



HIGH COURT OF AUSTRALIA

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**IN THE HIGH COURT OF AUSTRALIA
SYDNEY REGISTRY**

No S49/2025

BETWEEN:

KATIE JANE TAYLOR

Appellant

KILLER QUEEN LLC

First Respondent

KATHERYN ELIZABETH HUDSON

Second Respondent

KITTY PURRY INC

Third Respondent

PURRFECT VENTURES LLC

Fourth Respondent

APPELLANT'S SUBMISSIONS

Part I: Suitable for publication

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

Part II: Issues presented by the appeal

2. What is the proper approach to the assessment of the ground for rectification in ss 60 and 88(2)(a) of the *Trade Marks Act 1995* (Cth) (the **Act**), which applies where the use of a registered trade mark is likely to deceive or cause confusion “*because of the reputation of [another] trade mark*”? In particular: (a) Is it necessary to distinguish between reputation that resides in a “*trade mark*” within the meaning of s 17 of the Act and reputation more generally? (b) To what extent is it relevant to consider whether the two marks are “*deceptively similar*” within the meaning of s 10 of the Act?
3. What is the proper approach to the assessment of the ground for rectification in s 88(2)(c) of the Act, which applies where the use of a registered trade mark is likely to deceive or cause confusion “*because of the circumstances applying at the time when the application for rectification is filed*”? In particular, is the likelihood to be assessed having regard to the registered owner’s actual use, or any “*notional use*”?
4. What is the proper approach to the application of s 89 of the Act, which provides that the Court may decide not to grant an application for rectification if the owner of the

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Filed on behalf of the Appellant

registered trade mark satisfies the Court that the ground for rectification “*has not arisen through any act or fault of the registered owner*”? In particular: (a) Does the concept of an “*act or fault of the registered owner*” include the registered owner’s act of applying to register the trade mark, or that act with particular knowledge, or must there be some additional element by reason of which the ground arises? (b) If the power to decide not to grant the application is enlivened, what principles guide its exercise?

5. Having regard to the resolution of the above issues, was the Full Court of the Federal Court correct to conclude that the registration of the Appellant’s trade mark should be cancelled on the grounds in ss 60 and 88(2)(a), and s 88(2)(c), in this case?

10 **Part III: Judiciary Act 1903 (Cth)**

6. The Appellant has considered whether notice should be given in compliance with s 78B of the *Judiciary Act 1903* (Cth). In her view this is not necessary.

Part IV: Citations

7. The reasons for judgment of the primary judge are published as *Taylor v Killer Queen, LLC (No 5)* (2023) 172 IPR 1; [2023] FCA 364 (**PJ**).
8. The reasons for judgment of the Full Court are published as *Killer Queen LLC v Taylor* (2024) 306 FCR 199; [2024] FCAFC 149 (**FCJ**).

Part V: Relevant facts

- 20 9. **Introduction.** The Appellant, Katie Taylor (née Perry) (**Ms Taylor**), is an Australian fashion designer (PJ [1], [12]; CAB 19, 21). The Second Respondent, Katheryn Hudson (**Ms Hudson**), is US-based pop singer who has performed under the stage name Katy Perry since 2002 (PJ [3]; CAB 19). Ms Hudson is the sole director, shareholder and controlling mind of the First and Third Respondents (PJ [37], [38], [408]; CAB 24-25, 155-156) (FCJ [26], [27], [110]; CAB 346, 369-370).
10. Ms Taylor adopted the trade mark KATIE PERRY for her clothing label in April 2007 (PJ [47]; CAB 26). At that time, she was not aware of Ms Hudson, and Ms Hudson had not yet used the trade mark KATY PERRY on clothing anywhere in the world.
- 30 11. Between April 2007 and 29 September 2008 (the **Priority Date**), Ms Taylor took various steps to develop her clothing business under her trade mark. These included: applying for the domain www.katieperry.com.au on 2 May 2007 (PJ [47]; CAB 26); establishing a website at that domain from early 2008 (PJ [114]; CAB 45-46); attending an IP Australia course in August 2007 (PJ [52]; CAB 27); designing logos and swing

tags in August 2007 (PJ [50]; CAB 27); publicly launching her label in November 2007 (PJ [55]-[57]; CAB 29); designing and making clothes from late 2007 (PJ [58]-[59]; CAB 29-30); undertaking a photoshoot in July 2008 (PJ [116]; CAB 46-47); and selling clothes in Australia from August 2008 (PJ [118]; CAB 47). Significantly, on 13 September 2007, Ms Taylor applied to register a trade mark for KATIE PERRY in cursive script for class 42 services, being “*Clothing and fashion designing*” (the **First Application**) (PJ [53]; CAB 27). That is, well before Ms Taylor became aware of Ms Hudson, Ms Taylor had applied to register KATIE PERRY as a trade mark.

12. **The Designer’s Mark**. Ms Taylor first became aware of Ms Hudson in July 2008 after listening to the song “*I Kissed a Girl*” on the radio (PJ [127]; CAB 52). As outlined above, by this time, Ms Taylor’s fashion label had launched publicly, she had made the First Application, and she was about to commence selling clothes in Australia.
13. In around August 2008, Ms Taylor was informed by a friend that the First Application was made in relation to the wrong goods or services, given that she intended to sell clothes. Following that conversation, on the Priority Date, Ms Taylor applied to register the trade mark the subject of this appeal, being Australian Trade Mark 1264761 (the **Designer’s Mark**) in respect of class 25 goods being “*clothes*” (PJ [107]; CAB 44).
14. The primary judge found that, by the Priority Date, Ms Hudson had established a reputation in Australia in respect of music and entertainment services, but not in relation to clothes (PJ [714]-[728], [741]-[742]; CAB 245-250, 254-255). That reputation arose over three or four months at most, based on two songs from the *One of the Boys* album (PJ [723]-[728]; CAB 247-250). Ms Taylor did accept at trial that as at the Priority Date, she knew that fashion was an area into which celebrities may launch brands (PJ [735]; CAB 253), though it is notable that this included celebrities using brands other than their own names (see the example of Gwen Stefani and her label *Lamb* at T93.32-.34 (ABFM 5); and paragraph 41 below). However, Ms Taylor either did not consider Ms Hudson at all in respect of her business or, if she did turn her mind to Ms Hudson, she did not think there would be an issue (PJ [128]; CAB 52-53).
15. Shortly after the Priority Date, in October 2008, Ms Hudson toured Australia and performed, but notably, *did not sell any clothes* (PJ [102]-[103]; CAB 43).
16. **Ms Hudson challenges the Designer’s Mark**. In May 2009, Ms Hudson became aware of Ms Taylor’s application to register the Designer’s Mark, and on 8 May 2009, filed an application for an extension of time in which to oppose it (**Application for Extension**

