

Judicial delegation to Beijing and Shanghai Intellectual property cases

The Hon Paul de Jersey AC Chief Justice of Queensland

A. **Ascertaining facts in technical areas, for example in patent cases and cases with a technical flavour; judicial consultation with technical experts**

1. Australian statute law protects various intellectual property rights, such as patent, copyright and trademarks. The technical complexity of relevant considerations may render it difficult for a trial judge, in the absence of further assistance, confidently to make factual findings where the facts are in dispute. That is because the Judge will usually have no relevant technical proficiency of his or her own. For example, to determine whether the unauthorized use of a programming code infringes copyright may require an understanding of particular software development language.

Expert evidence

2. Usually, the Judge will rely on the evidence of expert witnesses. In Queensland, the rules of court procedure (which apply uniformly to all three State courts) were amended in 2004 to address two concerns:
 - (a) that experts were perceived as “hired guns” for the respective parties, and not sufficiently recognizing that their duty to the court overrode their duty to the party retaining them and paying their fee;
 - (b) that the Judge’s task was made more difficult where there was a multiplicity of expert witnesses expressing conflicting views.
3. As to 2(a) above, the rules now require the expert, in the report, to confirm these matters:

- (i) the factual matters stated in the report are, as far as the expert knows, true;
- (ii) the expert has made all enquiries considered appropriate;
- (iii) the opinions stated in the report are genuinely held by the expert;
- (iv) the report contains reference to all matters the expert considers significant; and
- (v) the expert understands the expert's duty to the court and has complied with the duty.

4. As to matter 2(b) above, the rules now provide for the appointment of a single (lone) expert to give evidence, by way of written report and orally, on the substantial technical issue in the proceeding. The parties may agree on the identity of the expert, and if not, the court will make the appointment. The lone expert is subject to cross-examination. No other expert witness may ordinarily be called. This applies in most, but no all, categories of cases.

Assessors

5. In a rare case, a judge may sit with one or more assessors (provided there is no jury – rare in civil cases in Queensland other than defamation cases).

In two comparable situations in Queensland, this always happens. The Mental Health Court determines issues of unsoundness of mind and fitness for trial where a criminal offence has been committed. The Judge comprising that court sits with two psychiatrists who provide assistance in the interpretation of the expert medical evidence.

The other situation is the Legal Practice Tribunal, which determines serious allegations of ethical breach by legal practitioners. The Judge constituting that Tribunal sits with two other people, a legal practitioner and a lay member of the public, who play a role similar to that of an assessor.

In a civil case, an assessor may be appointed where the case will involve a lengthy examination of complex technical documents or accounts, or complex issues of scientific fact are in question, but appointments are rare.

In a New Zealand case, *Beecham Group Ltd v Bristol Myers Co* (1980) 1 NZLR 185, 190 Barker J said this, of the approach to the involvement of an assessor:

- “(a) The court, at the commencement of the hearing, should define the role of the scientific advisers. As far as I would be concerned, his role would merely be to consider the submissions and assist the Judge in Chambers to understand them; if the adviser proffered any views of his own, either contrary to any submission or as additional matters for the court to consider, then the Judge should seek the comments of counsel.
- (b) The Judge should make it quite clear to the adviser that the legislation reposes the power of decision in the Judge alone, and that therefore he should not transgress his role of pure adviser.
- (c) At the conclusion of the hearing, I would envisage that the scientific adviser’s services would be terminated. By that stage, the Judge should, with the adviser’s assistance, have obtained a sufficient grasp of the issues involved.”

If an assessor has been appointed, but the issues turn out to be within the Judge’s independent comprehension, then as Barker J put it in *Beecham*, “no great harm is caused if the scientific adviser becomes somewhat redundant”.

As I have said, the appointment of an assessor is rare in Queensland. A judge appointed an assessor in an admiralty case in 1979, where the parties opposed the appointment. The Judge also indicated that he would send the computation of damages, following any finding of liability, to the court Registrar. The Full Court on appeal set those rulings aside, on the basis the issues should be capable of resolution within the Judge’s ordinary comprehension, and that the parties should not be put to the additional expense. The case was *Peters Slip Pty Ltd v Commonwealth of Australia* (1979) Qd R 123.

Special referee

6. Finally, there is power for a Queensland court to refer a question of fact to a “special referee”. The referee may be directed to decide the question, or to provide the court with a written opinion about it. In the latter case, the court is not bound to adopt the opinion.

I do not know of a case in which this procedure has been used, but with the increasing complexity of the issues being brought before the court in this arena, it may be utilized in the future.

B. The standard to met to justify injunctions, and the conditions which may govern them

Interlocutory injunctions

1. Injunctions are often sought, and granted, to preserve rights to intellectual property pending the final determination at a trial. These are “interlocutory” injunctions, operating up to trial. They are granted under Queensland, and Australian law, if two conditions are met:
 - (a) the plaintiff (or claimant) has made out a “prima facie case”, in the sense that “if the evidence remains as it is there is a probability that at the trial of the action the plaintiff will be held entitled to relief”; and
 - (b) the “balance of convenience” favours granting the injunction, meaning that “the inconvenience or injury which the plaintiff would be likely to suffer if an injunction were refused outweighs the injury which the defendant would suffer if an injunction were granted”.

This is the position expressed by the High Court of Australia in *Australian Broadcasting Corporation v O’Neill* (2006) 227 CLR 57.

