Federal Court of Australia

State Street Global Advisors Trust Company v Maurice Blackburn Pty Ltd (No 3) [2021] FCA 568

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| File number: |  |
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| Judgment of: | **BEACH J** |
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| Date of judgment: | 28 May 2021 |
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| Catchwords: | **CONSUMER LAW** – Fearless Girl statue – replica – future display – consequential orders – need for disclaimer – costs – apportionment of costs – indemnity costs – orders made |
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| Legislation: | *Federal Court Rules 2011* (Cth) rr 25.01, 25.14(2) |
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| Cases cited: | *State Street Global Advisors Trust Company v Maurice Blackburn Pty Ltd (No 2)* [2021] FCA 137 |
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| Division: | General Division |
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| Registry: | Victoria |
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| Sub-area: | Trade Marks |
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| Number of paragraphs: | 47 |
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| Date of last submissions: | 7 May 2021 |
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| Date of hearing: | Determined on the papers |
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| Counsel for the Applicants: | Mr DB Studdy SC with Mr MB Fleming |
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| Solicitor for the Applicants: | Gilbert + Tobin |
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| Counsel for the First Respondent: | Mr CD Golvan QC with Ms M Marcus |
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| Solicitor for the First Respondent: | Simpsons Solicitors |

ORDERS

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|  | | VID 113 of 2019 |
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| BETWEEN: | STATE STREET GLOBAL ADVISORS TRUST COMPANY  First Applicant  STATE STREET GLOBAL ADVISORS AUSTRALIA LTD (ACN 003 914 225)  Second Applicant | |
| AND: | MAURICE BLACKBURN PTY LTD (ABN 21 105 657 949) (TRADING AS MAURICE BLACKBURN LAWYERS)  First Respondent  UNITED SUPER PTY LTD (ABN 46 006 261 623) (TRADING AS CBUS SUPER)  Second Respondent  H.E.S.T. AUSTRALIA LTD (ABN 66 006 818 695)  Third Respondent | |

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| order made by: | BEACH J |
| DATE OF ORDER: | 28 MAY 2021 |

THE COURT ORDERS THAT:

1. Subject to further order, the first respondent shall not make public use or display of the replica of the “Fearless Girl” statue owned by it except where:
   1. there is no plaque or other markings used with or on the replica; or
   2. if there is such a plaque or other markings, only the following words are used:

This statue is a limited edition reproduction of the original “Fearless Girl” statue in New York that was sculptured by the artist Kristen Visbal. The original statue was commissioned and is owned by State Street Global Advisors Trust Company. This reproduction is owned by Maurice Blackburn who purchased it from the artist. Maurice Blackburn has no association with State Street.

1. To the extent that it is still operative, the first respondent be released from the undertaking noted in the orders made on 7 March 2019.
2. Subject to these orders, the proceeding be otherwise dismissed.
3. The applicants pay the first respondent’s costs of and incidental to the proceeding, to be paid on a party / party basis.
4. The question of whether any lump sum order for costs should be made, and if so the amount thereof is to be referred to a Registrar of this Court for determination.
5. There be liberty to apply concerning the modification or discharge of order 1.

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.

REASONS FOR JUDGMENT

BEACH J:

1. On 25 February 2021, I delivered my decision on liability (*State Street Global Advisors Trust Company v Maurice Blackburn Pty Ltd (No 2)* [2021] FCA 137). In essence, SSGA failed on their principal claims concerning the use by MBL of a replica of the Fearless Girl statue.
2. It is now necessary to deal with consequential orders and costs. Again, the parties are at odds on all issues. Figuratively, I have never seen so much argued over so little.
3. Let me turn to the first question concerning the future public display of the replica.

## The public presentation

1. SSGA say that I should order that any future display of the replica be accompanied by the following statement:

This “Fearless Girl” statue is a limited edition reproduction of the original “Fearless Girl” statue in New York that was sculptured by the artist Kristen Visbal and was commissioned and is owned by State Street Global Advisors Trust Company.

