



HIGH COURT OF AUSTRALIA

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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

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and

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

ALLERGAN, INC.
Second Respondent

APPELLANTS' SUBMISSIONS IN RESPONSE TO THE AMICUS CURIAE

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Part I: Publication

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

Part II: Statement of issues

2. These submissions respond to the submissions of the amicus curiae dated 1 December 2022 (ACS).¹ Those submissions are directed to the generalised proposition that reputation of a registered mark may be relevant to the question of deceptive similarity under s 120 of the Act. That proposition is not correct, but more fundamentally, it is imprecise and multi-faceted, and many aspects of it are not relevant to the present case.
- 30 3. The precise question arising in the present case is whether it is permissible, in an infringement claim under s 120(1), to have regard to consumers' familiarity with the use of the registered mark in relation to goods which are *not* the subject of the asserted registration under that subsection. The error of the Full Court was that it did so. That is, in an infringement claim confined to s 120(1) (and not a claim under ss 120(2) or 120(3)), it had regard to consumers' familiarity with the use of the mark BOTOX in relation to injectable products, which were not goods the subject of the registration asserted under s 120(1), relevantly, anti-wrinkle creams: AS [38]-[39], [42]; AR [6]-[7].
4. That reasoning is so contrary to the language, structure and purpose of s 120 that no authority has been identified in which a registered owner has advanced such a case, much

¹ Except where otherwise indicated, capitalised terms have the meaning given in Self Care's submissions on the appeal and in ACS. Parts III and VI are inapplicable to this submission and accordingly omitted.

less succeeded in it. Consistently with this, Allergan has accepted that that reasoning is erroneous,² and indeed the submissions of the amicus do not suggest otherwise.

Part IV: The facts are not contested (ACS [8])

Part V: Outline of argument

5. In order to answer the correct question, it is necessary to be precise about: (a) what is meant by “reputation”; (b) the test for deceptive similarity which applies under s 120(1) of the Act; and (c) how it is said that reputation may be relevant to that test.

(a) Reputation

6. “Reputation” refers to consumers’ familiarity with a trade mark and with its use in relation to particular goods. For example, the “reputation” of Henschke’s trade mark HILL OF GRACE refers to the proposition that relevant consumers are familiar with that mark (i.e. recall it), and familiar with (i.e. recall) its use in relation to wine. That understanding of what is meant by “reputation” is derived from *Henschke FC* at [52], and is apt for the present case, because it is sufficiently precise to identify the error made by the Full Court in applying s 120(1) of the Act.

7. It is particularly important to focus on the second part of that definition, namely that consumers are familiar with the use of the mark *in relation to particular goods*. In *Henschke*, as in other cases, the goods the subject of the reputation (wine) were the same as the goods the subject of the asserted registration (at [37]). But in the present case, the goods the subject of the reputation (injectable products) are not the same as the goods the subject of the asserted registration (relevantly, anti-wrinkle creams). Nevertheless, the Full Court founded its analysis under s 120(1) on consumers’ familiarity with the use of BOTOX in relation to injectables. This is erroneous for the reasons addressed below.

8. But at the outset it may be observed that ACS is not sufficiently precise about what it means by “reputation”. The closest ACS comes to identifying the way it uses that term is (emphasis added) “...*at least in the sense of what the mark means to the relevant class of consumer by reason of the registered owner’s use of the mark*” (ACS [3]). The use of the vague term “*means*” obscures whether it is permissible, for the purposes of s 120(1), to consider the use of the registered mark *in relation to goods not the subject of the asserted registration*. That is the critical question in this case.

(b) The deceptive similarity test and the role of section 120(1)

9. It is necessary to identify the role of s 120(1) in the system of s 120. Trade mark

² See e.g. RS [16],[28]-[34] and the Appellants’ Reply at [6].

infringement involves a comparison of *signs* and a comparison of *goods*.³ Section 120(1) is divided into three sub-sections, according to the relationship between the *goods* in question, being the goods in respect of which the trade mark is *registered* on the one hand (importantly, not the goods in respect of which it has been *used*) and the goods in respect of which the alleged infringer has *used* its mark on the other. If they are the same, s 120(1) applies. If they are not the same, but “*of the same description*”, s 120(2) applies. And if they are “*unrelated*” s 120(3) applies. These are addressed in turn as follows.