The usual practice is to require the plaintiff in such a case to undertake to the court to pay any damages the defendant may suffer because of the existence of the interlocutory injunction, should the plaintiff fail to secure a permanent injunction at trial.

When the evidence supports serious concern that the rights of an owner of intellectual property rights are being, or will be, infringed, it is important that interim court orders meet a number of objectives:

- (a) halt any further infringement;
- (b) facilitate the preservation of evidence of past infringement;
- (c) maximize the owner’s prospects of recovering under any judgment later given.

I note the focus of the guidelines recently issued by the Supreme People's Court, on "protection of the legal rights of victims".

2. There are two types of interlocutory injunction particularly relevant to intellectual property cases. They are the Anton Piller order or search order, and the Mareva injunction, otherwise known as a freezing order. The procedural rules of court in Queensland offer model orders: the Anton Piller order is reproduced in annexure A to this paper, with the Mareva injunction being annexure B.

Anton Piller orders

3. The Anton Piller order is a pre-trial order made to secure potential evidence which might otherwise be destroyed. The order takes its name from the first case in which one was made, *Anton Piller KG v Manufacturing Processes Ltd* (1976) Ch 55.

The particular feature of this order is that it is made without notice to the defendant. Obviously, if on notice, a defendant could remove or destroy the potential evidence prior to any order. As said by Lord Denning in that case:

".. the order should only be made where it is essential that the plaintiff should have inspection so that justice can be done between the parties; and when, if the defendant were forewarned, there is grave danger that vital evidence will be destroyed, and papers will be burnt or lost or hidden, or taken beyond the jurisdiction, and so the ends of justice be defeated; and when the inspection would do no real harm to the defendant or to his case." (p 61)

In recent times, with the prevalence of digital technology and computer systems, and allowing for the transitory nature of this information, whereby it may be erased or overwritten (whether deliberately or through the normal operation of these systems), the Anton Piller order has become a particularly useful weapon in the armoury for the protection of intellectual property rights.

An Anton Piller order is not the same as a "search warrant". The procedural rules of court raise safeguards to ensure that position. They include:

- an obligation on the solicitor for the applicant for such an order to disclose fully any matters which may affect the court's exercise of discretion, including defences possibly open to the defendant;
- the appointment of an independent solicitor to attend at the search, so that the defendant may be given advice; to supervise the execution of the order; to make a list of all things removed from the premises, and provide a copy of that list to each of the parties; to provide a list of all items copied or printed from any computer seized at the premises; to take custody of all items removed until further orders may be made by the court; to submit a written report to the court; and to attend the hearing on the return date of the application, having all things removed available to the court; and
- the time for serving such an order should normally be between 9am and 2pm on a business day, so that the defendant will be in a position to obtain legal advice.

The applicant's solicitor must also proffer undertakings, including:

- the usual undertaking as to damages, or a form of security if the applicant has insufficient assets within the court's jurisdiction;
- not to use any material gained from the search order to commence any other proceeding in Australia; and
- not to disclose to the applicant any information the solicitor has acquired during execution of the order, without first obtaining for leave of the court.

In exercising their equitable jurisdiction, the courts have from time to time varied the traditional orders to meet contemporary conditions. An example is provided by *Tony Blain Pty Ltd v Jamieson* (1993) 26 IPR 8. In the early 1990's, the Judge in that case confronted a situation where intellectual property rights were being infringed by the sale of merchandise at open air concerts. It was not possible to identify all who had, or could, commit those infringements by making sales. The Judge therefore made an order against a "representative" defendant, on the basis that defendant represented all who may engage in such conduct. That authorized the plaintiff, then, to serve the order on anyone involved in an infringement, so as to bind that person. The Judge said:

"The evidence disclosed that a group of persons not all of whom could easily be named or identified have been selling merchandise involving the unauthorized use of trademarks and other intellectual

property of the applicants in the vicinity of a series of concerts ... I propose to make a representative order. There would plainly be, in the nature of open air selling activities at and in the vicinity of concerts of this kind, a great difficulty in identifying and naming all respondents.

The orders which are sought are not Anton Piller orders in the normal sense; they do not involve requiring a defendant to consent to entry upon his real estate. But they do have features which make them analogous to Anton Piller orders; they do involve orders requiring persons selling merchandise bearing the trademarks, for example, of an applicant to deliver up such merchandise upon service of the order, and the making of a demand for compliance with it. ...

I have ... required the applicants to give an undertaking designed to ensure that independent legal advice will be available, on the spot, to persons required by the terms of the order to deliver up what may be, at least in some sense, their own property.

... The undertakings will include an undertaking to provide a receipt for all merchandise which is handed over pursuant to the orders, and to provide safe custody for all such merchandise, and there will be liberty to apply on 24 hours notice.”

Mareva injunctions

4. The court grants a Mareva type injunction to restrain a defendant from disposing of, dealing with or diminishing its assets within the jurisdiction of the court, and to prevent the defendant from removing its assets from the jurisdiction, so as to avoid the frustrating of any ultimate judgment in favour of the plaintiff.

A Mareva injunction is sometimes sought in conjunction with an Anton Piller order, enabling the plaintiff to freeze the defendant's assets and seize infringing material, effectively preventing the defendant from continuing to profit from the infringement, or to deal with any profit already made. This is particularly useful where the ill-gotten gains from such infringement can easily be hidden or disposed of.

