

Before the High Court

Reputation, Confusion and Discretion in Australian Trade Mark Law: *Taylor v Killer Queen LLC*


Robert Burrell* and Michael Handler†

Abstract

In *Taylor v Killer Queen LLC*, the High Court of Australia will have the opportunity to address three complex and unresolved issues under the *Trade Marks Act 1995* (Cth). The first issue relates to one of the key grounds for cancellation of a trade mark registration, namely that another mark had acquired a reputation at the registered mark's priority date and that the use of the later mark at that time would have caused confusion. The appeal will require consideration of how to determine when a trade mark has acquired a reputation and when the use of a similar mark, but in a different commercial field, will cause confusion. The second issue relates to a separate cancellation ground that applies where the use of the registered mark has come to cause confusion post-registration, and will require the High Court to clarify the nature of the use that needs to be considered. The third issue goes to the interpretation of a provision that gives the court discretion not to order the cancellation of a registration, even if one of the aforementioned grounds of cancellation has been made out. We explore each of these issues, highlighting the main areas of uncertainty on which it would be useful to receive guidance from the High Court. We pay particular attention to the third issue, arguing that the provision in question should be interpreted so that it does not in fact give a court *any* discretion to refuse cancellation where the application for cancellation is based on the first cancellation ground at issue in this case.

Please cite this column as:

Robert Burrell and Michael Handler, 'Reputation, Confusion and Discretion in Australian Trade Mark Law: *Taylor v Killer Queen LLC*' (2025) 47 *Sydney Law Review* 21428: 1–15 <<https://doi.org/10.30722/slr.21428>>. This work is licensed via CC BY-ND 4.0 <<https://creativecommons.org/licenses/by-nd/4.0>>. Unmodified content is free to use with proper attribution.

* Professor, Melbourne Law School, University of Melbourne, Victoria, Australia; Professor, Intellectual Property and Information Technology Law, Faculty of Law, University of Oxford, Oxfordshire, England. Email: robert.burrell@unimelb.edu.au; ORCID iD:  <https://orcid.org/0000-0002-4076-2582>.

† Professor, School of Private and Commercial Law, Faculty of Law & Justice, UNSW Sydney, Australia. Email: m.handler@unsw.edu.au. ORCID iD:  <https://orcid.org/0000-0001-8980-5099>.

I Introduction

Australian trade mark disputes are often characterised by ‘byzantine complexity’,¹ an epithet that can also be applied to the *Trade Marks Act 1995* (Cth) (*‘TM Act’*) itself.² In *Taylor v Killer Queen LLC*,³ the High Court of Australia will be required to resolve uncertainties over the operation of some of the more complicated provisions of the *TM Act*, in the context of heavily contested litigation⁴ involving a quite remarkable set of facts.

The dispute in question is between:

- Katie Taylor (the appellant), an Australian fashion designer whose birth name is Katie Perry; and
- the globally famous American entertainer Katy Perry (the stage name adopted by Katheryn Hudson in 2002) and a number of companies associated with Hudson, namely Killer Queen LLC, Kitty Purry Inc and Purrfect Ventures LLC (the respondents).

Taylor adopted the trade mark ‘Katie Perry’ in early 2007 and subsequently applied under the *TM Act* to register the word mark KATIE PERRY for ‘clothing’, with a priority date of 29 September 2008. Before that time, and especially from around June 2008, Hudson (as Katy Perry) had come to develop a reputation in Australia as a pop music artist and performer — notably, she had the number one single in the country from mid-July to late August 2008.⁵ However, by Taylor’s priority date Hudson had not sold any ‘Katy Perry’ branded clothes in Australia. Hudson threatened to, but did not, oppose the registration of Taylor’s mark, and after the parties failed to reach a co-existence agreement, Taylor’s mark was entered on the Register of Trade Marks in mid-2009. From the early 2010s, and during a period of time when Katy Perry’s global fame grew rapidly, a merchandising company engaged by Hudson and her associated companies sold ‘Katy Perry’ branded clothing and merchandise in Australia. It was only in October 2019 that Taylor sued Hudson and her associated companies for various acts of infringement of the KATIE PERRY mark, dating back to 2014. The respondents cross-claimed for the cancellation of the registration of the KATIE PERRY mark on 20 December 2019.

In the Federal Court of Australia, the primary judge relevantly found that the merchandising company had infringed the registered KATIE PERRY mark on various occasions, with one of the three companies associated with Hudson being liable as a joint tortfeasor.⁶ Importantly, her Honour also rejected the respondents’

¹ *Fanatics, LLC v FanFirm Pty Ltd* [2025] FCAFC 87, [305] (Burley, Jackson and Downes JJ).

² *Trade Marks Act 1995* (Cth) (*‘TM Act’*).

³ *Taylor v Killer Queen LLC* (High Court of Australia, Case No S49/2025).

⁴ *Killer Queen LLC v Taylor* (2024) 306 FCR 199, 206 [4] (Yates, Burley and Rofe JJ) (*‘Killer Queen (FCAFC)’*).

⁵ Australian Recording Industry Association (*‘ARIA’*), ‘All the ARIA Singles Chart #1s’, *ARIA* (Web Page) <<https://www.aria.com.au/charts/news/all-the-aria-singles-chart-1s>>.

