

**HIGH COURT OF AUSTRALIA**

KIEFEL CJ, GAGELER, GORDON, EDELMAN AND GLEESON JJ

**THE COURT:**

- 1 Botox is an injectable pharmaceutical product containing botulinum toxin, type A. Allergan Inc, the second respondent, manufactures Botox and is registered under the *Trade Marks Act 1995* (Cth) ("the TM Act") as the owner of various trade marks, including the BOTOX mark in class 5 for goods including "[p]harmaceutical preparations for the treatment of ... wrinkles" and in class 3 for goods including "anti-ageing creams" and "anti-wrinkle cream". The class 3 mark is referred to in this judgment as the "BOTOX mark". Allergan<sup>1</sup> does not use the BOTOX mark on any class 3 goods – that mark is a "defensive trade mark" under s 185 of the TM Act.
- 2 The appellants (collectively, "Self Care") supply cosmetic products in class 3, including anti-wrinkle skincare products, under the trade mark FREEZEFRAME. Self Care's products are topical creams, serums and lotions that are typically self-applied. The issues in this Court were confined to just two of Self Care's products – Inhibox and Protox.
- 3 Under the TM Act, in relation to alleged infringement of the BOTOX mark contrary to s 120(1), there were relevantly two issues. First, did Self Care use the phrase "instant Botox® alternative" on Packaging A, Packaging B and its website<sup>2</sup> in relation to Inhibox as a mark and, if so, was it deceptively similar to the BOTOX mark? Second, when Self Care used PROTOX as a mark<sup>3</sup> (about which there was no dispute) was it deceptively similar to the BOTOX mark? Addressing both those issues required this Court to squarely

<sup>1</sup> The first respondent, Allergan Australia Pty Ltd, is a subsidiary of the second respondent, Allergan Inc (collectively, "Allergan").

<sup>2</sup> Photographs of Packaging A and Packaging B of Inhibox are in Sch 1 to these reasons for judgment. Relevant extracts from Self Care's website are set out in the reasons.

<sup>3</sup> Photographs of the packaging of Protox are in Sch 2 to these reasons for judgment.

confront the question of the relevance, if any, of reputation in assessing deceptive similarity in infringement proceedings under s 120(1) of the TM Act. As these reasons will show, reputation is not relevant to that inquiry. And, contrary to the findings of the Full Court of the Federal Court of Australia, Self Care did not infringe Allergan's BOTOX mark under s 120(1) of the TM Act by its use of either "instant Botox® alternative" or PROTOX.

4 The third issue in this Court concerned whether Self Care contravened ss 18(1) and 29(1)(a) and (g) of the *Australian Consumer Law*<sup>4</sup> ("the ACL"). The Full Court found that Self Care's use of the phrase "instant Botox® alternative" on Packaging A, Packaging B and the website in relation to Inhibox conveyed a representation that the wrinkle reducing effects of Inhibox would last, after treatment, for a period equivalent to that which would be achieved with treatment by Botox injection ("the long term efficacy representation"). Self Care appealed that finding in this Court. There was no dispute that, if conveyed, the long term efficacy representation was misleading contrary to ss 18 and 29 of the ACL. The only issue was whether Self Care made the long term efficacy representation. As these reasons will explain, contrary to the findings of the Full Court, the long term efficacy representation was not made. Self Care's appeals should be allowed.

5 These reasons will address relevant aspects of the TM Act, focusing particularly on the scheme for registration of a trade mark (including the grounds for opposition and refusal of registration) and the provisions relating to defensive trade marks. The reasons will then address the principles applicable to assessing whether a sign is used as a trade mark and, if so, whether the mark is deceptively similar to a registered trade mark contrary to s 120(1) of the TM Act. In that context, the reasons will consider Self Care's use of the signs "instant Botox® alternative" and PROTOX. The reasons will then turn to the third issue on appeal – the correct approach when determining the meaning conveyed by

<sup>4</sup> *Competition and Consumer Act 2010* (Cth), Sch 2.

conduct alleged to contravene the ACL and whether Self Care made the long term efficacy representation.

## RELEVANT ASPECTS OF THE TM ACT

6 The TM Act provides for the registration of trade marks and sets out and protects the rights deriving from registration. The structure and policy of the Act may be relevantly summarised as follows: (1) the Register of Trade Marks will protect distinctive trade marks<sup>5</sup>; (2) a trade mark is registered in respect of particular goods or services in one or more of the classes of goods or services recognised in the internationally agreed Nice Classification and adopted by the TM Act and the *Trade Marks Regulations 1995* (Cth) ("the TM Regs")<sup>6</sup>; (3) the registered trade mark is treated as property itself<sup>7</sup> and the registered owner of a trade mark has rights including the exclusive right to *use* the trade mark in relation to the goods or services in respect of which it is registered ("the monopoly")<sup>8</sup>; (4) the monopoly following registration is a sufficient basis upon which to seek relief from infringement<sup>9</sup>; and (5) the likelihood of deception and confusion between trade marks should be avoided<sup>10</sup>.

7 A "trade mark" is defined in s 17 as "a *sign used*, or intended to be used, *to distinguish*" one trader's goods or services from those of another (emphasis added). A "sign" includes a word and a combination of words<sup>11</sup>. The concept of "use" of and as a trade mark is central to the operation of the TM Act. A registered owner of a trade mark, from the date of registration<sup>12</sup>, has exclusive rights to *use* and authorise the *use of* the trade mark<sup>13</sup>. A

<sup>5</sup> TM Act, s 17; see also ss 24 and 41. See also *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* (2014) 254 CLR 337 at 345 [17], citing *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* (2010) 241 CLR 144 at 162-163 [41]-[42].

<sup>6</sup> TM Act, s 19; TM Regs, Sch 1. See also Davison and Horak, *Shanahan's Australian Law of Trade Marks & Passing Off*, 7th ed (2022) at 103 [15.1015].

<sup>7</sup> TM Act, s 21. cf *Yanner v Eaton* (1999) 201 CLR 351 at 365-366 [17]-[18].

<sup>8</sup> TM Act, s 20(1).

<sup>9</sup> TM Act, ss 20(2) and 120(1).

<sup>10</sup> *Cantarella Bros* (2014) 254 CLR 337 at 345 [17].

<sup>11</sup> TM Act, s 6(1) definition of "sign".

<sup>12</sup> TM Act, s 20(3).

<sup>13</sup> TM Act, s 20(1).

trade mark can be removed from the Register for *non-use*<sup>14</sup>. And, as will be seen, *use* of a sign *as* a trade mark is an essential element of the infringement of registered marks<sup>15</sup>.

- 8 In light of the issues raised in these appeals, in particular the question of whether the reputation of a trade mark is relevant in infringement proceedings under s 120(1), it is necessary at the outset to address two aspects of the TM Act in some detail – registration of a trade mark, and defensive trade marks.

### **Registration of a trade mark**

- 9 A person may apply for registration of a trade mark in respect of *specific* goods in one or more of the classes of goods specified in Sch 1 to the TM Regs if the person claims to be the owner of the trade mark, and the person is using or intends to *use* the trade mark in relation to those goods<sup>16</sup>. The particular goods in respect of which it is sought to register the trade mark must be specified in the application<sup>17</sup>. Particulars of the application, including the class numbers of the goods in respect of which registration is sought, are published by the Registrar of Trade Marks<sup>18</sup>.
- 10 The Registrar must examine, and report on, whether the application is made in accordance with the Act and whether there are grounds for rejecting it<sup>19</sup>. There is a presumption of registrability: the Registrar must, after examination, accept the application unless satisfied that the application is not made in accordance with the Act or that there are grounds for

<sup>14</sup> TM Act, ss 92, 97, 101.

<sup>15</sup> TM Act, s 120.

<sup>16</sup> TM Act, s 27(1), (5). The making of an application for registration is *prima facie* evidence of intention to use the mark: *Aston v Harlee Manufacturing Co* (1960) 103 CLR 391 at 401.

<sup>17</sup> TM Act, s 27(3)(b); TM Regs, reg 4.4. See also *Bauer Consumer Media Ltd v Evergreen Television Pty Ltd* (2019) 367 ALR 393 at 400 [30].

<sup>18</sup> TM Act, s 30; TM Regs, reg 4.7.

<sup>19</sup> TM Act, s 31.

rejecting it<sup>20</sup>, and then must, unless the registration is successfully opposed, register the trade mark within a set period<sup>21</sup>.

- 11 Division 2 of Pt 4 of the TM Act (ss 39-44) sets out the grounds upon which an application to register a trade mark must be rejected by the Registrar. An application *must* be rejected if, among other things, (1) the trade mark is not capable of distinguishing the applicant's goods in respect of which the trade mark is sought to be registered from the goods of other persons<sup>22</sup>; (2) the use of the trade mark in relation to the particular goods would be likely to deceive or cause confusion, because of some connotation that the trade mark or a sign contained in the trade mark has<sup>23</sup>; or (3) the applicant's trade mark in respect of the applicant's goods is substantially identical with, or deceptively similar to, a trade mark registered by another person in respect of similar goods and the priority date for the registration of the applicant's trade mark is not earlier than the priority date for the registration of the other trade mark<sup>24</sup>.
- 12 If the application is accepted by the Registrar, a notice of acceptance is sent to the applicant and the decision is advertised in the *Official Journal*<sup>25</sup>. Registration of the trade mark may then be opposed by another person under Pt 5 of the TM Act<sup>26</sup>. Division 2 of Pt 5 of the TM Act (ss 57-62A) sets out the grounds for opposing registration. Those

<sup>20</sup> TM Act, s 33. See also *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 at 372-373 [24], 381 [47].

<sup>21</sup> TM Act, ss 68 and 69; TM Regs, reg 7.1.

<sup>22</sup> TM Act, s 41.

<sup>23</sup> TM Act, s 43.

<sup>24</sup> TM Act, s 44. Rights are taken to have accrued to the registered owner as from the date of registration of the mark: TM Act, s 20(3).

<sup>25</sup> TM Act, s 34. If the application is accepted subject to conditions or limitations or is rejected, the applicant has appeal rights: s 35.

<sup>26</sup> TM Act, s 52. Notice of intention to oppose must be filed within two months from the date on which acceptance is advertised in the *Official Journal* and a statement of grounds and particulars must be filed within one month from the day on which the notice of intention to oppose is filed: TM Regs, regs 5.6-5.7.

grounds include, among others, any of the grounds for the Registrar to reject an application<sup>27</sup>.

- 13 Relevantly, registration of a trade mark in respect of particular goods ("the applicant's trade mark") may be opposed under s 60 on the ground that another trade mark had, before the priority date for the registration of the applicant's trade mark in respect of those goods, acquired a reputation in Australia and that, because of that reputation, the use of the applicant's trade mark would be likely to deceive or cause confusion<sup>28</sup>. Aspects of s 60 are important. Opposition must be based on a *trade mark* having a reputation in Australia, not on reputation alone. And, if the requisite reputation has been established, the likelihood of deception or confusion must also be demonstrated. Put in different terms, proof of reputation alone in a trade mark in Australia in respect of the same goods is not sufficient; s 60(b) requires the person opposing registration to show that use of the applicant's trade mark would be likely to deceive or cause confusion.
- 14 In sum, the Registrar must register a trade mark that has been accepted for registration if, relevantly, there is no opposition or, in a case where there has been opposition, the Registrar's decision is that the trade mark should be registered<sup>29</sup>. The trade mark is registered in respect of the particular goods specified in the application, not simply for a class of goods<sup>30</sup>. As has been explained, registration affords the trade mark owner a monopoly of the use of the trade mark in relation to the particular goods in respect of which the trade mark is registered<sup>31</sup>.

<sup>27</sup> TM Act, s 57. Except for the ground that the trade mark cannot be represented graphically: s 40.

<sup>28</sup> TM Act, s 60.

