



HIGH COURT OF AUSTRALIA

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Details of Filing

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Important Information

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IN THE HIGH COURT OF AUSTRALIA
 SYDNEY REGISTRY

No. S79 of 2022

BETWEEN:

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

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

AND:

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

ALLERGAN, INC
 Second respondent

OUTLINE OF ORAL SUBMISSIONS OF THE RESPONDENTS

Part I: Certification

1. These submissions are in a form suitable for publication on the internet.

Part II: Outline of Argument

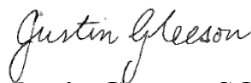
2. **Recapitulation:** The primary judge applied against the Respondents what he understood to be Full Federal Court (FFC) authority that the reputation in a well-known registered mark can be used to *weaken* a finding of deceptive similarity under s 120(1) of the *Trade Marks Act 1995* (Cth) (TM Act), albeit it is otherwise generally irrelevant under s 120(1).
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3. The appellants supported such reasoning below, but the FFC correctly rejected it. In doing so, the FFC, as but one strand of its reasoning, used reputation to *strengthen* a finding of deceptive similarity. The Respondents' reputation in BOTOX in class 5 goods (injectables), which reputation had founded the defensive registration under s 185 for class 3 goods (creams), assisted in finding deceptive similarity, on 'brand extension' reasoning.
4. The Court's request for an Amicus (T.2709-2716) arose in the context of the parties being seemingly *ad idem* on the general irrelevance of reputation under s 120(1) such that the earlier FFC authorities giving a limited role to reputation should be overruled.
5. The Amicus contends that the line of FFC authorities should be *extended*. Reputation can be relevant under s 120(1) either to weaken or to strengthen deceptive similarity, calling for a factual enquiry in every case. With defensive marks (as the present), it would be 'odd' if the reputation which establishes the registration were disregarded under s 120(1).
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6. The Respondents' primary position was, and remains, that reputation is irrelevant, either way, in assessing deceptive similarity under s 120(1). The limited support for reputation in the authorities should be disapproved, although the decisions can stand.

7. **Response to the Amicus:** As to the legislative history of s 120(1): It supports the conclusion that reputation is irrelevant to the deceptive similarity analysis. The purpose of the regime was to create a registration system for trade marks with enforceable rights not dependent on reputation. Rather, rights derive from registration. Nothing in the development of the regime since 1875 suggests a different purpose: **RS[4]-[8]**.
8. As to the authorities: (a) No case prior to *Woolworths* explicitly decided, after full argument and reasons, that reputation is relevant under s 120(1) or its predecessors; (b) *Woolworths* at [61], [105] (cf [98]-[100]) held, in a registration context, that it was a relevant consideration in assessing the visual impact of the *impugned mark* that it was a composite expression including a business name notoriously familiar to consumers. That statement did not involve use of the reputation of the *registered mark* in assessing let alone to counter deceptive similarity; (c) *Henschke FC* at [44]-[50] was correct generally to reject reputation; but at [52] wrongly generalised *Woolworths* into a case about the relevance of reputation in notoriously well-known *registered marks*, while obiter: [53]-[58]; (d) *Australian Meat Holdings* at [41] wrongly held that deceptive similarity “*might be countered by showing the well-known nature of the registered mark*”; (e) *Swancom* noted the point was contentious without deciding it: **RS[9]-[11], [13]-[16]**.
9. As to principle: None of the factors that may arise in the context of deceptive similarity relied upon by the Amicus assist (namely, surrounding circumstances, provisions like s 219, an infringer’s intention, and evidence of actual confusion): **RS[12]**. The identification of the ‘essential feature’ for the purpose of imperfect recollection has nothing to do with attribution of signification through use. No principled justification for a consideration of reputation is advanced. It sits uncomfortably with the accepted notion that it is notional fair use, not actual use, that matters under s 120(1). It remains unclear how the use of reputation could be determined. If reputation is to be proved through evidence, that would defeat the legislative purpose of offering a simple enforcement action under s 120(1) of the TM Act. It would erode the distinction between infringement and passing off and be productive of uncertainty, particularly given (see *Woolworths*) it must also include reputation of the alleged infringer: **RS[17]**. It also risks unintended consequences: **RS[18]**.
10. **Reputation should not be used to weaken the protection for defensive marks:** A defensive registration takes as its starting point under s 185 that the owner has a significant reputation which underpins the registration of the mark. If the same reputation could be taken as *weakening* the likelihood of deceptive similarity, that would: (a) render the valid defensive registration nugatory in such a practical sense; (b) be inconsistent with s 186; (c)

yield an outcome that sits uneasily with Australia's international obligations. Such a result is also inconsistent with the history of defensive marks and is unsupported by the statutory text. Thus, at a minimum, the *Woolworths/Henschke* limited proposition should not be used to *weaken* the protection given to defensive marks: **RS[19]-[22]**.

11. **The Appellants' submissions:** The Appellants now contend that the critical question in the case is whether it is permissible under s 120(1) to consider the use of the registered mark in relation to goods not the subject of the registration (**AS [3], [27(c)]**). That submission assumes, or at least leaves open, that reputation may be relevant under s 120(1), provided it is reputation in the goods the subject of registration (**AS [29]-[36]**). The end point of the submission is that the one clear case in which the use of reputation would be excluded is the present case of defensive marks, but the Court can leave other cases to another day (**AS [38]-[41]**).
12. **Response to Appellants:** (1) The issues surrounding the use of reputation under s 120(1) need to be confronted as a whole, and not artificially confined as the Appellants seek to do. (2) If the concepts of reputation and 'brand extension' are permitted a role in an 'ordinary' s 120(1) case, they should also have a role in a defensive registration case based on a combination of s 185 and s 120(1).
13. **Alternative submissions if reputation has any role:** If reputation may be considered in assessing deceptive similarity in an action under s 120(1), then for infringement of a defensive registration it would ordinarily *strengthen* a finding of deceptive similarity, because: (a) marks will be deceptively similar if the ordinary person would entertain a reasonable doubt that two products would come from the same source (**RS[24]**); (b) reputation logically must include the reputation underlying the defensive registration. The ordinary person will therefore assume a connection with the owner of the registered mark if they were to see the mark on the goods the subject of the registration (**RS[25]**); (c) it follows that the greater the resemblance in essential features the allegedly infringing mark has with the registered mark, the greater the likelihood the ordinary person will be caused to wonder if they came from the same source (**RS[26]-[27]**).
14. **On the facts here:** If it is permissible to take reputation into account under s 120(1) in assessing the deceptive similarity, then FC[35], [41]-[43] (CAB234, 236) (in relation to the deceptive similarity of PROTOX) and FC[74]-[75] (CAB244-245) (in relation to the deceptive similarity of *Instant Botox® Alternative*) were correct: **RS[28]-[31]**.

Dated: 14 December 2022


Justin Gleeson SC