⁶ *Taylor v Killer Queen, LLC (No 5)* (2023) 172 IPR 1, 106–12 [390]–[407], 119–20 [443], 137 [516] (Markovic J) (*‘Taylor (FCA)’*).

arguments that the registration of KATIE PERRY should be cancelled.⁷ On appeal, the Full Court of the Federal Court of Australia ('Full Federal Court') found that Hudson was also a joint tortfeasor in relation to the infringing conduct of the merchandising company.⁸ Critically, however, it held that the KATIE PERRY registration was liable to be cancelled under both s 88(2)(a) and s 88(2)(c) of the *TM Act*.⁹ The Full Federal Court also found that the discretion not to cancel the registration under s 89 of the *TM Act* was not enlivened,¹⁰ and that even if it had been enlivened, it would not have exercised its discretion in Taylor's favour.¹¹ The effect of this was that Hudson and her associated company avoided liability for infringement.

The High Court has granted Taylor special leave to appeal on three issues that relate solely to the cancellation of the KATIE PERRY registration. The first issue relates to the cancellation ground in s 88(2)(a), which provides that an application for cancellation can be made on 'any of the grounds on which the registration of the trade mark could have been opposed under this Act'. One effect of this provision is to turn s 60 of the *TM Act* into a cancellation ground. Section 60 provides:

The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:

- (a) another trade mark had, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, acquired a reputation in Australia; and
- (b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.

The ss 88(2)(a)/60 issue is, therefore, whether the Full Federal Court erred in finding that the registration of KATIE PERRY for 'clothing' should be cancelled because, before 29 September 2008, a 'Katy Perry' trade mark had acquired a reputation in Australia and, because of that reputation, the use of KATIE PERRY for 'clothing' would have been likely to have caused confusion at that time.

The second issue relates to the cancellation ground in s 88(2)(c). This provides for cancellation where, 'because of the circumstances applying at the time when the application for rectification is filed, the use of the trade mark is likely to deceive or cause confusion'. The application for cancellation was filed on 20 December 2019. The High Court will have to determine whether, at that time, Taylor's *actual* use or, in the alternative, the *notional normal and fair* use of KATIE PERRY would have caused confusion.

The third issue, which arises if at least one of the s 88 cancellation grounds is made out, relates to the interpretation of s 89(1). This subsection provides:

⁷ Ibid 187–91 [740]–[753] (on *TM Act* (n 2) ss 88(2)(a)/60), 195 [770]–[773] (on ss 88(2)(a)/42(b) and 43), 198–200 [783]–[796] (on s 88(2)(c)).

⁸ *Killer Queen (FCAFC)* (n 4) 230–2 [110]–[121] (Yates, Burley and Rofe JJ)

⁹ Ibid 258–63 [271]–[302] (on *TM Act* (n 2) ss 88(2)(a)/60), 267–8 [331]–[339] (on s 88(2)(c)).

¹⁰ Ibid 263–5 [303]–[317], 268 [340]–[342].

¹¹ Ibid 265–6 [318]–[323], 269 [343]–[344].

- (1) The court may decide not to grant an application for rectification made:
 - (a) under section 87; or
 - (b) on the ground that the trade mark is liable to deceive or confuse (a ground on which its registration could have been opposed, see paragraph 88(2)(a)); or
 - (c) on the ground referred to in paragraph 88(2)(c);
 if the registered owner of the trade mark satisfies the court that the ground relied on by the applicant has not arisen through any act or fault of the registered owner.¹²

If the High Court addresses s 89, the key questions it will need to consider are what constitutes an ‘act or fault’ on the part of the registered owner, and whether the Full Federal Court was wrong to find that either or both of the cancellation grounds arose through Taylor’s acts or fault. If the High Court finds that the Full Federal Court erred, it will still need to consider whether the Full Federal Court committed a ‘*House v The King* error’¹³ when it stated, in obiter dicta, that even if the discretion had been enlivened it would not have exercised it in Taylor’s favour.¹⁴

Each of the above three issues will be discussed in Parts II to IV. Our view is that the Full Federal Court’s finding that the KATIE PERRY registration should be cancelled under ss 88(2)(a)/60 is perhaps open to question, but that its conclusion that cancellation should be ordered under s 88(2)(c) is clearly correct. That said, we have no commitment to the outcome of the case. The cancellation grounds at issue turn on fact-intensive enquiries and we confine our comments to matters on which it would be useful to receive guidance from the High Court. In particular, we suggest that the first two issues present the High Court with a valuable opportunity to clarify the complex relationship between ‘reputation’ and ‘confusion’ in ss 60 and 88(2)(c) and, in relation to the latter ground, the nature of the registered owner’s use that must be considered. It is the third issue, concerning the discretion under s 89, that is of greatest legal significance and on which the High Court’s guidance would be particularly welcome. We argue that the Full Federal Court reached the right conclusion that the s 89 discretion was not enlivened in relation to either s 88 cancellation ground, due to the existence of a disqualifying act or fault on the part of Taylor. However, we suggest that in relation to the ss 88(2)(a)/60 ground, this is for a different reason than that on which the respondents seek to rely before the High Court.¹⁵ In essence, we argue that, despite the text of s 89(1)(b), s 89 can *never* in fact be enlivened where the application for cancellation was made under s 60, or other opposition grounds such as s 43.¹⁶ We explain this redundancy by reference to

¹² See further *TM Act* (n 2) s 89(2); *Trade Marks Regulations 1995* (Cth) reg 8.2.

¹³ See *House v The King* (1936) 55 CLR 499, 504–5 (Dixon, Evatt and McTiernan JJ).

¹⁴ We do not seek to comment on whether the Full Federal Court’s exercise of its discretion miscarried.

¹⁵ Killer Queen LLC et al, ‘Respondents’ Submissions’, Submission in *Taylor v Killer Queen LLC*, High Court of Australia, Case No S49/2025, 27 June 2025, [41]–[44] (‘Respondents’ Submissions’).

