BOOK REVIEWS

PERSONAL PROPERTY - COMMENTARY AND MATERIALS

Professor Hammond's book *Personal Property - Commentary and Materials* was, he says in his Preface, "born of desperation". The standard textbook on the subject is still in its 1968 edition, offering little assistance to any teacher hoping to introduce students to the dynamism of personal property law. This book attempts to fill the void.

The first thing that should be noted about the book is that it is not intended to be a textbook. Its reproduction of cases and scholarly articles and the inclusion of notes and questions for classroom discussion is premised on a particular style of teaching and a particular view of law.

It may be said that the book has a collateral purpose: to show the role of the law as a tool in solving contemporary problems. Professor Hammond’s view is that:

To study Property is to study socio-economic relations, history, and reform. Within that context there is a constant tension between the difficult objectives of promoting stability and accommodating change.

Thus the book contains material on the sale of cultural artefacts, property in human body parts, and whether information can be stolen.

Professor Hammond is demanding a lot of both student and teacher. The Note to Students warns that the book is intended to raise questions, not to answer them. The admonition to prepare carefully, before class, is italicised and repeated. The author refers to a study which compared students’ opinions of teachers who gave clear and concise notes with their opinions of those who "forced them to think - hard- about fundamental questions of law, policy and values." While the former might rate better while the students are at Law School, in later years, the latter are recognised to have been by far the more valuable.

The book therefore envisages a class discussion amongst similarly informed students directed by a teacher with a particular view of the law. But will it work?

The first part of the chapter on social restrictions on the alienation of personal property is an account of the New Zealand Maori Council’s attempt to prevent the sale, in England, of a Maori head. To understand the case an appreciation of Maori customs and values is helpful. Unfortunately, possibly through a reluctance to deal with culturally and politically sensitive material, the explanation is incomplete. This may make it difficult for students to prepare fully. Whether the issues are raised at all depends on the ability and willingness of the teacher or a student to provide the

1 At xi.
2 At xiv.
3 Ibid.
missing information. Here, Professor Hammond’s anecdote about the commence-
ment of Grant Gilmore’s career as a commercial lawyer seems apposite. Like many
other academics, it was mere chance and the needs of timetabling that propelled him
into what was to become his specialty. Many who come to teach this subject are not
experts, and, in their hands, the class discussion may be cut short. If this is done,
the Professor’s goal of conveying to students the dynamism of his subject may not
be met.

One of the questions posed following the “Maori heads case” is “why should a
preserved human head not be res nullius?” This is a very good question. However,
it will be difficult for a student to consider it before class since the concept of res
nullius has not yet been explained. It would be a miracle if a student found the
discussion of the concept at pages 98-99 — a miracle because there is no index. Nor
is there a case table, a table of statutes or a bibliography. The table of contents is
unusually detailed but is no substitute for the real thing.

A disconcerting feature of the “Notes and Questions” is that they operate at
varying levels of abstraction. They range from the comparison of the approaches of
different judges to “[d]oes this case offend your sense of justice? Why?” Indeed,
quite often the true question is “what is the nature and role of law?” rather than “what
is the law of personal property?” It demands a great deal of a teacher to guide such
a discussion. The danger is that unsatisfactorily concluded debates on fundamental
issues will overshadow the specific subject matter. This is not to say that these issues
should not be tackled in a Law School curriculum, and the general approach of this
book, with its willingness to put law into its wider social and economic context, will
be applauded — at least by those who agree that this is a worthy goal.

Difficulties will, however, stand in the way of the book achieving its goal of
informed class discussion. Some of them are institutional. Others are shortcomings
of the book itself. It is, though, a useful collection of important materials that can
form the basis of a jurisprudentially inclined approach to teaching personal property.
It cannot stand alone. But for dedicated students under a well prepared teacher, it will
help them “get to grips with the fundamental legal issues relating to property” and
to “enlarge their critical awareness” of the institution. And with this the Professor
should be well satisfied.

— David Murray and Frances Wright

4 Ibid, x.
5 Ibid, 74.
6 For example, question 1 on page 22.
7 Ibid, 68
8 Ibid, xi.

In recent times society has experienced a revolution in technology in which information has attained unprecedented importance. Nowhere is this more apparent than in the commercial sector where trade secrets are an increasingly significant business asset. Rapid technological advancement dictates that the cultivation and retention of these secrets is essential to maintaining commercial advantage and also provides the incentive to discover the secrets of competitors — all of which is facilitated by developments in the access to information by electronic means. Together, these phenomena challenge the traditional devices by which the law has protected trade secrets. It is to this problem that The Law of Trade Secrets by Robert Dean is addressed.

