FEDERAL COURT OF AUSTRALIA

Unilever Australia Ltd v Revlon Australia Pty Ltd (No 2) [2014] FCA 875

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| Citation: | Unilever Australia Ltd v Revlon Australia Pty Ltd (No 2) [2014] FCA 875 |
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| Parties: | **UNILEVER AUSTRALIA LIMITED (ACN 004 050 828) v REVLON AUSTRALIA PTY LIMITED (ACN 095 360 731)** |
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| File number(s): | NSD 508 of 2014 |
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| Judge(s): | **GLEESON J** |
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| Date of judgment: | 19 August 2014 |
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| Catchwords: | **CONSUMER LAW** – misleading or deceptive conduct – ss 18, 29(1)(a), 29(1)(g) *Australian Consumer Law* – claim for interlocutory injunctive relief restraining the selling, offering for sale or marketing of consumer products in particular packaging – whether packaging falsely represents that the product is associated with a rival product – whether packaging is misleading or deceptive – whether Court’s discretion should be exercised in favour of granting interlocutory injunction – application dismissed  **TORT** – passing off – whether ordinary consumer would be misled by consumer product |
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| Legislation: | *Australian Consumer Law* (Sch 2 to the *Competition and Consumer Act 2010* (Cth)) ss 18, 29(1)(a), 29(1)(g) |
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| Cases cited: | *Australian Broadcasting Corporation v O’Neill* (2006) 227 CLR 57  *Australian Competition and Consumer Commission v Coles Supermarkets Australia Pty Limited* [2014] FCA 634  *Australian Competition and Consumer Commission v TPG Internet Pty Ltd* [2013] HCA 54  *Australian Woollen Mills Ltd v FS Walton & Co Ltd* (1937) 58 CLR 641  *Bodum v DKSH Australia Pty Limited* [2011] FCAFC 98  *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397  *Campomar Sociedad, Limitada v Nike International Ltd* (2000) 202 CLR 45  *Kettle Chip Co Pty Ltd v Apand Pty Limited* (1993) 46 FCR 152  *Mars Australia Pty Ltd v Sweet Rewards Pty Ltd* [2009] FCA 606  *Natural Waters of Viti Limited v Dayals (Fiji) Artesian Waters Ltd* [2007] FCA 200  *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191  *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341  *Red Bull Australia Pty Ltd v Sydneywide Distributors Pty Ltd* [2001] FCA 1228  *Schweppes Ltd v Gibbens* (1905) 22 RPC 601  *Shercliff v Engadine Acceptance Corporation Pty Ltd* [1978] 1 NSWLR 729  *Sydneywide Distributors Pty Ltd v Red Bull Australia Pty Ltd* [2002] FCAFC 157  *Unilever Australia Limited v Revlon Australia Pty Ltd* [2014] FCA 573  *Warner-Lambert Company LLC v Apotex Pty Ltd* [2014] FCAFC 59  *WD & HO Wills (Australia) Ltd v Philip Morris Ltd* (1997) 39 IPR 356 |
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| Date of hearing: | 14 August 2014 | |
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| Date of last submissions: | 15 August 2014 | |
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| Division: |  | |
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| Category: | Catchwords | |
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| Counsel for the Applicant:  Solicitor for the Applicant: | Mr R Cobden SC with Mr N Furlan  Baker & McKenzie | |
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| Counsel for the Respondent: | Mr M R Hall with Ms E Whitby | |
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| Solicitor for the Respondent: | King & Wood Mallesons | |

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| IN THE FEDERAL COURT OF AUSTRALIA |  |
| NEW SOUTH WALES DISTRICT REGISTRY |  |
| GENERAL DIVISION | NSD 508 of 2014 |

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| BETWEEN: | UNILEVER AUSTRALIA LIMITED (ACN 004 050 828)  Applicant/ Cross-Respondent |
| AND: | REVLON AUSTRALIA PTY LIMITED (ACN 095 360 731)  Respondent/ Cross-Claimant |

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| JUDGE: | GLEESON J |
| DATE OF ORDER: | 19 AUGUST 2014 |
| WHERE MADE: | SYDNEY |

THE COURT ORDERS THAT:

1. The Respondent’s application for interlocutory relief pursuant to Amended Notice of Cross-Claim dated 4 August 2014 be refused with costs.