¹⁶ Section 43 of the *TM Act* (n 2) is a ground of opposition to registration by virtue of s 57, and provides: An application for the registration of a trade mark in respect of particular goods or services must be rejected if, because of some connotation that the trade mark or a sign contained in the trade mark has, the use of the trade mark in relation to those goods or services would be likely to deceive or cause confusion.

the convoluted history of s 89 and the High Court's decision in *Campomar Sociedad, Limitada v Nike International Ltd* ('*Campomar*').¹⁷ In our view, the High Court in *Taylor v Killer Queen LLC* should not strain to interpret 'act or fault' in s 89 to give the section work to do in cases where cancellation is sought under s 88(2)(a). We also briefly discuss a counter-factual not considered by the Full Federal Court — that is, whether the s 89 discretion might be enlivened where only the cancellation ground under s 88(2)(c) is made out — and explain why a disqualifying act or fault can still be found in such circumstances.

II *Trade Marks Act 1995 (Cth) ss 88(2)(a)/60*

Section 60 is unsatisfactory in a number of respects. We have written about the difficulties of this provision at length elsewhere,¹⁸ but in outline the problems with this provision include:

- (1) It is subject to a range of different interpretations. The provision is now understood to have a broad sphere of operation, in that there is no requirement that the reputation in the earlier mark be specific to the goods or services that are the subject of the application for registration.¹⁹ This interpretation is, however, by no means inevitable. One might read the reference in s 60(a) to a mark having acquired a reputation 'in respect of *those* goods or services' (emphasis added) to be a reference back to the applicant's goods or services in the opening words of the section. The punctuation of s 60(a) tends against this reading, but it is an interpretation that remains open on the text.
- (2) The standard of the reputation required under s 60(a) is not particularly exacting, being judged by reference to the market for the opponent's goods or services. This means, for example, that it can be enough for an opponent to demonstrate reputation in a geographically restricted area, at least in cases where the goods or services are generally provided at a local level.²⁰ Again, however, this reading is not inevitable. One might readily read the reference to a trade mark having acquired a reputation 'in Australia' as setting a high bar. In the European Union ('EU') it has been said that '[i]n practical terms, the threshold for establishing whether a trade mark is well known or enjoys reputation will usually be the same'.²¹ This statement of EU law might admittedly be said to lack nuance, but our point here is simply that almost identical wording under the harmonised European regime has been held to

¹⁷ *Campomar Sociedad, Limitada v Nike International Ltd* (2000) 202 CLR 45 ('*Campomar*').

¹⁸ See, eg, Robert Burrell and Michael Handler, *Australian Trade Mark Law* (LexisNexis, 3rd ed, 2024) [7.2]–[7.11], [8.17]–[8.19]; Robert Burrell and Michael Handler, 'The Intersection between Registered and Unregistered Trade Marks' (2007) 35(3) *Federal Law Review* 375, 382–6.

¹⁹ See, eg, *Killer Queen (FCAFC)* (n 4) 258 [277] (Yates, Burley and Rofe JJ).

²⁰ See *Toddler Kindy Gymparoo Pty Ltd v Gymporee Pty Ltd* (2000) 100 FCR 166, 175–7 [26]–[31], 194 [94] (Moore J).

²¹ European Union Intellectual Property Office ('EUIPO'), *Trade Mark Guidelines* (2025) pt C s 5 [2.1.2], citing World Intellectual Property Organization ('WIPO'), *Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks*, WIPO Doc 833(E) (29 September 1999) art 2(2)(b)–(c) (on the threshold for 'well-known' marks) and *General Motors Corporation v Yplon SA* (C-375/97) [1999] ECR I-5421, I-5446 [26] (on the threshold for marks with a reputation).

set a much higher bar and does not extend to protect the sort of local reputation that has been held to be sufficient for the purposes of s 60.

- (3) In more conceptual terms, the role of s 60 seems confused. It is a provision that doubles to allow owners of earlier unregistered marks to keep later conflicting marks off the Register and owners of well-known (usually registered) marks to prevent registration of similar marks for unrelated goods or services. Neither of these aims is controversial. On the contrary, it is clearly desirable that owners of earlier marks that would be entitled to an injunction to prevent a later mark from being used in the marketplace ought to be able to prevent the later mark from being registered. As Learned Hand J put it in 1928, '[i]t would plainly be a fatuity to decree the registration of a mark whose use another could at once prevent'.²² The problem is that s 60 has a sphere of operation that overlaps with, but is by no means coterminous with, either passing off / misleading or deceptive conduct under the *Australian Consumer Law*²³ or s 120(3) of the *TM Act*, which provides for infringement of a 'well-known' registered trade mark. Other jurisdictions, in contrast, have ensured that the legal standards that apply at the opposition stage adhere as closely as possible to those that apply in enforcement proceedings,²⁴ bearing in mind that, even then, differences in the sorts of evidence that are likely to be available mean that decisions will map imperfectly.

We raise these points not out of concern with where the law stands. On the contrary, it seems to us that tribunals have generally done a good job of making sense of an unsatisfactory provision.

One should, however, be unsurprised that a strange and unfortunately worded provision can cause real difficulties in application. This is particularly true in cases like the one at hand, where courts are trying to work out how consumers might have responded — at a point many years in the past — to the notional use of a mark across the full range of specified goods or services. Understanding this complexity helps explain where the primary judge erred. In particular, the primary judge downplayed the 'notional use' aspect and focused too much on elements of Taylor's actual use of her mark, including placing too much weight on the absence of confusion at and after the priority date, since that was very much the product of Taylor's limited use on a narrow category of clothing (specifically, luxury loungewear).²⁵ The Full Federal Court was therefore right to step in and form its own view as to the likelihood of confusion at the priority date. It also seems clear beyond question that Hudson enjoyed a reputation as a pop music artist and performer at that date and, as the Full Federal Court found, this was a reputation in 'Katy Perry' as a *trade mark* in relation to a limited range of entertainment services²⁶ — anyone booking tickets to see Katy

²² *Yale Electric Corporation v Robertson*, 26 F 2d 972, 974 (2nd Cir, 1928).