Because of its extraordinary nature, a Mareva injunction will not be granted unless the plaintiff establishes that the defendant has particular assets within the jurisdiction, and also, that there is a high risk the assets will be removed from the jurisdiction, or dealt with so as to frustrate recovery under any judgment given in favour of the plaintiff.

A Mareva injunction will not ordinarily freeze all assets. The defendant will be permitted to retain such as are necessary to meet ordinary living expenses, reasonable legal expenses, bona fide business expenses, and the discharge of bona fide contractual obligations undertaken prior to the making of the order.

C. Assessing monetary compensation, where rights are infringed but the resultant profit to the wrongdoer is uncertain

1. Damages for breach of an intellectual property rights are typically difficult to assess. The courts have asserted the need for flexibility in making an assessment. The general principle was stated in *Autodesk Australia Pty Ltd v Cheung* (1990) 94 ALR 472, 475: “The purpose of damages is to compensate the plaintiff for the loss which he has suffered as a result of the defendant’s breach.”

In a copyright case, this would usually involve assessment of the decrease in the value of the copyright, through an evaluation of lost profits, by calculating sales revenue or potential earnings from licence fees.

2. The courts employ a number of different measures to determine the appropriate amount. For example, in *Microsoft Corporation v Ezy Loans Pty Ltd* (2004) 63 IPR 54, the court applied a “going royalty rate”, awarding damages to the plaintiff set at \$125 for every infringing copy of the program sold, that being the licence fee the plaintiff would have received for licensing the product at the time the infringing copies were sold.

However a “going royalty rate” may not exist. In that case the court may strike a notional royalty rate in relation to the licensing or sale of similar products in the market at the time of the infringement.

There are various methods for valuing intellectual property assets, and the appropriate measure for determination will necessarily be made by the court at the time of assessment to suit the particulars of each case.

3. For breach of copyright, the Copyright Act in Australia assumes an award of damages, but they may not be awarded where the plaintiff has opted for an account

of the profits made by the defendant because of the infringement. The plaintiff may elect for an account of profits in the alternative to damages. The point of damages, of course, is compensation, whereas an account of profits prevents the unjust enrichment of the defendant through the defendant's infringement: the defendant is required to disgorge unlawful profit. Damages likewise are not available where the infringement is "innocent", meaning that the defendant did not know, or have reasonable grounds for suspecting, that copyright subsisted in the work, that copies in the defendant's possession were infringing copies, or that the copies produced or intended to be produced would be infringing copies.

4. In assessing damages for breach of copyright, it was said in the English case *Sutherland Publishing Company v Caxton Press* (1936) 1 Ch 323 that the damages amounted to "the depreciation caused by the infringement to the value of the copyright as its chose in action". But then again, as said in *Autodesk v Cheung*, "unauthorized reproduction may actually increase the residual value of a copyright. For example, the unauthorized broadcasting of a song on radio may have the effect of increasing the demand for recordings of that song".
5. At common law, damages for conversion are assessed as the value of the items at the time of conversion. Under Australian copyright law, the value is usually determined as the sale price of the converted items. This is a suitable measure in the case of underground markets, where the cost price of pirated copies is often a better indication of value than a presumed cost through a legitimate sale.

In *Autodesk Inc v Yee* (1996) 139 ALR 735, the defendant Mr Yee, a student, "admitted that he had obtained approximately 200 compact disks containing infringing computer software, mostly in the form of a compilation of Microsoft Autodesk and other programs" (p 735). Mr Yee had sold 181 of those disks, at the price of \$130 per disk. The plaintiff claimed \$11,000 per disk, as the suggested value of the combined licence fees of the software contained on each. The court held that the damages should be assessed as 181 multiplied by \$130, no doubt to the relief of Mr Yee, who suffered a judgment of \$23,530 rather than \$1,991,000.

6. Prior to amendment of the Australian Copyright Act in 1998, a legal fiction existed whereby a copyright owner was also deemed to own any infringing copies.

Accordingly, when assessing damages, the court did not deduct the cost of manufacturing and selling the copies when calculating damages, provided those costs had been incurred prior to the conversion. This created potential injustice, with the awarded damages exceeding the loss actually suffered by the injured complainant. Following amendment to the legislation, the court is now permitted to consider “the expenses incurred by the defendant ... in manufacturing or acquiring the infringing copies; whether the expenses were incurred before or after the infringing copy was sold or disposed of ...” and any other relevant matters.

Also, “if the infringing copy is an article which only part consists of material which infringes copyright, the court, in deciding whether to grant relief and in assessing the amount of damages payable, may also have regard to: the importance to the market value of the article of the material that infringes the copyright; the proportion the material that infringes copyright bears to the article and the extent to which the material that infringes copyright may be separated from the article.”

7. Additionally, where copyright infringement may cause the copyright owner personal suffering, distress, embarrassment or humiliation, this may also be reflected in the award of damages. In some cases a plaintiff may also be awarded additional damages. Under common law a court has the power to award exemplary damages as a punitive measure, or aggravated damages where harm has been caused in an aggravated way. Under the Australian copyright regime, the ability to award additional damages is expressed in the legislation. In determining what additional damages to award a successful plaintiff, the court must have regard to a number of considerations:
- the flagrancy of the infringement;
 - the need to deter similar infringements of copyright;
 - the conduct of the defendant after the act constituting the infringement or, if relevant, after the defendant was informed that the defendant had allegedly infringed the plaintiff’s copyright;
 - whether the infringement involved the conversion of a work or other subject matter from hard copy or analog form into a digital or other electronic machine readable form; and
 - any benefit shown to have accrued to the defendant by reason of the infringement.