<sup>29</sup> TM Act, s 68.

<sup>30</sup> TM Act, s 69(1)(b).

<sup>31</sup> TM Act, s 20(1); see also s 19(2).

## Defensive trade marks

- 15 There are four types of trade marks under the TM Act: standard marks, collective marks, certification marks and defensive marks<sup>32</sup>. Allergan's BOTOX mark in class 3 is a defensive mark.
- 16 Part 17 of the TM Act (ss 184-189) defines what is a defensive trade mark and provides for the registration of a defensive mark and the extent to which the TM Act applies to such marks. In general terms, an owner of a trade mark can register a defensive mark in relation to particular goods if the owner has used a registered mark ("the first mark") in relation to the goods in respect of which it is registered to such an extent that it is likely that its use in relation to other goods will be taken to indicate that there is a connection between those other goods and the registered owner of the first mark<sup>33</sup>. A defensive trade mark may be registered even if the registered owner does not use or intend to use the trade mark in relation to those goods<sup>34</sup>. As the primary judge stated, "[r]egistration as a defensive mark is intended to give better protection to marks that have been used to such an extent for certain goods or services that their unauthorised use for quite different goods or services would be likely to mislead the public"<sup>35</sup>.
- 17 An applicant for registration of a defensive mark must establish, by evidence, the reputation of the first mark in Australia<sup>36</sup>. It is the use, reputation and association of the first mark in relation to particular goods – here, BOTOX in class 5 for "[p]harmaceutical preparations for the treatment of ... wrinkles" – that provides the grounds for the registration of the same mark as a defensive mark in relation to other goods – here, in class 3 for goods including "anti-ageing creams" and "anti-wrinkle cream". Allergan obtained its defensive registration of the BOTOX mark in class 3 because of its use of the

<sup>32</sup> TM Act, ss 17, 162, 169, 185.

<sup>33</sup> TM Act, s 185(1).

<sup>34</sup> TM Act, s 185(2).

<sup>35</sup> *Allergan Australia Pty Ltd v Self Care IP Holdings Pty Ltd* (2020) 156 IPR 413 at 467 [296], citing Davison and Horak, *Shanahan's Australian Law of Trade Marks & Passing Off*, 6th ed (2016) at 483 [60.05].

<sup>36</sup> TM Regs, reg 17.1. See also IP Australia, *Trade Marks Manual of Practice and Procedure* (2022), Pt 34.7.

mark in class 5 even though the Act assumes that Allergan may never use the mark in class 3<sup>37</sup>.

18 Once a defensive mark is registered, s 186 provides that the Act (other than specified sections<sup>38</sup>) applies to such a mark. The provisions that do not apply, except for Pt 16 (certification trade marks), are concerned with the use of the registered trade mark or the requirements to use or have the intention to use the mark. In sum, an owner of a defensive mark in relation to particular goods in a specified class can get relief for infringement but does not have the exclusive right to use the mark (or to authorise others to use that mark) in relation to those particular goods<sup>39</sup>. Put in different terms, the monopoly for the owner of a defensive mark is found in the right of that owner to exclude use of the mark by others in relation to particular goods in a specified class.

19 Section 187 provides for additional grounds for rejecting an application for registration or opposing registration (and consequently, for seeking cancellation<sup>40</sup>) of a defensive mark. The primary judge dismissed an application by Self Care seeking cancellation of Allergan's registration of the defensive BOTOX mark because Self Care did not establish under s 187(d) that it was not likely that the use of the mark BOTOX in relation to the goods in respect of which it was registered in class 3 would be taken to indicate a connection between those goods and Allergan. In reaching that conclusion, the primary judge received and considered, among other facts and matters, what was described as the "overwhelming" uncontested evidence of "the ubiquitous reputation of BOTOX", which was relevant to registration in the manner described above. Self Care did not appeal that aspect of the primary judge's decision.

<sup>37</sup> TM Act, ss 185(2) and 186.

<sup>38</sup> TM Act, ss 20(1), 27(1)(b), 41, 59, Pt 9 (dealing with removal of trade marks for non-use), ss 121, 127, Pt 16 (dealing with certification trade marks).

<sup>39</sup> TM Act, ss 186 and 20(1); cf s 20(2).

<sup>40</sup> TM Act, s 88(2)(a). Pursuant to s 88(1) of the TM Act, a court may, on application of an aggrieved person, order that the Register be rectified by cancelling the registration of a trade mark. Such an application may be made, among other things, on any of the grounds on which registration of the trade mark could have been opposed: s 88(2)(a).



## TRADE MARK INFRINGEMENT UNDER S 120(1)

- 20 Section 120 of the TM Act relevantly prescribes three kinds of trade mark infringement: (1) use of a substantially identical or deceptively similar mark on the goods of registration<sup>41</sup>; (2) use of a substantially identical or deceptively similar mark on goods of the same description as, or services that are closely related to, the goods of registration but subject to a defence if the alleged infringer can demonstrate that using the mark as they did was not likely to deceive or cause confusion<sup>42</sup>; and (3) use of a mark which is substantially identical or deceptively similar to a well known trade mark on unrelated goods, if the owner of the well known mark demonstrates that such use would be likely to suggest a connection between those goods and that owner, and for that reason the interests of the owner of the well known mark would be adversely affected<sup>43</sup>.
- 21 These appeals are concerned with alleged infringement under s 120(1) – use of a deceptively similar mark on the goods of registration. The inquiry for trade mark infringement under s 120(1) is limited and is a "separate and distinct exercise" from assessing whether a trade mark is registrable<sup>44</sup>. 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"<sup>45</sup>. That uniformity of the application of the test is important and is an issue to which we will need to return.
- 22 There are two separate and essential elements to establish infringement under s 120(1): (1) that the person has "use[d] as a trade mark" a sign in relation to goods or services; and (2) that the trade mark was "substantially identical" or (as alleged in this case) "deceptively similar" to a trade mark registered in relation to those goods or services.

<sup>41</sup> TM Act, s 120(1).

<sup>42</sup> TM Act, s 120(2).

<sup>43</sup> TM Act, s 120(3).

<sup>44</sup> *Swancom Pty Ltd v The Jazz Corner Hotel Pty Ltd* (2022) 168 IPR 42 at 55 [67], [69].

<sup>45</sup> *CA Henschke & Co v Rosemount Estates Pty Ltd* (2000) 52 IPR 42 at 62 [43], quoted in *Swancom* (2022) 168 IPR 42 at 55 [68].

## Sign used as a trade mark

- 23 Use of a trade mark in relation to goods means use of a trade mark upon, or in physical or other relation to, those goods<sup>46</sup>, and so can include use of the mark on product packaging or marketing such as on a website. There is a distinction, although not always easy to apply, between the use of a sign in relation to goods and the use of a sign as a trade mark<sup>47</sup>. A trade mark is a sign used, or intended to be used, to distinguish goods dealt with by one trader from goods dealt with by other traders<sup>48</sup>; that is, as a badge of origin<sup>49</sup> to indicate a connection between the goods and the user of the mark.
- 24 Whether a sign has been "use[d] as a trade mark" is assessed objectively without reference to the subjective trading intentions of the user<sup>50</sup>. As the meaning of a sign, such as a word, varies with the context in which the sign is used, the objective purpose and nature of use are assessed by reference to context. That context includes the relevant trade<sup>51</sup>, the way in which the words have been displayed, and how the words would present themselves to persons who read them and form a view about what they connote<sup>52</sup>. A well known example where the use was not "as a trade mark" was in *Irving's Yeast-Vite Ltd v Horsenail*<sup>53</sup>, where the phrase "Yeast tablets a substitute for 'Yeast-Vite'" was held to be merely descriptive and not a use of "Yeast-Vite" as a trade mark. Therefore, it did not contravene the YEAST-VITE mark.

<sup>46</sup> TM Act, s 7(4).

<sup>47</sup> See Burrell and Handler, *Australian Trade Mark Law*, 2nd ed (2016) at 372.

<sup>48</sup> TM Act, s 17.

<sup>49</sup> *Campomar Sociedad Limitada v Nike International Ltd* (2000) 202 CLR 45 at 65 [42]; *E & J Gallo Winery* (2010) 241 CLR 144 at 160 [33]. See also van Caenegem et al, *Intellectual Property in Australia*, 7th ed (2022) at 688 [19.25].

<sup>50</sup> *E & J Gallo Winery* (2010) 241 CLR 144 at 160 [33], citing *The Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407 and *Champagne Heidsieck et Cie Monopole Societe Anonyme v Buxton* [1930] 1 Ch 330.

<sup>51</sup> *Woolworths Ltd v BP Plc [No 2]* (2006) 154 FCR 97 at 117 [77].

<sup>52</sup> *Pepsico Australia Pty Ltd v Kettle Chip Co Pty Ltd* (1996) 135 ALR 192 at 211-212, 218; *Anheuser-Busch Inc v Budejovický Budvar Národní Podnik* (2002) 56 IPR 182 at 227 [186].

<sup>53</sup> (1934) 51 RPC 110.

25 The existence of a descriptive element or purpose does not necessarily preclude the sign being used as a trade mark<sup>54</sup>. Where there are several purposes for the use of the sign, if one purpose is to distinguish the goods provided in the course of trade that will be sufficient to establish use as a trade mark<sup>55</sup>. Where there are several words or signs used in combination, the existence of a clear dominant "brand" is relevant to the assessment of what would be taken to be the effect of the balance of the label, but does not mean another part of the label cannot also act to distinguish the goods<sup>56</sup>.

### **Deceptive similarity to the registered mark**

#### *Nature of the inquiry*

26 Section 10 of the TM Act, headed "Definition of deceptively similar", provides 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". The essential task is one of trade mark comparison; the resemblance between the two marks must be the cause of the likely deception or confusion<sup>57</sup>. In evaluating the likelihood of confusion, the marks must be judged as a whole, taking into account both their look and their sound<sup>58</sup>.

27 The principles for assessing whether a mark is deceptively similar to a registered trade mark under s 120(1) are well established. In *Australian Woollen Mills Ltd v F S Walton & Co Ltd*<sup>59</sup>, Dixon and McTiernan JJ explained the task in these terms:

"But, in the end, 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.

<sup>54</sup> *Johnson & Johnson Australia Pty Ltd v Sterling Pharmaceuticals Pty Ltd* (1991) 30 FCR 326 at 347.

<sup>55</sup> *Woolworths [No 2]* (2006) 154 FCR 97 at 117 [77].

<sup>56</sup> *Anheuser-Busch* (2002) 56 IPR 182 at 228 [191].

<sup>57</sup> *Swancom* (2022) 168 IPR 42 at 55 [69].

<sup>58</sup> *Cooper Engineering Co Pty Ltd v Sigmund Pumps Ltd* (1952) 86 CLR 536 at 538. See also *Re Application by Pianotist Co Ltd* (1906) 23 RPC 774 at 777.

<sup>59</sup> (1937) 58 CLR 641 at 658; see also 659. See also *Optical 88 Ltd v Optical 88 Pty Ltd [No 2]* (2010) 275 ALR 526 at 548 [111].

In deciding this question, the marks ought not, of course, to be compared side by side. An attempt should be made to estimate the effect or impression produced on the mind of potential customers by the mark or device for which the protection of an injunction is sought. The impression or recollection which is carried away and retained is necessarily the basis of any mistaken belief that the challenged mark or device is the same. The effect of spoken description must be considered. If a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express their desire to have the goods, then similarities both of sound and of meaning may play an important part."

28 The question to be asked under s 120(1) is artificial – it is an objective question based on a construct. The focus is upon the effect or impression produced on the mind of potential customers<sup>60</sup>. The buyer posited by the test is notional (or hypothetical), although having characteristics of an actual group of people<sup>61</sup>. The notional buyer is understood by reference to the nature and kind of customer who would be likely to buy the goods covered by the registration<sup>62</sup>. However, the notional buyer is a person with no knowledge about any actual use of the registered mark, the actual business of the owner of the registered mark, the goods the owner produces, any acquired distinctiveness arising from the use of the mark prior to filing or, as will be seen, any reputation associated with the registered mark<sup>63</sup>.