²³ *Competition and Consumer Act 2010* (Cth) sch 2 ('*Australian Consumer Law*') s 18(1).

²⁴ See, eg, *Trade Marks Act 1994* (UK) ss 5(3)–(4), 10(3).

²⁵ *Taylor (FCA)* (n 6) 188 [743], 190–1 [751]–[752] (Markovic J). See also at 28 [112] for the description of Taylor's clothes as 'luxury loungewear'.

²⁶ *Killer Queen (FCAFC)* (n 4) 260 [289] (Yates, Burley and Rofe JJ). The Full Federal Court referred to the 'Katy Perry' mark enjoying a reputation in relation to 'entertainment services', but this is to

Perry in concert at the relevant date would have been expecting to enjoy services delivered by Hudson and not some other person.

The question is therefore how far reputation in a mark for a limited range of entertainment services translates into a likelihood of confusion where a close variant of that mark is used on clothing in a normal and fair manner.²⁷ This might be characterised as a purely factual question, but this would be to downplay the extent to which findings as to likelihood of confusion are infused by legal (and hence normative) standards. What seems inarguable is that, at the priority date, the hypothetical consumer seeing ‘Katie Perry’ displayed prominently on the sort of merchandise authorised by pop stars (t-shirts, baseball caps, etc) would have been given cause to wonder whether it had been produced under licence from Hudson, given the reputation of the ‘Katy Perry’ mark. It is therefore perfectly possible to imagine scenarios in which Taylor could have caused confusion in September 2008, such as placing ‘Katie Perry’ prominently on the front of a t-shirt. We also know that there was (and is) a practice of using trade marks for clothing in this way, a trend that has been variously in and out of fashion and that has been complicating the use as a trade mark enquiry since the late 1980s.²⁸ It is, however, much more of a leap to say that other, more typical, uses of KATIE PERRY as a trade mark for clothing (for example, on the label of a pair of travel pants) would have given rise to a real, tangible danger of confusion in September 2008. In reaching the view that such a risk was likely, the Full Federal Court was apparently persuaded by evidence that a small number of very famous performers move from selling merchandise to establishing their own clothing labels.²⁹ But at the priority date, Hudson’s fame was of a much lower order of magnitude.

Consequently, one question for the High Court is how the assessment of use of a mark in a ‘normal and fair manner’ across the full breadth of the specification is to be carried out. There has been surprisingly limited analysis of what ‘normal and fair’ use means,³⁰ including whether the phrase should be read disjunctively. The

overstate the position. At the relevant date, Hudson enjoyed a reputation as a pop singer and not, say, as a children’s magician or performer of Kabuki theatre. One problem with the Full Federal Court’s decision is that it at times conflates the questions of the scope of reputation with the likelihood of confusion. This conflation can be seen in the finding at 260–1 [290]–[291] that Taylor also had a reputation in clothes, which is better understood as going to the issue under s 60(b) of whether Taylor’s use would have caused confusion given the relationship between the relevant subset of entertainment services (in which Hudson had a reputation) and clothing (Taylor’s specified goods).

²⁷ Taylor has sought to argue that the Full Federal Court erred in placing weight on the marks being ‘deceptively similar’ in finding s 60 to have been made out: Katie Taylor, ‘Appellant’s Submissions’, Submission in *Taylor v Killer Queen LLC*, High Court of Australia, Case No S49/2025, 30 May 2025, [43]–[45] (‘Appellant’s Submissions’). However, the close similarity between the marks is clearly a relevant (albeit not determinative) consideration under s 60(b) in assessing whether the use of the later mark would have caused confusion.

²⁸ *Unidoor Ltd v Marks and Spencer plc* [1988] RPC 275, 278 (Whitford J) (‘Unidoor’) (the law must take cognisance of the practice of placing clothing marks ‘boldly on the article in question’).

²⁹ *Killer Queen (FCAFC)* (n 4) 260–1 [291] (Yates, Burley and Rofe JJ).

³⁰ The language of ‘normal and fair’ can be traced back to *Re Smith Hayden and Co Ltd’s Application* (1946) 63 RPC 97, 101 (Evershed J). It has been generally adopted by Australian tribunals since at least *Gardenia Overseas Pte Ltd v The Garden Co Ltd* (1994) 29 IPR 485, 493 (Lindgren J) (‘notional normal and fair use’), but with little analysis of what might fall outside the scope of what is ‘normal and fair’.

High Court might need to consider whether it covers use that, although plausible and potentially even able to be described as ‘normal’, would not be undertaken by any bona fide trader keen to avoid confusion and build their own brand.³¹ It might take the view that the Full Federal Court, in reaching its conclusion on the link between reputation and confusion, conflated the sale of merchandise bearing the name of a pop star with conduct that more obviously involves trade mark use but that would only be undertaken by a pop star with the sort of well-developed reputation that Hudson did not have at the relevant time. The High Court might want to signal that lower courts need to be careful in too readily assuming that mere fame as an entertainer (which in many cases will be ephemeral) gives a broad right to prevent third party use of that name or a close variant as a trade mark on ‘clothing’, let alone on other goods that are further removed from traditional merchandising activity.

