

HIGH COURT OF AUSTRALIA

GAGELER CJ,
GORDON, EDELMAN, JAGOT AND BEECH-JONES JJ

BED BATH 'N' TABLE PTY LTD

APPELLANT

AND

GLOBAL RETAIL BRANDS AUSTRALIA
PTY LTD

RESPONDENT

Bed Bath 'N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd
[2025] HCA 50
Date of Hearing: 12 August 2025
Date of Judgment: 10 December 2025
M32/2025

ORDER

- The appeal be allowed.*
- Orders 1, 3 and 4 of the Full Court of the Federal Court of Australia made on 31 October 2024 be set aside, and in lieu thereof, the appeal to the Full Court be dismissed with costs against the respondent for the appeal and costs against the appellant for the cross-appeal.*
- Orders 1-12 made by the primary judge on 13 March 2024 be re-instated.*
- The matter be remitted to a judge of the Federal Court of Australia for determination of the remaining issues, including the appellant's claim for pecuniary relief.*
- The respondent pay the appellant's costs of and incidental to the appeal.*

On appeal from the Federal Court of Australia

Representation

J T Gleeson SC with I P Horak KC and L E Davis for the appellant (instructed by Phillips Ormonde Fitzpatrick Lawyers)

B W Walker SC with B N Caine KC, P J T Creighton-Selvay and F C St John for the respondent (instructed by DLA Piper Australia)

Notice: This copy of the Court's Reasons for Judgment is subject to formal revision prior to publication in the Commonwealth Law Reports.

CATCHWORDS

Bed Bath 'N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd

Trade practices – Misleading or deceptive conduct – Where "House Bed & Bath" trade mark used as name of new soft homewares stores – Where network of stores throughout Australia sold soft homewares under trade marks including "BED BATH 'N' TABLE" since 1976 – Whether use of "House Bed & Bath" trade mark misleading or deceptive or likely to mislead or deceive in contravention of s 18(1) of *Australian Consumer Law* – Whether trader's wilful blindness to possibility of confusion relevant to objective question of misleading or deceptive conduct – Whether primary judge's conclusion involved material error.

Words and phrases – "appellate review", "conduct", "confusion", "context", "deceptive similarity", "deceptively similar", "distinctiveness", "evidentiary approach", "immediate and broader context", "inference", "likely to mislead or deceive", "misleading or deceptive", "objective assessment of fact", "reputation", "state of mind", "trade mark", "trade or commerce", "trader", "wilful blindness".

Competition and Consumer Act 2010 (Cth), Sch 2, s 18(1).

Trade Marks Act 1995 (Cth), s 120(1).

- 1 GAGELER CJ, GORDON, EDELMAN, JAGOT AND BEECH-JONES JJ. This appeal concerns the use of a trade mark in circumstances alleged to have constituted conduct in trade or commerce that is misleading or deceptive or is likely to mislead or deceive in contravention of s 18(1) of the *Australian Consumer Law*.¹ The trade mark is "House Bed & Bath", including in the form of the device as shown ("the House B&B mark"):



- 2 The conduct is the respondent's, Global Retails Brands Australia Pty Ltd ("GRBA") use of the House B&B mark as the name of its new soft homewares stores (the House B&B stores) first launched at Westfield Doncaster shopping centre on 14 May 2021. This included the use of the House B&B mark on the external signage over the entrance to those stores, internal store signage, the House website, store receipts, social media, shopping centre directories and advertising and promotional materials, gift cards and employee name badges.²
- 3 The primary judge in the Federal Court of Australia (Rofe J), having found that GRBA's use of the House B&B mark did not infringe the appellant's, Bed Bath 'N' Table Pty Ltd ("BBNT") trade marks including "BED BATH 'N' TABLE" (together, "the BBNT mark") as provided by s 120(1) of the *Trade Marks Act 1995* (Cth),³ in that the House B&B mark was not "substantially identical with, or

1 *Competition and Consumer Act 2010* (Cth), Sch 2.

2 See the declaration of the primary judge made on 13 March 2024, consequent on reasons for judgment: *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393; *Bed Bath 'N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd (No 3)* [2024] FCA 226.

3 Section 120(1) of the *Trade Marks Act 1995* (Cth) provides that "[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".

Gageler CJ
Gordon J
Edelman J
Jagot J
Beech-Jones J

2.

deceptively similar to"⁴ the BBNT mark, found that GRBA's conduct was misleading or deceptive in contravention of s 18(1) of the *Australian Consumer Law*.

4 The primary judge explained these different outcomes on the basis that the question of trade mark infringement under s 120(1) of the *Trade Marks Act* was to be decided by reference to the ordinary consumer's impression or recollection (including imperfect recollection) of the marks, the ordinary consumer not being "credited with any knowledge of the actual use of the registered trade mark, or any reputation associated with that mark".⁵ In contrast, the question of contravention of s 18(1) of the *Australian Consumer Law* was to be decided by reference to GRBA's conduct in its immediate and broader context, including BBNT's reputation in the BBNT mark evaluated from the perspective of the reasonable consumer of the goods.⁶ The primary judge therefore declared that GRBA had engaged in conduct that was misleading or deceptive or likely to mislead or deceive in contravention of s 18(1) of the *Australian Consumer Law* and restrained GRBA from "supplying, selling, offering to sell, advertising or promoting soft homewares or the retailing of soft homewares under" the House B&B mark.