29 The issue is not abstract similarity, but deceptive similarity<sup>64</sup>. The marks are not to be looked at side by side<sup>65</sup>. Instead, the notional buyer's imperfect recollection of the registered mark lies at the centre of the test for deceptive similarity<sup>66</sup>. The test assumes that the notional buyer has an imperfect recollection of the mark *as registered*. The notional buyer is assumed to have seen the registered mark used in relation to the full

<sup>60</sup> *Australian Woollen Mills* (1937) 58 CLR 641 at 658.

<sup>61</sup> *Henschke* (2000) 52 IPR 42 at 62 [43].

<sup>62</sup> *Pianotist* (1906) 23 RPC 774 at 777; *Cooper Engineering* (1952) 86 CLR 536 at 538.

<sup>63</sup> See *Swancom* (2022) 168 IPR 42 at 55 [69]-[70], 57 [77]-[80].

<sup>64</sup> *Australian Woollen Mills* (1937) 58 CLR 641 at 658; *Shell* (1961) 109 CLR 407 at 415.

<sup>65</sup> *Australian Woollen Mills* (1937) 58 CLR 641 at 658.

<sup>66</sup> *Swancom* (2022) 168 IPR 42 at 55 [70].

range of goods to which the registration extends<sup>67</sup>. The correct approach is to compare the impression (allowing for imperfect recollection) that the notional buyer would have of the registered mark (as *notionally* used on all of the goods covered by the registration), with the impression that the notional buyer would have of the alleged infringer's mark (as *actually* used)<sup>68</sup>. As has been explained by the Full Federal Court, "[t]hat degree of artificiality can be justified on the ground that it is necessary in order to provide protection to the proprietor's statutory monopoly to its full extent"<sup>69</sup>.

### ***Threshold of deception or confusion***

30 A trade mark is deceptively similar if it "so nearly resembles" the other trade mark that it is "likely to deceive" or "cause confusion"<sup>70</sup>. "[D]eceive[d]" implies the creation of an incorrect belief or mental impression; "caus[ing] confusion" may merely involve "perplexing or mixing up the minds" of potential customers<sup>71</sup>. Intention to deceive or cause confusion is not required, although if present may be a relevant consideration<sup>72</sup>. Similarly, evidence of actual cases of deception or confusion is of great weight, but not essential<sup>73</sup>.

31 The usual manner in which ordinary people behave must be the test of what confusion or deception may be expected<sup>74</sup>, having regard to the character of the customers who would be likely to buy the goods<sup>75</sup>. As explained by Dixon and McTiernan JJ in *Australian Woollen Mills*, potential buyers of goods are not to be credited with "any high perception

<sup>67</sup> *MID Sydney Pty Ltd v Australian Tourism Co Ltd* (1998) 90 FCR 236 at 245; *Swancom* (2022) 168 IPR 42 at 57 [78].

<sup>68</sup> *Shell* (1961) 109 CLR 407 at 415. See also *Wingate Marketing Pty Ltd v Levi Strauss & Co* (1994) 49 FCR 89 at 128; *MID Sydney* (1998) 90 FCR 236 at 245.

<sup>69</sup> *MID Sydney* (1998) 90 FCR 236 at 245.

<sup>70</sup> TM Act, s 10.

<sup>71</sup> *Coca-Cola Company v All-Fect Distributors Ltd* (1999) 96 FCR 107 at 122 [39], quoting *Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd* [1978] 2 NZLR 50 at 62.

<sup>72</sup> *Hashtag Burgers Pty Ltd v In-N-Out Burgers Inc* (2020) 385 ALR 514 at 533 [67], citing *Australian Woollen Mills* (1937) 58 CLR 641 at 657.

<sup>73</sup> *Australian Woollen Mills* (1937) 58 CLR 641 at 658.

<sup>74</sup> *Australian Woollen Mills* (1937) 58 CLR 641 at 658.

<sup>75</sup> *Campomar* (2000) 202 CLR 45 at 79 [83].

or habitual caution"; however, "exceptional carelessness or stupidity may be disregarded"<sup>76</sup>.

32 It is not necessary to establish actual probability of deception or confusion<sup>77</sup>. But a mere possibility of confusion is not enough; there must be a real, tangible danger of deception or confusion occurring<sup>78</sup>. It is enough if the notional buyer would entertain a reasonable doubt as to whether, due to the resemblance between the marks, the two products come from the same source<sup>79</sup>. Put another way, there must be "a real likelihood that some people will wonder or be left in doubt about whether the two sets of products ... come from the same source"<sup>80</sup>.

33 In considering the likelihood of confusion or deception, "the court is *not* looking to the totality of the conduct of the defendant in the same way as in a passing off suit"<sup>81</sup>. In addition to the degree of similarity between the marks, the assessment takes account of the effect of that similarity considered in relation to the alleged infringer's actual use of the mark<sup>82</sup>, as well as the circumstances of the goods, the character of the likely customers, and the market covered by the monopoly attached to the registered trade mark<sup>83</sup>. Consideration of the context of those surrounding circumstances does not "open

<sup>76</sup> (1937) 58 CLR 641 at 658.

<sup>77</sup> *Southern Cross Refrigerating Co v Toowoomba Foundry Pty Ltd* (1953) 91 CLR 592 at 595.

<sup>78</sup> *Southern Cross* (1953) 91 CLR 592 at 595, approved by Full Court (1954) 91 CLR 592 at 608.

<sup>79</sup> *Southern Cross* (1953) 91 CLR 592 at 595. See also *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 at 382 [50]; *Campomar* (2000) 202 CLR 45 at 79 [83].

<sup>80</sup> *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 at 382 [50], restating principles from *Southern Cross* (1953) 91 CLR 592 at 594-595.

<sup>81</sup> *New South Wales Dairy Corporation v Murray-Goulburn Co-operative Co Ltd* (1989) 86 ALR 549 at 589 (emphasis added), approved in *Henschke* (2000) 52 IPR 42 at 62 [44], *Hashtag Burgers* (2020) 385 ALR 514 at 532 [64], *Combe International Ltd v Dr August Wolff GmbH & Co KG Arzneimittel* (2021) 157 IPR 230 at 238 [27], *PDP Capital Pty Ltd v Grasshopper Ventures Pty Ltd* (2021) 285 FCR 598 at 622 [97] (see also 626 [111]) and *Swancom* (2022) 168 IPR 42 at 56 [73].

<sup>82</sup> See [29] above.

<sup>83</sup> *New South Wales Dairy* (1989) 86 ALR 549 at 589.

the door" for examination of the actual use of the registered mark, or, as will be explained, any consideration of the reputation associated with the mark<sup>84</sup>.

### ***Reputation***

34 The relevance of the reputation of a registered mark in an action for infringement under s 120(1) has been contentious for some years<sup>85</sup>, as a Full Court of the Federal Court most recently recognised in *Swancom Pty Ltd v The Jazz Corner Hotel Pty Ltd*<sup>86</sup>. Despite both the primary judge and the Full Court referring to the reputation of BOTOX in assessing deceptive similarity, Allergan and Self Care both submitted that any reputation of a registered mark should *not* be taken into account in assessing deceptive similarity between it and an allegedly infringing mark for the purpose of s 120(1) of the TM Act.

35 Given the significance of the issue to the TM Act and the lack of a contradictor, the hearing of the appeal was adjourned and, at the request of the Court, Ms Beaumont SC and Ms Rubagotti were appointed as amicae curiae to contradict the parties' contention. The Court is grateful for their assistance. The amicae submitted that, in the assessment of deceptive similarity, it was permissible to consider a mark's reputation, at least in the sense of what the mark means to the relevant class of potential customers by reason of the registered owner's use of the mark. The amicae contended that taking into account reputation in assessing deceptive similarity under s 120(1) was the practical reality of considering the "idea" of a mark and how potential customers will remember it, particularly in assessing a mark such as BOTOX which has no meaning except for what it has come to mean to potential customers by virtue of Allergan's use of the mark generally. Reputation in that sense was said to involve only the reputation in the mark in the form registered; it did not include any other elements (such as get-up or the use of a

<sup>84</sup> *Swancom* (2022) 168 IPR 42 at 59 [89]. See also *Henschke* (2000) 52 IPR 42 at 62 [44].

<sup>85</sup> See *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 at 385-386 [61]; *Henschke* (2000) 52 IPR 42 at 62-67 [45]-[53]; *Optical 88* (2010) 275 ALR 526 at 545 [96]; *Australian Meat Group Pty Ltd v JBS Australia Pty Ltd* (2018) 268 FCR 623 at 633 [41]-[42].

<sup>86</sup> (2022) 168 IPR 42 at 57-59 [80]-[89].

combination of marks) that might go to establishing a trade mark owner's reputation generally or goodwill in order to found an action in passing off or contravention of s 18 of the ACL. That is, although the way in which reputation may be relevant would depend on the facts of each case, the amicae submitted that there was no reason *in principle* to limit the treatment of reputation, particularly a strong or notorious reputation of a mark, in a way that only lessens the risk of "imperfect recollection" of the mark and consequentially lessens the risk of confusion.

36 In support of those contentions, the amicae principally relied on three authorities that considered the issue of reputation – *Registrar of Trade Marks v Woolworths Ltd*<sup>87</sup>, *CA Henschke & Co v Rosemount Estates Pty Ltd*<sup>88</sup> and *Australian Meat Group Pty Ltd v JBS Australia Pty Ltd*<sup>89</sup> – and from which a "principle" that reputation is relevant where it lessens the risk of "imperfect recollection" in the assessment of deceptive similarity under s 120(1) of the TM Act was said to be drawn. It will be necessary to consider each of these authorities below because, as will be explained, all forms of any so-called principle should be rejected. Reputation should *not* be taken into account when assessing deceptive similarity under s 120(1). That conclusion is compelled by the structure and purpose of, and the fundamental principles underpinning, the TM Act.

37 The starting point is the TM Act. As has been explained, the TM Act provides for the registration of trade marks and sets out and protects the rights deriving from registration. A registered trade mark is personal property and it is the Act that defines the rights that constitute that property, when the rights will come into existence (the date of registration)<sup>90</sup>, and what conduct will infringe those property rights<sup>91</sup>. Of particular significance is that the rights that constitute the property – a monopoly – are limited to

<sup>87</sup> (1999) 93 FCR 365.

<sup>88</sup> (2000) 52 IPR 42.

<sup>89</sup> (2018) 268 FCR 623.

<sup>90</sup> See [6]-[7] above.

<sup>91</sup> See [20]-[33] above. See also Davison, "Reputation in Trade Mark Infringement: Why Some Courts Think it Matters and Why it Should Not" (2010) 38 *Federal Law Review* 231 at 235.



use of a mark on the particular goods in a particular class, being the goods for which registration was sought and then obtained<sup>92</sup>. It is that registered mark, and that mark alone, which constitutes the property and against which allegedly infringing conduct is assessed. Registration of the trade mark alone confers the right of its exclusive use on the registered owner or, in the case of a defensive trade mark, the right to exclude use. If reputation was considered after registration other than where expressly provided for in the Act, the level of protection afforded to that right would vary and be inherently uncertain<sup>93</sup>.

38 That conclusion is reinforced by the structure and policy of the TM Act<sup>94</sup>, including that a Register of Trade Marks, which is publicly available, must be kept by the Registrar<sup>95</sup>; all particulars of registered trade marks must be entered on that Register (including the identified limits on the monopoly in the form of the mark, the class and the particular goods)<sup>96</sup>; and the Register is prima facie evidence of any particular entered in it<sup>97</sup>. Neither the reputation of the mark nor the trade mark owner's reputation is a particular on the Register.