III *Trade Marks Act 1995 (Cth) s 88(2)(c)*

Even if the High Court finds that cancellation under ss 88(2)(a)/60 is not made out, this does not determine the question of whether the separate ground under s 88(2)(c) can be established. Subsection 88(2)(c) contemplates the possibility that the use of a mark that was not problematic at its priority date *becomes* confusing after the registration of that mark. This might occur where a situation is allowed to develop post-registration where another party comes to develop such a reputation in a similar mark that any use by the registered owner of its mark would cause confusion — this is, in essence, the scenario that was considered by the High Court in *New South Wales Dairy Corporation v Murray Goulburn Co-operative Co Ltd* (‘*Moove*’) under former legislation.³²

A critical factor in the case at hand is that at the time the rectification proceedings were filed in December 2019, the reputation of the ‘Katy Perry’ mark in Australia had grown enormously from September 2008, including in relation to clothing.³³ This factor, coupled with the close resemblance between the ‘Katy Perry’ and KATIE PERRY marks, would seem to give rise to a strong case that any use of the latter mark on ‘clothing’ as at December 2019 would have given consumers cause to wonder about a commercial connection with Hudson.

³¹ In a similar vein, in relation to s 12 of the *Trade Marks Act 1938* (UK) Blanco White and Jacob said that ‘it is convenient to consider the applicant’s mark as used upon goods in a plain get-up; not one chosen to be easily confused with the opponent’s, nor one specially chosen to distinguish from it’: TA Blanco White and Robin Jacob, *Kerly’s Law of Trade Marks and Trade Names* (Sweet & Maxwell, 10th ed, 1972) 175. They also said that where there is evidence of how the applicant intends to use its mark where this use would increase the risk of confusion, this evidence can be relied on ‘to prevent such use being dismissed as unfair or fanciful’ (at 175). We might add that, on our reading of *Taylor (FCA)* (n 6), there was no finding of fact that Taylor used her mark ‘boldly on [any] article’ (*Unidoor* (n 28) 278) after the time at which Hudson’s reputation became firmly established. The only evidence of ‘bold’ use of the ‘Katie Perry’ mark on the front of a t-shirt was from a photoshoot in mid-July 2008 (see *Taylor (FCA)* (n 6) 29–30 [116] (Markovic J)), at a time Hudson’s reputation in the ‘Katy Perry’ mark in Australia was first emerging (see at 12 [33]–[34], 17–19 [62]–[72], 182 [723(1)–(3)]).

³² *New South Wales Dairy Corporation v Murray Goulburn Co-operative Co Ltd* (1990) 171 CLR 363 (‘*Moove*’).

³³ In addition to continued merchandising activity, Hudson launched ‘Katy Perry’ shoes in 2018: *Taylor (FCA)* (n 6) 66–7 [241], 198 [785] (Markovic J).

In arguing that the s 88(2)(c) ground is not made out, Taylor suggests that the provision is to be interpreted by reference to the registered owner's *actual* use of its mark at the time of the rectification proceedings, rather than the notional 'normal and fair use' it might have made.³⁴ This is contrary to the position adopted by the primary judge,³⁵ although the Full Federal Court did not form a settled view as to whether the provision needed to be interpreted this way.³⁶ Taylor points to the fact that s 88(2)(c) looks to the 'circumstances' applying at the relevant time,³⁷ and asks whether the use 'is likely' to cause confusion, rather than 'would be likely' (which is the phrase used in s 60).³⁸ Taylor argues that the limited use of her mark on a range of clothes over a 10-year period (described at trial as 'luxury loungewear and other women's clothes'³⁹), without any evidence of actual confusion, meant that the s 88(2)(c) ground was not made out.⁴⁰ In the alternative, Taylor argues that even if the test is based on notional use, the strength of the reputation of the 'Katy Perry' mark by late 2019 *reduced* any likelihood of confusion, with the effect being that notional consumers of clothes provided under the KATIE PERRY mark would notice the difference in spelling between the marks and not be confused.⁴¹

Taylor's novel reading of s 88(2)(c) as turning on the registered owner's actual use is open, and the High Court will have a valuable opportunity to resolve the ambiguity around how the subsection is to be interpreted. In our view, there are good reasons for rejecting Taylor's reading, and for affirming the Full Federal Court's reasoning and conclusion. It has long been accepted that when assessing whether a mark should be entered onto or remain on the Register attention needs to be paid to the scope of the statutory monopoly. The *TM Act* confers a right to use a mark in relation to the goods and/or services in respect of which it is registered,⁴² and this right serves as a defence to an action for infringement⁴³ and a partial defence to any claim brought in passing off.⁴⁴ The cancellation ground has to be tied to the scope of the monopoly that the owner is claiming. Any other approach would also increase the evidential burden on the party seeking cancellation, and might give rise to serial litigation and difficult questions of claim preclusion as the trade mark owner's use shifts over time. Here it should also be remembered that Taylor had the opportunity to narrow her specification to limit her mark to the goods she actually makes and sells, but declined to do so, presumably for strategic reasons.

³⁴ Appellant's Submissions (n 27) [55].

³⁵ *Taylor (FCA)* (n 6) 199 [787].

³⁶ *Killer Queen (FCAFC)* (n 4) 268 [339] (Yates, Burley and Rofe JJ) (but finding against Taylor under both interpretations). For other decisions in which the notional 'normal and fair use' approach has been taken in interpreting s 88(2)(c), see *Dunlop Aircraft Tyres Ltd v Goodyear Tire & Rubber Co* (2018) 262 FCR 76, 114 [180] (Nicholas J); *Firstmac Ltd v Zip Co Ltd* [2023] FCA 540, [377]–[378] (Markovic J), affirmed in *Firstmac Ltd v Zip Co Ltd* [2025] FCAFC 30, [165] (Katzmann and Bromwich JJ, Perram J agreeing at [1]) ('*Firstmac (FCAFC)*').

³⁷ Appellant's Submissions (n 27) [50].

³⁸ *Ibid* [51].

³⁹ *Taylor (FCA)* (n 6) 198 [781] (Markovic J).