10. Section 120(1) is the sub-section relevant to this case. It provides (emphasis added):

10 *A person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered.*

11. By way of hypothetical example, if a trader’s mark LION is *registered* in respect of “non-alcoholic beverages”, and a respondent has used an allegedly infringing sign in relation to mineral water, the requirement in s 120(1) underlined above is satisfied. That is so even if the registered proprietor has *used* its mark only in relation to some of the registered goods (say, orange juice); or only in relation to goods which are not registered goods (say, beer); or indeed even if the mark has not been used at all.⁴

12. Turning to the *sign* comparison in s 120(1), the marks must be substantially identical or deceptively similar. Deceptive similarity is defined in s 10 of the Act, which provides
20 that a trade mark is taken to be deceptively similar to another trade mark if it so nearly resembles that other trade mark that it is likely to deceive or cause confusion. Importantly, ACS endorses the applicable principles set out by this Court in *Shell* and *Southern Cross* (see e.g. ACS [21]). They may be summarised as follows.

13. The relevant deception or confusion is as to trade origin. In considering that question, the comparison to be made is that between, on the one hand, the impression based on recollection of the registered owner’s mark that persons of ordinary intelligence and memory would have and, on the other, the impressions that such persons would get from the allegedly infringing mark: *Shell* at 415; *Southern Cross* at 608. It is apparent that the comparison of signs involves a hypothetical circumstance in which a consumer is
30 credited, or imputed, with a recollection, albeit imperfect, of the registered mark used in relation to the relevant registered goods (*New South Wales Dairy Corporation v Murray*

³ It is sufficient and economical for present purposes to address goods alone, rather than goods and services.

⁴ A trade mark which is not used in relation to the registered goods may become vulnerable to revocation for non-use after three years (or less if at the time of filing the applicant had no intention in good faith to directly or indirectly use the mark) (Act, s 92), but an infringement action is otherwise available from registration.

Goulburn Co-operative Company Ltd (1989) 86 ALR 549 at 589). Two aspects of this may be emphasised.

14. First, it does not matter whether the consumer actually recalls the registered mark. That corresponds with the purpose of the registered trade mark system: it is a benefit, and an intended benefit, of registration that a newly registered mark not having a relevant reputation may found a cause of action for infringement just as much as an old one having a reputation. As Dixon J observed in *Shell* at 625-626, the original UK legislation intended registration to be equivalent to public use:

10 *Before the passing of the Trade Marks Registration Act 1875 ... of the [UK] property in a trade mark was acquired by user... But the Act, as it was interpreted, also included provisions enabling the registration of a new mark not hitherto used with the like consequences... This was considered to be the result of a provision in s.2 that registration of a trade mark should be deemed to be equivalent to public use of such mark...*

15. Similarly, in *Murray Goulburn*, Gummow J stated at [67]; [73]:

20 *The result is that [in the case of passing off] the property rights of the plaintiff exist only for that period in which the mark is distinctive of his goods in the eyes of a substantial number of the relevant sections of the public. ... However, registration confers a statutory title and registration may be granted to those who claim to be proprietors, pursuant to s. 40 of the Trade Marks Act, of distinctive trade marks... Further, the existence of the registration relieves the plaintiff in an infringement suit of the need the plaintiff has in a passing-off suit to establish reputation.*

16. Consistently with this, his Honour later said in *Wingate* at 118 that the fact that one could sue for registered trade mark infringement based on registration, not reputation, demonstrated that “*from the outset, the legislative scheme differed in a fundamental respect from the common law*”.

17. Thus, in *Henschke* the Full Court said at [43], “*the test of deceptive similarity must be applied whether the mark of which infringement is alleged is newly registered and almost unknown or has been prominently displayed on wellknown merchandise for many years.*

- 30 18. In other words, while the notion of “deceptive similarity” requires as a matter of logic that the registered mark be recalled; and while, in the cases of passing off and contravention of the ACL, recollection of the mark is a fact required to be proved; in the case of registered trade mark infringement, it is imputed by dint of the registration.⁵

⁵ See further AS [32], [46] and Davison (JBA38, p 808-830).

19. Secondly, the hypothetical use is taken to be made in relation to any, and all, of the asserted registered goods.⁶ Taking the example just given, the hypothesised use of the registered mark may be in relation to mineral water, or orange juice, or any other “non-alcoholic beverage”. By the same token, the hypothesised use of the registered mark under s 120(1) is confined to a use in relation to any of the registered goods and is not permissibly a hypothesised use in relation to other goods (say, beer). If the goods are different, ss 120(2) and 120(3) are the relevant provisions and impose their own requirements, as addressed below.