39 It is inspection of the Register that enables a person to identify what marks are registered, the extent of the monopoly of each mark and what actions the person might take under the Act – whether to seek registration of another mark, challenge the registration of an existing mark or modify their behaviour so as to avoid action under s 120 for infringement of a mark. As has been noted<sup>98</sup>:

<sup>92</sup> Davison and Horak, *Shanahan's Australian Law of Trade Marks & Passing Off*, 7th ed (2022) at 104 [15.1020]. See also *Calidad Pty Ltd v Seiko Epson Corporation [No 2]* (2019) 147 IPR 386 at 395-396 [45].

<sup>93</sup> Davison, "Reputation in Trade Mark Infringement: Why Some Courts Think it Matters and Why it Should Not" (2010) 38 *Federal Law Review* 231 at 253.

<sup>94</sup> See [6]-[7] above.

<sup>95</sup> TM Act, s 207.

<sup>96</sup> TM Act, ss 69(1) and 207(2).

<sup>97</sup> TM Act, s 210.

<sup>98</sup> *Nikken Wellness Pty Ltd v van Voorst* (2003) AIPC ¶91-904 at 35,907 [44], quoted in *Bauer Consumer Media* (2019) 367 ALR 393 at 454 [242]. See also *Re McGregor Trade Mark* [1979] RPC 36 at 52-53, quoted in *Lodestar Anstalt v Campari*

"Parliament must have intended the Register to speak for itself. People who peruse the Register, or an extract from it, must be able to act on the basis of what it says, without being obliged to make inquiries about the business history or previous conduct of the registered owner of the trade mark."

40 The system of registration under the TM Act and the rights it creates establish "both an incentive to register and a corresponding incentive to contribute to a system which is more transparent than the protection of common law trade marks"<sup>99</sup>. Introduction of considerations of reputation into determining trade mark infringement under s 120(1) is contrary to an objective of the registered trade mark system, which is to provide "a bright line that delineates the property rights" of a registered owner, for the benefit of the owner and the public<sup>100</sup>, and runs the risk of collapsing the long standing distinction between infringement and passing off<sup>101</sup>.

41 As explained, the concept of "use" in use of a trade mark, and use as a trade mark, is central to the operation of the TM Act<sup>102</sup>. Without *use* or intended *use of* a sign as a mark, there is no registrable trade mark and without *use as* a trade mark, s 120 does not apply. In relation to the *use of* a sign *as* a mark, reputation is expressly addressed by the Act at four separate stages and in specific and distinct ways. The manner in which the TM Act deals with reputation is important. It reflects that the TM Act strikes a balance between various commercial and public interests<sup>103</sup>.

42 First, registration of a mark in respect of particular goods may be opposed under s 60 on the ground that a trade mark has *acquired a reputation in Australia* and that, because of

*America LLC* (2016) 244 FCR 557 at 574 [71] and *PDP Capital Pty Ltd v Grasshopper Ventures Pty Ltd* (2020) 154 IPR 68 at 147 [305].

<sup>99</sup> Davison, "Reputation in Trade Mark Infringement: Why Some Courts Think it Matters and Why it Should Not" (2010) 38 *Federal Law Review* 231 at 253.

<sup>100</sup> Davison, "Reputation in Trade Mark Infringement: Why Some Courts Think it Matters and Why it Should Not" (2010) 38 *Federal Law Review* 231 at 231.

<sup>101</sup> For the inquiry in s 120 being not as far-reaching as that for passing off, see *Swancom* (2022) 168 IPR 42 at 59 [89], citing *Optical 88* (2010) 275 ALR 526 at 545 [95]. See also *PDP Capital* (2021) 285 FCR 598 at 626 [111], citing *Australian Meat Group* (2018) 268 FCR 623 at 636-637 [68].

<sup>102</sup> See [7] and [23]-[25] above.

<sup>103</sup> cf *Campomar* (2000) 202 CLR 45 at 65 [42].

that reputation, the *use* of the applicant's trade mark would be likely to deceive or cause confusion<sup>104</sup>.

43 Second, in the registration of a defensive mark under s 185. That section provides better protection to marks that have been *used* to such an extent for certain goods or services that their unauthorised *use* for quite different goods or services would be likely to mislead the public<sup>105</sup>.

44 Third, in assessing infringement under s 120(3) when the allegedly infringed trade mark being *well known in Australia* is an element of the cause of action<sup>106</sup>. Section 120(4) provides that, for the purposes of deciding whether a trade mark is well known in Australia, one must take account of the extent to which the trade mark is known within the relevant sector of the public, whether as a result of the promotion of the trade mark or for any other reason. As was explained by this Court in *Campomar Sociedad Limitada v Nike International Ltd*<sup>107</sup>, s 120(3) and (4) reflect an extension of the infringement action "to restrain activities which are likely adversely to affect the interests of the owner of a 'famous' or 'well-known' trade mark by the 'dilution' of its distinctive qualities or of its value to the owner"<sup>108</sup>. Such provisions "represent legislative responses to the claims of trade mark owners to protection where ... the fame of a mark carries its function beyond the traditional role as an identifier of origin"<sup>109</sup>.

45 Fourth, the reputation of a registered trade mark is considered under s 24, where a registered trade mark consists of, or contains, a sign that, after the date of registration of

<sup>104</sup> See [13] above. Before the primary judge, Allergan opposed the registration of the FREEZEFRAME PROTOX mark on the ground that its BOTOX mark had, before the priority date, acquired a reputation in Australia and that, because of that reputation, the use of the FREEZEFRAME PROTOX mark would be likely to deceive or cause confusion. That ground of opposition was unsuccessful and was not the subject of an appeal.

<sup>105</sup> See [16] above.

<sup>106</sup> See [20] above.

<sup>107</sup> (2000) 202 CLR 45.

<sup>108</sup> (2000) 202 CLR 45 at 66 [42].

<sup>109</sup> *Campomar* (2000) 202 CLR 45 at 66 [43].

the trade mark, becomes generally accepted within the relevant trade as the sign that describes or is the name of an article, substance or service. In other words, s 24 applies where the reputation of a trade mark is such that it becomes the generic description of the good or service. If that occurs, the registered owner ceases to have any exclusive rights to use the trade mark in relation to the article, substance or service, or other goods or services of the same description<sup>110</sup>. If s 24 applies, a person may apply to a court under s 87 to have the Register rectified by cancelling the registration of the trade mark. Whether BOTOX had become a generic sign under s 24 was not in issue at any stage in this proceeding – Self Care did not plead or run a case under s 24 or s 87 of the TM Act.

46 Consideration of reputation in those prescribed and limited circumstances reflects not only that the TM Act strikes a balance between various interests, manifesting "from time to time a varying accommodation of commercial and the consuming public's interests"<sup>111</sup>, but also that in all other circumstances under the TM Act, the registration of a trade mark alone determines the rights of the owner of a registered trade mark<sup>112</sup>.

47 In addition to the structure and policy of the TM Act and the nature and extent of the property rights granted by the TM Act requiring that to be so, reference to or reliance upon reputation in determining whether there has been infringement under s 120(1) of the Act should be rejected for other, practical reasons.

48 Reputation, or the extent of reputation, can be difficult to ascertain and, in the absence of evidence, unless judicial notice could be taken of reputation, a court would be unable to evaluate the reputation of a mark. In the context of s 60, "reputation" has been considered to refer to recognition of a trade mark by the public generally<sup>113</sup>. It has been held to be "commonplace to infer reputation from a high volume of sales, together with substantial advertising expenditures and other promotions, without any direct evidence of consumer

<sup>110</sup> TM Act, s 24(2). cf s 24(3), which applies where the trade mark contains, rather than consists of, the sign.

<sup>111</sup> *Campomar* (2000) 202 CLR 45 at 65 [42].

<sup>112</sup> cf *John v Federal Commissioner of Taxation* (1989) 166 CLR 417 at 434-435.

<sup>113</sup> *McCormick & Co Inc v McCormick* (2000) 51 IPR 102 at 127 [81].

appreciation of the mark, as opposed to the product"<sup>114</sup>. Identifying which aspects of reputation and what forms of evidence would be permissible to consider in an action for infringement would be a complex exercise. Not only that, but leading such evidence would distract from, if not defeat, the well understood and straightforward test which has been the hallmark of infringement actions<sup>115</sup>.

49 In the application of that test, it is impermissible to attribute to the notional buyer any familiarity with the actual use of a registered trade mark, including any use in relation to goods which are not the subject of the trade mark asserted to be infringed under s 120(1). Put differently, the test cannot be a broad analysis of a potential buyer's familiarity with all goods related to the trade mark or a broad familiarity with the reputation of the trade mark owner. The inquiry under s 120(1) is directed to avoiding deception and confusion between trade marks, and protecting the registered owner's trade mark rights in relation to the particular goods covered by the registration. It is not concerned with and does not seek to protect "the commercial value or 'selling power' of a mark"<sup>116</sup>.

50 The three decisions that were principally relied on by the *amicae curiae*<sup>117</sup>, and other decisions<sup>118</sup>, demonstrate the difficulty of reconciling the use of reputation with the text and operation of s 120(1). Determining now that an infringement proceeding under s 120(1) of the TM Act is to be resolved without reference to the reputation of the owner of the registered mark departs from what was said in those cases. However, the significance of that departure must be considered having regard, first, to the fact that *Registrar of Trade Marks v Woolworths Ltd* was not an infringement proceeding but

<sup>114</sup> *McCormick* (2000) 51 IPR 102 at 129 [86], approved in *Austin Nichols & Co Inc v Lodestar Anstalt [No 1]* (2012) 202 FCR 490 at 500 [45].

<sup>115</sup> See [22]-[33] above. See also *Phone Directories Co Australia Pty Ltd v Telstra Corp Ltd* (2014) 106 IPR 281 at 341 [321].

<sup>116</sup> See *Campomar* (2000) 202 CLR 45 at 66 [43], quoting American Law Institute, *Restatement (Third) of the Law of Unfair Competition* (1995), §25, Comment (a).

<sup>117</sup> *Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365; *Henschke* (2000) 52 IPR 42; *Australian Meat Group* (2018) 268 FCR 623.

<sup>118</sup> *Crazy Ron's Communications Pty Ltd v Mobileworld Communications Pty Ltd* (2004) 209 ALR 1 at 21-22 [89]-[90]; *Mars Australia Pty Ltd v Sweet Rewards Pty Ltd* (2009) 81 IPR 354 at 376 [96]-[97]; *Swancom* (2022) 168 IPR 42 at 57-60 [77]-[93].

concerned deceptive similarity in the context of registration of a mark<sup>119</sup>; second, that what was said in *Henschke* about reputation was obiter and, in any event, the Full Court of the Federal Court, after identifying the limited range of the inquiry in an infringement proceeding and the nature of the test of deceptive similarity, doubted the relevance of reputation in a particular mark (including the "icon status" of a mark) in an action for infringement under s 120(1) of the TM Act<sup>120</sup>; and, finally, that in *Australian Meat Group*, the Full Court of the Federal Court sought to reconcile what was said in *Registrar of Trade Marks v Woolworths Ltd* with what was later said in *Henschke* in a way which accepted that reputation was not relevant generally to deceptive similarity but *might* be used to counter a proposition that there was deceptive similarity arising from imperfect recollection<sup>121</sup>. The so-called reputation principle in the context of an infringement proceeding under s 120(1), in all its forms, is rejected.

51 None of this detracts from what Dixon and McTiernan JJ said more than 85 years ago in *Australian Woollen Mills*, that if a mark is in fact or from its nature likely to be the source of some name or verbal description by which buyers will express their desire to have the goods, then similarities both of sound and of meaning *may* play an important part<sup>122</sup>. That inquiry does not concern reputation in the mark or in the owner of the mark. The inquiry is concerned with the effect and meaning of the spoken description of the mark.

