



HIGH COURT OF AUSTRALIA

NOTICE OF FILING

This document was filed electronically in the High Court of Australia on 01 Jul 2022 and has been accepted for filing under the *High Court Rules 2004*. Details of filing and important additional information are provided below.

Details of Filing

File Number: S80/2022
File Title: Self Care IP Holdings Pty Ltd & Anor v. Allergan Australia Pt
Registry: Sydney
Document filed: Form 27A - Appellant's submissions
Filing party: Appellants
Date filed: 01 Jul 2022

Important Information

This Notice has been inserted as the cover page of the document which has been accepted for filing electronically. It is now taken to be part of that document for the purposes of the proceeding in the Court and contains important information for all parties to that proceeding. It must be included in the document served on each of those parties and whenever the document is reproduced for use by the Court.

120(1) of the Act of infringement of the 426 Mark by reason of Self Care's use of the brand PROTOX in relation to its FREEZEFRAME PROTOX product; and (c) under s 18 of the *Australian Consumer Law (ACL)* that the phrase "instant Botox® alternative" conveyed representations as to efficacy of Self Care's products which are misleading or deceptive. Allergan failed on those claims before the primary judge but succeeded before the Full Court. The following specific issues arise.

4. In relation to trade mark infringement by use of the phrase "instant Botox® alternative":

10 (a) Is "use as a trade mark" determined by asking, as the Full Court did, whether the phrase indicates a connection between the alleged infringer's goods and the trade mark owner and in so doing taking account of the existence and nature of the trade mark owner's reputation in the trade mark for that purpose; or, as this Court and other Full Courts have held, by asking without regard to any reputation whether the phrase in context would present as a sign indicating the alleged infringer as the trade source of the alleged infringer's goods?

20 (b) In relation to the question of deceptive similarity under s 120(1) of the Act:
(i) is it permissible to have regard to the existence and nature of the trade mark owner's reputation in the registered mark as used on goods (in this case, the use of Botox on Allergan's injectable product), in particular where those goods are different from the allegedly infringing goods?

(ii) does deceptive similarity arise simply from the mention of a third party's trade mark in a comparative phrase?

(c) In relation to the comparative advertising defence in s 122(1)(d) of the Act:

(i) can the defence apply where the trade mark is used as part of a larger phrase, being a comparative phrase?

(ii) can the defence apply where that phrase is used as a trade mark?

30 (iii) can the defence apply where the phrase is used by a trader to call to mind the registered trade mark owner's product in order to compare the trader's product to it, and in that sense "trade off" or "leverage off" the reputation of the registered trade mark?

(d) In relation to the defence of good faith descriptive use under s 122(1)(b) of

the Act, issues (c)(ii) and (iii) arise.

5. In relation to the trade mark infringement issues concerning PROTOX:
 - (a) Issue 4(b)(i) in relation to “instant Botox® alternative” arises equally.
 - (b) Under what circumstances may two marks be considered deceptively similar in circumstances where consumers will not confuse one mark for the other?
6. In relation to the finding of contravention of the ACL in respect of the phrase “instant Botox® alternative”, did the Full Court’s errors of approach in relation to trade mark infringement infect its conclusion that the phrase misrepresented that Self Care’s product effects would last as long as those of Botox?

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

7. Self Care does not consider that notice should be given under s 78B of the *Judiciary Act 1903* (Cth).

Part IV: Citations

8. The principal reasons of the primary judge (Stewart J) are published as *Allergan Australia Pty Ltd v Self Care IP Holdings Pty Ltd* (2020) 156 IPR 413; [2020] FCA 1530 (**PJ**). The reasons of the primary judge on costs are published as *Allergan Australia Pty Ltd v Self Care IP Holdings Pty Ltd (No 2)* [2021] FCA 185.
9. The principal reasons of the Full Court (Jagot, Lee and Thawley JJ) are published as *Allergan Australia Pty Ltd v Self Care IP Holdings Pty Ltd* (2021) 286 FCR 259; (2021) 393 ALR 595; (2021) 162 IPR 595; [2021] FCAFC 163 (**FCJ**). Subsequent reasons dealing with orders and errors are published as *Allergan Australia Pty Ltd v Self Care IP Holdings Pty Ltd (No 2)* [2021] FCAFC 180 (**FCJ2**).

Part V: Relevant facts

10. Allergan’s Botox branded product is an injectable anti-wrinkle pharmaceutical preparation available only on prescription and administered by health care workers. It contains botulinum toxin type A, a poison registered on the Australian Register of Therapeutic Goods. Botox injections have the effect of reducing the appearance of wrinkles for about four months. They have been supplied in Australia for that purpose since about 2002. Consumers are very familiar with the name Botox and its use in relation to anti-wrinkle injectable pharmaceutical preparations. Allergan does not supply topical creams, whether under the brand Botox or at all.¹

¹ See PJ [8]-[21], [497], [499] (Joint Core Appeal Book (**CAB**) 20-23, 126, 127).