5 The Full Court of the Federal Court of Australia (Nicholas, Katzmann and Downes JJ) allowed GRBA's appeal against the primary judge's orders.⁷ The Full Court recognised that the primary judge considered BBNT's reputation in the BBNT mark was "crucial" to the different outcomes, but concluded that the difference in the criteria for determination of infringement of s 120(1) of the *Trade Marks Act* on the one hand, and of s 18(1) of the *Australian Consumer Law* on the other (with the effect that BBNT's reputation in the BBNT mark was irrelevant to the former but relevant to the latter), did "not explain why BBNT's reputation in

4 Section 10 of the *Trade Marks Act 1995* (Cth) provides that "[f]or the purposes of this Act, 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".

5 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 458 [415].

6 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 476 [516], 479-480 [536].

7 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123.

3.

the BBNT mark led her Honour to find that GRBA's use of the House B&B mark would be likely to mislead or deceive the ordinary and reasonable consumer, even though the marks were not deceptively similar".⁸ The Full Court reasoned that, given the primary judge's "clear finding" that BBNT's reputation was in the BBNT mark as a whole and BBNT did not establish "that it has any independent reputation in 'BED BATH' or 'BED & BATH' alone", the primary judge erred in "not giving effect to" that finding in determining the alleged contravention of s 18(1) of the *Australian Consumer Law*.⁹

6

The Full Court also did not consider the case to be relevantly "borderline" so as to justify the primary judge's use of the evidence of GRBA's founder, director and Executive Chairman, Steven Lew, to support the inference that GRBA "with knowledge of the market, considered that [the borrowing of the 'Bed & Bath' part of the BBNT mark] was 'fitted for the purpose and therefore likely to deceive or confuse'",¹⁰ and its ultimate conclusion that GRBA had engaged in conduct likely to mislead or deceive in contravention of s 18(1) of the *Australian Consumer Law*.¹¹ The Full Court reasoned that Mr Lew's evidence, treated by the primary judge as establishing GRBA's "wilful blindness to the risk of confusion", was incapable in the circumstances "of providing any reliable evidence on the objective question" of whether GRBA had engaged in conduct likely to mislead or deceive in contravention of s 18(1).¹²

8 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 144 [75].

9 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 144-145 [77]-[79], referring to *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 154 [120].

10 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 475-476 [512]-[514], quoting *Sydneywide Distributors Pty Ltd v Red Bull Australia Pty Ltd* (2002) 234 FCR 549 at 585 [117], quoting *Australian Woollen Mills Ltd v F S Walton & Co Ltd* (1937) 58 CLR 641 at 657.

11 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 146-147 [85]-[89].

12 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 147 [88].

Gageler CJ
Gordon J
Edelman J
Jagot J
Beech-Jones J

4.

7 As will be explained, this reasoning of the Full Court miscarried. The primary judge's reasons disclose no error of legal principle, fact-finding or reasoning process. Accordingly, there was no scope for appellate interference with the primary judge's orders.

Primary judge's key findings

BBNT and BBNT mark and branding

8 BBNT conducted a business operating a network of stores throughout Australia selling soft homewares under the BBNT mark since 1976. Soft homewares encompass textile goods, such as bedding and bed linen (for example, sheet sets, pillowcases and quilt covers), bathroom products (bath linen, such as towels, and bathroom accessories, such as soap dishes and shower caddies), household linen (for example, table cloths, table runners, napkins, teas towels and place mats), kitchenware (for example, cutlery, plates and bowls, serving ware and glasses, cups and mugs) and other homewares (for example, cushions, throws, vases and candles). BBNT did not sell beds, baths, or tables.

9 BBNT was a significant business and occupied a dominant position in the speciality soft homewares sector in Australia. It operated stores in prime retail locations with high consumer traffic. BBNT shopfronts typically involved: (a) a prominent store front appearance including an open glass store front displaying homewares; (b) prominent display signage bearing the BBNT mark appearing above the entryway to the store; (c) the BBNT mark in frosted writing on the front glass of the store; and (d) BBNT signage visible through the front windows and store entryway ("the BBNT get-up").

10 The BBNT mark appears prominently on stores and BBNT is a well-established brand in the soft homewares category with which many consumers are likely to be familiar.

11 None of BBNT's competitors used "bed" or "bath" in their name. Until the opening of GRBA's first soft homewares store using the House B&B mark and branding (as explained below), BBNT had been the only retailer in Australia that used the words "bed" and "bath" in its name for over 40 years.

GRBA and House mark and branding

12 GRBA is the owner of a business selling kitchenware and hard homewares under a trade mark incorporating the word "House" ("the House mark"). House stores are located in areas with high foot traffic and often near supermarkets. The

5.

House mark is well-established in the hard homewares market and GRBA has a substantial reputation in House as a retail brand throughout Australia.

- 13 House stores typically feature discount marketing in crowded displays with discount signage, typically in yellow and red.

GRBA and House B&B mark and branding

- 14 GRBA's first soft homewares store to open under the House B&B mark was at Westfield Doncaster shopping centre in Victoria in May 2021. Other House B&B stores under the House B&B mark and branding followed.

- 15 GRBA decided to use the House B&B mark and branding for the new Doncaster store "at the last minute before launch", that mark and branding having been suggested to Mr Lew by Meghan McGann, GRBA's Head of Brand and Media. Before this decision was made Ms McGann emailed Mr Lew on 3 May 2021 discussing naming and branding options for the new House B&B stores. Amongst other things, the email depicted the House B&B mark as Ms McGann's recommended name and brand and said that it "[w]ill have Bed bath and table running scared" ("the running scared email"). Mr Lew gave evidence that: (a) he and Ms McGann had never had a discussion about BBNT; (b) the proposed name was not derived from BBNT, saying "I never thought about Bed Bath 'N' Table" and "the words bed and bath are common descriptors in the category of all soft furnishings"; and (c) rejected the idea that the words "BED & BATH" triggered an association with the only competitor identified in the running scared email, BBNT, responding that "the terminology 'Bed & Bath' in that combination and usage of words is highly used by a lot of retailers, and it's very highly understood by the consumer".