of Time) (PJ [129]-[133]; CAB 53-55). On 26 June 2009, Ms Hudson filed an application to register the trade mark KATY PERRY (the **Singer's Mark**) for music and entertainment services, as well as class 25 "*apparel*" (PJ [153]; CAB 64). After filing that application, Ms Hudson sought to have Ms Taylor agree to a coexistence agreement, in exchange for Ms Hudson abandoning the Application for Extension of Time (PJ [160]; CAB 67-68). The effect of that agreement would have been to allow the Singer's Mark to be registered in respect of "*apparel*", notwithstanding Ms Taylor's earlier in time application to register the Designer's Mark in respect of "*clothes*" (PJ [160]; CAB 67-68). Ms Taylor refused to agree (PJ [173]; CAB 72). Regardless, on 16 July 2009, Ms Hudson withdrew the Application for Extension of Time, given it was likely to fail (PJ [167]-[169], [177]; CAB 70-71, 73).

17. **Events following registration of the Designer's Mark.** Following that withdrawal, the Designer's Mark was registered on 21 July 2009 (PJ [184]; CAB 76). A few weeks later, in August 2009, Ms Hudson again toured Australia and for the first time sold clothes in Australia (PJ [181]; CAB 74-75). Ms Hudson's manager (who gave evidence on her behalf) accepted that this sale of clothes in August 2009 was made with full awareness of the Designer's Mark and the absence of a coexistence agreement, such that Ms Hudson took a "*calculated risk*" to sell knowing that she might infringe (PJ [182]-[183]; CAB 75-76). He also accepted that there was a "*significant risk*" that if Ms Taylor sued, Ms Taylor would be successful (as she ultimately was at trial) (T314.35; ABFM 7).
18. In September 2009, Ms Hudson's application to register the Singer's Mark came up for examination, and the Designer's Mark was cited against it. In order to overcome the objection, Ms Hudson withdrew the "*apparel*" goods from the specification (PJ [194]-[195]; CAB 81). Thus, the Singer's Mark did *not* include any registration for clothes.
19. From this time, both the Respondents and Ms Taylor sold clothes in Australia by reference to their respective marks (Ms Taylor having done so from August 2008). The proceedings for infringement of the Designer's Mark were commenced on 24 October 2019, after Ms Taylor became aware in 2018 of litigation funding as a means of enabling her to bring proceedings against Ms Hudson (PJ [262]-[265]; CAB 102). The Respondents' cross-claim seeking cancellation of the Designer's Mark was filed on 19 December 2019 (this being the relevant date for considering s 88(2)(c) of the Act). Over the period between August 2008 and the trial in late 2021, there was no evidence

of any confusion arising from Ms Taylor's sale of clothes using the Designer's Mark (PJ [743]-[744]; CAB 255).

20. **The first instance proceedings.** At first instance, the primary judge found that the Third Respondent, Kitty Purry, Inc (**Kitty Purry**), infringed the Designer's Mark as a joint tortfeasor with the merchandising company Bravado International Group Ltd (**Bravado**), by means of Bravado's advertising, offering for sale and selling of clothes: (a) during Ms Hudson's Prismatic Tour in Australia in 2014; (b) at "*Pop-up*" stores in Sydney and Melbourne during that Tour; and (c) on Bravado's website (PJ [583(2)]; CAB 208-209). The primary judge also found that Kitty Purry was liable for additional damages, as its infringement was flagrant, in light of various matters including those referred to in paragraphs 17 and 18 above (PJ [851]; CAB 284).
21. The primary judge found that Ms Hudson would have infringed the Designer's Mark by certain social media posts and tweets (PJ [583(1)]; CAB 208-209), save that Ms Hudson was entitled to the "*own name*" defence in s 122(1)(a)(ii) of the Act. Save as to that defence, the primary judge rejected the Respondents' reliance upon the defences under ss 122(1)(a)(ii) and 122(1)(fa) of the Act and on the grounds of laches, acquiescence and delay (PJ [705], [823]-[826], [830]-[832]; CAB 240, 276, 278-279).
22. The primary judge also rejected the Respondents' cross-claim which sought cancellation of the Designer's Mark under ss 88(2)(a), 42, 43 and 60, and 88(2)(c), of the Act (PJ [796]; CAB 270). As to s 60, her Honour found that, as at the Priority Date, although Ms Hudson had established a reputation in the KATY PERRY mark in Australia in relation to entertainment and music, that reputation did not extend to clothes (PJ [714]-[728], [741]-[742]; CAB 214-250, 254-255). Coupled with the absence of evidence of any confusion arising from Ms Taylor's activities over a period of more than 10 years, the Respondents had not established the requisite likelihood of deception or confusion (PJ [740]-[758]; CAB 254-259). As to s 88(2)(c), which was to be considered as at 19 December 2019, her Honour held that the ground was not established given the absence of evidence of any confusion arising from Ms Taylor's use of the Designer's Mark, and the strength of the reputation Ms Hudson had by that stage established in the KATY PERRY mark, including in relation to clothes, which was tied to the particular spelling of the name (PJ [789]-[795]; CAB 268-270).
23. It followed that the primary judge did not consider whether the discretion in s 89 arose, or how she would have exercised that discretion if it did (PJ [797]; CAB 270).

