



HIGH COURT OF AUSTRALIA

NOTICE OF FILING

This document was filed electronically in the High Court of Australia on 19 Aug 2022 and has been accepted for filing under the *High Court Rules 2004*. Details of filing and important additional information are provided below.

Details of Filing

File Number: S79/2022
File Title: Self Care IP Holdings Pty Ltd & Anor v. Allergan Australia Pt
Registry: Sydney
Document filed: Appellant's Reply
Filing party: Appellants
Date filed: 19 Aug 2022

Important Information

This Notice has been inserted as the cover page of the document which has been accepted for filing electronically. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties and whenever the document is reproduced for use by the Court.

IN THE HIGH COURT OF AUSTRALIA
SYDNEY REGISTRY

BETWEEN:

SELF CARE IP HOLDINGS PTY LTD (ACN 134 308 151)
First Appellant

SELF CARE CORPORATION PTY LTD (ACN 132 213 113)
Second Appellant

10

and

ALLERGAN AUSTRALIA PTY LTD (ACN 000 612 831)
First Respondent

ALLERGAN, INC.
Second Respondent

APPELLANTS' REPLY

20

Part I: Certification

1. This submission is in a form suitable for publication on the internet.

Part II: Self Care makes the following submissions in reply to Allergan's submissions in answer dated 29 July 2022 (**RS**), using terms defined in its submissions in chief (**AS**).

(a) *instant Botox® alternative – trade mark use*

30

2. The primary error of principle made by the Full Court on the issue of trade mark use was to first ask whether the phrase "instant Botox® alternative" (alleged by Allergan to be a trade mark) misrepresented a connection with Allergan, rather than whether it functioned as a badge of origin of Self Care's product: AS [24]-[30]. Although RS [40] agrees that the latter question is the correct one, it suggests that to ask the former did not involve error because trade mark use and deceptive similarity are "*linked*" (RS [48]). But this misunderstands the required approach. Whether there is trade mark use is the logically anterior question and if trade mark use is not identified, no enquiry into deceptive similarity arises. A similar error of approach was identified by the Full Court in *Coca-Cola* at [20] and in *Wingate* at 110-111 and 134-135.

40

3. Once the correct trade mark use question is identified, the phrase "instant Botox® alternative" is revealed not to be a badge of origin. That function is performed by "FREEZEFRAME" (the house mark) and "INHIBOX" (the product mark). The phrase "instant Botox® alternative" performs a descriptive function. It describes the characteristics of FREEZEFRAME INHIBOX by way of comparison with BOTOX

(AS [19]-[22]). In this respect it is significant that RS [56] concedes that Self Care has not used the word “Botox” as a trade mark. That concession recognises that “Botox”, in the context in which it appears, does not denote the origin of Self Care’s product. Rather, the word takes on a descriptive character (it refers to what the Self Care product is not); it does so because the phrase in which it appears is descriptive.

4. This conclusion is unaffected by differences in the appearance of the phrase in different contexts. RS [41]-[46] places some emphasis on conducting a separate analysis in relation to “Packaging A”, “Packaging B” and the “Website”, but there is no relevant difference between them. In each instance, the branding function is performed by “FREEZEFRAME” and “INHIBOX”. The phrase “instant Botox® alternative” performs a descriptive function, though its font size and script may vary. See *Unilever Australia Ltd v Société des Produits Nestlé SA* (2006) 154 FCR 165 at [45]-[66].
5. It is permissible, for the purposes of characterising whether a trader’s use of a third party’s registered mark within a larger phrase constitutes a trade mark use, to have regard to the fact that consumers would understand the third party’s mark as referring to the (different) goods in relation to which that mark has been used (AS [32]). RS [49] is wrong to suggest otherwise. It is consistent with the purpose of the trade mark use enquiry because the familiarity of consumers with the use of that mark may inform the question whether the phrase would be understood as performing a descriptive function: see AS [23], [32], [33]. In any event, it is certainly permissible to consider consumers’ familiarity with the brand and the goods in relation to which it is used for the purposes of the comparative advertising defence in s 122(1)(d), addressed at [8]-[10] below.