10 20. It follows that it is not relevant to consider the actual goods in relation to which the registered owner has used its trade mark under s 120(1): the provision refers to “*goods in respect of which the mark is registered*”, not “goods in respect of which the mark is used” or “goods in respect of which the registered proprietor has a reputation”; thus, if the goods in relation to which the registered mark has been used come within the scope of the registration asserted under s 120(1), consideration of them is otiose; if they do not, consideration of them is impermissible. (It may also be observed, in response to a question from the Court at T76-81, that, in light of the above, there is no part of the s 120(1) analysis which would require, by way of “market definition” or otherwise, consideration of consumers’ familiarity with the use of the registered mark in relation to goods not the subject of the asserted registration).

20 21. Before turning to s 120(2) and (3), it is relevant to address a further aspect of the deceptive similarity inquiry, namely the role played by the notion of the “idea” of the mark, as that is a matter on which ACS places some reliance. As submitted, s 10 of the Act requires that the deceptiveness arise from the resemblance of the marks to each other. The authorities identify two main species of resemblance, namely, visual similarity and aural similarity. Thus, to continue the hypothetical example previously given, the sign LIONN is visually similar to the registered trade mark LION. By contrast, the sign LYIN is visually dissimilar to LION, but aurally it is the same. Those species of similarity are considered and weighed when determining whether the similarity is deceptive. When performing that process, consideration is given to the circumstances of the trade,
30 including the extent to which the marks are likely to be used only orally, or they are seen only fleetingly: see e.g. *Henschke* at [42].

22. A third species of resemblance involves the “idea” of the mark. For example, a

⁶ *Murray Goulburn* at [139]; *Shanahan’s Australian Law of Trade Marks and Passing Off* (7th ed) [25.1020].

respondent might use a picture of a lion to brand its mineral water product. That might, depending on other factors, be considered to be deceptively similar to the registered mark LION even though it neither visually nor aurally resembles that mark, but rather resembles it in “idea”, that is, in its semantic content (as distinct from the goods in relation to which it is used). The notion of the “idea” of a mark is not confined to pictorial marks, but relevantly for present purposes, none of the authorities referred to at ACS [23]-[26] suggest that this notion somehow permits regard to consumers’ familiarity with the use of the registered mark in relation to goods which are not the subject of the asserted registration for the purposes of s 120(1): see *Jafferjee* at [121]-[122], *Telstra* at [213].

10 23. Those considerations also demonstrate that the questions posed by ACS [26]-[32] as to whether reputation is a matter “extraneous” to the mark and whether extraneous matters may be relevant to deceptive similarity are distractions. The relevant question is whether it is permissible, under s 120(1), to have regard to consumers’ familiarity with the use of a registered trade mark in relation to goods not the subject of the asserted registration. None of the authorities referred to at ACS [29]-[32] (relating to usages in the trade, intention to deceive, and actual confusion) address that question.

20 24. The vice of doing so becomes particularly apparent when one turns to s 120(2). That subsection may apply if the respondent’s goods are “*of the same description*” as the registered goods. That requirement involves consideration as to whether the relevant goods are supplied through the same trade channels, and in particular whether they are normally sourced in the same entities: *MID Sydney* at 243 (JBA458), citing *Southern Cross* at 606. But the expansion of the monopoly to goods of the same description comes at the price of a proviso that the respondent does not infringe if it establishes that using the sign as the respondent did is not likely to deceive or cause confusion. This proviso has the consequence that the inquiry is not confined to a comparison of signs and goods, but includes all of the circumstances of the use: AS [46]. For example, the presence of clear distinctive branding is a circumstance of use which may negative any deception.

30 25. Thus, if a Court were to have regard to consumers’ familiarity with the use of a registered trade mark in relation to goods not the subject of the asserted registration under s120(1), it would, in effect, be considering a s 120(2) case, but shorn of the limitations imposed by: (a) the requirement that the goods be “*of the same description*”; and (b) the proviso that using the sign as the respondent did is not likely to deceive or cause confusion. That vice is particularly apparent in the present case because the unappealed conclusion of the trial judge was that Allergan, relying on its registration in respect of injectable products,

failed to establish that those were goods of the same description as anti-wrinkle creams under s 120(2): PJ [218]-[226]; [261]; CAB 67-68, 75.