24. **The Full Court proceedings.** The Respondents appealed the primary judge's findings both on infringement, and on their cross-claim seeking cancellation of the Designer's Mark. Ms Taylor cross-appealed seeking broader findings of infringement.
25. The Full Court upheld Ms Taylor's cross-appeal in part, finding that Ms Hudson herself was a joint tortfeasor with Bravado, not merely Kitty Purry, and that further instances of infringement had occurred by means of Bravado's retail sales through Target, Best and Less and Harris Scarfe (FCJ [119], [121]; CAB 372). The Full Court, like the primary judge, rejected the Respondents' defences in ss 122(1)(a)(ii) and 122(1)(fa) of the Act in respect of that infringement (FCJ [215], [233]-[239]; CAB 394, 398-399).
- 10 26. On the appeal, the Full Court overturned the primary judge's findings in respect of ss 60 and 88(2)(a), and s 88(2)(c), of the Act, concluding that both grounds for rectification were made out (FCJ [271]-[302], [331]-[339]; CAB 406-412, 418-420). The Full Court then considered the discretion in s 89 of the Act, finding that it was not enlivened in the circumstances of this case because the grounds for rectification had arisen by reason of Ms Taylor's "*act*" of applying to register the Designer's Mark with knowledge of matters which led to the grounds being established; their Honours also went on to indicate that, even if the discretion had been enlivened, they would not have exercised it in Ms Taylor's favour (FCJ [303]-[323], [340]-[344]; CAB 412-416, 420). Ms Taylor now appeals against these findings, which are addressed in more detail below.

20 **Part VI: Argument**

27. **Introduction.** For the reasons outlined below, the Full Court's approach involved errors of principle. It entailed an overly broad construction of the grounds for rectification in ss 60 and 88(2)(a), and s 88(2)(c), which is at odds with the text, context and purpose of those provisions. The primary judge was correct to find that neither ground for rectification was established on the facts of this case. Further, the Full Court's approach to the discretion in s 89 involved a misconstruction of that provision which seriously undermined its utility. The Full Court ought to have concluded that, even if either ground for rectification arose, the discretion was enlivened in this case and should be exercised so as to allow the Designer's Mark to remain on the Register.
- 30 28. **Statutory context.** Sections 60, 88(2)(c) and 89 had no direct counterparts in the *Trade Marks Act 1955* (Cth) (**1955 Act**). Rather, they arose from recommendations in the Working Party to Review the Trade Marks Legislation's *Recommended Changes to the Australian Trade Marks Legislation* in 1992 (the **Working Party Report**).

29. Sections 60 and 88(2)(c) arose from Working Party Report's recommendations directed towards ensuring Australian trade mark law complied with Australia's obligations under the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement to protect "well known" marks: see the Working Party Report, pp 9, 47, 53-55.
30. Sections 88(2)(c) and 89 also stemmed from recommendations made in the Working Party Report arising from then conflicting authority as to whether s 28(a) of the 1955 Act, which provided that "*a mark ... the use of which would be likely to deceive or cause confusion ... shall not be registered as a trade mark*", had a continuing operation after the date of application for registration. That conflicting authority had also led to the development of a concept of "*blameworthy conduct*" of the trade mark owner as being relevant to the exercise of the Court's discretion not to cancel a trade mark under s 22(1) of the 1955 Act. Those debates were ultimately resolved by this Court's decision in *Campomar Sociedad, Limitada v Nike International Limited* (2000) 202 CLR 45, which held that s 28(a) of the 1955 Act did not have a continuing operation, and thus there was no occasion to consider authority regarding "*blameworthy conduct*": *Campomar* at [68]-[76]. Of course, the current Act was passed before that decision.
31. The Working Party Report made recommendations that new legislative provisions be adopted to provide that: (a) most grounds of objection which apply before registration of a trade mark remain available after registration as a basis on which to cancel the trade mark; and (b) a trade mark could be cancelled if the "*use of the trade mark as at the date of the commencement of the rectification proceedings is liable to deceive or cause confusion*"; it also recommended that the decision to cancel based on (b) be subject to a discretion, such discretion to be exercised based on consideration of certain non-exclusive matters: Working Party Report, pp 94-96. These recommendations were ultimately reflected, with some adaptations, in ss 88(2)(a), 88(2)(c) and 89 of the Act and reg 8.2 of the *Trade Marks Regulations 1995* (Cth) (the **Regulations**).
32. **Section 60 of the Act.** Section 60 appears in Div 2 of Pt 5 of the Act, which sets out grounds for opposing registration of a trade mark. It provides as follows:

The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:

(a) another trade mark had, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, acquired a reputation in Australia; and

(b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.

33. By s 88(2)(a) of the Act, this is made available as a ground for rectification of the Register so as to cancel the registration of a trade mark under s 88(1) of the Act.
34. In the context of this appeal, there are two matters of particular significance relating to s 60. First, the prior reputation in Australia in s 60(a) must be *reputation in a trade mark*, as this Court identified in *Self Care IP Holdings Pty Ltd v Allergan Australia Pty Ltd* (2023) 277 CLR 186 at [13] (“*Opposition must be based on a **trade mark** having a reputation in Australia, not on reputation alone*”; emphasis in original). In this regard, s 17 of the Act provides that a trade mark is a sign used, or intended to be used, *to distinguish goods or services dealt with or provided in the course of trade*. Any reputation in a trade mark must be tied to particular goods or services.
35. Secondly, the likelihood of deception or confusion in s 60 must occur *because of the reputation* of that other trade mark. As such, the analysis s 60 mandates is quite different to that of “*deceptive similarity*” for the purposes of provisions such as ss 44 and 120 of the Act. Deceptive similarity, as defined in s 10 of the Act, is based on *resemblance* between trade marks, and is assessed without regard to any reputation that may exist in either trade mark: *Self Care* at [34]-[51]. The concept of “*imperfect recollection*” of a trade mark, used as a tool in assessing deceptive similarity (see, eg, *Self Care* at [67], [69]), is incompatible with the requirement in s 60 that the likelihood of deception or confusion must arise *because of the reputation* of that other trade mark. The reasoning in cases such as *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 at [60]-[61] to the effect that the strength of a trade mark’s reputation may make deception or confusion *less* likely, while impermissible after *Self Care* in the context of deceptive similarity, remains apposite in considering the requirement of s 60.
36. The Full Court indicated at FCJ [288], [301] (CAB 409, 412) that the combined effect of four matters led their Honours to conclude that the primary judge’s findings on s 60 were in error. At least three of those matters reveal error by the Full Court.
37. The first matter referred to by the Full Court was that, in their Honours’ view, “*the primary judge unduly confined the reputation in the Katy Perry Mark*” (FCJ [289]; CAB 409). In this regard, the Full Court reasoned that any reputation in Ms Hudson’s name “*was necessarily reputation in her name as a trade mark*”, and that it was “*artificial to excise and disaggregate the reputation of Katy Perry, the entertainer, from the*