1. This statement is derived from the form of disclaimer used by MBL in the period from 21 February to 15 May 2019 pursuant to my earlier interlocutory orders. As I observed in my principal reasons, at the moment there is no ongoing requirement for MBL to use a disclaimer in connection with its use of the replica. The disclaimer proposed by SSGA has been slightly modified from the interlocutory disclaimer, including to exclude any reference to MBL, Cbus and HESTA.
2. Notwithstanding my dismissal of their principal claims in relation to the events leading to the launch event, SSGA say that the conduct of MBL, Cbus and HESTA discussed in my principal reasons occurred against the backdrop of the launch event on 26 February 2019 and did not concern the future display of the replica. Therefore, it is said that I should make the order now sought. MBL says that such an order is neither necessary nor justified.
3. Now in my principal reasons, I observed that in assessing whether the relevant conduct was or was likely to be misleading or deceptive, it was necessary to have regard to any relevant disclaimer. I concluded that SSGA’s claims were significantly weakened by the various disclaimers that had been previously used. I expressed the view that the disclaimers used by MBL in the period after 14 February 2019, which included not only the interlocutory disclaimer which was used from 21 February 2019, but earlier iterations of the disclaimer that were included on MBL’s materials promoting the replica and the launch event, were substantially effective. In particular, I held that even if the association representations were made, their potentially misleading or deceptive effect was dispelled by the disclaimer(s) that MBL had put on its published material. I also noted that the disclaimer(s) used by MBL after 14 February 2019 cured any sloppiness in expression or impression.
4. As is apparent, there is no ongoing requirement for MBL to use any disclaimer in connection with its use of the replica. In that regard, the replica has been on display in Federation Square, Melbourne with no accompanying disclaimer for a considerable period of time. It stands there alone with no plaque or any other markings. I should also note that save for the promotional activities engaged in by MBL in February and March 2019 in connection with the launch event, the replica has not been used for any marketing or promotional events by MBL.
5. Presently, there is no evidence that MBL plans to leave the replica in Federation Square indefinitely. And it is possible that MBL may move the replica to another location, including its own offices or a location controlled by a third party. I should say that MBL had originally planned to take the replica on a regional roadshow to target locations of client hot spots.
6. SSGA say that absent appropriate disclaimers, there is nothing to stop MBL from engaging in the conduct that led to the present proceeding. SSGA say that having regard to uncertainty around MBL’s future intentions regarding the use or display of the replica, there remains a real risk that MBL’s use of the replica could give rise to future contraventions of the Australian Consumer Law. They note that I did accept that members of the Australian public may have known about the original Fearless Girl statue and the name “Fearless Girl”, and that such members may have associated the original statue and the name “Fearless Girl” with certain gender equality issues.
7. SSGA say that a disclaimer in the terms proposed would assist in avoiding future litigation between the parties, a laudable objective to say the least in my view.
8. Now generally speaking, I have the power to fashion relief that includes injunctions that incorporate disclaimers. And I can do so either if I perceive that there is a prospect of a future contravention of the ACL or, indeed, more generally.
9. But MBL opposes any form of disclaimer being used or ordered. In essence, MBL says that having regard to my findings and the rejection of each cause of action, there is no basis to grant such relief.
10. MBL says that SSGA have failed to establish the speculative assertion that there remains a real risk that MBL’s use of the replica would give rise to future contraventions. It says that such a self-serving hypothesis about the future use of the replica ought not be the foundation for the order sought.
11. MBL says that its future conduct can be assessed as it arises and considered in light of the findings in my principal reasons.
12. Further, it is said that it is not clear how any requirement for a disclaimer would impact the ability of MBL to deal with third parties who may themselves wish to refer to or make use of the replica.
13. Further, MBL says that in circumstances where the status quo in relation to the present location of the replica is to be maintained for the foreseeable future, and the plans for the replica thereafter are unknown, and where any statement accompanying the replica will depend on the context and circumstances, it should not be bound to use a particular form of wording.
14. Further, MBL says that I should not make any order pending the hearing and determination of any appeal.
15. In my view, SSGA seek too much, and MBL concede too little.
16. I propose to make an order in the following form:

Subject to further order, the first respondent shall not make public use or display of the replica of the “Fearless Girl” statue owned by it except where:

(a) there is no plaque or other markings used with or on the replica; or

(b) if there is such a plaque or other markings, only the following words are used:

This statue is a limited edition reproduction of the original “Fearless Girl” statue in New York that was sculptured by the artist Kristen Visbal. The original statue was commissioned and is owned by State Street Global Advisors Trust Company. This reproduction is owned by Maurice Blackburn who purchased it from the artist. Maurice Blackburn has no association with State Street.

1. First, I agree with SSGA that I have the power to make orders dealing with the future public use of the replica and that there is sufficient in the material to warrant the exercise of my discretion in that regard.
2. Second, MBL’s submissions concerning not imposing any order during the currency of any appeal are not satisfactory. I do not propose to bet against my own determination. In my view an order should now be made concerning the public display of the replica. Should it come to pass that others take a different view, so be it.
3. Third, it seems readily apparent that the correct solution is to either have no plaque whatsoever or a plaque that states succinctly the identities and functions of all players. MBL should not be free to say what it likes. Equally, SSGA cannot justify an incomplete statement, fashioned to facilitate commercial advantage. After all, MBL owns the replica, not SSGA. And the artist was quite entitled to sell the replica to MBL for a use not inconsistent with the master agreement.
4. Fourth, MBL’s concerns for the interests of third parties hardly carries the day. Except for the operator of Federation Square, none have been identified. In any event, the order operates *in personam*. But if it could affect a successor in title or an owner or occupier of premises where the replica is located, no doubt they will take with notice of my order which presumably MBL would draw to their attention. And if my order troubles them, then they are free to deal with neither MBL nor the replica.
5. Finally, I accept that the foundation for making my proposed order is not strong. Nevertheless there is a sufficient basis to impose my solution, which hopefully may now resolve the unnecessary and continuing posturing of both parties.