Note: Entry of orders is dealt with in Rule 39.32 of the *Federal Court Rules 2011*.

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| IN THE FEDERAL COURT OF AUSTRALIA |  |
| NEW SOUTH WALES DISTRICT REGISTRY |  |
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| BETWEEN: | UNILEVER AUSTRALIA LIMITED (ACN 004 050 828)  Applicant/ Cross-Respondent |
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| JUDGE: | GLEESON J |
| DATE: | 19 AUGUST 2014 |
| PLACE: | SYDNEY |

**REASONS FOR JUDGMENT**

1. The applicant/cross-respondent (“Unilever”) and the respondent/cross-claimant (“Revlon”) are competitors in the supply of products including “clinical” anti-perspirant deodorant products (“clinical protection products” or “products”) in Australia. Clinical protection products are intended to provide protection against heavy sweating. By number of sales, clinical protection products comprise approximately 1.8% of total sales of anti-perspirant deodorants in Australia, amounting to about $20 million in value.
2. Unilever’s products are sold under the brand names “Rexona” and “Dove”. Revlon’s products are sold under the brand name “Mitchum Clinical”. The Unilever products have been sold in Australia since July 2009. The Mitchum Clinical products have been sold in Australia since January 2014.
3. Next month, this court will commence a final hearing of various claims made by the parties against each other in connection with the supply of clinical protection products. The proceedings were commenced in late May 2014. Unilever claims that Revlon has contravened ss 18, 29(1)(a) and 29(1)(g) of the *Australian Consumer Law*, Schedule 2 to the *Competition and Consumer Act 2010* (Cth) (“*Australian Consumer Law”*)by various representations including as to the superiority of the Mitchum Clinical products. The representations are alleged to have been made in advertising and on the packaging of the products. The relief sought includes orders restraining Revlon from selling the Mitchum Clinical products in their current packaging.
4. Revlon counter claims that Unilever has contravened the same provisions of the *Australian Consumer Law*, and also engaged in the tort of passing off. Revlon’s claims also concern both Unilever’s advertising and its packaging of the clinical protection products. The relief sought by Revlon includes orders restraining Unilever from selling Revlon clinical protection products in the “New Rexona Packaging”.
5. In June 2014, Unilever was denied interlocutory injunctive relief which would have restrained Revlon from publishing and broadcasting advertisements making certain claims, and also from making the certain representations: *Unilever Australia Limited v Revlon Australia Pty Ltd* [2014] FCA 573 (“June 2014 decision”). At that time, the parties were offered and accepted an early final hearing in July 2014. As it turned out, that hearing was vacated and the matter has been listed for a six day hearing commencing on 15 September 2014.
6. In July 2014, Unilever commenced distributing and marketing four variants of Rexona clinical protection products in new packaging (“New Rexona Packaging”). According to Unilever, the new packaging was part of a worldwide rebranding of the products. According to Revlon, Unilever is passing off the Rexona products as Mitchum Clinical products and is engaging in misleading or deceptive conduct in breach of the *Australian Consumer Law.* Specifically, Revlon claims that by selling its products in the New Rexona Packaging, Unilever has represented to consumers in Australian that the Rexona products:
7. are Mitchum Clinical products;
8. are made, imported or sold with the sponsorship or approval of the makers of Mitchum Clinical; and
9. are otherwise associated with the Mitchum Clinical products or the makes of Mitchum Clinical.
10. Revlon now seeks an urgent interlocutory injunction restraining Unilever from selling, offering for sale or marketing in Australian any Rexona clinical protection products in the New Rexona Packaging.
11. When the application was first made, there was a concern or suspicion that one of the parties may have deliberately copied the packaging design of the other. By the hearing of the application, the parties accepted that there was no evidence on any deliberate wrongdoing of this kind. However, Revlon maintained that Unilever had re-packaged its products in full knowledge of the similarities between the New Rexona Packaging and the Mitchum Clinical packaging. This was necessarily the case because the Mitchum products were sold in the Mitchum Clinical packaging from January 2014 and overseas from December 2013. Revlon went further and submitted that the selection of the New Rexona Packaging, the choice to launch it and the timing of the launch were influenced by having seen the Mitchum Clinical packaging.
12. Revlon sought to emphasise its point by referring to an internal Unilever slide pack dated January 2014 and entitled “Response plan for Mitchum”. The slide pack commented on the “extreme” similarity between the “Mitchum graphic” and the graphic on a package similar to the New Rexona Packaging. The pack also commented on similarities between the variants of the Rexona and Mitchum clinical protection products, and “almost the exact same ‘use’ claims” on both packages. The pack did not make any recommendations about a response.