- 16 On 6 May 2021 Ms McGann sent an email to Mr Lew saying:

"1. CHECK WITH LEGAL?

- **HOUSE Bed & Bath**

BEING FAST TRACKED NOT A BIG CONCERN FROM LAWYERS.

- **Check we can proceed — no objections**
- **Send logo off to register"**

17 The primary judge said that Ms McGann's evidence that this email did not relate to a concern about using "BED & BATH" as a brand and that she did not have trade mark issues in mind when sending this email was "frankly unbelievable". Ms McGann was "an unimpressive witness" whose evidence had to be treated with "extreme caution" in its entirety.¹³ The "frankly unbelievable" finding is the first of a series of findings of the primary judge framed in negative terms. In context, it is to be understood that the primary judge found that Ms McGann did have in mind BBNT as a business and the BBNT mark when she sent this email, her contrary evidence having been rejected.

18 Mr Lew gave further evidence that he selected the brand name "House Bed & Bath" because: (a) it was a category descriptor that clearly indicated to consumers that the new store sold different products from those of the traditional House stores; (b) "BED & BATH" "rolls off the tongue" more easily than "Bath & Bed"; and (c) it was important to use generic category words to describe the difference between the new store and the other House stores, particularly as they could be co-located in the same shopping centre. According to Mr Lew, "it never crossed his mind that there might be a potential problem with any to similarity, or confusion with, BBNT".¹⁴ Mr Lew said he did not perceive any similarity between the store names BED BATH N' TABLE and House BED & BATH. Further, despite Ms McGann's references to BBNT in the running scared email, Mr Lew's evidence was that he had never had a discussion with Ms McGann about BBNT. Mr Lew accepted, however, that BBNT was the only retailer using "bed" and "bath" in its name and store signage before GRBA did so in May 2021, and that the public knew BBNT by reference to the words "bed" and "bath".

19 The primary judge found that it would have been "extraordinary" if Mr Lew "with his considerable experience as a retailer, did not have ... awareness ... [of BBNT] firmly in mind when selecting the words 'BED & BATH' for the new store name". The primary judge considered it "telling that Mr Lew only made two references to BBNT in his primary affidavit" and that Mr Lew "could hardly have

13 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 421 [156], 428 [217]-[218].

14 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 425 [180].

7.

endeavoured to say less despite his long-standing knowledge of this business and the specific identification of it at the time when the new branding was selected".¹⁵

20 Again, although these findings are framed in the negative, in context, they are to be understood as findings that, based on his long-standing knowledge of the retail homewares business, Mr Lew had BBNT firmly in mind and the words "bed and bath" as part of that mark and branding when selecting the House B&B mark and branding.

21 Overall, in respect of the evidence of Mr Lew and Ms McGann on behalf of GRBA, the primary judge found that: (a) Mr Lew and Ms McGann were keenly aware of BBNT as a prominent competitor in the soft homewares market and kept a very close eye on BBNT, reflecting that BBNT was the dominant player in the market that GRBA was about to enter; (b) consistently with this keen awareness, BBNT was the only competitor mentioned in GRBA's internal communications before adopting the House B&B mark for its soft furnishings stores; (c) the evidence of Mr Lew and Ms McGann that the House B&B mark and branding for its soft furnishings stores did no more than function as "category descriptors" for the contents of the stores was "contrived and an attempt to reverse engineer the thought process behind selecting" the House B&B mark and branding,¹⁶ by which it should be understood that the primary judge found GRBA adopted the House B&B mark and branding for its soft furnishings stores because of Mr Lew's and Ms McGann's keen awareness of BBNT and its dominance in that market; (d) "Mr Lew's and Ms McGann's refusals to acknowledge, or even conceive, that there was any prospect of consumers being confused by [the House B&B mark and branding] and BBNT was untenable",¹⁷ by which it should be understood that the primary judge found Mr Lew and Ms McGann were aware that there was a prospect of consumers being so confused; and (e) Mr Lew was "wilfully blind to the similarities between [the House B&B mark and branding] and [the branding of] GRBA's key competitor BBNT as he perceived that there was a commercial

15 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 426 [187]-[188].

16 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 431-432 [241].

17 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 432 [242].

Gageler CJ
Gordon J
Edelman J
Jagot J
Beech-Jones J

8.

benefit in using part of a well-known brand name in the new soft homewares store".¹⁸

22 The primary judge also found that "the evidence in this case falls short of demonstrating a commercially dishonest intention on the part of GRBA to appropriate part of BBNT's trade or reputation", GRBA's conduct being "more in the nature of a wilful blindness to any potential for confusion"¹⁹ or, as the primary judge put it in respect of Mr Lew, "an astonishing level of blindness to the possibility of confusion" between the BBNT mark and the House B&B mark.²⁰

23 GRBA applied for registration of the House B&B mark on 12 May 2021.

24 On 14 May 2021, GRBA began operating a new soft homewares business selling products for the bedroom and bathroom using the House B&B mark and branding.

Primary judge's other conclusions

Trade mark infringement context

25 In the BBNT mark and the House B&B mark the words "bed" and "bath" were not "performing a purely descriptive role. Neither BBNT nor GRBA sell beds or baths. Both sell bed and bath related products, such as sheets and towels. In both marks, the words 'bed' and 'bath' are more allusive than directly descriptive."²¹

26 The BBNT mark and the House B&B mark "have in common two of their three words: the words 'BED' and 'BATH'. The words 'BED' and 'BATH' (in that order) provide a natural alliteration when spoken and are visually, phonetically and aurally significant parts of both marks. The consumer may not recall whether the words are capitalised but is likely to recall the order of the words such that the

18 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 432 [242].