26. The terms of section 120(3) expose substantially the same vice. Section 120(3) may apply in a case where the relevant goods are “*unrelated*”. In that case, it is necessary to establish the reputation of the registered mark: that is, protection is confined to circumstances where the mark is “*well known in Australia*”; and because it is well known the respondent’s sign would be taken as indicating a connection between the unrelated goods and the registered owner of the mark; and for that reason the interests of the registered owner are likely to be adversely affected. Allergan does not assert s 120(3).

10 (c) *Asserted relevance of reputation to the deceptive similarity inquiry under s 120(1)*

27. It is apparent from the above that:

- a. consumers’ actual familiarity with (i.e. recollection of) a registered trade mark is not relevant to the deceptive similarity inquiry under s 120(1) because it is imputed;
- b. similarly, consumers’ familiarity with (i.e. recollection of) the use of a registered mark in relation to goods which are the subject of the asserted registration is irrelevant because it is imputed (noting that that is not the present case); and
- c. most importantly for the present case, *it is impermissible to have regard under s 120(1) to consumers’ familiarity with the use of a registered trade mark in relation to goods not the subject of the asserted registration under that subsection.*

20 28. The last of those propositions is the critical one for this case, and ACS has not put forward any authority contrary to it. The key Full Court authorities are addressed briefly, in chronological order, as follows.

29. *Woolworths* (ACS [34]-[35]) was a case of registrability under s 44. In essence, Woolworths sought to register the mark “Woolworths Metro” in respect of certain services, and the questions were: (a) whether the mark “Metro”, registered earlier in respect of certain goods, was registered in relation to goods “closely related” to the services for which Woolworths sought registration (at [2]), and (b) if so, whether the marks were deceptively similar. It is sufficient to make two points. First, the question as to “closely related” goods is akin to the question of “goods of the same description” under s 120(2) in the infringement context and does not correspond to s 120(1).
30 Secondly, Woolworths relied on consumers’ familiarity with its use of “Woolworths” in relation to the services for which it sought registration (at [60]). Accordingly, it is not contrary to proposition (c) above. (*NEC, Pfizer and Kimberley-Clark* – see ACS [60]-[62] – were relevantly similar, in that they were s 44 cases involving “closely related”

goods or services, in which reputation was asserted in respect of goods the subject of the relevant registration, though in each case, unlike *Woolworths*, it was the reputation of the senior mark which was relied upon.)

- 10 30. *Coca-Cola* (ACS [53]) was a case of infringement under ss 120(2) and 120(3), not s 120(1) (the registered goods were beverages and syrups, and the infringing goods were confectionary). *Cola-Cola* relied on the proposition that its mark was well known in relation to the goods the subject of its asserted registration (beverages), not other goods. Accordingly, it is not contrary to proposition (c) above. (Further, it may be noted that, though the Full Court included in a list of dot points in support of its conclusion of deceptive similarity that the mark was well known at [42], it did not set out any reasoning as to how this was relevant to its conclusion.)
31. *Henschke* (ACS [36]-[44]) was an infringement case under s 120(1). *Henschke* relied on consumers' familiarity with its use of its mark in relation to goods the subject of the asserted registration (wine), not other goods. Accordingly, it is not contrary to proposition (c) above. The UK authorities, *de Cordova* and *Colgate*, referred to in *Henschke* and relied on at ACS [51] and [52], are relevantly the same. (Further, the Full Court in *Henschke* did not accept that *Henschke's* reputation was relevant.)
- 20 32. *Mars* was a case in which the registered owner relied on consumers' familiarity with its mark in relation to goods the subject of its asserted registration, not other goods: [79]. Accordingly, it is not contrary to proposition (c) above.
- 30 33. Notably, reputation was taken into account by the Court as reducing the likelihood of deceptive similarity. That is, it was concluded that consumers' familiarity with the registered mark (Maltesers) would be likely to make their recollection of it more perfect, such that it would be less likely to be confused with the allegedly infringing sign (Malt Balls). See to similar effect in the registrability context under s 44, *Singtel Optus*, ACS [64]. As Burrell and Handler at p 406 note, this has some intuitive appeal. However, that view should be treated with some caution. First, it sits somewhat uneasily with the proposition in *Shell* that it is, in each case, an imperfect recollection of the mark which is imputed to the consumer. (As ACS [58] accepts, for this reason, in *Johnson & Johnson*, Gummow J did not accept a submission that the fame of BAND-AID discounted the possibility of imperfect recollection). Secondly, the authors' comfort with the proposition that reputation may reduce the likelihood of deceptive similarity was supported by their view that, in other circumstances, it may increase the likelihood of deceptive similarity; that is, that reputation of the registered mark may cut both ways.

