Briner has not uploaded or licensed the Work to any free wallpaper website or any other website offering free downloads of Mr Briner's works.[\[5\]](#) He has not granted a licence, or otherwise authorised the respondents to reproduce or communicate the Work.[\[6\]](#)

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[\[5\]](#) Briner Affidavit sworn 16 May 2017 at [18].

[\[6\]](#) Briner Affidavit sworn 16 May 2017 at [22].

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9. Since at least 21 April 2013 until shortly after 15 October 2015, the respondents reproduced the Work on, and communicated it to the public from, the website at domain name www.happyherbcompany.com[\[7\]](#) (Website) without the licence or authority of Mr Briner and without attributing the Work to him,

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[\[7\]](#) Knight Affidavit sworn 27 October 2016 at [7].

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10. On 15 October 2015, Mr Briner notified the respondents of the claimed infringement of his copyright in the Work<sup>[8]</sup> and sought payment of a licence fee in the amount of USD\$1,180 from the respondents in respect of their unauthorised use of the Work and failure to attribute the Work to Mr Briner.

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<sup>[8]</sup> Knight Affidavit sworn 27 October 2016 at [3].

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11. No licence fee has been paid to Mr Briner.

## **Pleadings and evidence**

12. In addition to his application, Mr Briner relies on the Statement of Claim filed with it, his Genuine Steps Statement filed at the same time and affidavits made by himself on 16 May 2017, by William Peter Knight on 27 October 2016 and by Christopher Alexander Murray Shain made on 23 May 2017. Mr Shain was not required for cross-examination. Mr Knight and Mr Briner were required for cross-examination. Mr Knight is Mr Briner's solicitor and attended in person at the trial of this matter on 4 August 2017. Mr Briner gave his evidence by videolink from the United States.
13. The respondents rely upon their response filed on 16 December 2016 and the affidavits of Raymond Walter Thorpe, Laura Ann Stapleton and Catherine Partridge, all filed on 19 June 2017. Mr Thorpe and Ms Stapleton were cross-examined on their affidavits at the trial on 4 August 2017. Ms Partridge was not required for cross-examination. An affidavit by Elizabeth Eileen Rix, the third respondent, was not read by the respondents. Ms Rix has taken no part in these proceedings (other than to make an affidavit that was not read) and, based on the evidence of Ms Stapleton, she does not play an active role in the business of the respondents. She might have applied to be removed as a respondent and, on the basis of the material before me, I consider it to be inappropriate to make any orders against her.
14. The parties prepared pre-trial submissions and also made oral submissions at the trial.

## **Consideration**

### **Subsistence of copyright, ownership of copyright and breach of copyright**

15. Mr Briner filed a Notice to Admit Facts on 16 May 2017. The respondents' Notice of Disputed Facts filed on 29 May 2017 makes clear that the respondents put Mr Briner to proof of the various elements of his claim. That said, it was apparent by the end of the trial of this matter that there is no serious dispute about the subsistence of copyright in the Work, the ownership of that copyright by Mr Briner and breach of copyright by downloading an image of the Work from the internet to the Website in about 2013 by someone on behalf of the respondents.

16. The Work was created in the United States of America by Mr Briner. Some attention was drawn during the course of submissions to the issue of registration of the Work under US copyright law, which did not occur until after the infringement had occurred in Australia. I see no particular significance in that fact. Sections 32 and 184 of the Copyright Act and regulation 4 of the *Copyright (International Protection) Regulations 1969* (Cth) (Regulations) make clear that the issues in this case are to be determined in accordance with Australian law rather than the law of the United States.
17. I otherwise accept Mr Briner's submissions concerning these issues.

### Originality and authorship

18. Copyright subsists in original published and unpublished works. As the Full Federal Court (Keane CJ, Perram and YatesJJ) explained in *Telstra Corporation Ltd v Phone Directories Company Pty Ltd*: [9].

*The necessity for there to be an original work carries with it the necessity for there to be an author or authors but all that needs to be demonstrated is that such persons exist. Their identification is not legally required by the concept of an original work.*

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[9] (2010) 273 ALR 725 at [127].

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19. Originality and authorship are correlative. [10]. However, more than mere authorship is required. As Bennett J explained in *Fairfax Media Publications Pty Ltd v Reed International Books Australia Pty Ltd*: [11].

*For copyright to subsist in a work, one or more authors must have expended sufficient effort of a literary nature directed at the form of expression of the work ( IceTV at [42] and [99] ). The form of expression of the work must be the result of particular mental effort or exertion by the author(s) and cannot be essentially dictated by the nature of the information.*

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[10] *Sands & McDougall Pty Ltd v Robinson* (1917) 23 CLR 49 at 55 per Isaacs J "... in copyright law the two expressions 'author' and 'original work' have always been correlative: the one connotes the other". See also *Ladbroke (Football) Ltd v William Hill (Football) Ltd* [1964] 1 All ER 465; *IceTV Pty Ltd v Nine Network Australia Pty Ltd* (2009) 254 ALR 386, [2009] HCA 14 at [34].