reputation in the Katy Perry Mark for the purposes of the s 60 enquiry” (FCJ [289]-[290]; CAB 409). The Full Court then went on to hold that, in making her findings as to reputation, the primary judge had “*ignored the common practice of pop stars to sell merchandise including clothing at concerts and to launch their own clothing labels*” (FCJ [291]; CAB 410).

38. This involved an error of principle. As submitted, s 60 applies where a likelihood of deception or confusion arises “*because of the reputation in [another] trade mark*”. An opposition under s 60 must be based on a trade mark having a reputation in Australia, not on reputation alone: *Self-Care* at [13]. As such, it was necessary for the Full Court to distinguish between “*the reputation of Katy Perry, the entertainer*” and the reputation in KATY PERRY as trade mark, as the primary judge did. Further, any reputation that exists in a trade mark for the purposes of s 60 must relate to the particular goods or services it has been used to distinguish before the priority date of the challenged trade mark. The “*common practice*” referred to by the Full Court, even if established, could not substitute for the existence of any reputation *in relation to clothes*.

39. The Full Court’s approach was also contrary to the evidence. A person (and thus their name) may be famous and have a reputation, but that does not establish any reputation in a trade mark for particular goods or services. That “*Katy Perry*” is Ms Hudson’s stage name is not to the point. There was no reference to Ms Hudson by any other name in evidence after her adoption of that name. A reference to “*Katy Perry*” in that period *was* invariably a reference to Ms Hudson, but *was not* invariably a use of that name as a trade mark. By way of example, there was evidence of “*Katy Perry*” dating Travis McCoy (CB 1406-1407; ABFM 8-9), attending a fashion show (CB 1492; ABFM 10-12), attending an awards show (CB 1526-1527; ABFM 13-15), or wearing shorts (CB 1533; ABFM 16-17), in many cases with other celebrities. None of these examples involved trade mark use, much less any reputation in a trade mark in relation to clothes.

40. In these circumstances, the Full Court’s reliance at FCJ [291] (CAB 410) on a risk of confusion arising from a “*common practice*” of pop stars to sell merchandise was inapt. In fact, Ms Hudson had not sold clothes in Australia before the Priority Date, and did not do so for a period of almost a year after the Priority Date, even though she toured and performed in Australia during that period. As at the Priority Date, it could not have been known that she would ever sell clothes in Australia. Rapid fame can also be fleeting fame. As events have happened, Ms Hudson’s fame has been durable, but that was not

known at the Priority Date. The effect of the Full Court's reasoning is to read into events at the Priority Date knowledge of what has in fact transpired since.

41. FCJ [291] (CAB 410) also misstates the evidence. Ms Taylor's evidence was that, at the Priority Date: (a) she was not aware of Jennifer Lopez's label (T93.29-.33; ABFM 5); (b) she was aware of Gwen Stefani's label called *Lamb* (T93.32-.34; ABFM 5); and (c) she was not aware of Rihanna's label (T93.39-40; ABFM 5). In any event, Ms Taylor's subjective understanding of these examples was not to the point. It appears that the Full Court focused on Ms Taylor's subjective understanding given the paucity of evidence at trial about merchandising. There was little other evidence on the issue.
- 10 42. Even putting these matters to one side, the logical consequences of the Full Court's approach expose the difficulty with its reasoning. Plainly enough, clothing is not the only field of commerce in which celebrities *might*, in principle, wish to use or merchandise their names. Aside from clothes, examples could include fragrance, wine, cryptocurrency, or even a grill (as promoted by the boxer, George Foreman). On the Full Court's approach, it is unclear how far the effect of a general reputation in a celebrity's name would extend, giving the famous or notorious a pre-emptive right to a trade mark relating to goods and services they have never marketed by supporting a ground of objection to another trader's prior registration of a similar mark.
- 20 43. The second matter referred to by the Full Court was that the two trade marks were deceptively similar: FCJ [292]-[295] (CAB 410-411). In this regard, the Full Court found the close resemblance between the respective trade marks to be "*highly relevant*", effectively adopting a deceptive similarity analysis. For the reasons outlined above, this was also in error. As submitted, s 60 requires one to take account of the reputation in another mark (indeed that reputation must be *the cause* of the deception or confusion), while the approach to deceptive similarity requires one to ignore any reputation: *Self Care* at [34]-[51]. This error is clearest in FCJ [294] (CAB 411), where the Full Court discounted the relevant analysis (one accounting for reputation) and replaced it with a deceptive similarity analysis based on "*imperfect recollection*" of the prior mark.
- 30 44. The Full Court's focus on deceptive similarity also caused its evaluation of the authorities to miscue. Their Honours put aside authorities relied on by the primary judge for the proposition that the strong reputation of a well known trade mark may tend to lessen any likelihood of deception or confusion, on the footing that that proposition is confined to cases in which the conflicting marks are not deceptively similar (see

FCJ [275], [286] (CAB 406-407, 409); referring to *Delfi Chocolate Manufacturing SA v Mars Australia Pty Ltd* (2015) 115 IPR 82 at [29] and *Singtel Optus Pty Ltd v Optum Inc* (2018) 140 IPR 1; and see also FCJ [333]-[336] (CAB 418-419) in the context of s 88(2)(c) of the Act).

