



## HIGH COURT OF AUSTRALIA

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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

**RESPONDENTS' SUBMISSIONS IN RESPONSE TO AMICUS CURIAE**

**PART I: CERTIFICATION**

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

**PART II: ARGUMENT**

**A. Summary**

- 20 2. The Amicus proposes that regard to a registered mark's reputation derived from the owner's own use of the mark is permissible in an infringement action under s 120(1) to identify "*what the mark means*" as part of the "*idea of the mark*": Amicus Curiae submissions (AC) [3]-[4], [25], [27], [70]. The Amicus acknowledges one limit, confining reputation to that in "*the mark in the form registered*": AC[5], [69]. From this premise, if, to what extent and how reputation may apply in any case is left to the facts in each case: AC[6], [67]-[68]. Total disregard of reputation in the context of infringement of defensive marks is said to be an "*odd result*": AC[71].
- 30 3. Respectfully, the argument lacks foundation in the statutory text and is not supported by the authorities: [4]-[16] below. It is wrong in principle as it would produce a test for deceptive similarity that is indeterminate in scope and productive of uncertainty: [17]-[18] below. Accordingly, Allergan maintains its position in chief (RS[32]-[34]; T59.2597-T62.2694) that reputation is not relevant, especially for defensive marks, and the limited proposition in *Henschke* should be disapproved.<sup>1</sup> The legislative scheme

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<sup>1</sup> RS[34] should be read in this way. If this submission is accepted, it will not be necessary to overrule *Henschke* generally as the limited proposition in *Henschke* at [52] was not critical to the result. The same is true of French J's observations at [61]-[62] of *Woolworths*, which may be disapproved without the case being overruled. So far as research has confirmed, disapproval would not call into question the outcome in subsequent cases considering *Henschke*.

shows *Henschke* cannot apply to defensive marks: [19]-[22] below. If, contrary to this, reputation may be considered, then ordinarily it will weigh in favour of a finding of deceptive similarity for infringement of a defensive mark under s 120(1): [23]-[30] below.

**B. Reputation is not relevant**

4. Legislative history and context: The review of the legislative history and scheme in AC[9]-[16] is not controversial. The Amicus, however, diminishes the foundational significance of the purpose underpinning the legislation from its origins, namely, the creation of a registration system for trade marks with enforceable rights not dependent on reputation: *cf.* AC[69].
5. The current 1995 Act traces its roots to the *Trade Marks Registration Act 1875* (UK) which “*first instituted a register of trade marks to overcome the limitations of passing-off actions, which depended, for their success, on proof of reputation with the public*”: *Cantarella Bros v Modena Trading* (2014) 254 CLR 337 at [31]. The advantage of the grant of a monopoly under the statute “*simplified the costs and processes needed to protect a mark*”: *Cantarella* at [31].
6. The statutory right of action for infringement of the registered mark in the trade mark statutes sat alongside the passing off action, with remedies cumulative: see, e.g., *Patents, Designs and Trade Marks Act 1883* (UK), s 77 and *Faulder & Co v O & G Rushton* (1903) 20 RPC 477 at 492, 493; *Trade Marks Act 1905* (UK), s 39 and s 45; *Trade Marks Act 1905* (Cth), ss 50, 53 and 53B; *Trade Marks Act 1955* (Cth) ss 58(1), 62 and 68.
7. The stated purpose of the 1995 Act in the Reader’s Guide is to “*provid[e] for the registration of trade marks, ... and defensive trade marks ... and se[t] out and protec[t] the rights deriving from registration*” (emphasis added). It accommodates the interests of consumers by maintaining an accurate record of trade marks which perform their statutory function of badges of origin for goods or services (to help in avoiding deception or confusion as to origin); it accommodates traders’ interests by protecting “*their goodwill through the creation of a statutory species of property protected by the action against infringement*”: *Campomar v Nike* (2000) 202 CLR 45 at [42]; *Health World v Shin-Sun* (2010) 240 CLR 590 at [22], [29].
8. There is nothing in the Working Party report, the Explanatory Memorandum (EM), the second reading speech or, most importantly, the statutory text of the 1995 Act to suggest there was to be any change to the established test in the statutory action for infringement of a registered mark where the goods are the same. As submitted (RS[19]-[21], [30]-[33];

T59.2597-T62.2694), the essential task under s 120(1) is one of trade mark comparison in which reputation plays no role.