(b) instant Botox® alternative – deceptive similarity

6. RS [16], [28]-[34] concedes that reputation of the registered mark (being consumers’ familiarity with the mark and the goods for which it has been used) is irrelevant to the question of deceptive similarity. In particular, RS does not dispute that, where the goods in relation to which the mark is known to have been used (here, injections) are not the goods the subject of the registration relied on under s 120(1) (here, anti-wrinkle creams), to rely on the fact that consumers are familiar with the use of the mark for different goods as a basis for finding deceptive similarity under s 120(1) subverts the requirements for infringement under ss 120(1) and (2) (AS [45]-[46]).
7. RS’ attempts to avoid the consequences of this concession are contradictory. RS firstly denies that the Full Court impermissibly took account of Botox’s reputation (RS [51]), but this ignores the Full Court’s repeated reliance on the proposition that consumers

would understand the word “Botox” to refer to the injectable product: see AS [46]. Secondly, it appears to acknowledge that the Full Court did so, but suggests that this occurred at Self Care’s urging, not Allergan’s (RS [51]). However, Self Care submitted that it was an error to use reputation to expand the scope of protection (T71.17-19), and in particular to have regard to the use of Botox in relation to injectable products, rather than the registered goods, being anti-wrinkle creams (T67.35-37). Thirdly, it applies the very reasoning RS has conceded to be erroneous. RS [54] explicitly relies on Botox’s reputation and the proposition that Self Care intended to leverage off it. RS [54], [37] seeks to justify the submission as an application of *Woollen Mills* (see also Allergan’s notice of contention) but that is also erroneous. The relevant finding was that Self Care’s intention was not to deceive or confuse, but rather to differentiate: see AS [14]. Fourthly, RS seeks to justify the Full Court’s conclusion on the basis that “Botox” forms the most distinctive part of the phrase “instant Botox® alternative” (RS [50]). That, however, obfuscates the role which “Botox” plays in the phrase, which is to refer to what Self Care’s product is not. The submission in RS [50] reveals the error in approach because it is tantamount to seeking to prohibit the use of “Botox” by a trader in any comparative phrase.

10

(c) *instant Botox® alternative - comparative advertising defence*

8. RS [55] ignores the language of s 122(1)(d), which simply requires that the registered trade mark be used for the purposes of comparative advertising and nothing more. There is no exclusion of the use of the registered mark in a larger phrase; on the contrary, a comparative statement would normally involve using a larger phrase. This is supported by the materials cited in RS [58], in particular the statement in the discussion paper preceding the Working Party Report that the defence is intended to apply where a registered mark is used in a way which does not impute proprietorship in the mark to the advertiser. That applies precisely to the present case. As RS [51] concedes, Self Care has used the mark BOTOX in a way which does not impute ownership of that mark to Self Care or a connection to Self Care’s product.

20

9. The submission at RS [56] to [57] that, where the larger comparative phrase is used as a trade mark, the registered mark used within it cannot have been used for the purposes of comparative advertising, is a *non sequitur*. Whether or not the larger phrase is used as a trade mark (here it was not), the registered mark used within it may have been (and here was) used as a comparator, because the phrase is comparative (AS [54]-[56]).

30

10. The commentaries cited at RS [63] address in a general way the question whether ss

122(1)(d) and (1)(b) have work to do in light of the trade mark use requirement in s 120, but do not consider a circumstance in which a registered trade mark has been used as part of a larger phrase which itself is said to have been used as a trade mark. As the above considerations demonstrate, in that circumstance, s 122(1)(d) has work to do, because it applies whether or not the larger phrase has been used as a trade mark. RS' position gives s 122(1)(d) no work to do and is contrary to the statutory scheme.