19 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 459 [422]. See also at 467 [470].

20 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 467 [469].

21 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 460 [431].

word 'BED' is directly followed by the word 'BATH'. ... Whilst the words 'bed' and 'bath' might be commonly used inside shops as category or navigational descriptors, the ordinary consumer would be aware that they are not commonly used in shop names and external signage in Australia."²²

27 In comparing the imperfect recollection of a consumer of the BBNT mark and the House B&B mark for the purpose of determining trade mark infringement under s 120(1) of the *Trade Marks Act* (and therefore without consideration of BBNT's reputation in the BBNT mark), several "substantial and crucial differences between the marks" meant that the primary judge was not satisfied of such infringement.²³ Those differences were: (a) the "N' TABLE" element of the BBNT mark "is unlikely to be entirely forgotten in the consumer's imperfect recollection of" that mark as the "N' TABLE" part is "visually and phonetically unusual, and unique to BBNT";²⁴ (b) BBNT is not recognised by consumers simply as "BED BATH";²⁵ (c) the "N' TABLE", and therefore the composite arrangement of the three words in the BBNT mark, is entirely absent from the House B&B mark;²⁶ (d) "House" is the significant visual and aural part at the start of the House B&B mark;²⁷ and (e) the different presentation and orientation of the marks is also important.²⁸

22 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 461 [436].

23 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 461 [437].

24 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 462 [438].

25 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 462 [438].

26 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 462 [439].

27 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 462 [440].

28 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 462 [441].

Australian Consumer Law context

28 In respect of the claimed contravention of s 18(1) of the *Australian Consumer Law*, the primary judge recorded that the task involves the characterisation "as an objective matter, [of] the conduct viewed as a whole and its notional effects on the state of mind of the relevant class of persons, judged by reference to its context", such context including "the immediate context – all the words in the document, or other communication and the manner in which those words are conveyed, not just a word or phrase in isolation" and "the broader context — the relevant surrounding facts and circumstances".²⁹ This, said the primary judge, was different from the task under s 120(1) of the *Trade Marks Act* in which "the reputation of the registered trade mark plays *no* role in the analysis of deceptive similarity under s 120(1)" and 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 well-known merchandise for many years'".³⁰

29 The relevant conduct was GRBA's use of "House B&B" as the name of its new soft homewares stores, first launched at Westfield Doncaster shopping centre on 14 May 2021, including the use of the House B&B mark on the external signage over the entrance to its store and the use of the House B&B mark on the House website. The relevant class of consumer was the general public looking to browse or buy soft homewares products. "The effect of the conduct on the ordinary and reasonable member of the general public is what must be considered."³¹

30 The House B&B mark and branding appeared prominently on the exterior of House B&B stores. The external appearance of GRBA's soft homewares stores was "much like other soft homewares stores: the [Doncaster] store had large glass windows through which made up beds could be seen. Across the entrance to the

29 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 469-470 [486]-[487], referring to *Self Care IP Holdings Pty Ltd v Allergan Australia Pty Ltd* (2023) 277 CLR 186 at 225-226 [80]-[82].

30 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 451 [371] (emphasis in original), quoting *Self Care IP Holdings Pty Ltd v Allergan Australia Pty Ltd* (2023) 277 CLR 186 at 205 [21], quoting *CA Henschke & Co v Rosemount Estates Pty Ltd* (2000) 52 IPR 42 at 62 [43].

31 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 472 [493], 473-474 [504].

store was the House B&B sign."³² This "Hamptons" styling³³ of the House B&B stores was different from "the typical House store with which consumers are familiar, with its cluttered appearance and discount signage".³⁴

31 The broader context of GRBA's conduct included that: (a) BBNT had acquired an extensive reputation in the BBNT mark in Australia which had been accumulated over 40 years of use in the soft homewares market; (b) the BBNT mark, despite containing ordinary English words, had become factually distinctive of BBNT as a result of over 40 years of use in Australia; (c) BBNT had around 167 stores in Australia; (d) the BBNT stores commonly had large front windows through which could be seen one or two made up beds in "Hamptons" style and frosted glass window decals with the BBNT mark, similar to stores of other soft homewares retailers; (e) soft homewares retailers are often co-located in close proximity in shopping centres; (f) GRBA had, over 40 years, acquired an extensive reputation in the House mark and its hard homewares stores in Australia; (g) House stores had a particular "discount" look, unlike the "Hamptons" style of the soft homewares retailers, and sold kitchenware products; (h) GRBA had around 140 House stores in Australia; (i) no retailer in Australia other than BBNT used the words "bed" and "bath" in their store name or external signage. BBNT therefore had over 40 years of "unique" use; (j) soft homewares retailers use "bed" and "bath" as category descriptors inside their retail stores (as opposed to on external signage), particularly department stores; and (k) soft homewares products range in price from a few dollars (face washer or coaster) to a few hundred dollars (quilt covers).³⁵

32 Further, Mr Lew's evidence that "BED & BATH" "'rolls off the tongue' more easily than the other" two options of "House BATH AND BED" and "House BEDWORKS" was "in all likelihood the result of the 40 years of use of those

32 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 474 [507].

33 A store design "intended to convey 'a quality image' and a home feel that is luxurious and upmarket": *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 408 [74].

34 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 475 [510].

35 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 474-475 [509].