9. The legislative scheme and authorities do not support the Amicus' argument: The proposition in AC[3], [25], [27] that reputation arising from the owner's own use of the mark may be relevant in an infringement action under s 120(1) to identify "*what the mark means*" as part of the "*idea of the mark*" is not supported by the text or authority.
10. The "*idea of the mark*" may have significance in the assessment of deceptive similarity in a particular case, especially in identifying the consumer's imperfect recollection of the mark (i.e., the impression of the mark produced on and retained by the notional consumer). So much is not controversial in principle: AC[22]-[24], [26].
11. None of the cases in AC[22]-[24], [26], however, is authority for the proposition advanced in AC[25], [27]. To the contrary, each shows the characterisation of the idea of the mark arising from the registered mark itself (i.e., the discernment of the essential feature), uninfluenced by any extrinsic significations (as opposed to impressions) created by actual use: *Jafferjee v Scarlett* (1937) 57 CLR 115 at 121-122 (men in athletic costumes engaged in an athletic contest with a line across their fronts from devices); *Cooper Engineering v Sigmund Pumps* (1952) 86 CLR 536 at 538 (a superior article for spraying water from "Rain Master" and "Rain King"); *Melbourne Chinese Press v Australian Chinese Newspapers* (2004) 63 IPR 38 at [38]-[46] (impression of Chinese characters in calligraphy assessed as a whole); *Lift Shop v Easy Living* (2014) 311 ALR 207 at [59] (composite idea of "Lift Shop" from stylised form); *Telstra v Phone Directories* (2015) 237 FCR 388 at [195(2)-(3)], [219] ("Yellow" from "yellowbook" and "Yellow Pages"). The knowledge of the mark credited to the notional consumer is no more than the imperfect recollection of the registered mark: *Swancom v Jazz Corner Hotel* [2022] FCAFC 157 at [84].
12. From this premise, while also recognising in AC[28] that reputation is extraneous, the Amicus seeks to draw strength from other factors that may arise in the context of deceptive similarity. None of these provide support for taking into account reputation in assessing infringement under s 120(1). *First*, surrounding circumstances reflect the course of business and the way in which the goods are sold (*Woollen Mills v FS Walton* (1937) 58 CLR 641 at 658) but they should not be overstated (*Swancom* at [88]-[92]): *cf.* AC[29]. *Secondly*, provisions like s 219 (evidence of trade usage; AC[30]) reinforce the established position that the presence in the marks under comparison of matter which is in common use in the trade must to some extent be discounted: *Wingate Marketing v Levi*

*Strauss* (1994) 49 FCR 89 at 127, 129; *Cooper* and *Telstra* are examples. *Thirdly*, an alleged infringer's intention may be a factor of evidentiary weight as a trader will be well placed, as an expert in the field, to predict the reactions of consumers: *cf.* AC[31]. *Fourthly*, evidence of actual confusion is persuasive but not dispositive and may require the cause of the confusion to be examined if it is based on considerations beyond the mark (e.g., *Lift Shop* at [64]); *cf.* AC[32]. As can be seen, none of this concerns the use of reputation of the owner's mark.