## Should there be a costs discount?

1. SSGA urge me to depart from the usual order for costs and to require them to pay only 80% of MBL’s costs of the proceeding.
2. They submit that a reduction is appropriate to reflect the costs associated with issues upon which MBL did not succeed.
3. SSGA point out that MBL was unsuccessful in establishing that its conduct, and that of its campaign partners, was not “in trade or commerce” for the purposes of the ACL claims. Whilst SSGA were unsuccessful in their claims under the ACL, that issue was discrete and occupied a considerable amount of time at trial and involved a review of numerous documents produced by MBL, HESTA and Cbus. SSGA submit that the significant time and cost associated with this issue warrant a reduction in MBL’s entitlement to costs.
4. Further, SSGA point out that the disclaimers were introduced by MBL only after the commencement of this proceeding, and after the initial launch of MBL’s campaign on 12 February 2019. Further, MBL’s use of disclaimers was a relevant factor in assessing or characterising MBL’s conduct and the MBL campaign more generally. SSGA point out that but for the commencement of the proceeding, it is unlikely that MBL would have proffered an undertaking to use any form of disclaimer. Further, SSGA point out, as is apparent from my earlier discussion, that MBL has not proffered any permanent undertakings to use any disclaimer in connection with the replica. They also say that if I am minded to order MBL to continue to use a disclaimer in connection with the replica, that would reflect the fact that SSGA have had some success on some issue at least.
5. I will not apply any discount to the costs payable by SSGA. Their arguments were gossamer thin. There are no special circumstances to warrant a departure from the usual rule that costs follow the event. First, the arguments and evidence concerning the question of whether MBL’s conduct was “in trade or commerce” were not dominant or separable. That MBL did not succeed on this side-issue is not a reason to deviate from the usual course. SSGA’s ACL claims otherwise failed in every respect. Second, in relation to the disclaimers, SSGA failed to establish any of its pleaded representations including some that were said to have been made before any disclaimer was used. Third, my proposed order concerning the future display of the replica hardly provides leverage to SSGA to finesse a costs reduction. Indeed, they may be said to be fortunate to be given even this.