## Issue to be decided

1. The issue is whether Revlon has demonstrated a sufficient likelihood of success to justify, in the circumstances, the interlocutory relief sought. In *Australian Broadcasting Corporation v O’Neill* (2006) 227 CLR 57 at [65], Gummow and Hayne JJ said (footnotes omitted):

The relevant principles in Australia are those explained in *Beecham Group Ltd v Bristol Laboratories Pty Ltd* [(1968) 418 CLR 618]. This Court (Kitto, Taylor, Menzies and Owen JJ) said that on such applications the court addresses itself to two main inquiries and continued [at 622-623]:

“The first is whether the plaintiff has made out a prima facie case, in the sense that if the evidence remains as it is there is a probability that at the trial of the action the plaintiff will be held entitled to relief ... The second inquiry is ... whether the inconvenience or injury which the plaintiff would be likely to suffer if an injunction were refused outweighs or is outweighed by the injury which the defendant would suffer if an injunction were granted.”

By using the phrase “prima facie case”, their Honours did not mean that the plaintiff must show that it is more probable than not that at trial the plaintiff will succeed; it is sufficient that the plaintiff show a sufficient likelihood of success to justify in the circumstances the preservation of the status quo pending the trial. That this was the sense in which the Court was referring to the notion of a prima facie case is apparent from an observation to that effect made by Kitto J in the course of argument. With reference to the first inquiry, the Court continued, in a statement of central importance for this appeal [at 622]:

“How strong the probability needs to be depends, no doubt, upon the nature of the rights [the plaintiff] asserts and the practical consequences likely to flow from the order he seeks.”

1. In *Warner-Lambert Company LLC v Apotex Pty Ltd* [2014] FCAFC 59 at [72], the Full Court referred with approval to the following statement of Mahoney JA (with whom Glass and Samuels JJA agreed) in *Shercliff v Engadine Acceptance Corporation Pty Ltd* [1978] 1 NSWLR 729 at 734 about the nature of the task to be undertaken by a judge hearing an application for an interlocutory injunction, where there is a conflict of evidence:

But there are limitations upon the extent to which a judge is to take into account such evidence as the defendant may tender upon an interlocutory application. It is not his function to conduct a preliminary trial of the action, nor is it, in general, to resolve the conflict between the parties’ evidence, and grant or refuse the application upon the basis of such findings. Where there is conflict of evidence, the use which may be made of the defendant’s evidence in determining whether the plaintiff has made out a prima facie case is a limited one. For example, the plaintiff’s evidence, considered alone, may be such a prima facie case as would be acceptable if submitted to a jury in a trial. But, when considered in the light of the defendant’s evidence, it may be explained away so as no longer to be such. Or the defendant’s evidence, when juxtaposed to that of the plaintiff may show that there is in reality no such case, no real question between the parties, appropriate to warrant preserving the status quo until the hearing.

1. In the June 2014 decision, Jacobson J noted (at [31]) that whether there is a serious question, or a prima faciecase, is not to be considered in isolation from the discretionary considerations which inform the balance of convenience. What is involved is an assessment of whether Revlon has demonstrated a sufficient probability of success to justify the grant of interlocutory relief in light of the discretionary considerations raised in the interlocutory hearing.