13. Next, the Amicus contends that the cases mentioned by the Full Court in *Henschke* do not “deal with the (ir)relevance of reputation” and do not support the Full Court's conclusions: AC[42]-[43], [49]-[50]. This does not reflect the effect of the authorities. To the contrary, the cases give no support for including reputation as a factor to counter (or to favour) a finding of deceptive similarity:
- (a) *Aristoc v Rysta* [1945] AC 68 was a case in which phonetic similarity of the words was the significant factor without recourse to reputation: at 85-87, 99-100.
- (b) *Saville Perfumery v June Perfect* (1941) 58 RPC 147 concerned a fancy mark with “‘June’ written in characters of a special form across a bar with a garland of flowers depending from the bar”: at 160. In the passage that continues after that quoted at AC[44], the Master of the Rolls referred to evidence about how traders referred to the products bearing the owner's mark: at 162. Properly understood, this goes to the identification of how the fancy mark was called; that is to say, what is its distinguishing feature that goes to the imperfect recollection of the mark. On appeal, Viscount Maugham reached the same conclusion while observing that evidence was not necessary: at 174. This was not use of reputation to give meaning.
- (c) *Polaroid Corp v Sole* [1981] 1 NSWLR 491 at 497D-G holds that infringement is determined not by reference to the manner in which the trade mark owner uses the marks but against the extent of the market the registration gives the owner. This is directly against any role for reputation. *NSW Dairy Corp v Murray Goulburn* (1989) 89 ALR 549 at 589 is to the same effect.
14. The Amicus then turns to the cases cited in *Kerly*, to which the Full Court in *Henschke* referred, saying that none is authority for the proposition that reputation is extraneous to infringement: AC[48]. If not the ratio, that is the effect and the trend of those authorities. In *Tatem v Gaumont* (1917) 34 RPC 181, each member of the Court of Appeal confined the assessment of trade mark infringement to a comparison of the devices with black cats and holding that the broader questions of passing off were irrelevant to that task. *Coca-*

*Cola v Struthers* [1968] RPC 231 was a case in which phonetic difference in Scotland of “Coca-Cola” and “Koala-Kola” was material, again by reference to the marks: at 236, 238, 241 and 243-244.<sup>2</sup> *Saville Perfumery* at 174-175 is an orthodox application of trade mark comparison, without regard to reputation, separately from considerations of passing off. *Electrolux v Electrix* [1953] 71 RPC 23 is an instance where reputation expressly played no part: the plaintiff’s “Electrolux” mark was extensively used, its latter mark “Electrux” was used but not much, and “Electrux” was held valid and infringed on an ordinary comparison of the marks: at 31, 39-40. These cases do not assist the Amicus.

15. As to the four cases that are said to “sit uncomfortably” with this analysis (AC[50]):

10 (a) *de Cordova v Vick Chemical* (1951) 68 RPC 103 is an example of identifying the impression carried away by a device mark, described at 105, shown at 268. That is what Lord Radcliffe, for the Board, is discussing at 105-106, as shown by his Lordship’s subsequent comparison of the essential features of the trade marks resulting in his conclusion of confusion for the device mark at 106 (with the infringing mark shown at 226). Nothing in the following consideration of the defence of good faith *description* (based partly on the differing positions in the Jamaican and UK markets as to the signification of vapour rub, see at 107) provides support for taking reputation into account on infringement. With respect, the Full Court’s “impression” in *Henschke* at [46] that reputation may have intruded here is misplaced.

20 (b) *Colgate-Palmolive v Patron* [1978] RPC 635 concerned two trade marks, a word and device: at 637. Each member of the Court of Appeal, having correctly stated the principles, distinguished the trade mark action from passing off: at 649; 651 and 653; 654; 658. The mere placement of the recitation of the factual findings in the Chief Justice’s reasons before his consideration of the application of the law (at 648-649) and the reference to “familiar” packaging in Corbin JA’s reasons (at 652) indicate the Full Court in *Henschke* at [47] overstated their significance in terms of the role of reputation. The Privy Council based its analysis on passing off, as the quoted passages at 664-665 demonstrate; *cf.* AC[52].

30 (c) *Coca-Cola v All-Fect* (1996) 96 FCR 107 apparently proceeded without substantive argument on the point and is an instance where the Full Court took into account the

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<sup>2</sup> References in the judgments of Lord Guthrie (at 238.45-49) and Lord Cameron (at 244) to the evidence of consumers calling the petitioner’s products “Coke” perhaps suggest a glance from orthodoxy but, equally, are understood as evidence of the identification of an essential feature and, in any event, are *obiter*.