Additional damages, when awarded, are awarded on top of the award constituting the primary assessment. The award of additional damages does not occur in every case.

8. As to difficulty of assessing, our courts take the view that difficulty in assessing damages, or compensation for loss, does not excuse the court from the requirement to do so, provided of course the plaintiff has put the available evidence before the court. In the *Peters Slip* case referred to in part A (para 5), in relation to the appointment of assessors, the Appeal Court was implicitly critical of the primary Judge for diverting the assessment of damages from judge to registrar.

In a case called *Enzend Holdings Ltd v Wynthea Pty Ltd* (1984) 3 IPR 619, the Full Court of the Federal Court went so far as to say this (p 637):

“If the court finds damage has occurred it must do its best to quantify the loss even if a degree of speculation and guesswork is involved.”

“A”

APPENDIX

SUPREME COURT OF QUEENSLAND

Pro-forma Search Order

On the undertakings in Schedule B to this order,

THE COURT ORDERS AS FOLLOWS:

Introduction

1.
 - (a) The application for this order is made returnable immediately.
 - (b) The time for service of [*describe documents required to be served*] is abridged and service is to be effected by [*insert time and date*].
2. Subject to the next paragraph, this order has effect up to and including [*insert date*] (‘the return date’). On the return date there will be a further hearing in respect of this order before a judge listed in Applications.
3. The respondent may apply to the Court at any time to vary or discharge this order.
4. This order may be served only between [*insert time*] am/pm and [*insert time*] am/pm [on a business day].¹
5. In this order:
 - (a) ‘applicant’ means the person who applied for this order, and if there is more than one applicant, includes all the applicants.
 - (b) ‘independent computer expert’ means the person (if any) identified as the independent computer expert in the search party referred to in Schedule A to this order.
 - (c) ‘independent solicitor’ means the person identified as the independent solicitor in the search party referred to in Schedule A to this order.
 - (d) ‘listed thing’ means any thing referred to in Schedule A to this order.
 - (e) ‘premises’ means the premises and any of the premises identified in Schedule A to this order, including any vehicles and vessels that are under the respondent’s control on or about the premises or that are otherwise identified in Schedule A.
 - (f) ‘search party’ means the persons identified or described as constituting the search party in Schedule A to this order.
 - (g) ‘thing’ includes a document.
 - (h) ‘respondent’ where the context permits includes the respondent’s servants or agents.
6. This order must be served by, and be executed under the supervision of, the independent solicitor.

¹ Normally the order should be served between 9:00am and 2:00pm on a business day to enable the respondent more readily to obtain legal advice.

Entry, search and removal

7. Subject to paragraphs 9 to 19 below, upon service of this order the respondent must:
 - (a) permit members of the search party to enter the premises so that they can carry out the search and other activities referred to in this order;
 - (b) permit members of the search party to leave and re-enter the premises on the same and the following day until the search and other activities referred to in this order are complete;
 - (c) permit members of the search party to search for and inspect the listed things and to make or obtain a copy, photograph, film, sample, test or other record of the listed things;
 - (d) disclose to members of the search party the whereabouts of all the listed things in the respondent's possession, custody or power, whether at the premises or elsewhere;
 - (e) disclose to members of the search party the whereabouts of all computers, computer disks and electronic information storage devices or systems at the premises in which any documents among the listed things are or may be stored, located or recorded and cause and permit those documents to be printed out;
 - (f) do all things necessary to enable members of the search party to access the listed things, including opening or providing keys to locks and enabling them to access and operate computers and providing them with all necessary passwords;
 - (g) permit the independent solicitor to remove from the premises into the independent solicitor's custody:
 - (i) the listed things and any things the subject of dispute as to whether they are listed things; and
 - (ii) the copies, photographs, films, samples, tests, other records and printed out documents referred to above; and
 - (h) permit the independent computer expert to search any computer and make a copy or digital copy of any computer hard drive and permit the independent computer expert or the independent solicitor to remove any computer hard drive and computer from the premises as set out in paragraphs 18 and 19 below.

Restrictions on entry, search and removal

8. This order may not be executed at the same time as a search warrant (or similar process) is executed.
9. The respondent is not required to permit anyone to enter the premises until:
 - (a) the respondent has been served with copies of this order and any affidavits referred to in Schedule C (confidential exhibits, if any, need not be served until further order of the Court); and
 - (b) the respondent has been given an opportunity to read this order and, if the respondent so requests, the independent solicitor has explained the terms of this order.
10. Before permitting entry to the premises by anyone other than the independent solicitor, the respondent, for a time (not exceeding two hours from the time of service or such longer period as the independent solicitor may permit):-
 - (a) may seek legal advice;
 - (b) may apply to the Court to vary or discharge this order;
 - (c) the respondent not being a corporation, may gather together any things which the respondent believes may tend to incriminate the respondent or make the respondent liable to a civil penalty and hand them to the independent solicitor in (if the respondent wishes) a sealed envelope or container; and
 - (d) may gather together any documents that passed between the respondent and its lawyers for the purpose of obtaining legal advice or that are otherwise subject to

legal professional privilege and hand them to the independent solicitor in (if the respondent wishes) a sealed envelope or container.