11. Self Care is a successful Australian cosmetics business. Its competing anti-wrinkle products are topical creams supplied under the umbrella brand name FREEZEFRAME which are available without prescription, are self-administered and can be applied daily. Self Care has about 30 such products in its range.² One of those FREEZEFRAME branded products is called INHIBOX, with the added words “instant Botox® alternative” on the box in smaller print. Those words also appeared in separate advertisements (see images at FCJ [47], [48]; CAB 238). The evidence demonstrated that FREEZEFRAME INHIBOX had a significant effect in reducing the appearance of wrinkles, to a similar extent as Botox, and that the effect could be reasonably regarded as “instant” (PJ [532], [577]; FCJ [112]; CAB 145, 255). However, being a cream rather than an injection, its effects did not last as long post use as those of Botox (FCJ [113], [114]; CAB 255, 256).
12. Other competitors in the market were also using phrases of the same nature, such as “Botox Alternative”, “The liquid Botox alternative” and the like in relation to anti-wrinkle cream products (PJ [241], [242]; CAB 71).
13. Another FREEZEFRAME branded product was called PROTOX. An image of the packaging appears at FCJ [17] (CAB 229).
14. There are two particularly relevant factual findings of the primary judge. First, the primary judge found that Self Care’s subjective intention in using the phrase “instant Botox® alternative” and in adopting the brand names “Protox” and “Inhibox” was not to mislead or confuse consumers as to any affiliation with Allergan. On the contrary, it was to differentiate Self Care’s products from those of Allergan and to use that differentiation as a means of leveraging off the reputation of Botox, which was legitimate competitive activity (PJ [71] first sentence; [73] last sentence; [75], [208], [468]-[469]; CAB 33, 34, 64-65, 120). An appeal against those findings was rejected by the Full Court (FCJ [38], [40]; CAB 235-236).
15. Secondly, as an objective matter, the primary judge found that the use of “instant Botox® alternative”, including on the Inhibox packaging, did not suggest an affiliation between Self Care’s products and those of Allergan and accordingly rejected Allergan’s ACL and passing off claims that the phrase was misleading or deceptive (PJ [461]-[464], [454], [455](3)-(5), [114](1); CAB 119, 118, 44). There was no appeal against that finding.

² PJ [26]-[30]; [497] (3) (CAB 24-25, 126).

16. Relevantly to the issues concerning registered trade mark infringement, Allergan's 426 Mark was registered in respect of anti-wrinkle creams in class 3, and injectable pharmaceutical preparations in class 5 (PJ [16(5)], [17], [19]; CAB 22-23). The primary judge found that Self Care's creams were not "goods of the same description" as the class 5 goods within the meaning of s 120(2) of the Act (PJ [218]-[226]; [261]; CAB 67-68, 75) and accordingly, the infringement case under that subsection based on those registered goods failed. Those findings were not appealed. It is the class 3 aspect of the registration, being the basis of Allergan's claim under s 120(1) of the Act, that was appealed and hence it was only that aspect which was relevant to the Full Court's consideration of infringement.

10

Part VI: Outline of argument

(a) *"instant Botox® alternative" – trade mark use*

17. Section 120(1) of the Act provides that a person infringes a registered trade mark if the person uses as a trade mark a sign that is substantially identical with, or deceptively similar to, the trade mark in relation to goods or services in respect of which the trade mark is registered.

18. Use as a trade mark means use as a "badge of origin" "in the sense that it indicates a connection in the course of trade between goods and the person who applies the mark to the goods".³ It forms no part of the determination of whether a word or words is or are used as a trade mark, to ask whether the asserted "sign" indicates a connection between the alleged infringer's goods and those of the registered owner.⁴ That is, the issue of use as a trade mark has nothing to do with whether consumers are likely to be confused or deceived by the alleged infringer's conduct.

20

19. Rather, the question is simply whether, in the setting or context in which the particular words are presented, they appear to the consumer as possessing the character of a device or brand or a mark for distinguishing those goods from other goods in the course of trade?⁵ Factors informing the question include the presence of other words which appear as brands or marks, the degree of prominence given to the impugned words on packaging generally and in comparison with other words

³ *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* (2010) 241 CLR 144 at [43] approving the statement in *Coca-Cola Co v All-Fect Distributors Ltd* (1999) 96 FCR 107 at [19] (*Coca-Cola*).

⁴ *Coca-Cola* at [20].

⁵ *Shell Company Australia v Esso Standard Oil (Australia)* (1963) 109 CLR 407 at 425 (*Shell*).

which appear as brands, and whether the impugned words are themselves distinctive or are words common to a trade or convey an ordinary meaning.⁶

20. In the present case, the Inhibox product is prominently branded INHIBOX (in large blue capital letters) and freezeframe (in large combination stylised white print in a blue elliptical panel), preceded by an octagonal device. INHIBOX has no ordinary meaning and is distinctive, consistently with its perception as a brand. Freezeframe has no direct meaning in connection with an anti-wrinkle cream but is allusive in connotation and again apt to be perceived as a brand.

10 21. In contrast, each of the words, “instant”, “alternative” and “Botox” in the phrase “instant Botox® alternative” are in non-stylised black print which is significantly smaller than the print size of both INHIBOX and freezeframe. On the reverse of the package appear the words: “The original instant and long term Botox® alternative”. “Instant” and “alternative” are words of ordinary meaning and Botox® is a reference to and apt to be understood as a reference to the market leading anti-wrinkle injectable product provided under the brand Botox.