[11] (2010) 189 FCR 109 at [30]. Also see *IceTV* at [33].

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20. The term “original” does not, however, mean that the work must be the expression of an inventive thought. [\[12\]](#).
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[\[12\]](#) *Victoria Park Racing v Taylor* (1937) 58 CLR 479 at 511 ; *Apple Computer Inc v Computer Edge Pty Ltd* (1986) 161 CLR 171 at 182-183 ; *IceTV Pty Ltd v Nine Network Australia Pty Ltd* [2009] HCA 14 at [33] ; *Fairfax Media Publications Pty Ltd v Reed International Books Australia Pty Ltd* (2010) 189 FCR 109 at [31] .

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21. Mr Briner was the author of the Work and was a “qualified person” within the meaning of s.32(4) and s. 184 of the [Copyright Act](#) and regulation 4 of the Regulations. Accordingly, the evidence demonstrates that copyright subsists in the Work and that Mr Briner is the owner of the copyright in the Work.

## Infringement of copyright in the Work

### Acts of infringement relied upon

22. Section [31\(1\)](#) of the [Copyright Act](#) provides that copyright in relation to a particular work is the exclusive right to do certain acts in relation to that work, including the right to reproduce the work in a material form and communicate it to the public.[\[13\]](#) In this proceeding, Mr Briner relies upon the reproduction of the Work by the respondents on the Website. It is not in dispute that the Work was reproduced without the licence or permission of Mr Briner.
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[\[13\]](#) Also see s [13](#) of the [Copyright Act](#) .

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23. Section [14\(1\)](#) of the [Copyright Act](#) provides that a reference in the [Copyright Act](#) to a reproduction or adaptation of a work to be read as including a reference to the reproduction or adaptation of a substantial part of the work. Section [21](#) of the [Copyright Act](#) provides that a “material form”, in relation to a work or an adaptation of a work, includes any form (whether visible or not) of storage of the work. [\[14\]](#).
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[\[14\]](#) *Pacific Gaming Pty Ltd v Aristocrat Leisure Industries Pty Ltd* [2001] 116 FCR 448 at [\[108\]](#) .

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## Infringement by reproduction

24. A work is reproduced for the purposes of the [Copyright Act](#) if:
- there is a sufficient degree of objective similarity between the copyright work and the work said to infringe (infringing work); and
  - there is “some causal connection” between the form of the infringing work and the form of the copyright work [\[15\]](#) .

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[\[15\]](#) *Francis Day & Hunter Ltd v Bron* [1963] Ch 587 at 614 ; (1963) 1A IPR 331 at 336 per Willmer LJ; *SW Hart & Co Pty Ltd v Edwards Hot Water Systems* (1985) 159 CLR 466 at 472 per Gibbs CJ (with whom Mason and Brennan JJ agreed).

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25. The respondents reproduced Mr Briner’s work on their Website.

## Damages under s.115(2) of the Copyright Act

26. The usual measure of damages in the case of infringement of the copyright of a person in the business of licensing is the owner’s usual licence fees. [\[16\]](#) .

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[\[16\]](#) *Australasian Performing Right Association Limited v Illusion Bar & Nightclub Pty Ltd & Anor* [2017] FCCA 883 at [\[17\]](#) ; *Eagle Rock Entertainment v Caisley* [2005] FCA 1238 at [\[11\]](#) .

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27. Mr Briner contends that his standard licence fee for the use of his work such as that made by the respondents is US\$590. His oral evidence was, however, not entirely consistent with that proposition. In 2004 he licensed the commercial use of the photograph for US\$200. That use was far more extensive than the use made of the photograph by the respondents.
28. Mr Briner contends that a comparable image obtained by Getty Images would carry a licence fee of AUD\$1,115. [\[17\]](#) However, the right to use the image for a commercial blog can be obtained from Getty Images for AUD\$485. [\[18\]](#) The higher amount of AUD\$1,115 is for a corporate and promotional site. It is true that the image appeared on the Website but the image was only incidentally related to the business of the company and, I accept from the evidence of Mr Thorpe and Ms Stapleton, was only used in order to illustrate general information about the camomile herb. Any photograph of the herb would have achieved the same purpose. In my view, in this case, Mr Briner’s loss in terms of an appropriate licence fee is no more than AUD\$500 and that is the amount which I will award under s. 115(2) of the [Copyright Act](#) .

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[17] see Annexure D to Knight affidavit at [8] and [9] and Annexure G.

[18] see Annexure 3 to Thorpe Affidavit.

