PDLEGAL
SINGAPORE | THAILAND | MALAYSIA | AUSTRALIA

Legal Update

Protecting International Trade Marks in Australia After *Bed Bath 'N' Table* and *Killer Queen*

For international trade mark owners, protecting their brands in Australia has not been easy. On the one hand, with Australia being a "first-to-use" jurisdiction, any prior use of substantially identical or deceptively similar marks by another person in Australia could become an obstacle for international owners when later seeking to register and enforce their own trade marks in Australia. On the other hand, early registration of trade marks by an international owner in Australia is not necessarily the best solution, as such trade marks will still be liable to be removed if they have not been used for a continuous period of three years after registration.

This article will analyse the two recent decisions of the High Court of Australia in *Bed Bath 'N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* [2025] HCA 50 ("**Bed Bath 'N' Table Case**") and *Taylor v Killer Queen LLC* [2026] HCA 5 ("**Katy Perry Case**"). We will argue that by reason of its broader operation, the *Australian Consumer Law* could potentially become an alternative basis for the protection of reputable international trade marks in Australia, where the *Trade Marks Act 1995* (Cth) may provide little answer.

1. Bed Bath 'N' Table Case

Background

In this case, the appellant, Bed Bath 'N' Table Pty Ltd ("**BBNT**"), operated a network of stores throughout Australia selling soft homewares under trade marks including "BED BATH 'N' TABLE" ("**the BBNT Mark**") since 1976, which was found by the primary judge to be "a significant business and occupied a dominant position in the speciality soft homewares sector in Australia".[1] It had been the only retailer in Australia that used the words "bed" and "bath" in its name for 40 years until the respondent opened its first soft homewares store.[2]

[1] *Bed Bath 'N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* [2025] HCA 50, at [8]-[9].
[2] Ibid at [11].

On 12 May 2021, the respondent, Global Retail Brands Australia Pty Ltd ("**GRBA**"), applied for the registration of the trade mark "House Bed & Bath" in the form of the device shown below ("**the House B&B Mark**"):[3]

Two days later, on 14 May 2021, GRBA began operating its first soft homeware store using the House B&B Mark, which was described as a last-minute decision by the Court.[4]

BBNT alleged that the use of the House B&B Mark by GRBA:

- Infringed the BBNT Mark on the basis that the House B&B Mark was substantially identical or deceptively similar to the BBNT Mark; and
- constituted conduct in trade or commerce that is misleading or deceptive or is likely to mislead or deceive in contravention of s 18(1) of the *Australian Consumer Law*.

Trial judgment and Full Court appeal

At trial, the primary judge held that the use of the House B&B Mark by GRBA did not infringe the BBNT Mark. This was decided by reference to the impression or recollection (including imperfect recollection) of the marks of the ordinary consumer, who is not to be "credited with any knowledge of the actual use of the registered trade mark, or any reputation associated with that mark", and by reason of several substantial and crucial differences in the visual and phonetical representations of the two marks.[5]

In contrast, the primary judge took into consideration GRBA's conduct in its immediate and broader context and held that GRBA had contravened s 18(1) of the Australian Consumer Law. The immediate and broader context included:

- The extensive reputation BBNT has acquired in the BBNT Mark in Australia through over 40 years of use in the soft homewares market;
- No retailers in Australia other than BBNT used the words "bed" and "bath" in their store name or external signage, which was found to be a "unique" use by BBNT over 40 years;
- GRBA had over 40 years' history operating its hard homewares stores in Australia in the brand House;

[3] Ibid at [23].
[4] Ibid at [1], [24].
[5] Ibid at [4], [27].