20 22. Applying the proper test, the primary judge correctly found “instant Botox® alternative” was not used as a trade mark. At PJ [239] (CAB 71), his Honour stated that the presence of the marks FREEZEFRAME (being an umbrella brand) and INHIBOX (being a product brand) told against the likelihood that “instant Botox® alternative” would be understood as a badge of origin, as did the inconsistent use of capitalisation and punctuation in the various uses of that phrase. At PJ [233] (CAB 69) his Honour stated, “*Essentially the phrases that are complained of amount to ‘ad-speak’ to spruik the relevant product, most often by either contrasting it to Botox or by saying that it can be used to improve the results of Botox such as by prolonging its effectiveness*”. In short, the “instant Botox® alternative” is a description of qualities of Self Care’s product in comparison with a competitive product. It does not present as Self Care’s brand. The branding (or badge of origin) function is performed by FREEZEFRAME and INHIBOX.

30 23. The requirement that words can only be considered for the purposes of trade mark infringement if they are “used as a trade mark” serves an important function in protecting fair competition. It permits a trader to refer to the registered trade mark

⁶ See for example *Johnson & Johnson Australia Pty Limited v Sterling Pharmaceutical Pty Limited* (1991) 30 FCR 326 at 346; *Nature’s Blend Pty Ltd v Nestlé Australia Ltd* [2010] 272 ALR 487 at [19]; *Lift Shop Pty Ltd v Easy Living Home Elevators Pty Ltd* (2014) 311 ALR 207 at [46].

of another trader to communicate messages about the similarities or differences between the two products, including the availability of a substitute for, or alternative to, the trade marked product. A classic example of such a use was the subject of *Irving's Yeast-Vite Ltd v Horsenail* (1934) 51 RPC 110 where the House of Lords held that the mark “Yeast-Vite” was not used as a trade mark in the phrase “*Yeast tablets. A substitute for Yeast-Vite*”.⁷

24. In the present case, in summary, the Full Court took into account a different and irrelevant consideration. Instead of asking whether the phrase “instant Botox® alternative” was used to indicate the origin of Self Care’s product in Self Care, it asked whether that phrase would cause consumers to wonder whether there was a connection between the trade source of Self Care’s product and the trade source of Allergan’s product. That question has nothing to do with trade mark use. It is somewhat akin to a deceptive similarity analysis, though, as addressed below, even in that context it is erroneous. In fact, it bears most resemblance to an assertion of passing off or a misleading affiliation representation in contravention of the ACL, but, as noted, Allergan failed on those causes of action before the primary judge, based on the use of “instant Botox® alternative” and did not appeal that finding.

10

25. The Full Court’s reasoning proceeded in the following way. At FCJ [50]-[63] (CAB 239-242) the Full Court purported to identify four reasons given by the primary judge at PJ [249]-[254] as to why the phrase “instant Botox® alternative” was not used as a trade mark. That was erroneous. The primary judge’s reasons why the phrase “instant Botox® alternative” was not used as a trade mark appear at PJ [228]-[245] and [255] (CAB 68-72, 74). At PJ [249]-[254] (CAB 72-74), the primary judge was addressing a different question, namely whether “Botox” alone was used as a trade mark. Allergan did not pursue on appeal a claim that “Botox” alone was used as a trade mark. The Full Court’s incorrect focus on the primary judge’s reasons concerning “Botox” alone appeared to cause it to address the question as to whether “instant Botox® alternative” implied an association with Botox for the purpose of determining whether the phrase had been used as a trade mark. That, however, is the wrong question.

20

30

⁷ Referred to in *Shell* at 417; *Wingate Marketing v Levi Strauss* (1994) 49 FCR 89 per Gummow J at 135C); and *Mark Foy's Ltd v Davies Co-Operative & Co Ltd* (1956) 95 CLR 190 at 204-205.

26. Thus, at FCJ [57] (CAB 240-241) the Full Court stated, “*Given the similarities in the words PROTOX and BOTOX, the labelling of PROTOX as “instant Botox® alternative” implies an association in the trade source of the different products*”. As a preliminary matter, it was factually wrong to suggest that the phrase “instant Botox® alternative” appeared on the PROTOX product, rather than the INHIBOX product, and accordingly, the reliance on the “similarities” of PROTOX and BOTOX, apparently essential to its suggestion of an implied trade association arising from the use of the phrase, was erroneous. In this respect the Full Court accepted that it had made an error and that the error was not a “slip” capable of correction by substituting the word INHIBOX in the sentence for the word PROTOX (FCJ 2 [27]; CAB 276-277). To do so would have been tantamount to asserting, without any antecedent analysis, that “Inhibox” was deceptively similar to Botox, and Allergan had never made a claim of that kind.
27. More fundamentally, though, the reasoning is directed to the wrong question entirely, namely whether the phrase is deceptive (“*implies an association in the trade source of [FreezeFrame Inhibox and Botox]*”) rather than the question whether it functions as a badge of origin, that is, indicates the source of FreezeFrame Inhibox in Self Care. Moreover, the Full Court’s reliance on the incorrect reference to Prottox underlines that the Full Court was looking at the context in which the impugned phrase appeared, but not for the relevant purpose of determining whether the impugned phrase would appear as a brand where other clear branding existed, but as a tool to support its conclusion as to an implied association.
28. The error persists throughout the Full Court’s reasoning. At FCJ [65] (CAB 242) the Court indicated various ways in which the phrase “instant Botox® alternative” might reasonably be understood, in order to conclude that “*the phrase was being used to denote some trade source connection with [Allergan’s] products*”. At FCJ [66] the Court stated that the phrase constituted a third trade mark, in addition to FREEZEFRAME and (referring to the correct product this time) INHIBOX, but provided no reasoning beyond that which it had advanced in FCJ [65]. Nor did it do so in FCJ [67], which again focussed repeatedly on the question whether the phrase suggested an “*implied association with Allergan Inc*”. FCJ [68] to [70] (CAB 243) also provide no additional reasoning.