In the preface to his work Dean has expressed three aims in publishing the book:¹

1. “to provide an insight into the law with respect to secret information”;
2. “to grapple with a number of unresolved theoretical questions while also providing practical assistance to those needing to solve legal problems”; and
3. “to examine the law in a way that will afford to those who need to find a reference to a particular aspect of any topic the opportunity to do so without difficulty.”

The way in which the author pursues these objects will be of interest to academics and practitioners alike.

Academics will appreciate the coverage given to an area of law which has, according to Dean, “until recently been little understood”.² The first two parts of the book in particular will appeal. In Part I Dean investigates the multi-jurisdictional basis for the protection of secrets, particularly in equity and contract. He then assesses the arguments for ascribing property rights to such information before proffering his own views on the merits of such a direction.

Part II, however, reflects what the author considers to be the better means of protection. It is concerned with equity’s protection of secrets by the duties of confidence and trust, and a chapter is devoted to each of these fields. Also covered is the extent of public interest as a defence to breaches of confidence or fiduciary duty, and the provision that equity makes for damages. Finally, the flexibility of equity’s protection is attested to by the chapter on third parties:³

Following ... recent judgments ... it can confidently be asserted that equity may enjoin third parties, innocent or otherwise.

Whether or not this occurs depends on the balance of equities.

¹ At xi-xii.
² At xi.
³ At 272.
Dean may, however, take it too far when he suggests that:  

There must be some responsibility imposed on the third party recipient to investigate the origin of the information, just as there is a responsibility to prevent disclosure of information resting on the shoulders of the confidior.

To impose positive obligations on innocent third parties is perhaps inappropriate, especially when justified by the responsibility of the confidior in whose interest it is to prevent disclosure.

Unfortunately, on its own, equity provides incomplete protection for trade secrets. This is not lost on Dean despite his preference for the flexibility of the equitable jurisdiction. He acknowledges:

The inadequacy of the doctrine of breach of confidence, breach of fiduciary duty or contract to protect trade secrets in circumstances where the information is obtained by the innocent finder, or acquired by the industrial espionage thief . . . . Those actions are in personam actions and are limited to situations where an obligation of confidence trust or contract can be established.

The situation of the thief, the receiver, and the innocent finder, all of whom fall outside the scope of equity, are addressed in Chapter 8, which deals with the torts of trespass and conversion. The scope of this protection, however, is insufficient. Trespass and conversion relate to tangible objects: to the receptacle of the information, not the information itself. The thing in which the information is stored may be retrieved but the finder is free to dispose of the information itself as she or he thinks fit.

The situation is better with regard to those who encourage, induce or finance the appropriation of trade secrets. For this group Dean advocates the application of economic torts like conspiracy, interference with contractual relations, and interference with trade by unlawful means. These torts are useful in that they are directed at catching those who cause economic harm.

Some have called for more comprehensive protection of trade secrets by treating information as property. Proponents of this course draw strength from a line of authority ascribing in rem rights to information, and indeed this would deal with those (such as finders) who are not presently covered. However, as Dean argues, "the burden of proof in this matter [is] on those who argue for a property analysis." 6 His rationale is cogent. That authority which supports treating information as property is tenuous and outweighed by stronger authority rejecting such a notion. Moreover, those cases may all be adequately explained in terms of contract and equity alone. Finally, the author suggests that policy opposes a property analysis of information, not least of which being the fact that this would undermine the Patents Act.

While it may be inappropriate to treat information as property, the law protecting trade secrets remains unsatisfactory. It is fragmented, relying on a raft of personal and tortious remedies, providing only incomplete protection. But this is not a criticism of Dean’s work, which is of genuine assistance in unravelling a difficult

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4 Ibid.
5 At 356.
6 At 83.
area of the law and which provides much needed clarity. Rather, it is an inevitable conclusion, given the problematic nature of information.

Unlike tangible assets, exclusive possession of information is not easily preserved. To be used, it must be imparted, albeit restrictively. Once imparted, however, it may not be retrieved: it cannot be expunged from the memory of one who has had access to it. Even storage is vulnerable in the face of a mobile workforce, increasingly sophisticated electronic means of access, ever more innovative hackers, and more determined industrial spies.