#### **SELF CARE'S USE OF "INSTANT BOTOX® ALTERNATIVE"**

52 The primary judge's finding that Self Care did not use BOTOX simpliciter as a mark was not challenged on appeal to the Full Court. And Allergan conceded before the primary judge that Self Care did not use "Botox® alternative" simpliciter as a trade mark. The question on appeal to the Full Court, and then to this Court, was whether the phrase "instant Botox® alternative" was used by Self Care as a trade mark. The answer is no.

<sup>119</sup> (1999) 93 FCR 365 at 367 [2].

<sup>120</sup> (2000) 52 IPR 42 at 62-63 [44]-[45], 66-67 [52]-[53].

<sup>121</sup> *Australian Meat Group* (2018) 268 FCR 623 at 633 [41], 641-642 [88]. cf *Swancom* (2022) 168 IPR 42 at 57 [80]-[81].

<sup>122</sup> (1937) 58 CLR 641 at 658.

The primary judge was correct to find that the phrase "instant Botox® alternative" was not used by Self Care as a trade mark. The Full Court was wrong to overturn that finding.

53 As has been explained, a trade mark is a "badge of origin"<sup>123</sup> indicating a connection in the course of trade between goods and the person who applies the mark to the goods<sup>124</sup>. The relevant principles in determining whether a word or a sign is used as a "trade mark" are not in dispute and have been set out above<sup>125</sup>.

54 The use of the phrase "instant Botox® alternative" on Packaging A, Packaging B and the website may be addressed together, identifying relevant similarities and differences in use.

55 The presentation of "instant Botox® alternative" was inconsistent in size, font and presentation on each of Packaging A, Packaging B and the website, indicating "instant Botox® alternative" was not being used as a badge of origin to distinguish Self Care's goods from those dealt with by another trader<sup>126</sup>. On Packaging A the phrase was presented vertically, marked out by four vertical lines separating each of the words. On Packaging B and on the website the phrase was presented horizontally without any lines separating the words. The arrangement of the words differed. On the packaging, each word in the phrase occupied its own line. On two website pages the phrase occupied a single line. On two other website pages the words "Instant" and "Botox®" shared a line and the word "ALTERNATIVE" appeared on the next line. The font was inconsistent. The packaging used a different font to the website pages, and one website page used a different font to the other website pages. The capitalisation was inconsistent. Three different forms were adopted: "instant Botox® alternative" on the packaging, "INSTANT

<sup>123</sup> *Campomar* (2000) 202 CLR 45 at 65 [42]; *E & J Gallo Winery* (2010) 241 CLR 144 at 160 [33].

<sup>124</sup> *E & J Gallo Winery* (2010) 241 CLR 144 at 163 [43], 175 [87], citing *Coca-Cola Company* (1999) 96 FCR 107 at 115 [19].

<sup>125</sup> See [23]-[25] above.

<sup>126</sup> See *E & J Gallo Winery* (2010) 241 CLR 144 at 163 [43], 175 [87], citing *Coca-Cola Company* (1999) 96 FCR 107 at 115 [19].

BOTOX® ALTERNATIVE" on one website page and "Instant Botox® ALTERNATIVE" on three other website pages.

56 Of particular significance was that the phrase "instant Botox® alternative" appeared alongside two clear badges of origin, namely the umbrella brand FREEZEFRAME and the name of the relevant product, INHIBOX. This diminishes the likelihood that the phrase "instant Botox® alternative" could be objectively understood to indicate origin in itself<sup>127</sup>. This is because its use was not as dominant as the use of the other signs, FREEZEFRAME and INHIBOX. This is most evident on the packaging. On both Packaging A and Packaging B, "instant Botox® alternative" appeared only once, on the front of the box, in much smaller font than FREEZEFRAME and INHIBOX. FREEZEFRAME and INHIBOX were also featured prominently on the left and right sides of each box. Further, unlike FREEZEFRAME and INHIBOX, "instant Botox® alternative" did not feature on the product visible through the clear plastic window on Packaging A (a syringe-like applicator containing the cream) itself. The phrase "instant Botox® alternative" was more prominent on the website, but that also evidences the inconsistency with which the phrase was used.

57 The FREEZEFRAME and INHIBOX script style and presentation is also significant. FREEZEFRAME and INHIBOX were both distinctive and stylised signs that were apt to be perceived as brands. In contrast, "instant Botox® alternative" was a descriptive phrase that had an ordinary meaning and included within it the trade mark BOTOX (identified as such with a ® symbol). It was descriptive of the product to which it was attached as an alternative product. While a sign can both be descriptive and serve as a badge of origin, the better view is that the use of the phrase, consistent with its ordinary meaning, had only a descriptive purpose and nature<sup>128</sup>. As the primary judge found, the phrase amounted to "ad-speak".

<sup>127</sup> See *Anheuser-Busch* (2002) 56 IPR 182 at 228 [191].

<sup>128</sup> cf *Shell* (1963) 109 CLR 407 at 426; *Johnson* (1991) 30 FCR 326 at 347.



- 58 The Full Court, in overturning the primary judge and reaching the contrary conclusion, misidentified, and consequently failed to engage with, the reasons of the primary judge with respect to why "instant Botox® alternative" did not constitute use as a trade mark. The Full Court identified four reasons given by the primary judge as to why "instant Botox® alternative" was *not* used as a trade mark. However, in the identified paragraphs, the primary judge was dealing with whether BOTOX alone was used by Self Care as a trade mark. The primary judge dealt with whether "instant Botox® alternative" was used as a trade mark at a different point in the judgment.
- 59 Next, the Full Court asked the wrong question. It asked whether there was an implied association in trade source between the different products. The Full Court said that the sign "instant Botox® alternative" "implied an association in the trade source of the different products" and "was being used to denote some trade source connection with [Allergan's products]". At other points, the Full Court remarked on the existence of an "implied association with Allergan" and that a consumer might "reasonably consider there was an association" with Allergan.
- 60 This reasoning by the Full Court shows that it impermissibly conflated the two elements of s 120(1) of the TM Act: (1) whether the sign was "used as a trade mark" and (2) whether that trade mark was "deceptively similar" to the registered trade mark. Conflation of those elements is not uncommon. As *Shanahan's Australian Law of Trade Marks & Passing Off* observes, "[t]here is a common misconception that an infringer uses a sign as a trade mark if the use indicates or is likely to indicate a connection between the infringer's goods and the owner of the registered mark"<sup>129</sup>. However, "factors relevant to whether there is a misrepresentation or likelihood of deception have *no role to play* in

<sup>129</sup> Davison and Horak, *Shanahan's Australian Law of Trade Marks & Passing Off*, 7th ed (2022) at 668 [85.560], citing several cases including *Coca-Cola Company* (1999) 96 FCR 107 at 115 [19]-[20], *Global Brand Marketing Inc v YD Pty Ltd* (2008) 76 IPR 161 at 171 [45]-[48] and *Alcon Inc v Bausch & Lomb (Australia) Pty Ltd* (2009) 83 IPR 210 at 238-239 [155].

deciding the question of what constitutes 'use as a trade mark'<sup>130</sup>. As was stated in *Coca-Cola Company v All-Fect Distributors Ltd*, the inquiry is not "whether the sign indicates a connection between the alleged infringer's goods and those of the registered owner"<sup>131</sup>. The correct approach is to ask whether the sign used indicates origin of goods *in the user of the sign*<sup>132</sup>. For the reasons stated above, the phrase "instant Botox® alternative" was not used as a sign to indicate the origin of the goods in Self Care or to indicate that there was a connection in the course of trade between the goods and Self Care.

61 As Self Care did not use "instant Botox® alternative" as a mark, Self Care's appeal against the Full Court's finding that it had infringed the BOTOX mark by using "instant Botox® alternative" should be allowed. The question of deceptive similarity does not arise and it is also unnecessary to address the defence of use in good faith in s 122(1)(b) and the comparative advertising defence in s 122(1)(d) of the TM Act.

### **SELF CARE'S USE OF PROTOX**

62 The sole question in Allergan's appeal before the Full Court in respect of Self Care's use of PROTOX, and then in these appeals, was whether PROTOX was deceptively similar to the BOTOX mark. Self Care's application to cancel the registration of BOTOX as a defensive mark was rejected by the primary judge and was not appealed. The finding that PROTOX was used as a trade mark was also not appealed by Self Care, and there was no dispute that the goods in relation to which PROTOX is used by Self Care are goods in respect of which the BOTOX mark is registered in class 3.

63 The primary judge found that PROTOX was not deceptively similar to BOTOX on the basis that the two marks were sufficiently distinctive such that persons of ordinary intelligence and memory were not likely to confuse them. The primary judge held that "although the words are very similar in look and in sound, they are less so in any idea or meaning conveyed by them". The primary judge, relying on the authority of *Henschke*

<sup>130</sup> Davison and Horak, *Shanahan's Australian Law of Trade Marks & Passing Off*, 7th ed (2022) at 668-669 [85.560] (emphasis added).

<sup>131</sup> (1999) 96 FCR 107 at 115 [20].

<sup>132</sup> *Coca-Cola Company* (1999) 96 FCR 107 at 115-116 [20].

and *Australian Meat Group*, found that the "ubiquitous reputation" of BOTOX meant there was not likely to be an imperfect recollection of the BOTOX mark, but held that a person with even an imperfect recollection was not likely to be deceived. The primary judge's conclusion was reinforced by the fact that the PROTOX mark was "almost always used in proximity to the FREEZEFRAME mark" and that there was "no evidence of actual confusion".

64 The Full Court held that the primary judge failed to ask whether, by reason of the similarity between PROTOX and BOTOX (even assuming people would not confuse the marks or the products themselves), it might be the case that consumers would be caused to wonder whether the products came from the same source. Having identified error, the Full Court carried out its own assessment and reached a different conclusion. The Full Court held that, although consumers "would not have confused PROTOX for BOTOX" because the "words are sufficiently different for consumers to appreciate that the words are different and that the products to which the words relate are different", PROTOX was in fact deceptively similar to BOTOX because there was a real risk of confusion as to whether the two products might come from the same source. The Full Court said that:

"Some consumers are likely ... to have wondered whether PROTOX was an alternative product being offered by those behind BOTOX, perhaps targeted to those who did not like injections or who wanted the convenience of a home treatment. Some consumers are likely to have wondered whether PROTOX was developed by those behind BOTOX as a topical treatment to be used in conjunction with Botox treatment, perhaps to improve or prolong results."

65 As is clear, the Full Court relied on the reputation of BOTOX as an injectable treatment to conclude that what otherwise was not a deceptively similar mark might be associated with Allergan because some potential customers "would wonder whether those behind BOTOX had decided to expand into topical cosmetic anti-wrinkle products". That was an error<sup>133</sup>. And, related to that error was the Full Court's failure to apply the correct test of

<sup>133</sup> See [34]-[51] above.

comparison, which is based on the *notional* use of BOTOX on the goods covered by the registration – anti-wrinkle creams – and not its *actual* use<sup>134</sup>.

### **PROTOX not deceptively similar to BOTOX**

66 The statutory inquiry under s 120(1) (read with s 10) is whether PROTOX so nearly resembles BOTOX for anti-wrinkle creams in class 3 that it is likely to deceive or cause confusion as to the source of those products. The applicable principles have been addressed<sup>135</sup>.

67 Class 3 goods are, as described by the primary judge, "essentially cosmetics that are sold as retail products directly to the public". As explained, the focus is the effect or impression produced on the mind of potential customers who would be likely to buy anti-wrinkle creams in class 3. The correct approach is to compare the notional buyer's imperfect recollection of the BOTOX mark (on the assumption that the buyer has seen such a mark used on anti-wrinkle creams, even though no such mark is in fact used by Allergan in class 3) with PROTOX as actually used by Self Care on its product.