- While the House stores operated by GRBA had a particular "discount" look, unlike the "Hamptons style" of the soft homewares retailers, GRBA adopted the "Hamptons style" look in its House B&B stores;
- Highly relevantly, when adopting the House B&B Mark, GRBA was aware of the existence of BBNT and its reputation in the soft homewares sector. GRBA's conduct was found to be willfully blind, though not being intentionally deceptive, by reason of the lack of legal advice and its determination not to change the name of the store when the prospect of confusion was first brought to its attention.[6]

GRBA appealed to the Full Court of the Federal Court of Australia. In allowing the appeal, the Full Court found that the primary judge did not explain why BBNT's reputation in the BBNT Mark let to the finding that GRBA's use of the House B&B Mark would be likely to mislead or deceive the ordinary and reasonable consumer, even though the marks were not deceptively similar. In light of the primary judge's finding that BBNT's reputation was in the BBNT Mark as a whole, not any independent reputation in "BED BATH" or "BED & BATH" alone, the Full Court found that primary judge erred in not giving effect to that finding in determining the alleged contravention of s 18(1) of the *Australian Consumer Law*.[7]

High Court Judgment

In the unanimous decision by five justices, the High Court held that the Full Court had misunderstood the reasons in the primary judgment and ordered to reinstate the primary judge's orders.

There are two important aspects in the High Court judgment.

- First, the High Court affirmed the primary judge's approach and held that the *Trade Marks Act 1995* (Cth) and the *Australian Consumer Law* have different scopes and functions. Even where a trade mark is found to be not deceptively similar within the meaning of the *Trade Marks Act 1995* (Cth), when taking into consideration of the broader context of the conduct, there may nevertheless be a finding of a contravention of s 18 of the *Australian Consumer Law*. It will be erroneous to put undue focus on the marks themselves without considering the broader context in a claim under the *Australian Consumer Law*.[8]
- Second, it was held that while a person's dishonest intention is not an element under s 18 of the *Australian Consumer Law*, a person's state of mind may nevertheless be relevant in deciding whether there has been a contravention of that section. GRBA's

[6] Ibid at [31]-[33].
[7] Ibid at [5].
[8] Ibid at [39]-[41].

> "willful blindness" therefore provide cogent evidence relevant to the objective question of contravention of s 18(1) of the *Australian Consumer Law*.[9]

In our view, the High Court's decision in this case has particular significance with respect to the protection of international trade marks that have established certain reputation in Australia, but is not registered in Australia or for some other reasons cannot succeed in a trade mark infringement case. In such circumstances, the owner of such trade marks may nevertheless have a case under s 18 of the *Australian Consumer Law*, subject to evidence of broader context and the infringer's state of mind.

2. Katy Perry Case

This case concerned a trade mark dispute between the second respondent Katheryn Hudson, an American music artist performing under the name "Katy Perry", and the appellant, Katie Jane Taylor (born Katie Jane Perry), an Australian fashion designer.[10]

On 29 September 2008, the appellant applied to register a word mark "Katie Perry" in respect of goods in class 25 for clothing, which proceeded to registration on 21 July 2009 ("**the Designer's Mark**").[11]

On 26 June 2009, the second respondent applied to register a word mark "KATY PERRY" in respect of classes 9, 25 for apparel, and 41.[12] In September 2009, the application was subsequently amended to register only in classes 9 and 41, and the application proceeded to registration only in respect to those two classes on 7 November 2011 ("**the Singer's Mark**").[13]

Prior to 29 September 2008, the Singer's Mark had acquired a reputation in Australia in relation to music and entertainment.[14] At that time, the appellant knew that the second respondent was a nationally and internationally famous pop star, and likely knew that musical artists sold clothing bearing their names and likenesses at music concerts.[15]

On 24 October 2019, the appellant commenced proceedings in the Federal Court of Australia, alleging that the respondents had infringed the Designer's Mark by importing for sale, distributing, advertising, promoting, marketing, offering for sale, suppling and/or manufacturing in Australia, or to people in Australia, clothes bearing the Singer's Mark. On 20 December 2019, the first and second respondents then filed a cross-claim seeking