11. Subject to paragraph 20 below, the independent solicitor must not inspect or permit to be inspected by anyone, including the applicant and the applicant's solicitors, any thing handed to the independent solicitor in accordance with subparagraphs 10(c) and (d) above and the independent solicitor must deliver it to the Court at or prior to the hearing on the return date.
12. During any period referred to in paragraph 10 above, the respondent must:
 - (a) inform and keep the independent solicitor informed of the steps being taken;
 - (b) permit the independent solicitor to enter the premises but not to start the search;
 - (c) not disturb or remove any listed things; and
 - (d) comply with the terms of paragraphs 23 and 24 below.
13. If there is a dispute whether something is a listed thing, that thing must promptly be handed to the independent solicitor for safekeeping pending resolution of the dispute or further order of the Court.
14. Before removing any listed things from the premises the independent solicitor must supply a list of them to the respondent, give the respondent a reasonable time to check the correctness of the list, and give the respondent and the applicant's solicitors a copy of the list signed by the independent solicitor.
15. The premises must not be searched, and things must not be removed from the premises, except in the presence of the respondent or a person who appears to the independent solicitor to be a director, officer, partner, employee, or agent of the respondent.
16. If the independent solicitor is satisfied that full compliance with the immediately preceding paragraph is not reasonably practicable, the independent solicitor may permit the search to proceed and the listed things to be removed without full compliance.
17. The applicant's solicitors and the independent solicitor must not allow the applicant to inspect or take copies of any thing removed from the premises, or give to the applicant information about its contents or about anything observed at the premises, until 4:30pm on the return date or other time fixed by further order of the Court.

Computers

18.
 - (a) If it is expected that a computer will be searched, the search party must include a computer expert who is independent of the applicant and of the applicant's solicitors ('the independent computer expert').
 - (b) Any search of a computer must be carried out only by the independent computer expert.
 - (c) The independent computer expert may make a copy or digital copy of the computer hard drive and remove that copy or digital copy from the premises.
 - (d) The independent computer expert may search the computer or the copy or digital copy of the computer hard drive at the premises and/or away from the premises for listed things and may copy the listed things electronically or in hard copy or both.
 - (e) The independent computer expert must as soon as practicable and, in any event, prior to the hearing on the return date, deliver the copy or digital copy of the computer hard drive and all electronic and hard copies of listed things to the independent solicitor, together with a report of what the independent computer expert has done including a list of such electronic and hard copies.

- (f) The independent solicitor must, at or prior to the hearing on the return date, deliver to the Court all things received from the independent computer expert and serve a copy of the latter's report on the parties.
 - (g) If no independent computer expert has been appointed, but the independent solicitor considers it necessary to remove a computer from the premises for safekeeping or for the purpose of copying its contents electronically and printing out information in documentary form, the independent solicitor may remove the computer from the premises for that purpose.
- 19.
- (a) The respondent, not being a corporation, is entitled to object to the conduct described in paragraphs 18(b) to (f) on the ground that it might tend to incriminate the respondent or make the respondent liable to a civil penalty.
 - (b) The respondent is also entitled to object to the conduct described in paragraphs 18(b) to (f) on the ground that the computer contains material that is otherwise privileged.
 - (c) Upon the making of any objection under paragraph (a) or (b), paragraphs 18(b) to (f) become inoperative to the extent of the objection. In that event, if the applicant's solicitor communicates to the independent solicitor that the applicant proposes to contest the objection:
 - (i) the independent computer expert shall remove the computer hard drive (or, if that is not practicable, the computer) from the premises and deliver it into the custody of the independent solicitor who shall deliver it to the Court at or prior to the return date.
 - (ii) on the return date or on another date, the applicant may apply to the Court for orders to similar effect as paragraphs 18(b) to (f) and if the respondent objects, the Court may adjudicate upon the objection.

Inspection

20. Prior to the return date, the respondent or its representative shall be entitled, in the presence of the independent solicitor, to inspect any thing removed from the premises and to:
- (a) make copies of the same; and
 - (b) provide the independent solicitor with a signed list of things which are claimed to be privileged or confidential and which the respondent claims ought not to be inspected by the applicant.

Provision of information

21. Subject to paragraph 22 below, the respondent must at or before the further hearing on the return date (or within such further time as the Court may allow) serve on the applicant an affidavit setting out the following:
- (a) the location of the listed things;
 - (b) the name and address of everyone who has supplied the respondent, or offered to supply the respondent, with any listed thing;
 - (c) the name and address of every person to whom the respondent has supplied, or offered to supply, any listed thing; and
 - (d) details of the dates and quantities of every such supply and offer.
22. (a) This paragraph applies if,
- (i) the respondent not being a corporation wishes to object that compliance with paragraph 21 may tend to incriminate the respondent or make the respondent liable to a civil penalty; or
 - (ii) if the respondent is a corporation and all of the persons who are able to comply with paragraph 21, on its behalf and with whom it has been able to communicate, wish to object that compliance may tend to incriminate them or make them liable to a civil penalty.

- (b) The respondent must, at or before the further hearing on the return date (or within such further time as the Court may allow), notify the applicant in writing that the respondent or all such other persons wish to take such objection and identify the extent of the objection.
- (c) If the respondent gives such notice, the respondent must comply with paragraph 21 only to the extent, if any, that it is possible to do so without disclosure of the material in respect of which the objection is taken.
- (d) If such notice is given, the Court may give directions as to the filing and service of affidavits setting out such matters as the respondent or such other persons wish to place before the Court in support of the objection.