68 In undertaking the correct comparison for deceptive similarity between the two marks, it was necessary to consider the marks visually and aurally and in the context of the relevant surrounding circumstances. Considering both the packaging and the website for Prottox accords with assessing the "actual use" of the PROTOX mark as required by the test for deceptive similarity. As will be explained, the notional buyer would not be caused to wonder whether, or entertain a reasonable doubt as to whether, due to the resemblance between the marks, anti-wrinkle creams in class 3 bearing PROTOX and BOTOX would have the same trade source.

69 Allergan was correct to submit that, as the Full Court accepted, there are visual and aural similarities between the two marks. The word PROTOX uses two short consonants, "p" and "r", to make the syllable "pro", which is visually and aurally similar to "bo"; both "pro" and "bo" are "sounded through the lips together"; and the word "otox" is "distinctive

<sup>134</sup> See [28]-[29] and [33] above.

<sup>135</sup> See [26]-[33] above.

and identical" between PROTOX and BOTOX and is an "identical rhyme". But, as the Full Court correctly said, "[c]onsumers would not have confused PROTOX for BOTOX". The words are sufficiently different that the notional buyer, allowing for an imperfect recollection of BOTOX, would not confuse the marks or the products they denote. The visual and aural similarities were just one part of the inquiry.

70 The question, then, was whether these similarities "imply an association" so that the notional buyer would be caused to wonder whether it might not be the case that the products come from the same source. The alleged deceptiveness was said to flow not only from the degree of similarity itself, but also from its effect considered in relation to the circumstances of the goods and the prospective purchaser and the market covered by the monopoly – anti-wrinkle creams in class 3. It is to be assumed that the products would be sold in similar trade outlets, including pharmacies, as well as through websites. The notional buyer has a recollection of the BOTOX mark being used on anti-wrinkle creams in class 3 in that context. The notional buyer sees the PROTOX mark used on a similar product – a serum which is advertised on its packaging and website to "prolong the look of Botox®". While the reputation of BOTOX cannot be considered, the relevant context includes the circumstances of the actual use of PROTOX by Self Care. "[P]rolong the look of Botox®" may suggest that Prottox is a complementary product. However, as was observed by the primary judge, "it will be the common experience of consumers that one trader's product can be used to enhance another trader's product without there being any suggestion of affiliation"<sup>136</sup>. In this case, the back of the packaging stated in small font that "Botox is a registered trademark of Allergan Inc" and, although the assumption is that Botox is an anti-wrinkle cream, the website stated that "PROTOX has no association with any anti-wrinkle injection brand".

<sup>136</sup> The primary judge rejected the submission that Self Care's use of the phrase "prolong the look of Botox®" suggested affiliation between Prottox and Allergan by representing that Prottox is an accessory for Botox. This formed part of the primary judge's dismissal of Allergan's claims at trial that Self Care made affiliation representations contrary to the ACL and engaged in passing off. Allergan did not appeal those aspects of the primary judge's decision.

71 Applying the applicable principles<sup>137</sup>, there is no real risk of confusion or deception such that the notional buyer will be caused to wonder whether it might be that the products come from the same source. What is required is a "real, tangible danger" of confusion or deception occurring<sup>138</sup>. As explained, the marks are sufficiently distinctive such that there is no real danger that the notional buyer would confuse the marks or products. The similarities between the marks, considered in the circumstances, are not such that the notional buyer nevertheless is likely to wonder whether the products come from the same trade source. That conclusion is reinforced by the fact that the PROTOX mark was "almost always used in proximity to the FREEZEFRAME mark" and that there was "no evidence of actual confusion".

72 In submissions, Allergan relied on the finding of deceptive similarity of NO-TOX to BOTOX in *Allergan Inc v Di Giacomo*<sup>139</sup>, which concerned the unsuccessful registration of NO-TOX. That decision does not assist. It was an *ex parte* application concerned with opposition to registration of a trade mark under s 60 of the TM Act.

73 Self Care's appeal against the Full Court's finding that it had infringed the BOTOX mark by using PROTOX should be allowed.

74 Allergan filed a Notice of Contention that contended that the Full Court, having found that Self Care adopted the trade mark PROTOX (and the mark "instant Botox® alternative") with the intention to leverage off the fame or reputation of BOTOX, should also have held that each mark was fitted for that purpose and likely to deceive or cause confusion under s 120(1) of the TM Act<sup>140</sup>. During the hearing, Allergan informed the Court that it no longer pressed that contention.

<sup>137</sup> See [26]-[33] above.

<sup>138</sup> *Southern Cross* (1953) 91 CLR 592 at 595.

<sup>139</sup> (2011) 199 FCR 126.

<sup>140</sup> Seeking to rely on *Australian Woollen Mills* (1937) 58 CLR 641 at 657.

## CONTRAVENTIONS OF THE ACL

75 Section 18 of the ACL, headed "Misleading or deceptive conduct", provides in sub-s (1) that "[a] person must not, in trade or commerce, engage in conduct that is misleading or deceptive or is likely to mislead or deceive". Section 29 is headed "False or misleading representations about goods or services". Sub-section (1) relevantly provides:

"A person must not, in trade or commerce, in connection with the supply or possible supply of goods or services or in connection with the promotion by any means of the supply or use of goods or services:

(a) make a false or misleading representation that goods are of a particular standard, quality, value, grade, composition, style or model or have had a particular history or particular previous use; or

...

(g) make a false or misleading representation that goods or services have sponsorship, approval, performance characteristics, accessories, uses or benefits;  
..."

If a person makes a representation with respect to any future matter and the person does not have reasonable grounds for making the representation, the representation is taken to be misleading<sup>141</sup>.

76 The Full Court found that Self Care engaged in misleading or deceptive conduct contrary to s 18(1) of the ACL, and made a false or misleading representation contrary to s 29(1)(a) and (g), by the sale or promotion of Inhibox by reference to the phrase "instant Botox® alternative" on Packaging A, Packaging B and the website. Self Care appealed to this Court against that finding.

77 The Full Court held that, in context, the phrase "instant Botox® alternative" would convey to reasonable consumers in the target market that: "(a) use of Inhibox would result in a similar reduction of the appearance of wrinkles to that which would be achieved with treatment by Botox; and (b) the effect would last, after treatment, for a period equivalent to that which would be achieved with treatment by Botox injection". Self Care was held to have had reasonable grounds to make the former representation. However, the Full

<sup>141</sup> ACL, s 4(1).

Court held that it did not have reasonable grounds for making the latter representation – the long term efficacy representation – and had therefore contravened ss 18(1) and 29(1)(a) and (g) of the ACL.

78 Self Care did not challenge the finding of the Full Court that the long term efficacy representation was misleading. The evidence did not establish that Inhibox had long term effects after treatment equivalent to those of Botox or that there were reasonable grounds for representing that it did. The unchallenged findings were that Inhibox reduced the appearance of wrinkles quickly enough to describe the effect as "instant" and the effects of treatment with Inhibox were noticeable for up to between five and eight hours after application. The primary judge found there was a reasonable foundation to claim that Inhibox produced a significant reduction in the appearance of wrinkles over a 28-day period of application, but this evidence said nothing about the effect after application ceased. On the other hand, the wrinkle reducing effects of a single Botox treatment last for up to four months.

79 Self Care did, however, challenge the Full Court's finding that Self Care *made* the long term efficacy representation. In these appeals, we are concerned with whether the long term efficacy representation was made by use of the phrase "instant Botox® alternative" on Packaging A, Packaging B and the website.

### **Principles**

80 The principles are well established. Determining whether a person has breached s 18 of the ACL involves four steps: *first*, identifying with precision the "conduct" said to contravene s 18; *second*, considering whether the identified conduct was conduct "in trade or commerce"; *third*, considering what meaning that conduct conveyed; and *fourth*, determining whether that conduct in light of that meaning was "misleading or deceptive or ... likely to mislead or deceive"<sup>142</sup>.

<sup>142</sup> See *Google Inc v Australian Competition and Consumer Commission* (2013) 249 CLR 435 at 464-465 [89]. See also *Australian Competition and Consumer Commission v*



81 The first step requires asking: "what is the alleged conduct?" and "does the evidence establish that the person engaged in the conduct?"<sup>143</sup>. The third step considers what meaning that conduct conveyed to its intended audience<sup>144</sup>. As in this case, where the pleaded conduct is said to amount to a representation, it is necessary to determine whether the alleged representation is established by the evidence<sup>145</sup>. The fourth step is to ask whether the conduct in light of that meaning meets the statutory description of "misleading or deceptive or ... likely to mislead or deceive"; that is, whether it has the tendency to lead into error<sup>146</sup>. Each of those steps involves "quintessential question[s] of fact"<sup>147</sup>.

82 The third and fourth steps require the court to characterise, as an objective matter, the conduct viewed as a whole and its notional effects, judged by reference to its context, on the state of mind of the relevant person or class of persons<sup>148</sup>. That context includes the immediate context – relevantly, 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 of the relevant surrounding facts and circumstances<sup>149</sup>. It has

*Telstra Corporation Ltd* (2007) 244 ALR 470 at 474 [14]-[15]; *Reckitt Benckiser (Australia) Pty Ltd v Procter & Gamble Australia Pty Ltd* [2015] FCA 753 at [35].

<sup>143</sup> cf *Google* (2013) 249 CLR 435 at 465 [89].

<sup>144</sup> *Forrest v Australian Securities and Investments Commission* (2012) 247 CLR 486 at 503 [26].

<sup>145</sup> *Telstra* (2007) 244 ALR 470 at 474 [14], citing *Campomar* (2000) 202 CLR 45 at 86-87 [105], *National Exchange Pty Ltd v Australian Securities and Investments Commission* (2004) ATPR ¶42-000 at 48,714 [18] and *Astrazeneca Pty Ltd v GlaxoSmithKline Australia Pty Ltd* (2006) ATPR ¶42-106 at 44,891 [37].

<sup>146</sup> *Australian Competition and Consumer Commission v TPG Internet Pty Ltd* (2013) 250 CLR 640 at 651 [39].

<sup>147</sup> *Australian Competition and Consumer Commission v Telstra Corporation Ltd* (2004) 208 ALR 459 at 475 [49]. See also *Butcher v Lachlan Elder Realty Pty Ltd* (2004) 218 CLR 592 at 625 [109].

<sup>148</sup> See *Campbell v Backoffice Investments Pty Ltd* (2009) 238 CLR 304 at 318-319 [24]-[25]. See also *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191 at 199; *Campomar* (2000) 202 CLR 45 at 85 [102]-[103].

<sup>149</sup> *Parkdale Custom Built Furniture* (1982) 149 CLR 191 at 199; *Butcher* (2004) 218 CLR 592 at 605 [39], 625 [109]; *Campbell* (2009) 238 CLR 304 at 319 [25]-[26], 341-342 [102]; *TPG Internet* (2013) 250 CLR 640 at 655-656 [51]-[52].

been said that "[m]uch more often than not, the simpler the description of the conduct that is said to be misleading or deceptive or likely to be so, the easier it will be to focus upon whether that conduct has the requisite character"<sup>150</sup>. That said, the description of the conduct alleged and identified at the first step should be sufficiently comprehensive to expose the complaint, because it is that conduct that will ultimately, as a whole, be determined to be or not to be misleading or deceptive.