29. Had it directed itself to the correct question, it appears that the Full Court may have answered it in the same way as the primary judge. So much appears from the statement at FCJ [57] (CAB 240-241) that “*Describing a product as an “alternative” to another product does not, of itself, say anything about who is offering the choice*”. That is antithetical to a conclusion that the phrase is functioning as a badge of origin.
30. There is a false dichotomy apparent in the Full Court’s reasons. The analysis rejects the proposition that the phrase is merely descriptive because it additionally implies a misleading association. But even if the phrase did convey such a misleading association (contrary to the primary judge’s unappealed ACL finding that it did not), it does not follow that the phrase was used as a trade mark. It is a non-sequitur.
31. Finally, an essential element in the Full Court’s reasons was a reliance on Allergan’s reputation in using Botox as a brand for an injectable treatment which typically worked within a few days following the injection procedure (FCJ [65]; CAB 242). That prompted the conclusion: “*The phrase “instant Botox® alternative” might reasonably be understood to refer to a product in the Botox range which works instantly. It might reasonably be understood to refer to an alternative form of Botox, for example, a form of Botox that works instantly or form of Botox applied as a cream as an alternative to being injected*” (FCJ [65]). However, an implicit unstated element of that reasoning is that Allergan’s reputation was such that only Allergan had the right or capacity to produce an alternative to Botox or that any alternative could only be “an alternative form of Botox” (to adopt the Full Court’s transposition of the word “alternative”). There was no evidence to that effect. Moreover, if such reputational matters were permissible, they would have to pay regard to the unappealed finding of the primary judge that at the relevant time, other competitors of Allergan in the market were also supplying non-injectable anti-wrinkle creams and liquids using phrases akin to “instant Botox® alternative” (PJ [242]; CAB 71).
32. As a matter of principle, the reputation of the owner of a registered trade mark in its mark or in its manner of use ought not inform the question of whether an alleged infringer has used words as a trade mark. While it may be accepted that Self Care’s reference to Botox® would be understood as a reference to Allergan’s product for

the purposes of determining whether the phrase had an ordinary English meaning and in that limited way inform the question of trade mark use, it is an error to deploy a trade mark owner's reputation for the purpose of finding a misleading association.⁸ Even if it is permissible, that reputation must be qualified by the existence of other traders making similar statements, a qualification which is antithetical to a conclusion that any competitor was associating the source of its products with Allergan.

33. The Full Court's reasoning is apt to support a view that no trader can ever compare its product to that of a market leader by reference to its trade mark without risking conveying a message of association, and hence trade mark infringement, simply because a "well known" trade mark was used and consumers might think that the relevant goods must have a connection with the owner of that mark. Such an outcome results in an inappropriate extension of statutory trade mark protection and is apt to create a chilling effect on legitimate communication in trade in this respect.

(b) *"instant Botox® alternative" – deceptive similarity*

34. The question of deceptive similarity arises in the context of Allergan's claim under s 120(1) of the Act that Self Care had infringed the 426 Mark by using as a trade mark a sign, namely "instant Botox® alternative", that is deceptively similar to Botox in relation to goods in respect of which Botox is registered. The 426 Mark is registered in respect of anti-wrinkle creams in class 3 and injectable pharmaceutical preparations in class 5 (PJ [16(5)], [17], [19]; CAB 22-23). The Self Care products were goods which were anti-wrinkle creams in class 3.

35. The primary judge correctly found that even if, contrary to his Honour's view, "instant Botox® alternative" had been used as a trade mark, it was not deceptively similar to Botox: *"There is nothing about the phrase that might cause it to be confused with any of the BOTOX marks, aside from the fact that it includes the word BOTOX within it. However, the use of "alternative" serves the function of demonstrating that it is not the same as, or linked to, but is quite different from, the BOTOX marks and thus their origin"* (PJ [257]; CAB 74).

⁸ See the discussion in Davison, "Reputation in trade mark infringement: why some courts think it matters and why it should not" (2010) 38 *Federal Law Review* 231 at 243. Davison is cited in Huang, *Empirical Analysis of Australian Trademark Infringement Decisions: Implications For The U.S. Trademark Use Debate*, 35 Santa Clara High Tech. L.J. 1 (2019) at 21.