## Factual issues

1. According to Revlon’s written submissions, in order to succeed in its claims, it needed to establish as at late July 2014, that:
2. The features or “get up” of its Mitchum Clinical packaging had become sufficiently distinctive and associated in the minds of a substantial number of the relevant class of consumers with Revlon Australia;
3. There was a misrepresentation by Unilever that the New Rexona Packaging is from the same source or associated with Mitchum Clinical or Revlon; and
4. For passing off, there is a likelihood that Revlon Australia will suffer damage by reason of the erroneous belief.

## Legal principles concerning passing off and misleading or deceptive conduct

### Passing off

1. The principles governing the tort of passing off are set out in *Bodum v DKSH Australia Pty Limited* [2011] FCAFC 98at [211] to [214] (“*Bodum*”). Revlon’s identification of the factual issues reflects the statement of Lord Oliver in *Reckitt & Colman Products Ltd v Borden Inc* [1990] RPC 341 at 405, cited in *Bodum at* [212].
2. Concerning reputation, Lord Oliver said that the plaintiff must:

…establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying “get-up” (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services.

1. As Perram J observed in *Mars Australia Pty Ltd v Sweet Rewards Pty Ltd* [2009] FCA 606 (“*Mars*”) at [22], similarly, it is the reputation in the features of the applicant’s packaging which is the springboard for the argument that consumers are deceived by a particular imitation.
2. In *Natural Waters of Viti Limited v Dayals (Fiji) Artesian Waters Ltd* [2007] FCA 200 (“*Viti*”)at [59], Bennett J said:

The reputation which must be proved in a case such as this is that the get-up, packaging, shape, or trade dress relied upon is associated by consumers with the applicant’s product. It takes a strong case to establish a reputation of this nature (*Interlego* [*AG v Croner Trading Pty Limited* (1992)39 FCR 348] at 386) as consumers will not necessarily associate a get-up with the applicant’s product (*Collins Debden Pty Ltd v Cumberland Stationery Co Pty Ltd (No 2)* [2005] FCA 1398 at [33] to [34] per Lindgren J). The requisite reputation will more readily be found where the get-up is unique or striking rather than descriptive, mundane, merely functional, or in common use.

### Misleading or deceptive conduct

1. It is necessary to identify whether the impugned conduct, as a whole and in context, is misleading or deceptive or likely to mislead or deceive. Conduct is misleading or deceptive or likely to mislead or deceive if it has the tendency to lead into error, and if there is a sufficient causal link between the conduct and the error on the part of the person exposed to the conduct. The causing of confusion or questioning is insufficient; it is necessary to establish that the ordinary or reasonable consumer is likely to be led into error. The proper context may include consideration of the type of market, the manner in which the goods are sold and the habits and characteristics of purchasers in such a market: *Australian Competition and Consumer Commission v Coles Supermarkets Australia Pty Limited* [2014] FCA 634 at [38] to [41].
2. In the case of representations to the public, it is necessary to isolate the class of prospective purchasers to which the representations are directed: *Campomar Sociedad, Limitada v Nike International Ltd* (2000) 202 CLR 45 at [102] and [103].
3. According to Revlon, the tendency of the New Rexona Packaging to mislead is determined by whether the similarity of the design is apt to bring the consumer into the “marketing web” of Unilever rather than of Revlon, on the basis of an erroneous belief engendered by the “general thrust” of the messages: *Australian Competition and Consumer Commission v TPG Internet Pty Ltd* [2013] HCA 54 at [48] to [50].
4. Revlon relied on the following passage from *Cadbury Schweppes Pty Ltd v Darrell Lea Chocolate Shops Pty Ltd* (2007) 159 FCR 397 at [97] (cited with approval in *Bodum* at [193] (Greewood J, Tracey J agreeing at [272])):

Both in the context of Part V of the [*Trade Practices Act 1974* (Cth)] and the common law tort of passing off, trade indicia other than names and logos can become associated with a particular trader, such that a use by another trader could give rise to misleading or deceptive conduct or passing off. If particular branding elements used by a trader have been identified in a special way with that trader in the minds of the members of the public, there may be misleading or deceptive conduct by reason of the appropriation of those particular branding elements by another trader.