83 Where the conduct was directed to the public or part of the public, the third and fourth steps must be undertaken by reference to the effect or likely effect of the conduct on the ordinary and reasonable members of the relevant class of persons. The relevant class of persons may be defined according to the nature of the conduct, by geographical distribution, age or some other common attribute, habit or interest<sup>151</sup>. It is necessary to isolate an ordinary and reasonable "representative member" (or members) of that class, to objectively attribute characteristics and knowledge to that hypothetical person (or persons), and to consider the effect or likely effect of the conduct on their state of mind<sup>152</sup>. This hypothetical construct "avoids using the very ignorant or the very knowledgeable to assess effect or likely effect; it also avoids using those credited with habitual caution or exceptional carelessness; it also avoids considering the assumptions of persons which are extreme or fanciful"<sup>153</sup>. The construct allows for a range of reasonable reactions to the conduct by the ordinary and reasonable member (or members) of the class<sup>154</sup>.

<sup>150</sup> *Google* (2013) 249 CLR 435 at 465 [92].

<sup>151</sup> *Campbell* (2009) 238 CLR 304 at 319 [25]; *Australian Competition and Consumer Commission v Coles Supermarkets Australia Pty Ltd* (2014) 317 ALR 73 at 81 [41].

<sup>152</sup> *Campomar* (2000) 202 CLR 45 at 85 [103]. See also *Crescent Funds Management (Aust) Ltd v Crescent Capital Partners Management Pty Ltd* (2017) 118 ACSR 458 at 483 [105], 489 [138]; *Australian Competition and Consumer Commission v Google LLC [No 2]* (2021) 391 ALR 346 at 363-365 [90]-[98].

<sup>153</sup> *Comité Interprofessionnel Du Vin De Champagne v Powell* (2015) 330 ALR 67 at 104 [171].

<sup>154</sup> See *Google LLC [No 2]* (2021) 391 ALR 346 at 363-364 [92]-[94], quoting *Campomar* (2000) 202 CLR 45 at 86-87 [105], *National Exchange* (2004) ATPR ¶42-000 at 48,715-48,716 [24] and *Comité Interprofessionnel* (2015) 330 ALR 67 at 104 [171].

84 Although s 18 takes a different form to s 29, the prohibitions are similar in nature<sup>155</sup>. In these appeals, there is no relevant meaningful difference between the words "misleading or deceptive" in s 18 and "false or misleading" in s 29<sup>156</sup>. Under s 29 it is necessary to identify a representation made in connection with the supply or possible supply of goods or services, or in connection with the promotion of the supply or use of goods or services, that is false or misleading and meets one of the descriptions in sub-s (1)(a) to (n).

### **Approach of the courts below**

85 The claim before the primary judge alleged that Self Care had contravened the ACL by making numerous statements comparing four of Self Care's products with Botox, including seven statements in relation to Inhibox. Allergan alleged these statements conveyed misleading representations of affiliation with Allergan and its products, and misleading representations about the efficacy of Self Care's products. The primary judge rejected each of these allegations, except for one<sup>157</sup>. On appeal to the Full Court, Allergan only challenged the primary judge's conclusion in relation to one of the statements made about Inhibox – namely, the conclusion that the phrase "instant Botox® alternative" did convey a representation that Inhibox would achieve results of at least the same standard or quality as Botox in terms of reduction in appearance of wrinkles but not about the length of time the results would last. The following summary addresses the aspects of the primary judge's reasoning relevant to that conclusion.

86 The primary judge held that the class of consumers for Self Care's products was people who are interested in treatments for the reduction of the appearance of wrinkles. The class would likely be aware of Botox and include people who had used Botox, or who might have considered using Botox, or who would not be interested in using Botox. For the most part, they would likely be people who knew something about anti-ageing and anti-wrinkle

<sup>155</sup> *Australian Competition and Consumer Commission v TPG Internet Pty Ltd* (2020) 278 FCR 450 at 458 [21].

<sup>156</sup> *Coles Supermarkets* (2014) 317 ALR 73 at 81 [40]; *TPG Internet* (2020) 278 FCR 450 at 458 [21].

<sup>157</sup> The primary judge found that the statement that the Night (tube) product "delivers the results of a Botox injection in 4 weeks" was misleading.

treatments. The ordinary and reasonable consumer in that class would likely know that Botox is an injectable anti-wrinkle treatment that is available to be administered by healthcare professionals while Self Care's products are topically self-applied creams, serums and lotions and that Botox is likely to be more expensive than Self Care's products because it is required to be professionally administered. The consumer would not have seen or experienced Self Care's products and Botox being available in the same place. The primary judge also found that the ordinary and reasonable consumer would appreciate "that there are many variables to take into account in choosing one product over another" including "the trouble, pain and expense of purchase and administration or application, how long the effects of the product last, and how significant the effects are".

87 The primary judge held that the phrase "instant Botox® alternative" was likely to be understood by ordinary and reasonable members of the class of consumers as representing that Inhibox would reduce the appearance of wrinkles to a similar extent as Botox does. On the evidence, Self Care had reasonable grounds to make that representation. The primary judge held that the phrase did *not* convey that Inhibox would have the same effect, mechanism or mode of action as Botox, or that the effect would last for the same amount of time.

88 In coming to this conclusion, the primary judge identified the correct questions – what meaning the phrase "instant Botox® alternative" assessed in context conveyed, and whether it was misleading or deceptive. But, as the Full Court found, although the primary judge recognised the need to consider the phrase in context, the primary judge reached this conclusion by focusing solely on the phrase and its broader context – the surrounding circumstances – and did not consider the immediate context – the surrounding words and the design of Packaging A, Packaging B and the website.

89 On appeal, the Full Court identified that error and went on to consider both the immediate and broader context. However, the Full Court itself made a number of errors. As explained below, it misdescribed the ordinary and reasonable consumer. The Full Court proceeded to describe and assess the target market from a premise which was false and which infected the subsequent reasoning. The false premise was that consumers in the target market included consumers who considered that Inhibox and Botox had a common trade origin because Packaging A and Packaging B bore, prominently on the front of the

packaging, a reference to "Botox®" and because the primary judge accepted that BOTOX was a powerful brand with a widespread reputation. The Full Court stated that the primary judge had found that, if the BOTOX brand was applied to a topical cosmetic product, ordinary reasonable consumers would draw a connection between the product and the owner of the trade mark BOTOX. Although the primary judge did find that there would be an association conveyed if the word BOTOX was used *on its own* on a topical cosmetic product, the primary judge made a finding that the phrase "instant Botox® alternative" would *not* convey an association between Inhibox and Botox to the reasonable consumer. There was no appeal against that finding.

90 On appeal to the Full Court, Allergan argued that the primary judge should have found that the ordinary reasonable consumer was likely to know that the effects of a Botox treatment last for up to four months. The Full Court held that "[f]or reasons given below, the target market would have included reasonable consumers who had the understanding that Botox continued to have effect for a period of 4 months after treatment", but then it did not provide any reasons for that conclusion. Later, the Full Court stated that consumers in the target market would include consumers who would appreciate that Botox requires a short period after injection for its full effect to show and then has a reasonably long lasting effect. The Full Court then said that Botox usually has "an effect for about 4 months" but that conclusion was itself misstated. The finding of the primary judge was that Botox usually has an effect which lasts *up to* four months. The Full Court should not have overturned the factual findings of the primary judge as to the knowledge of the reasonable consumer without identifying and explaining the error made. Further, the Full Court's statement that the target market "would have included" reasonable consumers who had that knowledge demonstrated a misunderstanding of the relevant test. The ordinary and reasonable consumer is a hypothetical construct to whom the court attributes characteristics and knowledge in order to characterise the impugned conduct. The class in fact will always have reasonable consumers with varying levels of knowledge; the question was whether the knowledge should be attributed to the hypothetical reasonable consumer in this case.

91 Proceeding from these false premises, there was then the finding by the Full Court that the long term efficacy representation had been made, namely that the target market it had

identified would have included reasonable consumers who understood from the phrase "instant Botox® alternative", when read in context, that Inhibox would provide a long term effect, after treatment ceased, comparable to that provided by Botox. The Full Court found that "[s]ome reasonable consumers, at least before further inquiry or sober later consideration, may have thought from the phrase 'instant Botox® alternative', read in context, that the long term effect of Inhibox would be achieved *after a single use* in common with a single Botox treatment" (emphasis added) and that more consumers "would reasonably have assumed that a long term *post-treatment* effect, equivalent to Botox, could be achieved through use of the Inhibox product *over some undefined but reasonable time*" (emphasis added).

92 As will be explained, the reasonable consumer would not have understood that the phrase "instant Botox® alternative" on Packaging A, Packaging B or the website conveyed the long term efficacy representation.

#### **Market and the relevant class of consumer**

93 The court must put itself in the position of the ordinary and reasonable consumer in the relevant class<sup>158</sup>. The primary judge correctly identified the relevant class of consumers and attributed characteristics to the reasonable consumers in that class<sup>159</sup>.

#### **Impugned conduct**

94 The issue is whether the use of the phrase "instant Botox® alternative" in respect of Inhibox conveyed the long term efficacy representation – that the effects of Inhibox would last, after treatment, for a period equivalent to that which would be achieved with treatment by Botox injection.

95 As the primary judge held, the statement that Inhibox is an "alternative" to Botox would likely be understood as distinguishing Inhibox as not having the qualities of Botox that the consumer might regard to be disadvantageous (such as it being an injectable that can

<sup>158</sup> *Google LLC [No 2]* (2021) 391 ALR 346 at 362 [86]; *Australian Competition and Consumer Commission v Employure Pty Ltd* (2021) 392 ALR 205 at 225 [98].

<sup>159</sup> See [86] above.

only be administered by healthcare professionals and that it is relatively expensive), and as saying that the product would achieve a similar outcome to Botox in terms of reducing the appearance of wrinkles. The phrase "instant Botox® alternative" does not say anything expressly about the extent of the effectiveness of Inhibox, particularly with regard to how long the reduction in the appearance of wrinkles will last.

96 However, as the Full Court held, the question whether the phrase conveyed the long term efficacy representation must be assessed in context, which includes the packaging and marketing material.

***Packaging A – Inhibox old packaging***<sup>160</sup>

97 Until about February 2017, Inhibox was packaged in a box with a clear plastic window through which could be seen a syringe-like applicator. On the front of Packaging A was the phrase "instant Botox® alternative" with the words "freezeframe" and "with INHIBOX". The words "Clinically proven to erase wrinkle appearance in 5 minutes" appeared on the side of the packaging. On the back of the packaging, Inhibox was described as "The world's first Instant and Long Term Botox® Alternative"<sup>161</sup> in large font running vertically along the packaging. Beneath a heading "Freeze wrinkles instantly", the packaging stated:

"Why wait for weeks to look dramatically younger when you can wipe away the years this very minute! freezeframe's exclusive *INHIBOX complex is clinically proven to wipe away visible expression wrinkles around the eyes and on the forehead within 5 minutes*, so you get an immediate wrinkle freeze and eye lift *that lasts for hours.*" (emphasis added)

Relevantly, this description explained that Inhibox has an effect which "lasts for hours". This directly contradicted the alleged long term efficacy representation and reduced the likelihood that the reasonable consumer would be misled into believing that the effects of Inhibox last as long as those of treatment by Botox injection.

<sup>160</sup> See Sch 1 to these reasons for judgment.

<sup>161</sup> At trial, Allergan unsuccessfully alleged that this statement contravened the ACL. Allergan did not appeal the primary judge's finding (see [85] above).

98 The back of the packaging made three further references to the effects of Inhibox being "long term". Under a heading "And long term!", it stated that "freezeframe technology is scientifically proven to reduce the appearance of wrinkles by up to 63.23% in just 28 days" and "freezeframe's Dual Effect technology gives you proven instant wrinkle reduction, plus the world's best long term wrinkle relaxing" and under a further heading – "Two of the world's most potent wrinkle erasers\* in one formula"<sup>162</sup> – a statement that read "[i]magine... the power of an instant wrinkle freeze, combined with the long term benefits of the most potent, cumulative facial relaxing technology on the planet. All in one simple formula."