(d) instant Botox® alternative – descriptive use defence

10 11. Neither of the two reasons advanced by RS [59] why the “descriptive use” defence in s 122(1)(b) is inapplicable are correct. The submission that the word “Botox” is distinctive, rather than descriptive ignores the role which “Botox” plays in the phrase, which is to describe what Self Care’s product is not. (The same vice infects the suggestion that Self Care has not used the mark “Botox” in “good faith” in RS [60].) Similarly, the submission that the phrase is not descriptive because Self Care’s product does not contain Botox misses the point. Self-evidently, that is not the relevant description conveyed by the phrase and gives no meaning to the word “alternative”.

(e) Protox – deceptive similarity

20 12. There are concurrent findings of the primary judge and the Full Court that consumers would immediately perceive that PROTOX and BOTOX are different, and would not confuse them with each other (AS [47]). Despite that, RS [24] suggests that the primary judge was in error for failing to address the question whether they might nevertheless be considered to be related to each other. But if Allergan is suggesting that its registration of BOTOX gives it an exclusive right to use marks travelling *beyond* those which would be mistaken for it, it has failed to articulate a principled basis for such an expansive monopoly under the trade mark regime. Neither has the Full Court.

30 13. In supporting this monopoly, the Full Court deployed the reputation of BOTOX, an approach which RS concedes is erroneous (RS [16]). In particular, the Full Court considered that consumers would think that PROTOX and BOTOX denote products from the same source because they may wonder whether the PROTOX anti-wrinkle creams were offered by the same entity as that supplying Botox injectable products: see AS [48].

14. RS not only fails to acknowledge that the Full Court made this error, but repeats it, by submitting that deceptive similarity might arise because consumers might wonder whether PROTOX was intended to “*prolong the look of Botox*”, or because consumers would “*immediately have been reminded of Botox*” (RS [27]). Putting aside that neither

of those considerations actually involves any implication that the products have the same trade source, the reasoning is unavailable because it relies on consumers' knowledge of the Botox injectable product, not the products the subject of the registration relied on under s 120(1). The result of the error is to subvert the contrary unappealed findings on the s 120(2) case and the ACL case.

15. Beyond that impermissible reasoning, RS [23]-[27] merely points to similarities between the two marks to support claimed deceptive similarity. But that cannot assist it in circumstances where the concurrent findings in relation to those similarities are that they are insufficient to establish that the marks would be confused with each other: see AS [50]. Further, its reference to the *ex parte* application in *Allergan, Inc v Di Giacomo* (2011) 199 FCR 126 (a registration case) is of no assistance here.

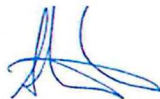
10

(f) *Efficacy misrepresentation – instant Botox® alternative*

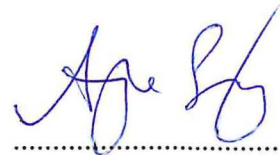
16. RS [66] suggests that the Full Court found that “*Inhibox does not have long lasting effects*”. That misstates the findings of the Full Court and the case put by Allergan. FREEZEFRAME INHIBOX is a topical cream for daily use (see AS [65]). There was no finding that FREEZEFRAME INHIBOX did not continue to have effect for so long as the consumer continued to use it; the Full Court acknowledged that the evidence “*establishes that continued use over 28 days reduces wrinkles*” (FCJ [113]; CAB 255-256). Allergan’s case, and the conclusion of the Full Court, was that contrary to the findings of the primary judge, consumers may think that FREEZEFRAME INHIBOX continued to have an effect for 4 months “*after treatment ceased*”, that is, after they stopped using it. That finding – which is the only issue regarding the efficacy of FREEZEFRAME INHIBOX – was infected by the Full Court’s anterior suggestion that consumers would consider that the products come from the same trade source (see AS [68]). RS does not suggest otherwise. Once the issue of trade source is put to one side, the finding regarding efficacy falls away.

20

Dated: 19 August 2022



.....
A J L Bannon



.....
A R Lang

Counsel for the appellants

Telephone: 0418 162 834 / (02) 9232 4609

Email: bannon@tenthfloor.org / lang@tenthfloor.org

30