45. Contrary to the Full Court’s approach, whether reputation for the purposes of s 60(a) will make it likely that there will be deception or confusion for the purposes of s 60(b) is a question of fact to be answered on the evidence, not by reference to any test of “*imperfect recollection*”. The strength of the reputation of an earlier trade mark may mean that consumers have a very good, *not imperfect*, recollection of it. Similarly, as referred to in *Delfi Chocolate*, the strength of the reputation may mean that consumers notice small differences between trade marks. Additionally, in the circumstances of this case, the relevant reputation subsisted in an informal spelling of the name (KATY, as compared to KATIE), consistently with a reputation arising from pop music. If anything, this would strengthen the likelihood that Ms Taylor’s more traditional spelling of KATIE would be noticed, as the primary judge found (PJ [751]; CAB 258).

46. The third matter referred to by the Full Court was the primary judge’s treatment of the absence of any evidence of actual confusion arising from Ms Taylor’s use of the Designer’s Mark for a period of more than 10 years (FCJ [296]-[299]; CAB 411-412). Given the period of time involved, and the need to assess whether a likelihood of confusion arose because of any reputation in the KATY PERRY trade mark, the primary judge was right to treat this as a “*powerful factor*” (PJ [743]-[749]; CAB 255-257).

47. As a result, the reasoning of the Full Court with respect to s 60 cannot stand, and their Honours’ conclusion that this ground was established should be overturned. Having regard to the findings of the primary judge, the ground was not made out.

48. **Section 88(2)(c) of the Act**. Section 88(1) of the Act provides that, subject to s 88(2) and s 89, the Court may order that the Register be rectified by, *inter alia*, cancelling the registration of a trade mark. Section 88(2)(c) relevantly provides that:

(2) *An application may be made on any of the following grounds, and on no other grounds: ...*

(c) *because of the circumstances applying at the time when the application for rectification is filed, the use of the trade mark is likely to deceive or cause confusion;*

49. A threshold issue which arises for determination is whether this ground is to be assessed having regard to the registered owner's actual use of the challenged trade mark as at the relevant date, or any "*notional use*" which could in theory be made of the mark across the scope of the registration, as had been held in *Dunlop Aircraft Tyres v Goodyear Tire & Rubber Company* (2018) 262 FCR 76 at [174]-[181]. This point was not pressed by Ms Taylor before the primary judge, given the first instance decision in *Dunlop*, but was raised squarely before the Full Court, which declined to deal with it: see FCJ [331], [339] (CAB 418, 419-420). The text, context and purpose of the provision all indicate that the ground is to be assessed having regard to the registered owner's actual use.

10 50. First, the provision refers to "*the circumstances applying at the time when the application for rectification is filed*" as the cause of the likelihood of deception or confusion. By that wording, attention is directed to *specific* circumstances applying at a *particular* time, being the time of the application for rectification. Thus, s 88(2)(c) is directed to the actual circumstances of the use of the trade mark at that time, not to any future circumstances that might come to pass, or any "*notional use*" to which the trade mark could conceivably be put *but has not yet been put* at that time.

51. Secondly, the provision also asks whether the use of the registered trade mark "*is likely to deceive or cause confusion*". This may be contrasted with s 60, which uses different language ("*would be likely*") more apt to encompass a hypothetical inquiry based on
20 "*notional use*". The present tense "*is likely*" is used because the query in s 88(2)(c) is asked at the point in time when the application for rectification is filed (see "*is filed*" and "*is likely to*" in 88(2)(c)), as compared to s 88(2)(a), (b) and (e), which all relate to circumstances arising before that application is filed, and thus are framed in past tense. This is consistent with the Working Party Report referred to in paragraph 31 above, which recommended a ground where "*use of the trade mark as at the date of the commencement of the rectification proceedings is liable to deceive or cause confusion*" – that is, actual use as at a particular point in time, not hypothetical future use.

52. Thirdly, as this Court explained in *Campomar* in relation to the 1955 Act, the trade marks legislation sanctions a degree of deception or confusion in various respects: see
30 *Campomar* at [40]-[61], esp [50]-[56]. That remains the case under the current Act: see, eg, ss 7(3), 8 (authorised use); ss 21, 22 (assignment without goodwill); s 23 (registration of similar marks); s 44(3)(a) (honest concurrent use); and s 89. In *Campomar*, this consideration meant that the operation of s 28 of the 1955 Act could

not be strained beyond its text so as to give the ground a “*continuing*” operation: at [68]-[76]. For analogous reasons, the operation of s 88(2)(c), which did introduce such a “*continuing*” ground, should not be strained so as to give it a broader application than its text is apt to require, by importing a concept of “*notional use*”.