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### Damages for breach of moral rights

29. Pursuant to ss.193 through 195AB of the [Copyright Act](#), Mr Briner has a right of attribution of authorship in the Work in respect of the attributable acts referred to in those sections.
30. It is not disputed that the respondents copied and displayed the Work without attribution. However, I also accept that they did not know that the Work was subject to copyright, let alone who owned that copyright. They did not know who created the photograph. It was obtained from the internet, apparently early in 2013, by an employee or contractor unknown and placed on the Website. Once informed by Mr Briner's lawyers that he claimed copyright in the Work, the respondents removed the image from the Website. There is no real doubt that if a licence fee had been negotiated, the respondents would have been perfectly willing to attribute Mr Briner's authorship of the Work.
31. Mr Briner admitted in his oral evidence that his photographs, including this particular photograph, have been distributed widely on the internet without his authority and can be freely downloaded. It is only relatively recently that the extent of infringements were brought to his attention, causing him to take steps to protect his rights under US law.
32. I conclude that no damages should be awarded for breach of moral rights under s. 195AO of the [Copyright Act](#).

### Additional damages under s. 115(4) of the [Copyright Act](#)

33. This issue is really at the heart of the dispute between the parties. Mr Briner makes the following submissions in support of his claim for additional damages:

*It is not necessary that there be a proportionate relationship between the additional damages awarded under section 115(4) and damages awarded under section 115(2); [Flags 2000 Pty Ltd v Smith \(2003\) 59 IPR 191 at \[31\]](#);*

*In considering an award of additional damages, the court must have regard to the following relevant matters:*

- (a) *the flagrancy of the infringement;*
- (b) *the need to deter similar infringements;*

- (c) *the conduct of the Respondents after they were informed that they had allegedly infringed the Applicant's copyright; and*
- (d) *all other relevant matters.*

*The meaning of "flagrancy of the infringement" has been described in various ways. In [Prior v Lansdowne Press Pty Ltd \(1975\) 12 ALR 685 at \[690\]](#), Gowans J referred to flagrancy as a "calculated disregard of the plaintiff's rights, or cynical pursuit of benefit." [\[19\]](#).*

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[\[19\]](#) As cited in [Futuretronics.com.au Pty Ltd v Graphix Labels Pty Ltd & Anor \(No 2\) \(2008\) 76 IPR 763 at \[19\]](#).

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*In [Lamb v Cotongo \(1987\) 164 CLR 1, \[20\]](#) the High Court discussed the nature of deterrence, noting that deterrence extends beyond the wrongdoer to other like-minded persons and to "conduct of the same reprehensible kind".*

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[\[20\]](#) As discussed in [Dynamic Supplies Pty Ltd v Tonnex International Pty Ltd \(2014\) 107 IPR 548 at \[39\]](#).

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*The conduct of the Respondents is relevant to an award of additional damages and to an order as to costs. In [Geneva Laboratories Ltd & Anor v Prestige Premium Deals Pty Ltd & Ors \(No 5\) \(2017\) 122 IPR 279](#), the Court had regard to the decision of his Honour Justice Wigney in [Truong Giang Corporation v Quach \(2015\) 114 IPR 498 at \[138\]](#) where his Honour said that the conduct of proceedings which involved high-handedness, dishonesty, recalcitrance, or flagrant disregard of, or deficiencies in compliance with, discovery orders or notices to produce, might, at the very least, suggest a greater need for an award of additional damages that would deter future infringing conduct by the respondent.*

*Similarly, in [Halal Certification Authority Pty Ltd v Scadilone Pty Ltd \(2014\) 107 IPR 23](#), his Honour Justice Perram considered that if additional damages are appropriate, the damages to be awarded must operate as a sufficient deterrent to ensure that the conduct will not occur again.*

*The conduct of these proceedings has seen frequent failures by the Respondents to comply with the Orders of the Court.*

*After being notified of the Applicant's claim of copyright, the Respondents removed the Infringing Copy from the First Respondent's website.*

*By the same letter dated 15 October 2015, Banki Haddock Fiora made a settlement offer to the Respondent on behalf of the Applicant on the basis of giving the required undertakings and paying US\$590 and US\$590 for breach of moral rights.*

*There has been lengthy correspondence between the parties since October 2015 in which the Respondents:*

- (a) have stated that they were unaware of the rights of the Applicant, whilst acknowledging that the Work was downloaded from a “wallpaper” site and used on the Website;*
- (b) have insisted that the Website has no commercial purpose, despite evidence to the contrary;*
- (c) have stated that the claim for damages based on the usual licence fees was “extortionate”, based upon an opinion that the Work is “generic” or ordinary, and upon the licence fees charged by different photographers for different works. The Respondents accordingly proffered a compensatory figure of \$10;*
- (d) were largely silent on why they should not be liable at all for damages for breach of the Applicant’s moral rights;*
- (e) insinuated that the Applicant’s solicitor, Peter Knight, utilised standover tactics and was engaged in a “swindle”;*
- (f) accused the Applicant of purposefully releasing his images on the internet without copyright labelling; and*
- (g) stated that the nature of the business of the Respondents ought to excuse the copying and communication of the Applicant’s work Camomile Flowers without payment.*