But relevantly, this suggestion involved a scenario in which the infringer's goods and the registered goods are not the same, but "complementary" (at p 405-406),⁷ That does not, and is not said to, apply to s 120(1). In any event, Burrell and Handler do not suggest that it is permissible under s 120(1) to have regard to consumers' familiarity with the use of the registered mark in relation to goods not the subject of the asserted registration.

34. *Australian Meat Group* was a case in which the registered owner relied on consumers' familiarity with its mark in relation to goods the subject of its asserted registration, not other goods: [26]. Accordingly, it is not contrary to proposition (c) above. (Further, the Full Court held that the asserted reputation was irrelevant: [75].)

10 35. *Swancom* was a case of infringement under s 120(1). In that case, the registered owner sought to rely on consumers' familiarity with the use of its marks in relation to the registered services, in particular live music services. Accordingly, it is not contrary to proposition (c) above. (Further, the Court held, in detailed reasoning reflecting the considerations set out above, that the asserted reputation was irrelevant to the deceptive similarity inquiry at [78]-[100].)

36. Accordingly, there is no identified authority contrary to the proposition that it is impermissible to have regard, under s 120(1), to consumers' familiarity with the use of a registered trade mark in relation to goods not the subject of the asserted registration.

20 37. Further, the UK and European authorities relied on at ACS [65], [66] are inapposite. Those authorities are influenced in particular by the Trade Marks Directive (89/104/EEC to 2015/2436, currently Recital 16) which requires that a conclusion as to the likelihood of confusion must depend, inter alia on "*the recognition of the trade mark on the market*", a requirement absent from the Australian legislation. Further, as Burrell and Handler state, at page 405, there is no convincing explanation for the proposition that registered marks with a reputation should have a greater sphere of protection.

38. ACS [71] appears to suggest that a special position should apply to trade marks registered as defensive marks under s 185 of the Act, because "*It would be an odd result if that very reputation, deemed to cause the relevant connection for s 185 purposes, is disregarded entirely in considering infringement of the mark under s 120(1)*".

30 39. To the contrary, s 185 demonstrates that, where the legislature wishes the use or reputation of a trade mark to be considered, it says so expressly (see eg s 60, s 120(3)).

⁷ The authors also considered a scenario in which consumers are familiar with part of a registered mark as a mark in itself. That scenario itself is problematic, but it does not relate to familiarity with the registered mark itself and is not relevant to this case.

S 185(1) provides (emphasis added): *If, because of the extent to which a registered trade mark has been used in relation to all or any of the goods or services in respect of which it is registered, it is likely that its use in relation to other goods or services will be taken to indicate that there is a connection between those other goods or services and the registered owner of the trade mark, the trade mark may, on the application of the registered owner, be registered as a defensive trade mark in respect of any or all of those other goods or services.*

10 40. This is a requirement for registration, not infringement. Notably, it does not mention the use of a deceptively similar sign. Consistently with this, it is not intended to operate as an infringement norm; rather, once the mark is registered, s 120 applies, just as it applies for other marks. (The Full Court in *Swancom* made a similar point in a different context at [67], [68]: “*The process by which a trade mark is assessed to be registrable and achieves registration, including an assessment of whether a trade mark falls foul of any of the grounds for rejecting a trade mark application, is a separate and distinct exercise from comparing marks to determine whether a registered trade mark is infringed pursuant to s 120(1) of the Act...Once registered, all marks are treated equally for consideration of whether they are infringed pursuant to s 120(1) of the Act, irrespective of how they came to be registered*”).


20 41. There is nothing “*odd*” about that; to the contrary, it would be odd if one were permitted, for infringement of a defensive mark under s 120(1), to have regard to consumers’ familiarity with the use of the registered mark in relation to goods not the subject of the asserted registration. Considerations arising in relation to different goods are to be dealt with under s 120(2) and (3) and the important limitations which they introduce. That is so for a defensive mark no less than any other mark. By contrast, the suggestion in ACS [71] would expand the trade mark owner’s monopoly contrary to the statutory scheme.

Part VII: Oral argument

42. Approximately 45 minutes will be required for Self Care’s oral argument.

Dated: 9 December 2022

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