53. Fourthly, when s 88(2)(c) is considered contextually against the grounds available under s 88(2)(a), there is no cogent reason why the approach ought to be the same. Section 88(2)(a), in terms, mirrors the process of opposition, which occurs before a trade mark is registered. Prior to a trade mark being registered, a ground of opposition such as s 60 is necessarily prospective. One is determining whether a trade mark should be registered, so the question is forward looking based on what might occur. In that context, the concept of notional use is logical and appropriate, not least because no actual use of the trade mark might have occurred when the question is being considered. In contrast, s 88(2)(c) asks a very different question, directed towards the circumstances applying at a particular point in time after registration. In that context, any reference to “*notional use*” is a gloss on the language of s 88(2)(c), and thus inappropriate.
54. Finally, this distinction accords with policy. Once it is accepted that a trade mark has been correctly registered (and in particular, no ground under s 88(2)(a) exists), and thus the trade mark owner has rightly obtained proprietary rights under s 20 of the Act, it makes sense that the power to cancel is then more curtailed or of narrower scope. Relatedly, it is relevant that the ground under s 88(2)(c) is not necessarily decided once and for all; it is in principle available upon each application under s 88(1)(a), *when that application is made*. If the nature of the use by the trade mark owner changes over time, a subsequent application based on 88(2)(c) might well succeed where an earlier application failed. This is in contrast to the grounds under s 88(2)(a), which apply only as at the Priority Date and in that sense are decided once and for all.
55. For the above reasons, this Court should conclude that “*notional use*” of a trade mark is not relevant to s 88(2)(c), and that the matters to be considered when determining whether there is a likelihood of deception or confusion relate to the *actual circumstances* (including actual use) as at the date of the application for rectification.
56. If s 88(2)(c) is construed as Ms Taylor submits it should be, it is clear that the ground is not made out on the facts of this case. In this regard, although the Full Court suggested at FCJ [339] (CAB 419-420) that the ground was established regardless of whether it was based on actual use or “*notional use*”, little reasoning was given in support of that

proposition and it is difficult to see how it could be correct. If, as Ms Taylor submits, the focus is on the circumstances of her actual use of the Designer's Mark, the absence of evidence of any actual confusion arising from that use over a period of more than 10 years was highly significant: cf FCJ [338] (CAB 419). In short, as there was no evidence that the *actual use* of the Designer's Mark gave rise to any deception or confusion, the Full Court's conclusion that it was likely to do so was wholly misplaced.

57. The Full Court's focus on "*notional use*" permeates its reasoning in FCJ [331]-[339] (CAB 418-420). Thus, their Honours considered whether deception or confusion would occur if Ms Taylor hypothetically sold clothes like those Ms Hudson sold, but bearing the Designer's Mark: FCJ [331] (CAB 418). See also FCJ [338] (CAB 419), where the Full Court put aside the absence of evidence of any actual confusion – a matter of central importance to the primary judge – on the basis of "*the small scale of use of [the Designer's Mark]*". But that scale of use was itself *a circumstance* bearing on the likelihood of confusion, so s 88(2)(c) required it to be considered, not discounted. Further, when notional use is put aside, the *fact of* an absence of confusion (whatever its reason) is obviously of central importance to determining whether the circumstances as at 19 December 2019 made confusion likely. Contrary to FCJ [338] (CAB 419), the primary judge was right to place significant weight on the absence of evidence of actual confusion at that time.

58. Even if, contrary to Ms Taylor's submission, s 88(2)(c) incorporates a concept of "*notional use*", the analysis of the primary judge should be preferred to that of the Full Court on this ground. The primary judge's reliance on the absence of evidence of any confusion arising from Ms Taylor's use of the Designer's Mark and the strength of the reputation in the KATY PERRY mark was apposite (PJ [789]-[795]; CAB 268-270). On any view, s 88(2)(c) requires one to take account of the *extant circumstances*. In this case, they included the reputation of the KATY PERRY mark which, as at 19 December 2019, was stronger than it was at the Priority Date, and extended to clothes. In those circumstances, the primary judge's findings about that reputation making confusion less likely, not more likely (see paragraph 45 above), apply with particular force under s 88(2)(c). The Full Court was wrong to conclude otherwise, by again focusing upon the marks being deceptively similar (FCJ [333]-[336]; CAB 418-419). As with s 60, deceptive similarity is the wrong frame of analysis (see paragraphs 43 to 45 above).

59. Given the above errors, the Full Court's findings on s 88(2)(c) should be overturned. The primary judge was right to find that the ground was not made out.

60. **Section 89 of the Act**. Independently of the above matters, the Full Court erred in its approach to the discretion in s 89 of the Act. Section 89(1) relevantly provides:

(1) The court may decide not to grant an application for rectification made: ...

(b) on the ground that the trade mark is liable to deceive or confuse (a ground on which its registration could have been opposed ...); or

(c) on the ground referred to in paragraph 88(2)(c);

if the registered owner of the trade mark satisfies the court that the ground relied on by the applicant has not arisen through any act or fault of the registered owner.

61. Sub-section 89(2) refers to non-exclusive matters the Court must consider in exercising the discretion, being the matters in reg 8.2 of the Regulations.

62. The evident purpose of s 89 is to provide protection for trade mark owners, mitigating against harsh outcomes as Courts had tried to do under the 1955 Act through the concept of “*blameworthy conduct*” (discussed in paragraphs 30 to 31 above). Section 89 also reflects that prior authority in that, in terms, the conduct of the trade mark owner must be the *cause* of the ground for rectification arising – ie, in this case, the cause of the likelihood of deception or confusion. Courts had found that conduct which was blameworthy in the abstract was not relevant; it was only relevant to consider blameworthy conduct *causing* deception or confusion: see, eg, *Campomar Sociedad Limitada v Nike International Ltd* (1998) 85 FCR 331 at 342, 377-378.

63. The critical finding of the Full Court was that the grounds for rectification had arisen through an “*act*” of Ms Taylor, being Ms Taylor’s act of applying to register the Designer’s Mark “*with knowledge of matters which led to Ms Hudson’s success on the s 60 ground*” (FCJ [316]-[317]; CAB 415); the Full Court made a similar finding in relation to the s 88(2)(c) ground (FCJ [342]; CAB 420)). In this regard, the Full Court relied only on the “*act*” limb of s 89. Their Honours did not rely on the “*fault*” limb of s 89, and expressly accepted that Ms Taylor’s conduct was not “*blameworthy*” (FCJ [312], [316], [342]; CAB 414-415, 420).