Gageler CJ
Gordon J
Edelman J
Jagot J
Beech-Jones J

12.

words in Australia by BBNT as part of its name. It is not the natural order for reference to those words. That is, the usual sequence is to have a bath before you go to bed, especially for small children. Notwithstanding that BBNT does not have an independent reputation in the words 'BED BATH' alone, BBNT's longstanding reputation in its name which included the words 'bed' and 'bath' (and in that order) is undoubtedly part of the reason that those words appealed to GRBA, which could leverage off that well-known pairing of words in entering a new market for the first time."³⁶ The reasonable consumer would not see the words "bed" and "bath" in GRBA's soft homewares stores name "primarily as category descriptors", as consumers are familiar with seeing those words used as category descriptors inside stores, not on the exterior of stores, other than BBNT soft homewares stores.³⁷

33 Finally: (a) when it adopted the House B&B mark, GRBA was aware of the existence of BBNT and its reputation in the soft homewares sector; (b) although GRBA's wilful blindness may not amount to an intention to deceive consumers, it provides a "reliable and expert opinion on the question of whether [GRBA's conduct] is in fact likely to deceive";³⁸ (c) GRBA, having knowledge of the soft homewares market, borrowed the BBNT get-up, meaning that an inference can and should be drawn that GRBA believed "that there will be a market benefit in so doing" and believed "that such borrowing was 'fitted for the purpose and therefore likely to deceive or confuse'";³⁹ and (d) while this inference could have been undermined by evidence from GRBA explaining the borrowing of the BBNT get-up, the evidence of GRBA's witnesses, particularly Mr Lew and Ms McGann, as

36 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 476 [514].

37 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 476 [516].

38 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 475 [511], quoting *Australian Woollen Mills Ltd v F S Walton & Co Ltd* (1937) 58 CLR 641 at 657.

39 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 475-476 [512], quoting *Sydneywide Distributors Pty Ltd v Red Bull Australia Pty Ltd* (2002) 234 FCR 549 at 585 [117].

to the selection of the House B&B mark and branding had been rejected as not "truthful or plausible", so the inference was not undermined in this case.⁴⁰

34 The primary judge therefore concluded that there were likely to be consumers who had been enticed into GRBA's soft homewares stores in the belief that they had some association with BBNT, and this likelihood was more than "merely transitory or ephemeral" or "likely to be readily or quickly dispelled".⁴¹ This "may have, on occasion, led a consumer to purchase products from [GRBA's soft homewares stores] in the mistaken belief that it was a BBNT, or BBNT-related, store".⁴² The primary judge also noted the evidence that "consumers actually did question whether there was such an association";⁴³ and said that while this was of "very little weight on its own", it strengthened her Honour's independently drawn conclusion that GRBA's conduct was misleading or deceptive or likely to mislead or deceive in contravention of s 18(1) of the *Australian Consumer Law*.

Full Court's reasoning miscarried

Approach to appellate review

35 The Full Court started from the premise that the primary judge's findings, including that GRBA's use of the House B&B mark on its soft homewares stores was likely to mislead and deceive consumers into the erroneous belief of an association between those stores and BBNT, carried "significant weight".⁴⁴ The Full Court also accepted that "[t]he advantages of the trial judge may be ... subtle and imprecise, yet real, not giving rise to a protection of the nature accorded

40 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 476 [513].

41 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 477 [519], quoting *State Street Global Advisors Trust Company v Maurice Blackburn Pty Ltd (No 2)* (2021) 164 IPR 420 at 536 [716].

42 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 477 [519].

43 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 477 [520]-[521].

44 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 136 [47].

credibility findings, but, nevertheless, being highly relevant to the assessment of the weight to be accorded the views of the trial judge".⁴⁵ Ultimately, "[h]owever, if after making due allowance for the advantages enjoyed by the trial judge, the appellate court is of the view that the judgment under appeal is wrong, then it should give effect to its own view".⁴⁶

36 This starting point was correct.

Misunderstanding of reasoning of primary judge

37 In applying the required approach to its appellate review the Full Court did not apply the required principles,⁴⁷ instead unduly focusing its analysis on the question whether the trade marks were deceptively similar under s 120(1) of the *Trade Marks Act* at the expense of considering the immediate and broader context of the impugned conduct and, consequentially, conflating the required inquiries under s 120(1) of the *Trade Marks Act* and s 18(1) of the *Australian Consumer Law*.

38 The Full Court's conclusion that the primary judge did "not explain why BBNT's reputation in the BBNT mark led her Honour to find that GRBA's use of the House B&B mark would be likely to mislead or deceive the ordinary and reasonable consumer, even though the marks were not deceptively similar"⁴⁸ exposes this error. It is apparent from the primary judge's reasoning in respect of trade mark infringement (a claim which her Honour rejected) and misleading or deceptive conduct (which her Honour found to have occurred) that the primary judge explains the different outcomes by reference to BBNT's reputation in the BBNT mark.

45 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 136 [50], quoting *Branir Pty Ltd v Owston Nominees (No 2) Pty Ltd* (2001) 117 FCR 424 at 437 [28].

46 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 137 [52].

47 *Self-Care IP Holdings Pty Ltd v Allergan Australia Pty Ltd* (2023) 277 CLR 186 at 225-226 [80]-[82].

48 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 144 [75].

39 The different explanation is apparent, for example, from comparing the circumstances the primary judge described as relevant to trade mark infringement under s 120(1) of the *Trade Marks Act*⁴⁹ with those broader circumstances the primary judge considered to be relevant to the claim of misleading or deceptive conduct in contravention of s 18(1) of the *Australian Consumer Law*.⁵⁰ The relevant circumstances in the latter case⁵¹ included several additional factors: (a) BBNT's reputation in the BBNT mark and branding as distinctive of its soft homewares stores; (b) GRBA's reputation in the House mark and branding for its House stores; (c) consumers' knowledge over 40 years of the distinctive appearances of BBNT stores and House stores; (d) BBNT's use of the words "bed" and "bath" in that order, being unique to the exterior of BBNT stores for over 40 years and being not the natural order for reference to those words, meaning that those two words in that order "rolled off the tongue" and were undoubtedly part of the reason that those words appealed to GRBA, which could leverage off that well-known pairing of words in entering a new market for the first time; to which was added (e) GRBA's wilful blindness to the risk of confusion when it decided to use the House B&B mark and branding on its soft homewares stores. Faced with those circumstances the primary judge was satisfied that, despite the several "substantial and crucial differences between the marks" themselves,⁵² GRBA's conduct in using the House B&B mark as the name of GRBA's soft homewares stores as appearing on the exterior of those stores and otherwise, constituted misleading or deceptive conduct.