*It is quite clear that the Respondents’ website is a commercial one by reason of its offering both online sales and information regarding its own retail outlets and its resellers. It is disingenuous to describe it otherwise.*

*The Respondents describe their business as “not just for profit”. However, this means that while it supports worthy causes – it is still a business being run for profit.*

*The Respondents only gave undertakings not to infringe further the copyright and moral rights of the Applicant on the first return date of these proceedings before his Honour Justice Driver on 20 September 2016, despite undertakings being first sought by the Applicant on 15 October 2015.*

*The Respondents utilised the Work without making any reasonable inquiry as to the ownership or authorship of the copyright.*

*It has been the approach of the Respondents to blame everyone but themselves, including the Applicant and the Applicant's solicitors, even alleging these proceedings are a "swindle". This, notwithstanding that the Respondents were provided with a copy of the judgment of Raphael J in [Tylor v Sevin](#) in October 2015.*

*The Respondents failed to comply with the orders of Driver J given on (at an interlocutory hearing attended by the second Respondent by telephone) and did not file any defence until the Applicant was given leave to apply for default judgment.*

*The Respondents have now refused to admit any of the matters in the Applicant's Notice to Admit Facts filed on 16 May 2017.*

*It is submitted there could be few more appropriate instances of the need for an award of additional damages, given the wilful blindness of the Respondents to the copyright and moral rights of the Applicant, or to acknowledge any wrongdoing of any kind, as well as their conduct subsequent to being notified of the infringement, including delay and non-compliance with the orders of the Court.*

34. While I accept Mr Briner's statement of the general principles involved, I consider that he has overstated the material facts of this case. First, the respondents' failure to comply with my orders was an inadvertent failure made by self-represented litigants, and was promptly corrected when the default was made clear. Secondly, the respondents were, in my view, taken aback by the claim made on behalf of Mr Briner for compensation in excess of US\$1,000, of which half was for a breach of moral rights. The counter-offer of \$10 was derisory, and that is also material, but it seems to me that with a little more goodwill on both sides, the parties could have properly settled on or around the figure of AUD\$500 compensation which I have awarded above.
35. Further, while the photograph was used in association with a business and can be said to have played some role in promoting that business, its use was incidental to that business and was unknown to those responsible for the business until the infringement was brought to their attention. They acted promptly to remove the offending image and gave undertakings at the first opportunity following the commencement of court proceedings, obviating the need for declarations and injunctions.
36. Part of the problem is that Mr Thorpe considered initially that the claim was some kind of scam. It took him some time to realise that the claim was perfectly genuine. Secondly, because the claim was not resolved promptly and litigation was commenced, legal costs increasingly became a factor in the discussions between the parties. That proved to be a further obstacle to resolution. It is probably also material that the respondents' business has been in substantial decline in recent years, which has made the respondents costs averse.
37. Judge Raphael dealt with a similar case in [Tylor v Sevin](#), [21]. In that case, his Honour awarded compensatory damages of US\$1,850 and additional damages under s. 115(4) of the [Copyright Act](#) in the sum of AUD\$12,500. In that case, the breach was more flagrant and the respondents' conduct in the legal proceedings was subject to criticism. I make no criticism of the respondents' conduct in these proceedings. The commercial link to the use of the Work by the respondents is more tenuous than in [Tylor](#) and the respondents recognised, once they were told of the copyright claim, the importance of the protection of intellectual property. It is a pity that it has taken a contested hearing in order to provide Mr Briner with appropriate compensation for the use of the Work.

Persons downloading photographs from the internet should recognise that there may be a risk of copyright infringement and, once notified of an infringement, they should act promptly and reasonably in order to arrive at an appropriate fee as compensation for the use of the Work. The awarding of additional damages provides a deterrent against other reckless or careless use of copyright works.

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[21] [2014] FCCA 445 .

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38. In all the circumstances, I have decided to award the modest amount of AUD\$1,000 as additional damages under s. 115(4) of the *Copyright Act* .
39. This completes the assessment of liability and damages. .
40. I will not award any amount for pre-judgment interest, having regard to the modest amount of damages awarded and my view that both the respondents and the applicant could have shown more flexibility in order to resolve the dispute without the need for litigation. Interest on the judgment will apply in accordance with the *Federal Circuit Court Act 1999* (Cth) and *Federal Circuit Court Rules 2001* (Cth) .
41. I will hear the parties as to costs.

**I certify that the preceding forty-one (41) paragraphs are a true copy of the reasons for judgment of Judge Driver**

Date: 11 September 2017.