“*extremely well-known*” contour bottle as a factor *in favour* of deception (subject to the potential application of the defence in s 120(2) which was remitted, at [43]).

(d) *Woolworths* concerned an application for registration in which the (judicially-noticed) notoriety of part of the mark applied for was held to tell against confusion in the face of numerous citations comprising the word “metro” alone which formed “*quite the larger part*” of the mark (at [98], Branson J dissenting).

Properly understood, *de Cordova* and *Colgate* are consistent with the trend of authority, *Coca-Cola v All-Fect* conditionally hinted at fame favouring deception in infringement whereas *Woolworths* went the other way in registration. The Full Court’s skepticism in *Swancom* at [80] about the limited proposition in *Henschke* is well-placed.

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16. The cases otherwise traversed in AC[58]-[64] do not advance the position.

17. *Problems with reputation:* The history, context, purpose and text of the Act provide no basis for considerations of reputation in an action under s 120(1): see RS[30]-[34]; T59.2580-62.2694. The authorities are similarly against such a proposition. The identification of the essential feature for the purposes of imperfect recollection as part of the comparative task has nothing to do with the attribution of signification through use. No sound reason consistent with principle is advanced as to when reputation could or should be taken into account in any given case, nor how its use could be determined. If permitted, it has the potential to lead to evidence on that issue in all cases, thereby defeating the simple action of enforcement that has been the hallmark of infringement actions. This would erode, if not collapse, the long-standing distinction between infringement and passing off. It is productive of uncertainty in outcome with each case fact-dependent notwithstanding what appears on the Register.

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18. The introduction of reputation into the analysis of deceptive similarity risks unintended consequences. As the Amicus submits (AC[65]), European and harmonised UK principle indicates reputation tending in favour of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it. The interpretation of the foundational statutory provisions reveals a divergence from pre-existing English (and Australian) law: *Canon KK v Metro-Goldwyn-Mayer* [1999] RPC 117 at 126 [41]; 131 [14]-[19]. The principle has not been free of criticism: *Reed Executive plc v Reed Business Information Ltd* [2004] RPC 40 at [78], [83]-[84]. The problem lies in the indeterminacy of its application, scope and operation. In *Tritton on Intellectual Property in Europe*, 6<sup>th</sup> ed (2022), the authors (R Davis, T St Quintin and G Tritton) describe, in a registration context, the risk of departing from the hypothetical

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inquiry of the comparative task by a factual inquiry into the marketplace as contrary to a system of registration: [3-341]-[3-342]. They identify potential inconsistencies: [3-343], [3-369(7)]. In infringement when considering the context of use, they also warn of the “*danger of ‘mission-creep’*” away from the “*degree of abstraction from the actual marketplace*”: [3-471]-[3-472].