The Law of Trade Secrets confronts these problems and copes admirably with a difficult task. It is important for practitioners and academics alike to understand the multi-jurisdictional basis necessary to protect secret information. It is equally important to appreciate the deficiencies of this area of the law. Of particular use in practice are the chapters devoted to specific problems: employee inventions; the use of restraint of trade covenants; and computer software. The latter is especially interesting as it highlights the challenge that rapidly advancing technology presents to traditional legal protection, examines how this has been faced in Australia by amendments to copyright legislation, and questions whether this is adequate. Practitioners will also appreciate the consideration given to trade secret litigation in Part IV of the book.

Finally, Dean ably satisfies the third objective that he sets in the book's preface. The text is not only comprehensively researched; it is well structured and easy to read — a rare virtue among legal texts! Moreover, it is refreshing to find a publication with so few typographical errors despite its length. Of most value in practice, however, is the fact that the book is "user friendly". This facilitates speed of access to the information it contains and thus time and money. In addition to providing comprehensive contents and index pages the author has footnoted his work extensively and provided thorough cross-references. Furthermore, Dean has included, as appendices, various precedents of value to litigators. In particular, one will find statements of claim for breach of confidence and breach of fiduciary duty, sample orders protecting trade secrets from discovery, and a draft Anton Piller order. But perhaps the most useful tool is the tabulation of Anton Piller cases and those dealing with secret information in general according to the subject-matter to which they relate. The result is a handy and rapid means by which salient authority on, for example, design, formula, and computer software information may be collected.

One can only recommend The Law of Trade Secrets. Not only does it warn of the inadequacies of the law, it suggests practical, although necessarily convoluted, means by which these inadequacies may be overcome. Its merit to academics is thus at least equalled by its value to practitioners.

— Sean Gollin
It may be trite to begin a review by observing that the book under review "fills a gap" in the area concerned. In this case, however, no excuse is made for the use of this phrase to describe The Law of Torts in New Zealand. As the General Editor notes in the preface, the lack of an up to date and authoritative indigenous text on torts has represented a major gap in New Zealand legal writing. The operation of statutes like the Accident Compensation Act 1982, and the Fair Trading Act 1986, as well as the trend of New Zealand courts to "hew [their] own way" in the area of negligence, has made authorities like Fleming, or Salmond and Heuston, less useful than they once were. In short, a comprehensive examination of tort law was well overdue.

It is into this breach that Todd and his fellow contributors have stepped. The result of their endeavours is an imposing book, in both a physical and intellectual sense. It is a book that certainly fills any gap that previously existed in the literature. The text's greatest strength lies in its use of specialist contributors. All bring expertise and sharpness to the variety of subjects covered.

Another major strength is the smorgasbord of subjects covered and analysed. The scope extends well beyond the traditional coverage of the introductory torts course, and gives a full treatment to torts like inducing breaches of contract, breach of statutory duty, and misfeasance in a public office. The needs of the student, practitioner and academic alike are well provided for. Chapters on the relationship of torts with notions of unfair competition, and the interaction of the economic torts with industrial relations prove extremely informative. As demonstrations of how the common law has been used to advance social and economic interests, these areas are without peer. It is refreshing to see them placed in context.

The coverage of more mainstream torts is equally thorough. John Burrows' coverage of defamation stands out. This is often a difficult area of the law to explain and understand, but Professor Burrows' contribution is extremely valuable; especially in its discussion of what constitutes a defamatory statement.

It will be obvious from this that the text is considered to be extremely good. There is a downside. First, the text tends to adopt a pose of stating what the law is rather than why it is that way. For many this may be something to be said in its favour. It is though, perhaps a short-sighted way of approaching the law. An obvious example of this is the coverage of negligence. Although expressively argued and impressively researched and supported, a reader wanting to know why New Zealand and English law have diverged in their approach to building cases, for example, will be left searching. There is a superb analysis of what the differences are, but little discussion of the policy and statutory factors that influence this notable difference.

1 At v.
2 Brown v Heathcote County Council [1986] 1 NZLR 76, 80 per Cooke P.
Another minor complaint is the absence of any meaningful reference to economic analysis of tort law. In the light of the influence of this sort of analysis in American tort law and the chapters in the Australian text Trindale & Cane,  not to mention the views of Richardson J in Williams v Attorney General,  a chapter outlining the Posner and Calabresi theories and the Coase theorem would have been instructive.