40 That the marks were not deceptively similar under s 120(1) of the *Trade Marks Act* does not mean that GRBA's conduct in using the House B&B mark as the name of and branding for GRBA's soft homewares stores, as appearing on the exterior of those stores and otherwise, was not likely to mislead and deceive consumers. The primary judge's answer to the trade mark infringement case did not provide an answer to the misleading or deceptive conduct case. The scope and function of the *Trade Marks Act* is different from the scope and function of the

49 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 459-460 [423].

50 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 474-475 [509].

51 Identified at [29]-[31] above.

52 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 461 [437].

Australian Consumer Law, and the interests the former Act protects are different and have, in any event, changed over time.⁵³

41 The Full Court's erroneous focus on the marks decontextualised from the conduct is also exposed by the Full Court's reliance on the fact that the primary judge found BBNT's reputation was in the BBNT mark as a whole and not the words "bed" and "bath". The Full Court relied on that finding to explain its conclusion that it did not follow from BBNT having been the unique user of those words on the exterior of BBNT stores for over 40 years that "those words alone were distinctive of BBNT".⁵⁴ This observation overlooks the findings of the primary judge that: (a) BBNT's longstanding reputation in its name included the words "bed" and "bath" (in that order); (b) the words "bed" and "bath" are not in their normal sequence but because of BBNT's long-standing use the words "bed and bath" rolled easily off the tongue; (c) consumers are familiar with seeing those words used as category descriptors inside stores, not on the exterior of stores other than BBNT soft homewares stores; (d) House stores had their own distinctive get-up different from the BBNT get-up; and (e) the House B&B stores get-up used the same "Hamptons" style as the BBNT stores. This observation also reflects a conflation of the concept of "distinctiveness" in trade mark law, which involves the whole mark,⁵⁵ with the broader concept of conduct in its immediate and broader context applicable to s 18(1) of the *Australian Consumer Law*. In any event, the question was not whether it followed from BBNT's use of the BBNT mark for over 40 years that the use of "bed" and "bath" by another trader would be likely to mislead or deceive but whether the primary judge's conclusion involved material error.

42 The Full Court next observed that it followed from the primary judge's finding that BBNT's reputation was in the BBNT mark as a whole that "it is the use of the composite phrase 'BED BATH 'N' TABLE' or 'BED BATH AND TABLE', not 'BED BATH' or 'BED & BATH' that would indicate the existence of a commercial association between the business operating under that name and

53 eg, *Campomar Sociedad Limitada v Nike International Ltd* (2000) 202 CLR 45 at 65-66 [42], cf *Henry Clay & Bock & Co Ltd v Eddy* (1915) 19 CLR 641 at 664 (in the context of the *Trade Marks Act 1865* (NSW)).

54 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 144 [76].

55 *Trade Marks Act 1995* (Cth), ss 17, 41(1). See, eg, *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* (2010) 241 CLR 144 at 163 [43].

another business using a different name which also included the words 'BED & BATH'.⁵⁶ The problem with this reasoning is that the positive proposition (the specified uses would indicate a commercial association) does not prove or support the negative proposition (GRBA's use of the House B&B mark and branding in its immediate and broader context would not indicate a commercial association). That the Full Court considered it did prove or support the negative proposition would appear to be the result of its focus on the marks, not on the conduct in context.

43 This also explains why GRBA's reliance on the Full Court's characterisation of the words "bed" and "bath" as "largely descriptive"⁵⁷ of the products within soft homewares stores is misplaced. That characterisation itself materially downplays the significance of the primary judge's findings about the significance those two words, in that order, on the exterior of BBNT soft homewares stores, as part of the overall BBNT mark and branding.

44 Finally, and contrary to the finding of the Full Court, the primary judge's reasoning does not give BBNT a monopoly in the words "bed" and "bath".⁵⁸ The terms of the primary judge's declaration of the contravention of s 18(1) of the *Australian Consumer Law* identify the conduct found to have engaged the statutory proscription. It remains the case that "the possibility of blunders by members of the public will always be present when names consist of descriptive words" and that "risk of confusion must be accepted", so that "a name [which] is no more than merely descriptive of a particular type of business" can be used by another business without contravening the statutory proscription on misleading or deceptive conduct or conduct likely to mislead or deceive,⁵⁹ mere confusion being

56 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 144 [77].

57 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 154 [118].

58 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 138 [53(4)].

59 *Hornsby Building Information Centre Pty Ltd v Sydney Building Information Centre Ltd* (1978) 140 CLR 216 at 229-230.

Gageler CJ
Gordon J
Edelman J
Jagot J
Beech-Jones J

18.

insufficient to amount to such conduct in any event.⁶⁰ But, on the primary judge's findings, that is not the present case.

45 Therefore, the primary judge did not err "when considering the [*Australian Consumer Law*] claim by not giving effect to her own finding that BBNT had no independent reputation in 'BED BATH' or 'BED & BATH'".⁶¹ Nor was there any inconsistency between that finding and her Honour's conclusion that GRBA's conduct was likely to mislead or deceive consumers.⁶²

46 The Full Court posited two alternatives, one of which it considered had to be so for GRBA's conduct to be likely to mislead or deceive. The alternatives were that either consumers would have to confuse the two marks, or "despite recognising the differences between them ... draw the inference from the presence of either 'BED BATH' or 'BED & BATH' in the two marks that there was some association between the businesses using them".⁶³ This, however, was not the universe of possibilities. It could not be because its focus is only the two marks and nothing else.