[9] Ibid at [54]-[57].
[10] *Taylor v Killer Queen LLC* [2026] HCA 5 at [1]-[2].
[11] Ibid at [32], [37].
[12] Ibid at [35].
[13] Ibid at [38], [168].
[14] Ibid at [60].
[15] Ibid at [63].

cancellation of the Designer's Mark, on the basis that as of 29 September 2008 and 20 December 2019, the use of the Designer's Mark would be likely to deceive or cause confusion.[16]

In its 3:2 judgment, the majority comprising of Steward, Gleeson and Jagot JJ, found in favour of the appellant. The key reasons given by the majority included:

- A trade mark can acquire a reputation in Australia only in respect of particular goods or services. Any reputation that the Singer's Mark had acquired prior to 29 September 2008 was therefore only in respect of entertainment and music. Such reputation did not extend to the goods of clothing, as no "Katy Perry" branded clothing had been sold in Australia before that date.[17]
- The relevant test to be applied as at 29 September 2008 is whether before that date, because of the reputation of the Singer's Mark in Australia, the use of the Designer's Mark in relation to clothes would be likely to cause ordinary people who would be likely to buy clothes to wonder if there was a trade connection between the two marks. Such test is not confined to the issue of the resemblance between the two marks.[18] Nevertheless, it was found that the use of the Designer's Mark, prior to 29 September 2008, would not be likely to deceive or cause confusion because of any reputation acquired by the Singer's Mark in Australia at that time. This is so in the circumstances the second respondent had not yet toured in Australia, no reputation had been acquired by the Singer's Mark in respect of clothing, and there was no evidence of any confusion at that time.[19]
- After 29 September 2008, there was no evidence of any actual confusion within the 10-year period when goods within class 25 had been sold by the appellant and the second respondent. Such absence of evidence was considered to be a powerful factor in the context where both the Designer's Mark and the Singer's Mark were continuously used during this period.[20]
- Lastly, it was held by Steward J that even if there had been a likelihood of deception or confusion, it would have been the product of the respondents' own infringing conduct. The Court will not make orders to award wrongdoers.[21]

This case has demonstrated the importance of evidence of priority and strength of reputation acquired in the Australian market, and actual confusion within ordinary consumers. Albeit the focus of this case was whether a registered trade mark should be cancelled and no issue under the *Australian Consumer Law* was tested in Court, in our view, such evidentiary issues would equally apply to a claim relying on s 18 of the *Australian Consumer Law*. It is therefore

[16] Ibid at [40].
[17] Ibid at [114], [180], [262]-[263], [271].
[18] Ibid at [185], [191].
[19] Ibid at [114], [282]-[286].
[20] Ibid at [114], [193], [293]-[294].
[21] Ibid at [117], [163].

good practice to keep detailed sales and marketing records and the reputation acquired from time to time, actively monitor competitors' conduct in the market and promptly seek professional advice and take action when necessary.

3. Conclusion

While the judgment of High Court of Australia in the Bed Bath 'N' Table Case indicates that s 18 of the *Australian Consumer Law* may be an alternative basis for the protection of international trade marks in Australia, the Katy Perry Case has demonstrated some significant evidentiary barriers that would be applicable in any such claim, including:

- Evidence of reputation of any specific mark acquired in the Australian Market;
- Surrounding circumstances of conduct that could be said to be misleading or deceptive or likely to mislead or deceive; and
- Evidence of actual confusion in the Australian market caused by such conduct.

Trade mark owners are recommended to maintain detailed record of the surrounding circumstances where their trade marks were used, the reputation acquired consequent to such use, and any consumer survey may be conducted from time to time. It is also important to seek professional advice before taking any action in respect of a trade mark so as to avoid a finding of willful blindness in a later dispute.

Further information

Should you have any questions on the protection of international trade marks in Australia, please get in touch with the team at PDLegal.

Aaran Johnson
Managing Partner, Australia
ajohnson@pdlegal.au

Ryan Shang
Associate, Australia
rshang@pdlegal.au