These small matters aside, it can only be said that The Law of Torts in New Zealand, or “Todd on Torts” as it will probably become known, is an outstanding addition to New Zealand legal literature.

— David Simpson

3 For the latest instalment see Cooke, “An Impossible Distinction” (1991) 107 LQR 46 for a view of (an impartial) local participant.
5 [1990] 1 NZLR 646, 681 (HC & CA).


For it appears, by manifest proceeding,
That indirectly and directly too,
Thou hast contriv’d against the very life
Of the defendant, and thou hast incur’d
The danger formerly by me rehearsed.
Down therefore and beg mercy of the Duke.¹

One feels for Shylock . . . a summary trial, for a capital offence, heard by an imposter! So how quash the conviction? The procedure seems wanting. Happily modern New Zealand criminal procedure is more enlightened.

The now familiar Doyle and Hodge provides a useful initiation into modern criminal procedure. By size and nature the third edition is an introductory survey, a useful sifting through the law as it now stands. Rather than supplanting comprehensive criminal and evidence texts, Doyle and Hodge leads the reader to a host of new trails that command further investigation. What follow are some samples of current issues highlighted in the book.

Interception warrants have been issued for some time under the New Zealand Security Intelligence Service Amendment Act 1977 and the Misuse of Drugs Amendment Act 1978. In recent years an increasing number have been obtained.

Twenty such warrants were issued under the Misuse of Drugs Amendment Act in 1988, increasing to 32 in 1989. In addition, the domain of electronic eavesdropping has expanded markedly since Doyle’s second edition.

Further legislation provides the police with enlarged power to eavesdrop. Section 4 of the Crimes Amendment (No 2) Act 1987 inserted ss 312A-312Q into the Crimes Act 1961. The provision allows for the bugging of “organised criminal enterprises” along similar guidelines to those in the Misuse of Drugs Amendment Act. Police also have power under s 10(3) of the International Terrorism (Emergency Powers) Act 1987 to intercept telephonic communication if a meeting of Ministers of the Crown reasonably believes that an international terrorist emergency is occurring. The powers are similar to those of the Security Intelligence Service.

The Official Information Act 1982 has provoked major reconsideration of the issue of discovery in criminal cases. Hedge considers the Pearce test case at length. Pearce spanned a period of over five years before the Court of Appeal handed down judgment in Commissioner of Police v Ombudsman.2 Here the Court of Appeal transformed the Act into “an engine of criminal discovery”.

The Pearce case indicates that the common law, accelerated by the Official Information Act, is moving towards greater prosecutorial disclosure in criminal cases. In R v Wickliffe3 the Court of Appeal reversed a murder conviction entered in 1972, after a police “job sheet”, obtained through the Act, revealed the unreliability of a crucial eye witness.

If a uniform system of discovery is introduced in criminal cases, will this mean the end for the distinction between summary and indictable offences? Hodge points out that the two classes of offence remain separate in gravity and intensity. Preliminary hearings, in theory, protect a defendant from harassment and unnecessary trial.

Other major changes in the law since the second edition include the Criminal Justice Act 1985 and the Children, Young Persons and Their Families Act 1989.

The Criminal Justice Act provides a myriad of sentencing options for judges. Two chapters completely revised by Warren Brookbanks canvass the leading sentencing options and the effect of the Act on mentally disordered offenders. The Act has application in other areas as well. For instance s 114 provides that a person acquitted on the ground of insanity, and possibly facing long term incarceration, may appeal the decision.

If the Criminal Justice Act reflects social goals, the policy is mirrored in the Children, Young Persons and Their Families Act. This enactment centres on the family structure and is discussed in a chapter on youth offenders. One must question the emphasis on family solutions at a time when families are anything but strong. As Hedge observes, the hope is that an extended family can apply greater pressure and higher expectations on young offenders.

These are only some of the issues covered in the third edition. In short, the new

2 [1988] 1 NZLR 385, also reported as Pearce v Thompson (1988) 3 CRNZ 266.
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Doyle and Hodge continues in the tradition of its predecessors: a painless and practical survey of the law of criminal procedure in New Zealand. The law is stated as of 1 December 1990.