**C. For defensive marks, reputation is irrelevant, *Henshcke* proposition must be wrong**

19. Defensive marks were first provided for in Australia by the 1955 Act, manifesting a recognition that the interests of owners of registered trade marks may go beyond that of indicating trade origin: *Campomar* at [42]-[43]. They were based on provisions relating to invented words introduced into the *Trade Marks Act 1938* (UK) (s 27(1)) upon the Goschen Committee’s recommendation. This was “*intended to enable such cases [as Eastman Photographic v John Griffiths Cycle (1898) 15 RPC 105 (Kodak)] to be dealt with by the simpler method of an action for infringement*”: T A Blanco White and R Jacob, *Kerly’s Law of Trade Marks and Trade Names*, 11<sup>th</sup> ed (1983), p 126 [8-81]. Their intended purpose was the “*more adequate protection of marks that have been used to such an extent for certain goods or services that their unauthorised use for quite different goods or services would be likely to mislead the public*”: *Hogan v Pacific Dunlop* (1988) 83 ALR 403 at 428. Thus, by the combined operation of s 93 and s 96, read with s 62(1) and s 65, the advantages of the statutory action for infringement were given to the owners of well-known marks registered as defensive marks.
20. In its review leading to the 1995 Act, the Working Party considered (pp 55-56) that, despite the proposed wider test for infringement and new protection for well-known marks,<sup>3</sup> defensive marks should be maintained as “*there is still a purpose to be served by this form of protection of trade marks*”, particularly that “*possession of a ... defensive registration will materially facilitate the enforcement of rights in well-known marks*”. Similarly, the EM stated (pp 29-30, para 142) that “[r]egistration as a defensive mark enables the owner of the trade mark to take infringement action in respect of goods or services that the owner does not trade in (and hence could not otherwise obtain registration in respect of those goods or services)”. By force of s 186, an action for infringement under s 120(1) applies for a trade mark validly registered under s 185.

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<sup>3</sup> As part of the implementation of Australia’s obligations under TRIPS (*Cantarella* at [81]), infringement was widened to similar goods (Art 16(2) and s 120(2)) and protection extended for well-known marks to unrelated goods or services (Art 16(3) and s 120(3)-(4)).



21. While defensive marks were an existing feature of Australian trade marks legislation, the extrinsic materials and legislative history reveal that their maintenance in the 1995 Act was a deliberate policy choice that sits in parallel with Australia's international obligations to afford protection to well-known marks. Owners of well-known marks with valid defensive registrations have the simple means of a statutory action for infringement in order to protect the rights deriving from that registration. As with registrations under Pt 7, therefore, reputation has no role to play in the determination of liability for infringement under s 120(1) in respect of defensive trade marks: *cf.* AC[71].
22. Further, the historical analysis above demonstrates that, in the context of defensive trade marks, the limited proposition in *Henschke* for infringement under s 120(1) by deceptive similarity under s 10 (where reputation might counter a finding of deception or confusion) must be wrong. The registration of a defensive mark assumes that the owner has established such a significant reputation in the mark in respect of goods or services in which it is used, that its use in relation to *other* goods or services will be taken to indicate a connection between those other goods or services and the owner of the mark. A defensive registration takes as its starting point that the owner has a very significant reputation in the registered mark. If that same reputation were then to be taken as *reducing* the likelihood of deceptive similarity, that would render the valid defensive registration nugatory in any practical sense. Such a result would be inconsistent with s 186 which makes clear that defensive marks are to be given full protection. Moreover, it would yield an outcome that sits uneasily with Australia's international obligations to afford protection to well-known marks. The statutory text gives no foothold for the application of the limited proposition in *Henschke* to defensive trade marks.

**D. If reputation is relevant for defensive marks, it will ordinarily favour deception**

23. If, contrary to the above, reputation may be taken into account in the assessment of deceptive similarity in an action under s 120(1) for infringement of a defensive registration, then it will ordinarily weigh *in favour* of a finding of deceptive similarity.
24. Under well-established principles regarding the comparison of marks with imperfect recollection, it is sufficient if the ordinary person would entertain a reasonable doubt that the two products would come from the same source: *Campomar* at [83] citing *Southern Cross v Toowoomba Foundry* (1954) 91 CLR 592 at 595, 608.
25. If reputation is permissible in this assessment, then logically it must include the reputation underlying the defensive registration, consistently with the purpose of defensive marks. The ordinary person, recognising the owner's reputation in its mark as used, will therefore

assume a connection with the owner in the hypothetical scenario where that mark is seen on goods the subject of the registration. This is the factual foundation required by s 185.