64. In the Full Court’s view, this meant that the discretion in s 89 was not enlivened. That conclusion cannot be correct. It cannot be the case that a mere application to register a trade mark is an act giving rise to a likelihood of deception or confusion for the purposes

of the grounds in s 60 and s 88(2)(c); otherwise, the s 89 discretion would inevitably be denied on every occasion in respect of which it is sought in response to those provisions. Wherever those grounds are successfully raised, there is by definition a likelihood of deception or confusion arising from the use of the trade mark in question. Section 89 must have work to do where a ground for rectification is made out, so there must be something more than the mere application to register the trade mark in question to constitute an “*act*” under s 89 that gives rise to the relevant ground.

- 10 65. That “*something more*” in this case could not be Ms Taylor’s purported knowledge of circumstances giving rise to a ground under s 60 or s 88(2)(c). Ms Taylor’s knowledge (actual or constructive) could not bear upon whether there was a relevant likelihood of deception or confusion to which those provisions are directed. For example, her knowledge of Ms Hudson or any propensity of celebrities to merchandise clothes could not make that outcome more or less likely. The grounds for rectification are objectively assessed, without regard to the knowledge of the relevant trade mark owner. Put another way, Ms Taylor’s knowledge of those matters was not an “*act*” on her part within the meaning of s 89. As noted above, the Full Court correctly did not rely on any “*fault*” of Ms Taylor (FCJ [312], [316], [342]; CAB 414-415, 420). In any event, on the facts of this case as outlined further below, Ms Taylor could hardly be said to have been at “*fault*”; and for similar reasons, her state of mind would not be relevant.
- 20 66. A further difficulty with the Full Court’s reasoning is that their Honours apparently considered it sufficient if the relevant “*act*” of the trade mark owner merely “*contributed to*” or “*contributed towards*” the ground for rectification arising (see FCJ [312], [342]; CAB 414, 420). This language suggests a lesser involvement than is warranted by the words “*arisen through*” in s 89 – making it *harder* for a trade mark owner to meet the threshold under s 89 for the discretion to be enlivened. On the Full Court’s approach, a trade mark owner would apparently need to negate *any contribution* of its acts towards a ground for rectification arising: an unrealistic task, particularly if that person’s act of applying for registration of the trade mark in question can itself be a relevant “*act*”.
- 30 67. It follows that the concept of an “*act or fault of the registered owner*” in s 89 does not include the registered owner’s act of applying to register the trade mark in question, or that act together with particular knowledge. There must be some additional element, being something that the registered owner has done to give rise to the ground.

68. It is hard to conceive of a situation where a trade mark owner could be less at fault, or their acts less the cause of any likelihood of deception or confusion arising, than this case. Ms Taylor had the misfortune of adopting a trade mark which (unknown to her at the time) was similar to that adopted by another person overseas, who later went on to become famous, and thus, according to the Full Court's reasoning, might have wanted to sell merchandise such as clothes bearing that name in the future. It was the Respondents who then went ahead and did so in the face of the Designer's Mark, notwithstanding their knowledge of it, which the primary judge found gave rise to an entitlement to additional damages for flagrancy. Further, on the evidence, so far as it was before the Court, Ms Taylor had used her trade mark for a period of more than 10 years in a way that did not, in fact, give rise to any actual confusion.
69. It follows that FCJ [316]-[317] and [342] (CB 415, 420) are in error. The discretion in s 89 was available to be exercised in the circumstances of this case.
70. The Full Court went on to indicate that, if the discretion had been enlivened, it would not have exercised it in Ms Taylor's favour (FCJ [318]-[322], [343]; CAB 415-416, 420). This reasoning was *obiter*, the determinative aspect of their Honours' decision on s 89 being that addressed above. Further, the Full Court's indication as to how it would have exercised the discretion is undermined by the same errors of principle concerning the scope and purpose of s 89. In short, their Honours proceeded upon a wrong principle as to the nature of the discretion: see *House v R* (1936) 55 CLR 499 at 504-505.
71. The Full Court's reasons also suggest that their Honours misapprehended the facts. At FCJ [315] (CAB 415), after observing that Ms Taylor and Ms Hudson had adopted their respective trade marks unaware of the existence of each other, the Full Court said: "*As the fame of one grew internationally, the other became aware of her namesake and filed a trade mark application*". This suggests a causal nexus between Ms Taylor becoming aware of Ms Hudson and Ms Taylor applying to register her trade mark, but that was not so. As explained above, Ms Taylor's application to register the Designer's Mark was made in the course of her existing business, in circumstances where her earlier trade mark application, being the First Application which she had filed before she was aware of Ms Hudson, was in an incorrect class (see paragraphs 11 to 13 above).
72. The particular reasons given by the Full Court as to why it would have declined to exercise the discretion in Ms Taylor's favour also reveal *House v R* error. The *first* matter referred to was that Ms Taylor had "*sought to align herself with Ms Hudson to*

obtain some benefit, conduct which would only increase the likelihood of consumers being deceived or confused”: see FCJ [319] (CAB 416), referring to a finding by the primary judge at PJ [220] (CAB 88-89). But PJ [220] (CAB 88-89) refers to events well after the Priority Date; and moreover, contains no finding that those events would increase the likelihood of deception or confusion. The incidents there referred to rather drew attention to Ms Taylor and Ms Hudson being *different people*, precisely because Ms Hudson was famous and Ms Taylor was not. This conduct would *decrease*, not increase, any likelihood of confusion.