36. The correct approach to the question is a comparison between on the one hand the alleged infringer's actual use in relation to its goods, and on the other any normal use of the trade mark owner's mark in respect of those goods specified in the registration which encompass the infringer's goods.⁹ As a Full Federal Court explained:¹⁰ *"It is true, in infringement proceedings, that the question to be asked is in one respect at least somewhat artificial: the person who may be caused to wonder is not one who knows of the actual business of the proprietor of the registered mark, the goods it produces or the services it provides, but one who is to be credited with a recollection of the mark in relation to the full range of goods or services to which the registration extends. That 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"*.
- 10
37. In short, proof of any actual reputation of an owner of a registered trade mark as to its use of a mark or the nature of its use is irrelevant to the s 120(1) protection. One of the purposes and benefits of the statutory system was to avoid the need for a plaintiff to prove its reputation in a mark in a non-statutory passing off claim.¹¹
38. The Full Court determined that "instant Botox® alternative" was deceptively similar to Botox. Quintessential to its reasoning process was reliance on Allergan's reputation for using the mark Botox in respect of an anti-wrinkle injectable product, being a good in class 5, not in class 3. In so doing, the Full Court erred.
- 20
39. For example, at FCJ [74] (CAB 244) the Full Court said: *"The word "instant" implies that the product works faster than Botox, that is, that the product will deliver results faster than treatment by Botox injection"*. At FCJ [75] (CAB 244), the Full Court prayed in aid matters referred to at FCJ [65] to [67] which relied on Allergan's actual use of the mark in relation to an injectable product and said: *"Consumers may reasonably have wondered whether the product was a new BOTOX product, being a cream which, unlike the injection, brings instant results"*. A proper putative use comparison would refer to the relevant category of goods, namely creams, not an injection. The Full Court's reasoning cannot stand when the proper test is applied. There would be no reason for consumers putatively aware of
- 30

⁹ PJ [173] (CAB 57); *Wingate Marketing Pty Limited v Levi Strauss & Co* (1994) 49 FCR 89 at 128G.

¹⁰ *MID Sydney Pty Limited v Australian Tourism Co Limited* (1998) 90 FCR 236 at 245F-G.

¹¹ Davison at 234.

Allergan's use of BOTOX on a cream to wonder whether an "instant Botox alternative" cream was a new BOTOX product, i.e. sourced in Allergan.

40. Additionally, as submitted above in the trade mark use section, there is no exposed logical reason why any consumer would regard a Botox alternative as necessarily or even possibly an "alternative form of Botox" (FCJ [65]; CAB 242) or "a new Botox product" (FCJ [75]; CAB 244-245).

41. For completeness, the reasoning in FCJ [75] is additionally erroneous insofar as it relies on the primary judge's conclusion regarding the validity of the defensive mark under s 185 of the Act at PJ [300] and [334] (CAB 83, 90) in relation to anti-wrinkle creams. The finding was that, based on the extent of use of Botox in relation to injections, if "Botox" were used in relation to anti-wrinkle creams, a consumer would draw a connection between the product and the owner of the mark. That finding cannot inform whether "instant Botox® alternative" is deceptively similar to Botox. First, it was limited to a hypothetical use of "Botox", not "instant Botox alternative". Secondly, it was based on evidence of actual use in relation to Botox injectable products, which cannot inform the deceptive similarity analysis.

42. The Full Court's approach of reliance on the trade mark owner's reputation for use of the mark on an injectable product, and non-use on a cream, is not supported by authority. The Federal Court has considered cases under s 120(1) in which a trade mark owner has suggested that a strong reputation in relation to the registered goods (i.e. consumers are very familiar with the mark and its use in relation to those goods) makes a finding of deceptive similarity more likely: see the decisions of the Full Court in *CA Henschke & Co v Rosemount Estates Pty Ltd* (2000) 52 IPR 42 at [45] and, most recently, *Australian Meat Group Pty Ltd v JBS Australia Pty Ltd* (2018) 268 FCR 623 at [32]-[42], application for special leave refused at [2019] HCA Trans 105. Consistently with the above analysis, the Full Court rejected that suggestion in each case and held that the reputation of the registered mark is irrelevant to the s 120(1) analysis.

43. The Full Court in *Australian Meat Group* identified a potential qualification to this based on previous authority (*Registrar of Trade Marks v Woolworths Ltd* (1999) 93 FCR 365 and *Mars Australia Pty Ltd v Sweet Rewards Pty Ltd* (2009) 84 IPR 12), but it is not one which assists a trade mark owner in an infringement case: it is that deceptive similarity might be *countered* in certain cases by showing the well-

known nature of the registered mark and the *lessened* likelihood of imperfect recollection. That is to say, a heightened level of familiarity with a mark is likely to make the consumer's memory of it more perfect, such that the consumer is more likely to notice differences from it and less likely to be deceived by them. This qualification might be said equally to ignore the fact that the legal test involves a hypothetical consumer who, in each case (whether the mark is famous on the one hand or unused on the other), is imputed with an imperfect recollection of the mark. In any event, what the potential qualification serves to emphasise in the present context is that reputation of a mark does not, as a logical or causal matter, serve to make the likelihood of deception by a similar mark (as distinct from the mere recollection of the registered mark) any greater. As the European Court of Justice held in *Sabel* (judgment of 11/11/1997, C-251/95) at [16] and [22], calling to mind a mark is not the same as, and not sufficient to establish, confusion.

10

44. It may also be observed that the Full Court in *Henschke* at [45] made an obiter remark that reputation “may be” relevant to s 120(2). It did not provide any reason why that may be so, and it is difficult to see how it could be, given that an imperfect recollection of the registered mark in relation to the relevant registered goods is imputed to the consumer in that context as well. See also *Coca-Cola* at [42]. In any event, the present appeal does not involve a claim under s 120(2).