— Robert Davies


It would be a rash man who said of any point under the Income Tax Acts that it was a simple point.¹

There would be few practitioners and even fewer students in the field of income tax law who would take issue with this statement. Despite, however, the accepted challenges presented by this area of practice, Butterworths New Zealand have attempted to assist legal and financial advisers with the 1991 edition of The Tax Practitioner. The work attempts the difficult task of explaining a complex area of law simply, without being simplistic; in this it is not wholly successful.

On first reading, it appears that the editors have chosen to sacrifice accuracy for brevity. By way of example, the distinction between capital and income² is outlined in less than 350 words. Admittedly several examples follow to elaborate on this gloss, but the whole discussion does little more than skim an area that has been the subject of judicial and academic comment for over a century. In a like manner, the issue of residence of individuals for tax purposes is given little more than scant attention. The fact that a taxpayer can have more than one “permanent place of abode” is ignored, and no mention is made of the law as it stood before the amended test for residence³ was introduced by the Income Tax Amendment Act (No 5) 1988.

Upon reflection it must be said that this criticism is unduly harsh. While the work is unquestionably less comprehensive than publications like CCH Income Tax Law and Practice and Staples, Guide to New Zealand Income Tax Practice, to make comparisons with these texts would be unfair. It would be unreasonable to expect a moderately priced and relatively slim volume to provide an exhaustive and insightful commentary on the law of income tax. Rather, all that should be expected is a clear statement of the present law, the citation of leading cases, and, above all, that full references are given for as many sources of further information as possible.

Although the work presents the existing law, there are several annoying omissions, such as those detailed above, which require further research to gain the full

¹ Per Birkett LJ quoted in Mellows Taxation of Land Transactions (1973).
² A crucial matter in the practice of tax law in this country. Only the latter is assessable under the Income Tax Act 1976, the former escapes liability.
picture. These have a tendency to limit one's confidence in the work. There is certainly extensive reference to leading New Zealand, and where relevant, Australian decisions. These include, as one would expect from such a frequently updated text, the most recent of cases. The 1990 Court of Appeal decision on the employment status of real estate agents is cited and commented upon, as are the latest Taxation Review Authority decisions on share trading transactions.

Although substantial reference is made to other sources, it is suggested that this be extended further. Because the text is so concise, the authors are limited to making statements of broad legal principles, and are unable to discuss the exceptions to each rule. If the reader is not mindful of this and is not referred to other materials which elaborate, there is a real danger that the true position of the law will be misunderstood.

There is a further weakness which screams out to be remedied before the 1992 edition. The editors have adopted a most lax attitude to the wording of statutes. Frequently paragraphs begin, not by stating the actual words of the section, but with a paraphrase. This may be sufficient for accounting purposes, but it is certainly not acceptable for any legal practitioner. The recent Court of Appeal decision of *CIR v National Distributors Ltd* for instance, turned on the precise meaning of s 65 (2)(e) of the Income Tax Act 1976. When the editors cite this section, however, they alter its wording substantially. This approach does little for the credibility of the work.

This aside, there are a number of areas in which *The Tax Practitioner* is most proficient. The first eight of its 37 chapters give a complete introduction to the procedural aspects of current income tax practice in New Zealand. In addition, the number of worked examples illustrate the practical accounting effects of many of the more obscure sections of the Act. The chapter devoted to recent developments of the law gives an admirable summary of the recent proposals made by the two Consultative Committees and foreshadows the likely direction that future income tax legislation may take.

On balance, the value of the work lies in the use to which it is put. If it is used as an introduction to the general principles of taxation law, and as a starting point for further research, the text is an adequate tool. However, as a source of answers to specific questions it is lacking.

Any evaluation should be made in the light of its purposes and intended readership. In the foreword, the editors state that:

The particular aim is to assist the chartered accountant in public practice and the company secretary. Indeed the work is produced in association with the international accounting firm KPMG Peat Marwick. It is suggested that in this regard the work may have fulfilled

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4. *Challenge Realty Ltd & Others v Commissioner of Inland Revenue* (1990) 34 CT 84 (CA); 14 TRNZ 723; 12 NZTC 7, 212.
6. At para 750.
7. These deal with the legal and administrative structure of the Inland Revenue Department, the preparation of returns and the assessment and objection procedures.
its purpose. While, however, it may serve as a useful introduction to the broader issues of taxation law for financial advisers, it falls well short of its sub-title claim of being *The Complete Guide to Income Tax Practice.*

— Marcus Leese
BOOKS RECEIVED