Prohibited acts

- 23. Except for the sole purpose of obtaining legal advice, the respondent must not, until 4:30pm on the return date, directly or indirectly inform any person of this proceeding or of the contents of this order, or tell any person that a proceeding has been or may be brought against the respondent by the applicant.
- 24. Until 4:30pm on the return date the respondent must not destroy, tamper with, cancel or part with possession, power, custody or control of the listed things otherwise than in accordance with the terms of this order or further order of the Court.

Costs

- 25. The costs of this application are reserved.

SCHEDULE A

Premises

The premises located at [*insert address or addresses*] including any vehicle or vehicles under the respondent's control on or about those premises.

Listed Things

- 1.
- 2.
- 3.

Search Party

1. The independent solicitor: [*insert name and address*]
2. The applicant's solicitor or solicitors:
 - (a) [*insert name and address*] [or description e.g. a partner or employed solicitor of A, B and Co].
 - (b) [*insert name and address*] [or description e.g. a partner or employed solicitor of A, B and Co].
 - (c) [*insert name and address*] [or description e.g. a partner or employed solicitor of A, B and Co].
3. Other members of the search party:-
 - (a) [*insert name and address*] in the capacity of [*e.g. an independent computer expert*]
 - (b) [*insert name and address*] in the capacity of [*insert capacity*]

SCHEDULE B

UNDERTAKINGS GIVEN TO THE COURT

Undertakings given to the Court by the applicant:-

- (1) The applicant undertakes to submit to such order (if any) as the Court may consider just for the payment of compensation (to be assessed by the Court or as it may direct) to any person (whether or not a party) affected by the operation of the order.
- (2) The applicant will not, without leave of the Court, use any information, document or thing obtained as a result of the execution of this order for the purpose of any civil or criminal proceeding, either within or outside Australia, other than this proceeding.
- (3) The applicant will not inform any other person of the existence of this proceeding except for the purposes of this proceeding until after 4:30pm on the return date.
- (4) If the applicant has not already done so, the applicant will as soon as practicable file a copy of this order and [*describe documents required to be filed*].
- [(5) The applicant will insure the things removed from the premises against loss or damage in an amount reasonably considered to represent their value.]²
- [(6) The applicant will:
 - (a) on or before [*insert date*] cause a written irrevocable undertaking to pay in the sum of \$[*insert amount*] to be issued from a bank with a place of business within Australia, in respect of any order the Court may make referred to in the undertaking as to damages contained in paragraph (1) above; and
 - (b) immediately upon issue of the irrevocable undertaking to pay, cause a copy of it to be served on the respondent.]

Undertakings given to the Court by the applicant's solicitor

- (1) The applicant's solicitor will provide to the independent solicitor for service on the respondent copies of this order and the documents which are listed in Schedule C.
- (2) The applicant's solicitor will answer to the best of his or her ability any question as to whether a particular thing is a listed thing.
- (3) The applicant's solicitor will use his or her best endeavours to act in conformity with the order and to ensure that the order is executed in a courteous and orderly manner so as to minimise disruption to the respondent.
- (4) The applicant's solicitor will not, without leave of the Court, use any information, document or thing obtained as a result of the execution of this order for the purpose of any civil or criminal proceeding, within or outside Australia, other than this proceeding.
- (5) The applicant's solicitor will not inform any other person of the existence of this proceeding except for the purposes of this proceeding until after 4:30pm on the return date.
- (6) The applicant's solicitor will not without the leave of the Court disclose to the applicant any information that the solicitor acquires during or as a result of execution of the search order.

² Depending on the nature of the things likely to be removed and their likely value, and the likely particular risks of their being lost or damaged, this undertaking or a more elaborate one may be required.

- (7) The applicant's solicitor will use best endeavours to follow all directions of the independent solicitor.

Undertakings given to the Court by the independent solicitor

- (1) The independent solicitor will use his or her best endeavours to serve the respondent with this order and the other documents referred to in undertaking (1) of the above undertakings by the applicant's solicitor or solicitors.
- (2) Before entering the premises, the independent solicitor will:-
- (a) offer to explain the terms and effect of the search order to the person served with the order and, if the offer is accepted, do so; and
 - (b) inform the respondent of his or her right to take legal advice.
- (3) Subject to undertaking (4) below, the independent solicitor will retain custody of all things removed from the premises by the independent solicitor pursuant to this order until delivery to the Court or further order of the Court.
- (4) At or before the hearing on the return date, the independent solicitor will provide a written report on the carrying out of the order to the Court and provide a copy to the applicant's solicitors and to the respondent or the respondent's solicitors. The report will attach a copy of any list made pursuant to the order and a copy of any report received from an independent computer expert.
- (5) The independent solicitor will use best endeavours to ensure that members of the search party act in conformity with the order and that the order is executed in a courteous and orderly manner so as to minimise disruption to the respondent, and will give such reasonable directions to other members of the search party as are necessary or convenient for the execution of the order.
- (6) The independent solicitor will not, without leave of the Court, use any information, document or thing obtained as a result of the execution of this order for the purpose of any civil or criminal proceeding, within or outside Australia, other than this proceeding.
- (7) The independent solicitor will not inform any other person of the existence of this proceeding except for the purposes of this proceeding until after 4:30pm on the return date.