99 While these statements represent that the effects of Inhibox are "long term", in this context the reasonable consumer would be unlikely to believe that "long term" means an effect which has the same duration as after treatment by Botox injection. This is because the words "long term" must be understood in the context of the statement that the effect of Inhibox "lasts for hours" and the consistent use of the word "instant" on the packaging. The word "instant" appeared on the front of the box in the phrase "instant Botox® alternative". It also appeared in the large vertical heading on the back of the box "The world's first Instant and Long Term Botox® Alternative" and in the smaller horizontal heading "Freeze wrinkles instantly". It then appeared three more times in the text of the paragraphs on the back of the packaging alongside references to the effect occurring "this very minute!", "within 5 minutes" and being "immediate". There was an additional reference to Inhibox being "[c]linically proven to erase wrinkle appearance in 5 minutes" on the left-hand side of the packaging. The fact that the effect of Inhibox was said to be instant makes it less likely that the reasonable consumer would believe that those effects would last for as long as those of Botox. Put differently, the reasonable consumer would likely believe it too good to be true that the effects of Inhibox are both instant and as long lasting as those of Botox.

<sup>162</sup> The asterisk in the phrase refers to a definition on the back of the packaging which read "\*Wrinkle erasers refers to the ability to reduce the visible appearance of wrinkles".



100 That the reasonable consumer would likely have understood the references to "long term" as meaning that the consumer could continue to apply the cream to have a "long term" effect is reinforced by the broader context. That context includes that Inhibox is a different product to Botox – Inhibox is a topical cream, Botox is a pharmaceutical injection. Inhibox is administered differently to Botox – Inhibox is self-administered at home, Botox is injected by healthcare professionals. Inhibox is cheaper than Botox – the primary judge found that the reasonable consumer would know that Botox is likely to be more expensive than Inhibox because it is required to be professionally administered. Inhibox and Botox are not sold in the same locations – the reasonable consumer would not have seen them available in the same place because Inhibox is available in various retail outlets and pharmacies, whereas Botox is not supplied directly to retail customers and is available to be administered only by healthcare professionals.

101 Taking into account that broader context, it is difficult to conceive why the reasonable consumer in the target market would think that a topically self-applied cream obtained from the pharmacy at a relatively low cost and worn in the course of the usual activities of life (including bathing and exercise) would have the same period of efficacy after treatment as an injectable anti-wrinkle treatment that is only available to be administered by healthcare professionals at a higher cost. As the primary judge identified, the reasonable consumer would appreciate "that there are many variables to take into account in choosing one product over another", including "the trouble, pain and expense of purchase and administration or application, how long the effects of the product last, and how significant the effects are". And, contrary to the approach of the Full Court, as the primary judge held, the reasonable consumer would not assume that, given the reference to "Botox®" on the packaging, there was a common trade origin between Inhibox and Botox.

102 For those reasons, the phrase "instant Botox® alternative" on Packaging A would not convey to the reasonable consumer in the target market that the wrinkle reducing effects of Inhibox – after a single treatment or after use of the product over a reasonable time – would last, after treatment, for a period equivalent to that which would be achieved with treatment by Botox injection.

*Packaging B – Inhibox new packaging*<sup>163</sup>

103 Since about September 2016, Inhibox has been packaged in a different box without a window. The front of the box prominently displayed the words "freezeframe" and "INHIBOX" as well as the phrase "instant Botox® alternative". On the back, in large font running vertically along the box, was the phrase "The original instant and long term Botox® alternative".

104 On the back of the packaging, under the heading "INHIBOX" and a subheading "Freeze wrinkles instantly", there were two sentences, in relevantly the same terms as on the back of Packaging A<sup>164</sup>, which included the words (identical to Packaging A) "so you get an immediate wrinkle freeze and eye lift that lasts for hours". This again directly contradicted the alleged long term efficacy representation and reduced the likelihood that the reasonable consumer would be misled into believing that the effects of Inhibox last as long as those of treatment by Botox injection.

105 Two further statements were also on the back of the packaging:

"Here's the real breakthrough. freezeframe doesn't simply make you look younger instantly, it actually reduces the appearance of wrinkles for the long haul as well.

...

Imagine... the power of an Instant [sic] wrinkle freeze, combined with the long term benefits of the most potent, cumulative facial relaxing technology on the planet. All in one simple formula. Looking younger has never been easier – or more satisfying for those of us who want instant gratification."

The side of the package, along with "freezeframe" and "INHIBOX", contained the phrase "clinically proven to erase eye wrinkles & puffiness in 5 minutes".

106 The broader context remains unaltered<sup>165</sup>. The reasoning and conclusion reached in relation to Packaging A applies equally, if not with greater force, to Packaging B. The phrase "instant Botox® alternative" on Packaging B did not convey the long term efficacy

<sup>163</sup> See Sch 1 to these reasons for judgment.

<sup>164</sup> See [97] above.

<sup>165</sup> See [100]-[101] above.

representation. The reasonable consumer would not have thought that Inhibox would reduce the appearance of wrinkles instantly *and* that the post-treatment effect – either after a single treatment or after use of the product over a reasonable time – would be for a term equivalent to that obtained through treatment by Botox injection.

### **Website**

107 Five separate screenshots of pages of Self Care's website were in issue. The screenshots were taken at different times but the content of them is similar and it is appropriate to deal only with the first screenshot. The relevant extracts from the website are set out below.

108 Under the phrase "INSTANT AND LONG TERM RESULTS", it stated:

"CLINICALLY PROVEN  
INSTANT BOTOX® ALTERNATIVE  
FREEZES WRINKLES INSTANTLY  
REDUCES WRINKLES LONG TERM

For expression wrinkles around eyes and forehead

freezeframe with INHIBOX is the original Instant Botox® Alternative, clinically proven to erase wrinkle appearance under the eyes and on the forehead in just 5 minutes, whilst delivering up to 63.23% reduction invisible [sic] wrinkles in just 28 days.

PRICE: \$89.00"

109 Four tabs appeared underneath: "DESCRIPTION", "INGREDIENTS", "REVIEWS" and "HOW TO USE". Only the first tab was in evidence. Under that tab, to the right of and slightly lower than the bottom of the image of the Inhibox product, it read:

**"The original Instant Botox® Alternative, freezeframe with INHIBOX has been a number 1 seller all over the world**

In an unprecedented breakthrough, cosmetic chemists have discovered a complex that *literally freeze* [sic] wrinkles upon application, and results have shown [sic] to last for hours. This discovery has sent shockwaves through the cosmetic industry as a topical alternative to Botox® injections becomes realised.

**Put the freeze on eye and forehead wrinkles for up to 8 hours**

The exclusive INHIBOX complex in freezeframe works in just minutes to *magically erase the appearance of wrinkles and puffiness around the eyes and on the forehead*. In fact, in one clinical trial, 100% of participants saw wrinkles diminished [sic] in just 5 minutes.

...

**Dual effect technology gives *clinically proven long term wrinkle reduction***

freezeFrame is *more than just an instant lift*, this Dual Effect technology also contains the most significant breakthrough in topical wrinkle relaxing to date – so it works to *relax your facial expressions and reduce the appearance of your wrinkles for the long term*. freezeFrame with INHIBOX is clinically proven to reduce visible wrinkles by as much as 63.23% in just 28 days so *you will look years younger even when you're not wearing it!*

**Two of the most potent wrinkle erasers in one formulation!**

The combination of this super strength peptide and the instant effect of INHIBOX work synergistically to create what we believe to be the most powerful wrinkle smoothing complex ever seen.

Imagine... *the power of an instant wrinkle freeze, combined with the long term benefits* of the most potent, progressive facial relaxing technology ever discovered. All in one simple formula. Looking younger has never been easier – or more satisfying for those of us who want instant gratification!

**Price: \$89.00"** (italicised emphasis added)

To the left of that text was a box headed "We also recommend", which contained two products – "Night" to "[r]elax wrinkles while you sleep" and "Boost", a "[c]oncentrated wrinkle relaxing eye roller".

110 As with the analysis of Packaging A and Packaging B, the question is whether the reasonable consumer would believe that the long term efficacy representation was in fact made by the use of the phrase "instant Botox® alternative" on the website. The website contained two statements which directly contradicted the alleged long term efficacy representation. In the first paragraph under the "DESCRIPTION" tab it was stated in the body of the text that "upon application ... results have [sic] shown to last for hours". The second heading under the "DESCRIPTION" tab said "Put the freeze on eye and forehead wrinkles for up to 8 hours".

111 That said, there were a number of references on the website to Inhibox having "long term" effects – in the top banner there was the phrase "INSTANT AND LONG TERM RESULTS"; to the right of the image of the Inhibox product were the words "CLINICALLY PROVEN – INSTANT BOTOX® ALTERNATIVE – FREEZES WRINKLES INSTANTLY – REDUCES WRINKLES LONG TERM"; towards the bottom of the page, under the "DESCRIPTION" tab and the heading "Dual Effect technology gives clinically proven long term wrinkle reduction", Inhibox was said to "relax your facial expressions and reduce the appearance of your wrinkles for the long

term"; and in the final paragraph under that tab Inhibox was said to have "long term benefits".

112 There were also references to Inhibox having a "Dual Effect" and a reference to it providing "more than just an instant lift", being "clinically proven to reduce visible wrinkles by as much as 63.23% in just 28 days *so you will look years younger even when you're not wearing it!*" (emphasis added). The latter statement suggested that Inhibox would have some post-treatment effect *after* 28 days of use.

113 The question is what the reasonable consumer would have thought the phrase "instant Botox® alternative" conveyed, in context. Did it convey that Inhibox had post-treatment effects that would be equivalent to those of Botox? Critically, although there were statements suggesting some post-treatment effect, those statements did not say how long such an effect might last. Other statements suggested that the results after application would last for hours. The broader context is the same as for Packaging A and Packaging B<sup>166</sup>. The reasonable consumer would have understood that, despite Inhibox being described as an "alternative", there would be differences between a Botox injection administered by a healthcare professional and a topically self-applied cream described as a "safe tissue tightening agent". In that context, "instant Botox® alternative" meant a product that would have an effect that could be fairly described as "instant" and be similarly effective to Botox at reducing the appearance of wrinkles – not a product that would have an equivalent post-treatment period of effect. The description of Inhibox as an "instant Botox® alternative" would not in that context convey to the reasonable consumer that the period of post-treatment efficacy would be equivalent to a Botox treatment.

114 For those reasons, Self Care's appeal against the finding that its use of the phrase "instant Botox® alternative" contravened ss 18 and 29 of the ACL should be allowed.

<sup>166</sup> See [100]-[101] and [106] above.

## **CONCLUSION AND ORDERS**

115 For those reasons, the orders are:

### **Matter No S79/2022**

1. The appeal be allowed with costs.
2. Orders 2 to 6 of the orders made by the Full Court of the Federal Court of Australia on 7 September 2021 and the declarations and orders made by the Full Court of the Federal Court of Australia on 13 October 2021 in proceeding NSD 35 of 2021 be set aside and, in their place, order that the appeal be dismissed with costs.

### **Matter No S80/2022**

1. The appeal be allowed with costs.
2. The orders made by the Full Court of the Federal Court of Australia on 7 September 2021 in proceeding NSD 249 of 2021 be set aside and, in their place, order that the appeal be dismissed with costs.

**SCHEDULE 1**  
**Packaging A – Old Inhibox packaging**

VIEW 1 - Front



VIEW 2 - Back



VIEW 3 - Left



VIEW 4 - Right



VIEW 5 - Top



VIEW 6 - Bottom



VIEW 7 - Inside front







## SCHEDULE 2

### Prottox packaging

VIEW 1 - Front



VIEW 2 - Back



VIEW 3 - Left



VIEW 4 - Right



VIEW 5 - Top



VIEW 6 - Bottom



VIEW 7 - Inside front



VIEW 8 - Inside back