47 The Full Court's analysis of its two alternatives displayed the same undue focus on the marks. As to the first alternative, the Full Court considered that the marks were so different that "the ordinary and reasonable consumer would be very unlikely to confuse the two marks irrespective of whether they knew of BBNT".⁶⁴ As to the second alternative, the Full Court considered that one answer was that "[t]he fact that those words had not previously been used as part of a brand name or on the outside of a store except by BBNT does not make it likely that the ordinary and reasonable consumer would think that no other trader could do so

60 *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191 at 198.

61 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 145 [79].

62 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 145 [79].

63 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 145 [81].

64 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 145 [82].

without being associated in some way with BBNT".⁶⁵ The Full Court's other answer was that, given the significant differences between the two "names", "[t]he ordinary and reasonable consumer would do no more than infer that both businesses were engaged in the supply of soft homewares for bedrooms and bathrooms".⁶⁶ All of these conclusions derive from a decontextualised analysis of the marks alone and are irreconcilable with the findings of the primary judge in respect of BBNT's unique use of the words "bed" and "bath", in that order, on the exterior signage of its BBNT stores over many years, by reason of which those words, in that order, easily roll off the tongue.

Error in dealing with the state of mind evidence

48 The Full Court did "not consider either Mr Lew's or Ms McGann's intentions provide any real assistance in determining whether GRBA engaged in conduct that was likely to mislead or deceive".⁶⁷ The Full Court said that: (a) taken at its highest, the primary judge's finding with respect to Mr Lew's state of mind amounted to a finding that Mr Lew knew that some confusion would occur, which was not the same as an intention to mislead or deceive consumers or an intention to cause confusion;⁶⁸ (b) given the limitations of her Honour's findings as to "wilful blindness", Mr Lew's subjective state of mind was not "capable of providing any reliable evidence on the objective question" of whether the conduct was likely to mislead or deceive consumers.⁶⁹

49 The primary judge's findings, however, were not as limited as the Full Court understood them to be. It was not necessary for the primary judge to characterise the state of knowledge to be attributed to GRBA from the evidence of Mr Lew and

65 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 146 [84].

66 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 146 [84].

67 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 146 [86].

68 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 146 [86].

69 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 147 [88].

Ms McGann in terms of particular degrees of knowledge.⁷⁰ The primary judge's characterisation of the state of mind as "wilful blindness" and rejection of Mr Lew being "commercially dishonest"⁷¹ is not to be converted into a finding of honesty.

50 The primary judge disbelieved the evidence of Mr Lew and Ms McGann as, amongst other things, "contrived", "reverse engineered" and "untenable", leading to an "astonishing level of wilful blindness"⁷² on the part of Mr Lew, attributable to GRBA. In these circumstances there can be no doubt that when the primary judge referred to GRBA as having adopted "a name that appropriated two words from one of its largest, if not the largest, competitor"⁷³ or having "borrowed" two words from BBNT's name, her Honour was conveying that GRBA's use of those words from BBNT's name was deliberate. Similarly, when the primary judge found that "those [two] words appealed to GRBA, which could leverage off that well-known pairing of words in entering a new market for the first time"⁷⁴ and Mr Lew "perceived that there was a commercial benefit in using part of a well-known brand name in the new soft homewares store";⁷⁵ and Mr Lew and Ms McGann as "experienced traders, saw an obvious benefit to using 'BED & BATH' to attract customers that would otherwise have gone to BBNT",⁷⁶ the primary judge meant

70 eg, *Consul Development Pty Ltd v DPC Estates Pty Ltd* (1975) 132 CLR 373 at 398, 412; *Baden v Société Générale pour Favoriser le Développement du Commerce et de l'Industrie en France SA* [1993] 1 WLR 509 at 575-576, 582; [1992] 4 All ER 161 at 235, 242-243, quoted in *Farah Constructions Pty Ltd v Say-Dee Pty Ltd* (2006) 230 CLR 89 at 163 [174]-[176].

71 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 459 [422].

72 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 467 [469].

73 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 430 [234], 431 [237], 479-480 [536].

74 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 476 [514].

75 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 432 [242].

76 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 453 [385].

21.

that GRBA consciously and deliberately intended to take advantage of BBNT's existing reputation in soft homewares, albeit that the evidence did not permit a finding that GRBA intended to mislead or deceive, or to confuse, consumers as to an association between GRBA's soft homewares stores and BBNT or "to appropriate part of BBNT's trade or reputation".⁷⁷

51 In this field of discourse, many fine distinctions can be drawn. In this case the "wilful blindness" found by the primary judge was of a particular kind and found to exist in a particular context. Nothing material is gained by GRBA emphasising the lack of a finding of dishonesty against it.

52 Contrary to the submissions for GRBA, it is not the case that the evidentiary propositions in *Australian Woollen Mills v F S Walton & Co Ltd*⁷⁸ are confined to cases of a trader's use of a competitor's trade mark or get-up with dishonest intent to mislead consumers. The relevant part of the reasoning in *Australian Woollen Mills* is compressed. Dixon and McTiernan JJ described the first proposition as a "rule that if a mark or get-up for goods is adopted for the purpose of appropriating part of the trade or reputation of a rival, it should be presumed to be fitted for the purpose and therefore likely to deceive or confuse". Their Honours then said that "[i]n a question how possible or prospective buyers will be impressed by a given picture, word or appearance, the instinct and judgment of traders is not to be lightly rejected, and when a dishonest trader fashions an implement or weapon for the purpose of misleading potential customers he at least provides a reliable and expert opinion on the question whether what he has done is in fact likely to deceive".⁷⁹ Ultimately, their Honours said, "it becomes a question of fact for the court to decide whether in fact there is such a reasonable probability of deception or confusion that the use of the new mark and title should be restrained".⁸⁰

53 There are several strands of reasoning in these observations. The last strand, in principle, is the first; the ultimate question (by analogy, whether conduct is misleading or deceptive or likely to mislead or deceive) is one of objective assessment of fact. The second strand involves an evidentiary approach, so that if

77 *Bed Bath N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at 459 [422].