## Are indemnity costs justified?

1. MBL seeks an order for indemnity costs pursuant to either r 25.14(2) of the *Federal Court Rules 2011* (Cth) or the well-known *Calderbank* considerations. Of course, I have the necessary general discretion in any event irrespective of these heads.
2. On 15 March 2019, MBL served on SSGA’s solicitors an offer of compromise under r 25.01(1). This offer was not accepted by SSGA. MBL says that it was unreasonable for SSGA to reject this offer. It says that when this offer was made, SSGA had available to them ample material to assess their prospects of success across all claims. It says that in all the circumstances, and considering the compromise that was being offered in terms of MBL’s future use of the replica, SSGA’s failure to accept this offer was unreasonable.
3. Further, later on 15 March 2019, MBL also made a *Calderbank* offer. Whilst that offer contained terms outside the scope of the relief sought by SSGA, MBL relies on that offer as further evidence of MBL’s genuine and reasonable attempt to reach a commercial resolution. It says that SSGA unreasonably failed to accept the offer.
4. Further, on 30 October 2019 a second offer of compromise under r 25.01(1) was made by MBL. The offer was that the proceeding be dismissed with no order as to costs. At that time, MBL’s costs of the proceeding were substantial and so, according to MBL, the offer represented a substantial compromise. SSGA rejected the offer, which rejection MBL says was also unreasonable.
5. I will not make an order for indemnity costs. Before saying something about each offer, let me make some general points.
6. SSGA’s claims were genuinely raised and reasonably arguable. Indeed, SSGA obtained an interlocutory injunction at the commencement of the proceeding, which was only discharged upon MBL undertaking to use the interlocutory disclaimer. Further, MBL subsequently undertook not to conduct any further promotion or marketing using the replica. Further, although SSGA was ultimately not successful, they did succeed on a few subsidiary issues. Further, they succeeded in obtaining substantive relief against Cbus and HESTA, by way of undertakings.
7. Further, as to the offers of compromise under r 25.01(1), in my view SSGA did not unreasonably fail to accept these offers in the circumstances that existed at the time the offers were refused.
8. Further and more generally, the fact that an offer of compromise is made which is more favourable than the final result does not automatically result in an award of indemnity costs. Further, it does not follow that even if an offer involved a genuine compromise, any rejection is unreasonable. The question of whether indemnity costs should flow from a rejected offer is whether, given the information then available to the offeree, it should have known that its case was likely to fail. The question of the unreasonableness of the rejection is to be analysed utilising the perspective at the time of the offer.
9. Let me say something about each offer.
10. First, the first r 25.01 offer was made early in the proceeding when there had been only limited disclosure by MBL and limited evidence filed. Further, whilst SSGA had some information concerning MBL’s campaign before them at the time the offer was made, that material did not inevitably provide a basis for SSGA to conclude that their claims against MBL would be likely to fail.
11. Second, the first r 25.01 offer did not give SSGA any certainty concerning the future installation or use of the replica. Further, the relief offered by MBL did not address any alleged harm to SSGA resulting from its earlier conduct with respect to the replica.
12. Third, it is arguable that the first r 25.01 offer was overtaken, and so arguably taken to have been withdrawn, almost immediately after it was made. An offer may be taken to have been withdrawn if the offer is superseded by an offer in more favourable terms to the offeree. Now the first r 25.01 offer was sent on 15 March 2019 at 5.45 pm. A minute later the *Calderbank* offer was sent. It is arguable that the *Calderbank* offer was in more favourable terms, in that it would have provided SSGA with a greater degree of commercial certainty, although at a higher cost and with a stipulation that the replica be left on display for almost two years. If the *Calderbank* offer was more favourable, then arguably the first r 25.01 offer can be treated as having been withdrawn. But I do not need to decide this given the other views that I have come to.
13. Fourth and in any event, it was reasonable for SSGA to reject the making of two offers with mutually inconsistent terms, particularly where one depended on the maintenance of the current ownership of the replica, whilst the other required SSGA to become the owner of the replica. Given this inconsistency in proposed outcomes, it was not unreasonable for SSGA to reject either or both of these offers.
14. Fifth, although the second r 25.01 offer was made later in the proceeding and after the filing of evidence, it was made prior to trial. MBL’s defence to many of SSGA’s claims was contingent upon the evidence of its witnesses being accepted by me, particularly in relation to the tortious interference claim. Whilst SSGA’s challenge to that evidence was unsuccessful, it was the subject of extensive and reasonable cross-examination at trial. Further, the second r 25.01 offer was a plain vanilla “walk-away” offer, involving the dismissal of SSGA’s case with no order as to costs. It offered no relief concerning MBL at all. It was less favourable than the first r 25.01 offer, in that MBL would not continue to give the interlocutory undertakings that had been in place since 7 March 2019, which had been contained in the first r 25.01 offer. Moreover, by the time the second r 25.01 offer was made, SSGA had achieved some success by way of obtaining undertakings from each of HESTA and Cbus that they would permanently cease all use of the replica. In summary, there was nothing unreasonable in SSGA’s rejection of this offer.
15. Sixth, the *Calderbank* offer, as with the first r 25.01 offer, was made at an early stage in the proceeding, prior to discovery and before the parties had filed their substantive evidence. It was made after the launch event. Moreover, MBL would not have been required, as part of that offer, to delete or retract any historical marketing or promotional statements relating to the replica. Further, like the first r 25.01 offer, the *Calderbank* offer did not address any alleged harm resulting from MBL’s earlier conduct regarding the replica. Further, whilst the *Calderbank* offer would have given SSGA some degree of commercial certainty if they took up the opportunity to purchase the replica, it would have required SSGA to pay a substantial sum to MBL for that privilege and would have also required SSGA to leave the replica on public display in Federation Square for nearly two years as one of its outcomes. Further, the terms of the *Calderbank* offer were outside the scope of the relief sought by SSGA in the proceeding. No part of the case would have resulted in SSGA paying any sum to acquire the replica, let alone paying a premium to MBL. Further, SSGA would not have been required to maintain the display of the replica in Federation Square or elsewhere. In summary, in my view SSGA’s decision not to accept the *Calderbank* offer was not unreasonable.
16. For the foregoing reasons, I reject MBL’s indemnity costs application. The costs awarded will be on a party / party basis. I will refer to a Registrar of this Court the question of whether a lump sum order should be made and if so in what amount.

## Summary

1. I will make the necessary orders to reflect these reasons.

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| I certify that the preceding forty-seven (47) numbered paragraphs are a true copy of the Reasons for Judgment of the Honourable Justice Beach. |

Associate:

Dated: 28 May 2021