73. The *second* matter the Full Court referred to was that the absence of evidence of any actual confusion was not determinative of the issue (see FCJ [320]; CAB 416). That much may be accepted, but this is hardly a reason *against* exercising the discretion.
74. The *third* matter was the public interest in the integrity of the Register (FCJ [321]; CAB 416). That will always be present in considering the application of s 89. The Full Court relied on *Anchorage Capital Partners Pty Ltd v ACPA Pty Ltd* (2018) 259 FCR 514, but that was a case based on ownership engaging ss 58 and 88, not s 89: at [167]. By contrast, Ms Taylor’s first in time use makes her the true owner of her mark. In the present case, the ground for rectification was based on a likelihood of deception or confusion, a degree of which is sanctioned by the Act: see paragraph 52 above.
75. The *fourth* matter referred to by the Full Court was Ms Taylor’s refusal of an offer of coexistence from Ms Hudson (FCJ [321]; CAB 416). However, as outlined in paragraph 16 above, that offer was made so that Ms Hudson could register the Singer’s Mark in respect of goods (ie, “*apparel*”, or clothes) that would otherwise be unavailable to her due to the earlier in time Designer’s Mark. To find that refusing that agreement is a factor weighing against the exercise of the discretion is to repeat the errors referred to in paragraphs 40 to 42 above. Ms Taylor as the first in time trader ought not have been required to move aside for Ms Hudson because she became famous. The approach of the Full Court wrongly privileges the powerful and famous over ordinary traders.
76. Finally, in the context of s 88(2)(c), the Full Court also said that it would not consider Ms Hudson’s conduct that of an assiduous infringer, because she honestly adopted the KATY PERRY name and did not think that confusion would arise (FCJ [344]; CAB 420). This was a further error. As explained by Perram J in the recent decision of *Firstmac Ltd v Zip Co Ltd* [2025] FCAFC 30 at [8]-[10], the relevant time for consideration of the honesty of use is not the time of adoption of a name, but the date of

first use of that name *as a trade mark*. While Ms Hudson might have innocently adopted her stage name in 2002, she did not use it as a trade mark in respect of clothes in Australia until August 2009, in the circumstances referred to in paragraphs 17 to 19 above. In particular, she did not use it until *after* being aware not only of the Designer's Mark, but also that Ms Taylor had refused a coexistence agreement, and thus there was a significant risk that successful infringement proceedings could be brought against such activity.

77. Given all of the above matters, the Full Court's exercise of discretion miscarried and its findings at FCJ [323], [343] (CAB 416, 420) should be set aside. If, contrary to Ms Taylor's submission, any ground for rectification is made out, this Court should exercise the discretion not to cancel the Designer's Mark having regard to all of the circumstances of the case, including those outlined above.
78. In short, Ms Taylor adopted her trade mark innocently; used it first in relation to clothes; applied to register it before she knew of Ms Hudson and before Ms Hudson had used her mark (or had any reputation) in relation to clothes in Australia; and used it for more than 10 years in a manner which, on the evidence, did not give rise to any actual confusion. The Respondents proceeded in the face of Ms Taylor's registration and in the absence of a coexistence agreement which was open to Ms Taylor to reject, giving rise to the findings of infringement and flagrancy made below.
79. Reference to the mandatory considerations in reg 8.2 of the Regulations supports the exercise of the discretion. As to reg 8.2(a) ("*the extent to which the public interest will be affected if registration of the trade mark is not cancelled*"), there is a recognised public interest in allowing trade mark owners to protect their intellectual property rights against infringement, and not rewarding infringers by allowing them to take advantage of their wrongdoing: see *Firstmac* at [166(a)], [172], [175]; and also *HTX International Pty Ltd v Semco Pty Ltd* (1983) 1 IPR 403; *Re Bali Brassiere Co Inc and Re an Application by Berlei Ltd* (1968) 118 CLR 128 at 133. Whether or not Ms Hudson thought there would be confusion, her conduct, and that of Kitty Purry, knowingly infringed the Designer's Mark on a significant scale. To cancel the Designer's Mark would be to reward that conduct and undermine the public faith in trade marks system as a means of protecting traders' rights. The public interest would not be undermined by the continued existence of the Designer's Mark on the Register because, as the

primary judge found, there is no evidence of any actual deception or confusion arising from the use of that trade mark, despite its use over a long period of time.

80. As to reg 8.2(c) (“*the extent to which the trade mark distinguished the relevant goods and/or services before the circumstances giving rise to the application arose*”), there is no dispute that the Designer’s Mark used on clothes distinguishes those goods (there was no challenge under s 41 of the Act), so this is a matter in Ms Taylor’s favour. The other considerations in reg 8.2(b) and (d) are essentially neutral in this case.

81. **Conclusion.** For the reasons outlined above, Ms Taylor’s appeal against the Full Court’s cancellation of the Designer’s Mark should be allowed. The effect would be to restore the primary judge’s findings of infringement, save that those findings would be expanded to account for the Full Court’s findings. In light of this, the primary judge’s injunction should be expanded to cover Ms Hudson personally. Given that Ms Taylor has established infringement, and defeated the Respondents’ cross-claim, she should have her costs of the proceedings in this Court, in the Full Court and at first instance. The matter should be remitted to the primary judge to deal with quantum.

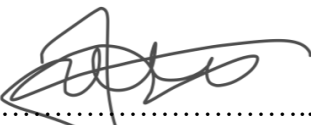
Part VII: Orders sought

82. Ms Taylor seeks the orders set out in her notice of appeal (CAB 490).


Part VIII: Oral argument

83. Ms Taylor estimates that approximately 2 hours will be required for her oral argument.

20 Dated: 30 May 2025



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ANNEXURE TO APPELLANT'S SUBMISSIONS

No	Description	Version	Provision(s)	Reason for providing this version	Applicable date (s)
1	<i>Trade Marks Act 1955</i> (Cth)	Compilation 29 June 1994 - 31 December 1995	s 28	Comparison of similar provisions in previous Act to form of current <i>Trade Marks Act 1995</i> (Cth)	1995
2	<i>Trade Marks Act 1995</i> (Cth)	Compilation 15 April 2013 - 11 March 2014	ss 122(1)(a)(ii), 122(1)(fa)	Version in force at date of first infringement	24 October 2013
3	<i>Trade Marks Act 1995</i> (Cth)	Compilation No 38, 24 February 2019 – 26 February 2020	ss 10, 17, 20, 41, 43, 60, 88(1), 88(2)(a), 88(2)(c), 89	Version in force at date of Cross-claim	19 December 2019
4	<i>Trade Marks Regulations 1995</i> (Cth)	Compilation No 44, 24 February 2019 – 12 June 2020	reg 8.2	Version in force at date of Cross-claim	19 December 2019