26. From that premise, what then is the impression caused by the alleged infringing mark on those same goods covered by the registration? The greater the resemblance in essential features the infringing mark has with the registered mark, the greater the likelihood the ordinary person will not only draw the same connection but, further, be caused to wonder if they come from the source. In this way, the registered owner's reputation would ordinarily weigh in favour of a finding of deceptive similarity. This is how the registered owner receives adequate protection for its mark against unauthorised use on different goods, which is the mischief that defensive marks address.
27. This approach avoids the troubling result, discussed above at [22], that reputation, the very premise of a defensive registration, could render the protection afforded by that defensive registration nugatory. To the contrary, this approach gives full effect to defensive registrations, as Parliament intended as evinced by s 186. Further, it ensures a cohesive operation of ss 120, 185 and 186, with the analysis in s 120(1) taking as its starting point the factual premise of registration under s 185. This approach is consistent with Branson J's observations in *Woolworths* (in dissent) at [98]-[99] that reputation was "*a factor tending to increase, rather than diminish, the risk of confusion*" (albeit those remarks were not in the context of defensive marks). It also accords with the trend of current European/UK law (see AC[65]), though the differences in statutory language and its judicial interpretation (see [18] above) suggest caution should be exercised before seeking to transpose concepts into or find analogues with current law under the 1995 Act.
28. On this view, it would follow that FC[43] (CAB236) is correct (as submitted, T60.2618-2620), as are FC[35], FC[41] and FC[42] (CAB234, 236), being paragraphs where the Full Court *arguably* brings reputation to bear on the deceptive similarity analysis in considering whether Self Care's use of the PROTOX mark infringed. Thus, if it is permissible to have regard to reputation, the Full Court was correct, for the reasons it gave as to possible associations, to observe that "*[s]ome consumers are likely (in the sense of a real and tangible danger or risk) to have wondered whether PROTOX was an alternative product being offered by those behind BOTOX*". Self Care's response to this conclusion—recorded in FC[43], to the effect that an absence of traders selling botulinum toxin products and anti-wrinkle creams works to reduce the possibility of confusion—was rightly rejected by the Full Court. The absence of any actual use in fact of BOTOX on anti-wrinkle creams is beside the point: the connection with BOTOX on creams is

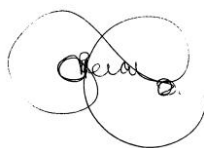
assumed. Further, and in any event, Self Care's response is inconsistent with the unappealed findings as to the "*substantially common market*" and the "*complementary use*" of products: PJ[330] (CAB89). In these circumstances, there is no impediment in finding that a consumer who saw PROTOX on anti-wrinkle creams would be caused to wonder whether the PROTOX product was offered by the same people behind the BOTOX products, notwithstanding the fact that BOTOX is not used on class 3 products. The Full Court's observations in FC[43] are consistent with this proposition.

29. Once it is appreciated (per s 185) that a hypothetical consumer considering the mark BOTOX on class 3 products would assume that there is a "*connection*" with the trade source of class 5 products bearing the BOTOX mark, it is only a small step to conclude, as the Full Court rightly did, that the same hypothetical consumer would assume not only a "*connection*" between an anti-wrinkle cream bearing the mark PROTOX and the registered owner of the BOTOX mark, but further would be caused to wonder whether the anti-wrinkle cream bearing the mark PROTOX comes from the same trade source as creams and other class 3 products bearing the BOTOX mark, given the degree of similarity between the PROTOX and BOTOX marks, as elaborated in chief. The conclusion at FC[44] should therefore be upheld.
30. It would also follow, on this alternative basis, that the Full Court's reasoning at FC[74]-[75] (CAB244-245) in respect of the deceptive similarity of the *Instant Botox*® *Alternative* mark is correct (as submitted, T79.3492-3493; T80.3555-T81.3567) (as is FC[108] (CAB253), to the extent that it is in any way relevant to the deceptive similarity analysis), and that no error has been demonstrated in the finding of deceptive similarity in FC[76] (CAB 245).
31. Accordingly, to the extent that the Court concludes it is permissible to have regard to reputation in assessing the infringement of a defensive registration under s 120(1), it follows that no error has been demonstrated in FC[35], [41]-[43] and [74]-[75] (CAB234, 236, 244-245), and Allergan defends those paragraphs.

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