20

45. Moreover, the effect of the Full Court's reasoning is that the fact that Allergan did not use the mark in relation to the relevant goods, namely creams, but used it in relation to other goods, effectively expands its statutory protection vis-à-vis creams.

46. The statutory scheme is designed to remove from the equation, the issue of the reputation of a registered trade mark owner in a registered mark for the purposes of infringement under s 120(1). It does not matter whether or the extent to which consumers are actually aware of the registered mark or the particular goods in relation to which it is used. That may be contrasted with the cause of action for passing off or contravention of ACL s 18, in which it is necessary to establish reputation, i.e. that consumers have a recollection of the sign and the particular goods in respect of which it is used. Section 120(3) expands protection for a “well known” mark, thereby inviting evidence of the mark's reputation, unlike s 120(1). The expanded protection under s 120(2) for goods of the same description is balanced by the defendant's capacity to show no likelihood of confusion with the

30

consequence that the inquiry is not confined to sign comparison but includes all of the circumstances of the use of the sign: *Coca-Cola* at [43]; *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* (2009) 175 FCR 386 at [76]-[78]. Reputation can be relevant to questions of registrability or validity such as distinctiveness under s 41 or deceptiveness under s 60. But if the mark is valid, the extent of statutory protection under s 120(1) neither increases nor decreases with the extent of use of the trade mark.¹² The Full Court's approach subverts the statutory scheme.

(c) *Protox – deceptive similarity*

- 10 47. The primary judge found that Protox was not deceptively similar to Botox on the basis that the two marks were sufficiently distinctive that consumers were not likely to confuse them (PJ [211]; CAB 65). The Full Court said “*Consumers would not have confused Protox with Botox. 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*” (FCJ [41], see also FCJ [30], [35], [42]; CAB 236).
- 20 48. Nevertheless, the Full Court considered that the marks were deceptively similar because consumers may consider that the products they denote have the same origin. The Court's reason for so finding appears in FCJ [43] (emphasis added): “*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 the Botox treatment, perhaps to improve or prolong results*”.
- 30 49. It is apparent that, similarly to its approach to deceptive similarity in relation to “instant Botox® alternative”, the Full Court did not apply the correct test, namely a comparison of a putative use of Botox on an anti-wrinkle cream with the actual use of Protox on an anti-wrinkle cream. The Full Court undertook an impermissible comparison between Botox as used on injectable pharmaceutical preparations and anti-wrinkle topical creams branded “Protox”. The reasons why that was impermissible are the same.

¹² Davison at 231, 235, 253.

50. Without that impermissible reasoning and given the concurrent findings that PROTOX and BOTOX were so distinct from each other that consumers would not confuse the names or the products they denote, there is no basis for the hypothesis that consumers would nevertheless think that products bearing those marks would have the same trade source. See also *Vivo International Corporation Pty Ltd v Tivo Inc* (2012) 294 ALR 661 at [147]-[150].

(d) “instant Botox® alternative” - comparative advertising defence (s122(1)(d))

51. Section 122(1)(d) provides a defence where a trade mark has been used for the purposes of comparative advertising. The primary judge did not need to, and so did not, consider this defence. It was raised by way of contention on the appeal. The Full Court rejected the defence at FCJ [121]-[128] (CAB 257-259) in error.

52. The defence, which was first introduced in 1995 by the Act and has only previously been considered by the Federal Court twice (and not since 2002),¹³ presents two questions: (a) has the alleged infringer used the trade mark?; and (b) is the use for the purposes of comparative advertising?

53. As to (a), the Full Court rightly held at FCJ [121] that the “trade mark” refers to the “registered trade mark” in the chapeau, here “Botox”. Self Care has plainly used the trade mark “Botox”. It has used it in the phrase “instant Botox® alternative”.

54. As to (b), “comparative advertising” is, in the Full Court’s view, to be understood as advertising which promotes goods by comparing them, to their advantage, with the goods of a competitor. The term is not defined in the Act, but it may be assumed that a construction of that kind is appropriate. Self Care used “Botox” for that purpose. It used “Botox” in a phrase (“instant Botox® alternative”), which compared FREEZEFRAME INHIBOX with BOTOX to the former’s advantage.

55. There are concurrent factual findings that the phrase conveys a comparison between Inhibox and Botox. At PJ [500]-[504] (CAB 127-128), the primary judge found that the word “alternative” represented that the Inhibox product had a similar, but not identical effect, as Botox. In particular, it did not convey that its effect was as long lasting as that of Botox.

56. The Full Court also found that the phrase conveyed a comparison. For example, as the Full Court held, that phrase represented, and represented correctly, that

¹³ *Philmac Pty Ltd v Registrar of Trade Marks* (2002) 126 FCR 525 at [37]; *Unilever Australia Ltd v PB Foods Ltd* (1999) 47 IPR 358 at [9], as far as Self Care is aware.

FREEZEFRAME INHIBOX worked instantly whereas BOTOX did not: FCJ [110], [112]; CAB 254, 255. The Full Court also found that the representation was that Inhibox had all of the qualities of Botox, including its longer lasting effects (FCJ [114]; CAB 256). That finding is challenged, but for the purposes of the defence, a finding of comparison is sufficient. Notwithstanding this, the Full Court held that the defence did not apply. Its reasons for doing so were erroneous.