Undertakings given to the Court by the independent computer expert

- (1) The independent computer expert will use his or her best endeavours to act in conformity with the order and to ensure that the order, so far as it concerns the independent computer expert, is executed in a courteous and orderly manner so as to minimise disruption to the respondent.
- (2) The independent computer expert will not, without leave of the Court, use any information, document or thing obtained as a result of the execution of this order for the purpose of any civil or criminal proceeding, within or outside Australia, other than this proceeding.
- (3) The independent computer expert will not inform any other person of the existence of this proceeding except for the purposes of this proceeding until after 4:30pm on the return date.
- (4) The independent computer expert will use best endeavours to follow all directions of the independent solicitor.

SCHEDULE C

DOCUMENTS THAT MUST BE SERVED WITH THIS ORDER

The application filed in the court.

The originating process (draft originating process) filed in the Court.

The following affidavits (including exhibits to them):

Name of Deponent	Date Sworn/Affirmed	Date Filed
(1)		
(2)		
(3)		

The following written submissions put to the Court –

Other documents provided to the Court –

A transcript of proceedings, or if none is available, a note of any oral allegation of fact, and of any oral submission, that was put to the Court.

Name and address of applicant's solicitors

The Applicant's solicitors are: *[Insert name, address, reference, fax and telephone numbers both in and out of office hours]*.

“B”

APPENDIX

SUPREME COURT OF QUEENSLAND Pro-forma Freezing Order

On the undertakings in Schedule A to this order,

THE COURT ORDERS AS FOLLOWS:

Introduction

1. (a) The application for this order is made returnable immediately.
(b) The time for service of [*describe documents required to be served*] is abridged and service is to be effected by [*insert time and date*].³
2. Subject to the next paragraph, this order has effect up to and including [*insert date*] (‘the return date’). On the return date at [*insert time*] am/pm there will be a further hearing in respect of this order before a judge listed in Applications.⁴
3. Anyone served with or notified of this order may apply to the Court at any time to vary or discharge this order or so much of it as affects the person served or notified.
4. In this order:
 - (a) ‘applicant’, if there is more than one, includes all the applicants;
 - (b) ‘respondent’, if there is more than one, includes all the respondents;
 - (c) ‘third party’ means a person other than the respondent and the applicant;
 - (d) ‘unencumbered value’ means value free of mortgages, charges, liens or other encumbrances.
5. (a) A respondent ordered to do something must do it by himself or herself or through directors, officers, partners, employees or agents;
(b) A respondent ordered not to do something must not do it personally or through directors, officers, partners, employees, agents or in any other way.

Freezing of assets

[*For order limited to assets in Australia*]

6. (a) The respondent must not remove from Australia or in any way dispose of, deal with or diminish the value of any of its assets in Australia (‘Australian assets’) up to the unencumbered value of AUD\$ (‘the relevant amount’) until [*trial or further order, or until 4pm on (the return date)*].
(b) If the unencumbered value of the respondent’s Australian assets exceeds the relevant amount, the respondent may remove any of those assets from Australia or dispose of or deal with them or diminish their value, so long as the total unencumbered value of the respondent’s Australian assets still exceeds the relevant amount.

[*If the Court makes a worldwide order, the following additional paragraph (c) also applies.*]

³ Paragraph 1 is appropriate only in the case of an ex parte order.

⁴ Paragraph 2 is appropriate only in the case of an ex parte order.

- (c) If the unencumbered value of the respondent's Australian assets is less than the relevant amount, and the respondent has assets outside Australia ('ex-Australian assets'):
 - (i) The respondent must not dispose of, deal with or diminish the value of any of its Australian assets and ex-Australian assets up to the unencumbered value of its Australian and ex-Australian assets of the relevant amount; and
 - (ii) The respondent may dispose of, deal with or diminish the value of any of its ex-Australian assets, so long as the unencumbered value of its Australian assets and ex-Australian assets still exceeds the relevant amount.

[For either form of order]

- 7. For the purposes of this order, the respondent's assets include:
 - (a) all its assets, whether or not they are in its name and whether they are solely or co-owned;
 - (b) any asset which it has the power, directly or indirectly, to dispose of or deal with as if it were its own (you are to be regarded as having such power if a third party holds or controls the asset in accordance with the respondent's direct or indirect instructions); and
 - (c) the following assets in particular:
 - (i) the property known as [title/address] or, if it has been sold, the net proceeds of the sale;
 - (ii) [name]] [carried on at [address]] or, if any or all of the assets have been sold, the net proceeds of the sale ; and
 - (iii) any money in account [numbered account number] [in the name of] at [name of bank and name and address of branch].

Provision of information

- 8. Subject to paragraph 9, the respondent must:
 - (a) on or before the return date for the further hearing (or within such further time as the Court may allow) to the best of its ability inform the applicant in writing of all the respondent's assets in [Australia] [world wide], giving their value, location and details (including any mortgages, charges or other encumbrances to which they are subject) and the extent of the respondent's interest in the assets;
 - (b) within [] working days after being served with this order, swear and serve on the applicant an affidavit setting out the above information.
- 9.
 - (a) This paragraph applies if the respondent is not a corporation and wishes to object that compliance with paragraph 8 may tend to incriminate the respondent or make the respondent liable to a civil penalty;
 - (b) This paragraph also applies if the respondent is a corporation and all of the persons who are able to comply with paragraph 8 on its behalf and with whom it has been able to communicate, wish to object that compliance may tend to incriminate them respectively or make them respectively liable to a civil penalty;
 - (c) The respondent must, on or before the return date for the further hearing (or within such further time as the Court may allow), notify the applicant in writing that the respondent or all the persons referred to in (b) wish to take such objection and identify the extent of the objection;
 - (d) If such notice is given, compliance with paragraph 8 is necessary only to the extent that it is possible to do so without disclosure of the material in respect of which the objection is taken; and

- (e) If such notice is given, the Court may give directions as to the filing and service of affidavits setting out such matters as the respondent or the persons referred to in (b) wish to place before the Court in support of the objection.