78 *Australian Woollen Mills Ltd v F S Walton & Co Ltd* (1937) 58 CLR 641.

79 *Australian Woollen Mills Ltd v F S Walton & Co Ltd* (1937) 58 CLR 641 at 657.

80 *Australian Woollen Mills Ltd v F S Walton & Co Ltd* (1937) 58 CLR 641 at 658.

Gageler CJ
Gordon J
Edelman J
Jagot J
Beech-Jones J

22.

the person intending to achieve an end or object by the doing of an act is a trader in the relevant area of business, that trader's belief that the doing of an act will achieve a certain end or object and that trader's doing of the act on the basis of that belief may be taken as "a reliable and expert opinion on the question whether what [the trader] has done is in fact likely to" achieve the intended end or object. The inference that the trader held this state of mind, referred to as an "expert opinion", is relevant and forms part of the evidence before the judge to be weighed with all other relevant evidence on the ultimate objective question of fact, whether the intended end or object occurred.

54 While, in explaining this final strand, their Honours referred to a "dishonest trader" achieving the end or object of misleading or deceiving consumers, neither in logic nor legal principle can the method of reasoning be so limited. In the case of misleading or deceptive conduct or conduct likely to mislead or deceive in contravention of s 18(1) of the *Australian Consumer Law*, a person's dishonest intention is not an element of the statutory proscription. A person may be scrupulously honest and yet by conduct contravene s 18(1). But that does not mean a person's state of mind is irrelevant to the question of contravention. A person's state of mind may be relevant in the ways described in *Australian Woollen Mills*. Moreover, because s 18(1) does not depend on a person's dishonest intention, a person's state of mind, directly or by analogy, may engage the approach to evidence explained in *Australian Woollen Mills*. The infinite spectrum of a person's state of mind from dishonest intent to scrupulous honesty are all within the scope of that reasoning.

55 In the present case, as noted, the primary judge was not satisfied that GRBA dishonestly intended to appropriate part of BBNT's trade and reputation by misleading consumers as to an association between GRBA's soft homewares stores and BBNT. But GRBA, on the primary judge's findings, certainly intended to take part of BBNT's trade and decided to use part of the BBNT mark, together with the "Hamptons" style of the BBNT get-up and other soft homewares stores, intending to achieve the end or object of taking part of BBNT's trade. The primary judge's reasoning that the evidentiary approach in *Australian Woollen Mills* was engaged and that the evidentiary approach supported the inference that Mr Lew's state of mind was a cogent reflection of reality involved no error.

56 The observation on which the Full Court relied, that "proof of a subjective intention to mislead ... may be *some* evidence that in a border line case the

respondents' conduct is likely to mislead or deceive",⁸¹ is too narrow in multiple respects. As explained, the evidentiary approach in *Australian Woollen Mills* is not confined to cases of a subjective intention to mislead. Nor are they engaged only in a "border line case". And nor is such resulting evidence to be classified as "some evidence" only, if by that emphasis the Full Court was intended to convey that evidence resulting from the operation of the evidentiary approach is to be given less weight on an a priori basis derived from its character. A judge's obligation is to consider all the relevant evidence including the evidence resulting from the operation of the evidentiary approach. The weight of the evidence so resulting will be an output of the judge's calibration of the overall strengths and weaknesses of all the relevant evidence. The weight the resulting evidence takes in the particular case therefore is not capable of being either "overstated"⁸² or "understated" in the abstract as it will be case dependent.

57 For these reasons, the primary judge's inferences about the states of mind of Mr Lew and Ms McGann and properly attributable to GRBA, could and did provide cogent evidence relevant to the objective question of contravention of s 18(1) of the *Australian Consumer Law*. The primary judge's findings, including about those states of mind, were sufficient to establish that GRBA had engaged in misleading or deceptive conduct or conduct likely to mislead or deceive in contravention of s 18(1).

Orders

58 For these reasons, the following orders are to be made:

- (1) The appeal be allowed.
- (2) Orders 1, 3 and 4 of the Full Court of the Federal Court of Australia made on 31 October 2024 be set aside, and in lieu thereof, the appeal to the Full Court be dismissed with costs against the respondent for the appeal and costs against the appellant for the cross-appeal.

81 *Global Retail Brands Australia Pty Ltd v Bed Bath N' Table Pty Ltd* (2024) 183 IPR 123 at 142 [71], quoting *Verrocchi v Direct Chemist Outlet Pty Ltd* (2016) 247 FCR 570 at 587 [103] (emphasis in original).

82 cf *Hashtag Burgers Pty Ltd v In-N-Out Burgers, Inc* (2020) 385 ALR 514 at 533 [68].

Gageler CJ
Gordon J
Edelman J
Jagot J
Beech-Jones J

24.

- (3) Orders 1-12 made by the primary judge on 13 March 2024 be re-instated.
- (4) The matter be remitted to a judge of the Federal Court of Australia for determination of the remaining issues, including the appellant's claim for pecuniary relief.
- (5) The respondent pay the appellant's costs of and incidental to the appeal.