⁴⁰ Appellant's Submissions (n 27) [56]–[57].

⁴¹ *Ibid* [58]. See also *Taylor (FCA)* (n 6) 199–200 [789]–[795] (Markovic J).

⁴² *TM Act* (n 2) s 20(1).

⁴³ *Ibid* s 122(1)(e).

⁴⁴ *Ibid* s 230(2).

Taylor's alternative argument is still less convincing. There are indeed occasions when the fame of a mark is such that confusion becomes less, rather than more, likely. This is not because there is any separate legal rule to this effect, rather it is a necessary corollary of how we assess what consumers are likely to (mis)remember. When one is dealing with a famous mark — such as, say, MALTESERS for chocolate products — the memory of the mark is likely to be relatively fixed in the minds of consumers. Consequently, no ordinary consumer is likely to be confused by the use of MALTITOS for identical goods.⁴⁵ It has, however, never been accepted that consumer recollection of a famous mark is likely to be so fixed that use of an aurally identical mark with a minor variation in spelling is not capable of causing confusion. MALTITOS for chocolate products may be acceptable, MALTEASERS is not.

IV *Trade Marks Act 1995 (Cth) s 89*

If the High Court finds that either or both of the s 88 cancellation grounds are made out, it will need to consider the third issue on appeal. This is whether the Full Federal Court erred in finding that s 89 was not enlivened because the cancellation grounds arose due to Taylor's 'act or fault', such that it had no discretion not to grant the application for cancellation.

Section 89 is a complex provision 'aimed at dealing with some well-known difficulties that were encountered in the construction of relevant provisions of the [*Trade Marks Act 1955 (Cth)*]' ('1955 Act').⁴⁶ It applies in three scenarios. It is relatively easy to see what role s 89 might play in two of these scenarios:

- under s 89(1)(a), when cancellation is sought under s 87 (which primarily deals with situations where the registered mark became generic after its registration date); and
- under s 89(1)(c), when cancellation is sought under s 88(2)(c) (which contemplates situations where the registered owner's use of its mark became confusing, post-registration).

In these two scenarios, it would be harsh to order cancellation where the mark became generic or confusing through no act or fault of the registered owner. But it is much less obvious how s 89 has a role to play in the third scenario:

- under s 89(1)(b), where cancellation is sought under ss 88(2)(a)/60.

Here, the cancellation ground has arisen not because of a post-registration set of circumstances, but because there was a conflict with an earlier mark at the registered owner's priority date. In such circumstances, it is unclear how it can be said that 'the ground relied on ... has not arisen through any *act or fault* of the registered owner',⁴⁷ since it would seem to be the registered owner's very act of applying to register that

⁴⁵ *Delfi Chocolate Manufacturing SA v Mars Australia Pty Ltd* (2015) 115 IPR 82, 90 [28]–[29] (Jessup J).

⁴⁶ *Anchorage Capital Partners Pty Ltd v ACPA Pty Ltd* (2018) 259 FCR 514, 547 [142] (Nicholas, Yates and Beach JJ).

⁴⁷ *TM Act* (n 2) s 89(1) (emphasis added).

is the ‘act’ that gave rise to the conflict and thus the resulting cancellation ground. This gives rise to a further, uncomfortable question: is it the case that the discretion can *never* be enlivened when the cancellation ground turns on s 60 (or, for that matter, s 43), notwithstanding s 89(1)(b)?

The Full Federal Court found that the disentiing ‘act’ for the purposes of s 89 was Taylor’s act of applying for registration with knowledge of Hudson, her reputation and her mark, in circumstances where Taylor knew of the practice of popular entertainers licensing their marks for use on merchandise.⁴⁸ On appeal, the respondents have sought to defend this reasoning.⁴⁹ However, the difficulty with this reasoning is that the test under s 89 looks to whether the cancellation *ground* has not arisen through any ‘act or fault’ of the registered owner. Taylor’s knowledge was irrelevant to whether the s 60 ground (that is, whether there was a likelihood of confusion) was made out. This point has been recognised by Taylor,⁵⁰ although we would disagree with her suggestion that ‘something more’ than the act of filing for registration is needed for there to be a relevant ‘act or fault’,⁵¹ since that suggestion suffers from exactly the same problem as the Full Federal Court’s decision in looking beyond the act that gave rise to the cancellation ground.

Obviously, statutes should be interpreted to avoid redundancy whenever possible. However, in this case, when the complex history of what s 89 was designed to achieve, together with the previously unacknowledged impact of the High Court’s decision in *Campomar*, are properly understood, our view is that s 89 contains a redundancy.

To explain, in 1992 the Working Party appointed by the Government to consider potential reform of Australia’s trade mark laws recommended various new opposition grounds, including one for ‘inherently deceptive’ signs and another in a form similar to what would become s 60 of the *TM Act*.⁵² The Working Party also recommended two separate rectification grounds: the first based on the opposition grounds;⁵³ and the second applying where the owner’s use was likely to deceive at the time of the rectification proceedings.⁵⁴ Only the latter ground was recommended to be made subject to a ‘fault’ proviso. This was an attempt to deal with uncertainties arising out of the *Moove* decision.⁵⁵ In that case, a majority of the High Court held that a mark could be removed from the Register on the basis of confusion that had arisen post-registration, but only where the owner had engaged in ‘blameworthy

⁴⁸ *Killer Queen (FCAFC)* (n 4) 265 [317] (Yates, Burley and Rofe JJ).

⁴⁹ Respondents’ Submissions (n 15) [42]–[44].

⁵⁰ Appellant’s Submissions (n 27) [65].

⁵¹ *Ibid* [64].