Exceptions to this order

10. This order does not prohibit the respondent from:
- (a) paying [up to \$..... a week/day on] [the respondent's ordinary] living expenses;
 - (b) paying [\$.....on] [the respondent's reasonable] legal expenses;
 - (c) dealing with or disposing of any of the respondent's assets in the ordinary and proper course of the respondent's business, including paying business expenses bona fide and properly incurred; and
 - (d) in relation to matters not falling within (a), (b) or (c), dealing with or disposing of any of the respondent's assets in discharging obligations bona fide and properly incurred under a contract entered into before this order was made, provided that before doing so the respondent gives the applicant, if possible, at least two working days written notice of the particulars of the obligation.
11. The respondent and the applicant may agree in writing that the exceptions in the preceding paragraph are to be varied. In that case the applicant or the respondent must as soon as practicable file with the Court and serve on the other a minute of a proposed consent order recording the variation signed by or on behalf of the applicant and the respondent, and the Court may order that the exceptions are varied accordingly.
12. (a) This order will cease to have effect if the respondent:
- (i) pays the sum of \$..... into Court; or
 - (ii) pays that sum into a joint bank account in the name of the respondent's solicitor and the solicitor for the applicant as agreed in writing between them; or
 - (iii) provides security in that sum by a method agreed in writing with the applicant to be held subject to the order of the Court.
- (b) Any such payment and any such security will not provide the applicant with any priority over the respondent's other creditors in the event of the respondent's insolvency.
- (c) If this order ceases to have effect pursuant to (a), the respondent must as soon as practicable file with the Court and serve on the applicant notice of that fact.

Costs

13. The costs of this application are reserved.

Persons other than the applicant and respondent

14. Set off by banks

This order does not prevent any bank from exercising any right of set off it has in respect of any facility which it gave the respondent before it was notified of this order.

15. Bank withdrawals by the respondent

No bank need inquire as to the application or proposed application of any money withdrawn by the respondent if the withdrawal appears to be permitted by this order.

[For world wide order]

16. Persons outside Australia

- (a) Except as provided in subparagraph (b) below, the terms of this order do not affect or concern anyone outside Australia.
- (b) The terms of this order will affect the following persons outside Australia:

- (i) the respondent and its directors, officers, employees and agents (except banks and financial institutions);
- (ii) any person (including a bank or financial institution) who:
 - (A) is subject to the jurisdiction of this Court; and
 - (B) has been given written notice of this order, or has actual knowledge of the substance of the order and of its requirements; and
 - (C) is able to prevent or impede acts or omissions outside Australia which constitute or assist in a disobedience of the terms of this order; and
- (iii) any other person (including a bank or financial institution), only to the extent that this order is declared enforceable by or is enforced by a court in a country or state that has jurisdiction over that person or over any of that person's assets.

[For world wide order]

17. **Assets located outside Australia**

Nothing in this order shall, in respect of assets located outside Australia, prevent any third party from complying or acting in conformity with what it reasonably believes to be its bona fide and properly incurred legal obligations, whether contractual or pursuant to a court order or otherwise, under the law of the country or state in which those assets are situated or under the proper law of any contract between a third party and the respondent, provided that in the case of any future order of a court of that country or state made on the respondent's or the third party's application, reasonable written notice of the making of the application is given to the applicant.

SCHEDULE A

Undertakings given to the court by the applicant

- (1) The applicant undertakes to submit to such order (if any) as the Court may consider just for the payment of compensation (to be assessed by the Court or as it may direct) to any person (whether or not a party) affected by the operation of the order.
- (2) As soon as practicable, the applicant will –
 - (a) file [*describe documents required to be filed*]; and
 - (b) serve on the respondent copies of this order and [*describe documents required to be served*].
- (3) As soon as practicable, the applicant will cause anyone notified of this order to be given a copy of it.
- (4) The applicant will pay the reasonable costs of anyone other than the respondent which have been incurred as a result of this order, including the costs of finding out whether that person holds any of the respondent's assets.
- (5) If this order ceases to have effect⁵ the applicant will promptly take all reasonable steps to inform in writing anyone who has been notified of this order, or who he has reasonable grounds for supposing may act upon this order, that it has ceased to have effect.
- (6) The applicant will not, without leave of the Court, use any information obtained as a result of this order for the purpose of any civil or criminal proceedings, either in or outside Australia, other than this proceeding.
- (7) The applicant will not, without leave of the Court, seek to enforce this order in any country outside Australia or seek in any country outside Australia an order of a similar nature or an order conferring a charge or other security against the respondent or the respondent's assets.
- (8) The applicant will:
 - (a) on or before [date] cause an irrevocable undertaking to pay in the sum of \$
to be issued by a bank with a place of business within Australia, in respect of any order the court may make pursuant to undertaking (1) above; and
 - (b) immediately upon issue of the irrevocable undertaking, cause a copy of it to be served on the respondent.

⁵ For example, if the respondent pays money into Court or provides security, as provided for in paragraph 12 of this Order.