57. First, the Full Court found that the defence only applied if the trade mark Botox was used *simpliciter* not in conjunction with other words in the phrase “instant Botox® alternative” (FCJ [121]; CAB 257). But that involves reading into the section words such as “except if the trade mark is used in a larger phrase which is itself used as a trade mark”. There is no reason in logic or policy why any such qualification would be read into s 122(1)(d). To the contrary, comparative advertising almost invariably involves the use of a third party trade mark in a larger phrase, such as “better than”, “substitute for” or the like. The phrase would be no less comparative even if it did function as a badge of origin, i.e. an indicator of the origin of a respondent’s goods in that respondent.

10

58. Secondly, the Full Court found that the defence did not apply if there had been a finding of infringement (FCJ [126]; CAB 258-259). But s 122(1)(d) is intended to have operation where s 120 is otherwise made out, because it is expressed in the chapeau to operate “despite s 120”. As a matter of logic, that is indeed its only scope of operation in the sense that there is no work for it to do if s 120 is not otherwise made out: see *Swancom Pty Ltd v The Jazz Corner Hotel Pty Ltd (No 2)* (2021) 157 IPR 498 at [260]; *Bohemia Crystal Pty Ltd v Host Corp Pty Ltd* (2018) 129 IPR 482 at [296], cited at FCJ [131], [132] (CAB 260).

20

59. Thirdly, the Full Court treated as disentitling the proposition that Self Care had, in using the phrase “instant Botox® alternative” intended to trade off the reputation of Botox, suggesting that this was antithetical to the purpose of comparative advertising (FCJ [127], [128]; CAB 259). The opposite is true. Comparative advertising, as the Full Court held, involves comparing the trader’s goods favourably with those of a competitor. Typically, the competitor’s product is known by consumers to be a market leader, or desired in the market. Comparative advertising thus by its nature relies on – or “trades off” or “leverages off” – the competitor’s reputation (consumers’ familiarity with it and the goods for which it is

30

used) in order to make the favourable comparison. That is precisely what the primary judge found Self Care intended to do, and the Full Court rejected an appeal from that finding, as submitted above. Self Care's approach is consistent with the legislative background materials.¹⁴

60. In this respect the endorsement given by this Court in another context to the proposition that courts of equity have not thrown their mantle of protection around all intangible elements of value, so as to prohibit "cashing in on reputation", is apt: *Campomar Sociedad, Limitada v Nike International Limited* (2000) 202 CLR 45 at [4]. Even in Europe, which provides for species of trade mark infringement which do not exist here, protection of reputation does not extend that far, and in particular, stops short of intruding on fair competitive practices: *Trade Mark Regulation* (2017/1001), Art 9(2)(c); *Trade Marks Act 1994 (UK)* s 10(3).

10

(e) "instant Botox® alternative" – defence under s 122(1)(b)

61. The Full Court rejected Self Care's defence under s 122(1)(b) (FCJ [129]-[134]; CAB 259-261). Section 122(1)(b) provides a defence where, relevantly, a sign is used in good faith to indicate the intended purpose, quality, or other characteristic of goods. Here the sign "instant Botox® alternative" has been used to indicate the intended purpose, quality or other characteristic that the product instantly reduces the appearance of wrinkles. At FCJ [134] the Full Court did not suggest that that meaning of the phrase was incorrect and its findings at FCJ [110] to [114] are consistent with it. Rather, the Court decided that the defence was inapplicable, because the phrase had been used as a trade mark (FCJ [133]). As submitted in the previous section, there is no reason why the proposition that the phrase has been used as a trade mark (which is in any event wrong) should have the consequence that the defence does not apply. In particular, section 122(1)(b) is intended to operate even if infringement arises under s 120.

20

¹⁴ The Act implemented the Government's response to the July 1992 Report of the Working Party to Review the Trade Marks Legislation, which found that comparative advertising should not constitute infringement, including because issues of unfair comparative advertising could be appropriately dealt with under the *Trade Practices Act* and the states' *Fair Trading Acts*: Second Reading Speech to the Trade Marks Bill 1995, Hansard Wednesday 27 September 1995, MC1910 and *Recommended Changes to the Trade Marks Legislation*, AGS, Canberra, 1992. Further, the previous requirement of "good faith" in the *Trade Marks Act 1994* (s 131(1)) was removed in the Act. The Explanatory Memorandum to the Act simply stated that "use of the trade mark for the purposes of comparative advertising" is one of "the limited circumstances in which a person may use a trade mark without infringing the rights of the registered owner of the trade mark" ([100]).

62. In addition, the Full Court considered that the defence did not apply because Self Care had not used its sign “in good faith” (FCJ [134]; CAB 261). But, as submitted in the previous section, there is no reason why an intention to leverage off the reputation of a market leader by making a product comparison should be considered anything other than a legitimate practice in trade.

(f) *“instant Botox® alternative” – efficacy misrepresentation*

63. The other issue on the appeal relevant to the phrase “instant Botox® alternative” concerned the question whether that phrase conveyed a representation that the wrinkle-reducing effects of FREEZEFRAME INHIBOX last as long as Botox (4 months) “*after treatment ceased*”, that is, once you stop using it (FCJ [109]; CAB 254). The Full Court found that the phrase conveyed that (a) use of Inhibox would result in a similar reduction of the appearance of wrinkles to that 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 (FCJ [114]; CAB 256). There were reasonable grounds for representation (a) but not (b). The Full Court’s error was in finding that representation (b) was conveyed, contrary to the primary judge’s finding.