⁵² Working Party to Review the Trade Marks Legislation, *Recommended Changes to the Australian Trade Marks Legislation* (Australian Government Publishing Service, 1992) 45 (Recommendation 6A(3)), 47 (Recommendation 8A(6)).

⁵³ *Ibid* 95 (Recommendation 36A(1)).

⁵⁴ *Ibid* 96 (Recommendation 36A(5)).

⁵⁵ *Moove* (n 32).

conduct’, with different understandings being put forward as to what that might involve.⁵⁶

The Working Party’s recommendations were not adopted in the short-lived and never-commenced *Trade Marks Act 1994* (Cth) (*‘1994 Act’*).⁵⁷ Understanding the rectification provisions in the *1994 Act* provides the key to understanding s 89 of the *TM Act*.

Subsection 89(2)(a) of the *1994 Act* contained a single rectification ground based on the opposition grounds — there was no separate ground based on the owner’s use being likely to deceive or cause confusion at the time of the rectification proceedings. Importantly, however, the effect of s 89(3)(b) was to make the s 89(2)(a) rectification ground, to the extent it was based on an opposition ground ‘that the trade mark is liable to deceive or confuse’, subject to a ‘no act or fault’ proviso in s 89(3). To understand why this approach was taken, it is worth saying more about the rectification ground in issue in *Moove*. That case required the High Court to consider whether, in rectification proceedings, one of the *opposition* grounds (the ‘use would be likely to cause confusion’ ground in s 28(a) of the *1955 Act*) could be interpreted not only by reference to the situation at the mark’s priority date, but also by reference to whether the use would cause confusion at the time of the rectification proceedings. A majority of the Court held this to be the case, subject to the ‘blameworthy conduct’ doctrine.⁵⁸ Parliament’s expectation in enacting s 89(2)(a) of the *1994 Act* must have been that it would be read in light of *Moove*. That is, s 89(2)(a) was designed to enable an applicant for rectification to argue that an opposition ground would have been made out *either* at the priority date, *or* on the basis of the mark being likely to deceive or cause confusion at the time of the rectification proceedings due to circumstances arising post-registration. Given the latter possibility, it made sense to make s 89(2)(a) subject to a ‘no act or fault’ proviso.

However, a difficulty with what was set up in the *1994 Act* is that it did not contain an equivalent of s 28(a) of the *1955 Act* — there was no ground of opposition applying simply where the use of the mark would be likely to cause confusion. The closest such ground in the *1994 Act* was s 42(2), which provided a ground of opposition based on the use of the mark being

likely to deceive or cause confusion regarding:

- (a) the nature, quality, origin, intended purpose, or some other characteristic, of the goods or services; or
- (b) any connection or relationship that they may have with any particular person.

⁵⁶ Ibid 375–84, 387–8 (Mason CJ), 388–93 (Brennan J), 401–14 (Dawson and Toohey JJ). See also at 399–400 (Deane J), 414 (Gaudron J) (either not accepting or doubting that a mark could be removed from the Register on the basis of post-registration confusion, but agreeing in the alternative with Dawson and Toohey JJ’s understanding of ‘blameworthy conduct’).

⁵⁷ Prior to its commencement, the *Trade Marks Act 1994* (Cth) was repealed: *TM Act* (n 2) s 5.

⁵⁸ See above n 56.

Such a ground could have had a continuing operation, like s 28(a) of the *1955 Act*, in rectification proceedings. It is, however, worth noting that the opposition ground in s 61 of the *1994 Act* (the equivalent to s 60 of the *TM Act*) could *never* have been interpreted to cover ‘post-registration confusion’ in a rectification action. Unlike s 28(a) of the *1955 Act*, s 61 of the *1994 Act* explicitly turned on the existence of an earlier mark having a reputation at the *filing date* of the later mark, and on confusion by the use of the later mark resulting from that reputation.

The key point to note from this analysis is that there was an internal logic to the treatment of the rectification grounds in the *1994 Act*. Given that ss 89(2)(a)/42(2) of the *1994 Act* could have been raised as a rectification ground in relation to some types of use that were not confusing at the priority date but had come to cause confusion at the time of the rectification proceedings, the s 89(3)(b) ‘no act or fault’ proviso had some work to do in this scenario — albeit not in a case where the rectification ground was brought under ss 89(2)(a)/61.

This is vital in understanding how we ended up with s 89(1)(b) of the *TM Act* and, critically, why it might have been redundant from the very commencement of the *TM Act* or, in any event, why it became entirely redundant after *Campomar* in 2000. Sections 88(2)(a) and 89(1)(b) of the *TM Act* were simply transpositions of ss 89(2)(a) and 89(3)(b) of the *1994 Act*. However, the *TM Act* arguably adopted a different understanding of rectification based on the opposition grounds. The adoption of the new, separate rectification ground in s 88(2)(c) of the *TM Act*, which explicitly refers to use causing deception or confusion at the time of the rectification proceedings, strongly suggests that, for the purposes of s 88(2)(a), the opposition grounds were to be interpreted as applying *only* at the owner’s filing/priority date, and that they were not intended to have a continuing operation.⁵⁹ This meant that there was no longer any need for an ‘act or fault’ proviso to modify s 88(2)(a). On this reading, s 89(1)(b) of the *TM Act* was an unnecessary hangover from the *1994 Act*, and should be seen as nothing more than an unfortunate drafting error.

Even if s 88(2)(a) of the *TM Act* had been drafted on the assumption that, at the very least, the ‘confusing connotation’ ground of opposition in s 43 could have a continuing operation in rectification proceedings, based on the majority approach in *Moove* (such that s 89(1)(b) might have had some limited work to do), that reading of s 88(2)(a) became unsustainable after *Campomar*. In that case, the High Court unanimously rejected the majority’s approach in *Moove*, holding that s 28(a) of the *1955 Act* did *not* have a continuing operation.⁶⁰ This also removed any suggestion that s 43 of the *TM Act* could have a continuing operation.⁶¹ In other words, even if s 89(1)(b) might have had some work to do in the first few years of the *TM Act* in cases where an applicant for cancellation sought to rely on ss 88(2)(a)/s 43, pointing

⁵⁹ This reading is further supported by the original wording of s 88(2)(c) of the *TM Act* (n 2), which before its amendment by the *Trade Marks Amendment Act 2006* (Cth) applied where the use of the registered mark was likely to deceive or cause confusion ‘for a reason other than one for which ... the application for the registration of the trade mark could have been rejected under section 43 or 44; or ... the registration of the trade mark could have been opposed under section 60’.

⁶⁰ *Campomar* (n 17) 76–7 [72]–[74] (Gleeson CJ, Gaudron, McHugh, Gummow, Kirby, Hayne and Callinan JJ).

⁶¹ See *McCorquodale v Masterson* (2004) 63 IPR 582, 588 [23] (Kenny J).

to confusion arising at the time of the rectification proceedings, s 89(1)(b) became entirely redundant after *Campomar*.

Consequently, there are sound reasons for the High Court to find in *Taylor v Killer Queen LLC* that s 89 can *never* be enlivened where the application for cancellation is made under ss 88(2)(a)/60 (or s 43). Finding otherwise will involve introducing a degree of incoherence into the legislative regime, in that courts will be required to look for ‘acts or fault’ that have no logical bearing on whether the cancellation ground in question applies or whether confusion would be likely to result from the use of the mark.

We recognise that there is an unfortunate consequence of our reading. Whereas a registered owner who finds that its registration is liable for cancellation under s 88(2)(a) on opposition grounds other than those falling within the scope of s 89(1)(b) (for example, for lack of distinctiveness under s 41) can seek to persuade the court to exercise its ‘at large’ discretion under s 88(1) not to order the cancellation of the registration, this opportunity is not open to registered owners where the opposition grounds fall within the scope of s 89(1)(b) (for example, under ss 43 and 60). To our mind, this demonstrates that s 89 needs to be addressed by the legislature, with the simplest solution being to repeal s 89(1)(b). This approach is preferable to one that stretches the meaning of ‘act or fault’ in s 89 beyond breaking point.

Finally, there remains the separate issue of whether the Full Federal Court was correct to find that s 89 was not enlivened in relation to the application for cancellation under s 88(2)(c). This will be critical if the High Court finds that the ss 88(2)(a)/60 cancellation ground is not made out, but that the s 88(2)(c) ground is made out on the basis that any confusion arose only in light of post-registration circumstances. Our view is that the Full Federal Court was correct on this issue, although its reasoning might have been clearer. The Court identified two post-priority date factors as relevant to whether it would have exercised its discretion not to order the cancellation of the KATIE PERRY registration had s 89 been enlivened, namely: that Taylor at times sought to align herself with Hudson to obtain a commercial benefit;⁶² and that Taylor rejected a co-existence agreement.⁶³ As the respondents have submitted,⁶⁴ these factors can be more relevantly characterised as being ‘acts’ or ‘fault’ that contributed to the s 88(2)(c) cancellation ground, such that s 89 was not in fact enlivened. More generally, the fact that Taylor did not take action to enforce her rights against the respondents for more than 10 years, although understandable for financial reasons, must be considered to be a ‘fault’ that gave rise to the cancellation ground.⁶⁵ If the High Court is required to interpret ‘act or fault’ in s 89 in this scenario, we would hope that it takes a broader approach than looking for what can be characterised as ‘blameworthy conduct’ as this concept was understood by courts interpreting differently-worded former legislation.⁶⁶

⁶² *Killer Queen (FCAFC)* (n 4) 265 [319] (Yates, Burley and Rofe JJ).

⁶³ *Ibid* 265–6 [322].

⁶⁴ Respondents’ Submissions (n 15) [45].

⁶⁵ See Burrell and Handler, *Australian Trade Mark Law* (n 18) [9.22].

⁶⁶ *Ibid*, quoted in *Firstmac (FCAFC)* (n 36) [174] (Katzmann and Bromwich JJ, Perram J agreeing at [1]).

V Conclusion

The litigation between Taylor and Hudson and her associated companies has given rise to a range of complex questions and issues under the *TM Act*, not all of which are before the High Court. Some of these are matters on which guidance from the High Court would be welcome in a future case, such as: how to interpret the specification of goods and services in respect of which a mark is registered;⁶⁷ who can rely on the ‘own name’ defence to infringement;⁶⁸ and what is the meaning of ‘good faith’ in the defences to infringement.⁶⁹ For other issues, reform of the *TM Act* may be needed, such as whether the prevailing interpretation of the defence to infringement in s 122(1)(fa), which applies where the prima facie infringer would be able to obtain registration of its mark in its own name, renders it largely nugatory.⁷⁰ Notwithstanding this, *Taylor v Killer Queen LLC* will still provide the High Court with a rare and valuable opportunity to consider, and hopefully resolve, important questions going to the three fundamental concepts of reputation, confusion and discretion, as they arise under the *TM Act*.

⁶⁷ On some of the problems with the prevailing Australian approach, see Robert Burrell and Michael Handler, ‘Who Reads the Trade Marks Register?’ (2025) 45(2) *Oxford Journal of Legal Studies* 272.

⁶⁸ See Burrell and Handler, *Australian Trade Mark Law* (n 18) [12.4]–[12.5].

⁶⁹ *Ibid* [12.7].

⁷⁰ *Ibid* [12.13]–[12.14].