64. At PJ [500]-[504] (CAB 127-128), the primary judge found that the word “alternative” represented that the Inhibox product had a similar, but not identical, effect to that of Botox. In particular it did not convey that its effect was as long lasting as that of Botox. As the primary judge found, the purpose was that it presents as an “alternative” to Botox (PJ [468]; CAB 120).

65. The primary judge held that the ordinary and reasonable consumer would know that Botox is an injectable anti-wrinkle treatment that is available to be administered by healthcare professionals, in contrast to Self Care’s products which are typically 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 (PJ [499]; CAB 127). The primary judge made an undisturbed factual finding that relevant consumers would be aware that the FREEZEFRAME products “offer daily treatments for, perhaps, several weeks or even longer” (PJ [497(3)]; CAB 126).

66. The primary judge held that the phrase “instant Botox® alternative” does not expressly say anything about equivalence in the longevity of “post-treatment”

efficacy (PJ [500]; CAB 127). Further, the primary judge said at PJ [503] (CAB 128): “*The ordinary and reasonable consumer will appreciate that there are many variables to take into account in choosing one product over another. Relevantly, these will include 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. Thus, to say that one is an alternative to the other will not, in my assessment, be understood to say that the one is the same as the other, but neither is it to say that there is no similarity between the products. For the products to be alternatives they must have some similarity with reference to their intended purpose. That is a reduction in the appearance of wrinkles.*”

10

67. The Full Court’s analysis of the issue commenced with a finding that: “*Consumers in the target market would have included consumers who considered that there was a common trade origin of Inhibox and Botox given that the Inhibox product bore, prominently on the front of the package, a reference to “Botox®” ...the ordinary reasonable consumer would not conclude that the product had a different trade source because it was not injectable*” (FCJ [108]; CAB 253). The first difficulty with that finding is that it contradicted an ACL finding of the primary judge that was not the subject of appeal, namely that the “instant Botox® alternative” did not convey that association. The second difficulty is that the finding relied on a finding of the primary judge as to the connotation conveyed by Botox® when used on its own, not as part of the “instant Botox® alternative” (see also paragraph 41 above). The third difficulty is it perpetuates the same finding made in relation to the trade mark use and deceptive similarity issues which is unsupported by any exposed reasoning other than the implicit logic that there is no effective way in which a trader can compare its goods with those of a market leader by name without risking a finding of association (see paragraphs 33 and 40 above). The fourth difficulty is that this finding is not subsequently qualified in and necessarily infects the Full Court’s subsequent reasoning supporting its conclusion as to representation (b).

20

68. Indeed, it is hard to conceive why a consumer would think that a product which is to be applied topically by the consumer as often as the consumer chooses with no specification of period of use (but typically daily for at least several weeks; see paragraph 65 above) would last as long as the once only injectable Botox unless the consumer believed it came from the same source as Botox.

30

(g) *Conclusion*

69. As this Court has stated, there is no law prohibiting a competitor from “cashing in” on another’s reputation generally.¹⁵ Nor is there a law of unfair competition. On the contrary, it is perfectly legitimate for a competitor to compete with a market leader by comparing (accurately) its product with that of the market leader and to seek to make sales by such leveraging off the reputation for products created by the market leader. Leveraging off the reputation of a market leader in the sense of conveying to consumers that the competitor’s product is similar in purpose but is an alternative, with its own characteristics and benefits, is legitimate competition.

10 **Part VII: Orders sought**

70. The appeal be allowed with costs.

71. Orders 1 and 2 made by the Full Court of the Federal Court on 7 September 2021 in proceedings no. NSD 249 of 2021 be set aside and in lieu thereof it be ordered that the appeal to the Full Court of the Federal Court be dismissed with costs.

72. The stay of orders 1 and 2 made by the primary judge on 5 March 2021 (as ordered by the primary judge by order 1 of the orders dated 28 April 2021) be lifted.

73. The matter be remitted to the primary judge for determination of any dispute between the parties regarding quantification of costs and any pecuniary relief.

Part VIII: Oral argument

20 74. Self Care estimates that approximately 2 hours will be required for its oral argument.

Dated: 1 July 2022



A J L Bannon / A R Lang

Counsel for the appellants

Telephone: 0418 162 834 / (02) 9232 4609

Email: bannon@tenthfloor.org / lang@tenthfloor.org

30

This submission was prepared by A J L Bannon SC and A R Lang SC of counsel.

¹⁵ *Campomar Sociedad, Limitada v Nike International Limited* (2000) 202 CLR 45 at [3], [4].

ANNEXURE

LIST OF RELEVANT STATUTORY PROVISIONS

	Title	Section(s)	Relevant version
1.	<i>Trade Marks Act 1995 (Cth)</i>	ss 10, 24, 41, 60, 120, 122, 185	In force version (Compilation no. 41 dated 1 September 2021)
2.	<i>Australian Consumer Law</i> (Schedule 2 of the <i>Competition and Consumer Act 2010 (Cth)</i>)	s 18	In force version (Compilation no. 139 dated 5 October 2021)
3.	Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trade mark	Art 9(2)(c)	In force version
4.	<i>Trade Marks Act 1994 (UK)</i>	s 10(3)	In force version