1. In that case, the Full Court concluded that the primary judge had erred in rejecting expert opinion evidence to support claims by Cadbury that it had achieved a substantial, exclusive and valuable reputation and goodwill throughout Australia in the colour Cadbury Purple.
2. Unilever accepted that the “get up” of a product could become associated with a particular trader, such that its use by another could involve misleading or deceptive conduct or passing off.
3. A product can be misleading despite the use of branding: see *Red Bull Australia Pty Ltd v Sydneywide Distributors Pty Ltd* [2001] FCA 1228 at [66],(2001) 53 IPR 481 at 513 (“*Red Bull*”); *WD & HO Wills (Australia) Ltd v Philip Morris Ltd* (1997) 39 IPR 356; and *Kettle Chip Co Pty Ltd v Apand Pty Limited* (1993) 46 FCR 152. However, in *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* (1982) 149 CLR 191, Gibbs CJ said at 199-200:

Speaking generally, the sale by one manufacturer of goods which closely resemble those of another manufacturer is not a breach of s 52 if the goods are properly labelled. There are hundreds of ordinary articles of consumption which, although made by different manufacturers and of different quality, closely resemble one another…the normal and reasonable way to distinguish one product from another is by marks, brands or labels. If an article is properly labelled so as to show the name of the manufacturer or the source of the article its close resemblance to another article will not mislead an ordinary reasonable member of the public.

### Assessment of claims

1. In *Viti* at [31], Bennett J said:

The determination of passing off and of contravention of the [*Trade Practices Act 1974* (Cth)] and the [*Fair Trading Act 1987* (NSW)] is assessed as a matter of impression based on recollection of the [first product’s] get-up and the [second product’s] get-up. Whether a get-up so nearly resembles another as to be deceptive or likely to deceive is a question for the Court ([*Interlego AG v Croner Trading Pty Limited* (1992)39 FCR 348] at 387). The packaging must be viewed as a whole (*Sterling Winthrop Pty Limited v R & C Products Pty Ltd* [[1994] FCA 1000] (1994) ATPR 41,308 at 42,126). It is not a question of comparing the [products] side by side and engaging in a minute and detailed analysis of the similarities and differences.

1. In *Schweppes Ltd v Gibbens* (1905) 22 RPC 601, Lord Lindley said at 607:

It appears to me that the real answer to the appellants’ case is this — that they invite your Lordships to look, not at the whole get-up, but at that part of the get-up which suits their case. The resemblances here are obvious enough, but, unfortunately for the appellants, so are the differences. The differences are not concealed; they are quite as conspicuous as the resemblances. If you look at the whole get-up, and not only at that part of it in which the resemblances are to be found, the whole get-up does not deceive.

1. In *Sydneywide Distributors Pty Ltd v Red Bull Australia Pty Ltd* [2002] FCAFC 157 at [133], Weinberg and Dowsett JJ said that a potential purchaser does not come to a decision with the benefit of argument as to the similarities and differences between two get-ups but is likely to make his or her decision in a relatively short period of time and in conditions which may vary.

## Evidence

1. Revlon relied on affidavit evidence from Tracey Raso, the Marketing Director of Revlon, Mina Heebyung Chae, an Associate Brand Manager of Revlon Consumer Products Corporation based in New York and Christopher Jurgens, the Operations Director of Revlon.
2. Unilever relied on affidavit evidence from four witnesses.
3. There was no cross-examination.

## The packaging

1. All clinical protection products sold in Australia are packaged in an outer box, reflecting their status as “niche” and “top end” products.

## The products and packaging features first used by Unilever

1. Unilever observed that the Mitchum Clinical products share the following features with the Rexona clinical protection products sold in the Australian market prior to January 2014:
2. The products are a soft solid cream;
3. The products are marketed and sold in a canister (or applicator) contained within separate cardboard packaging;
4. The products are significantly more expensive than most other anti-perspirant deodorants;
5. The word “Clinical” appears prominently on the internal and external packaging for each product; and
6. each product contains, as an active ingredient, aluminium zirconium tetrachlorydrexgly (“AZAG”).

### Mitchum Clinical packaging

1. Ms Chae’s evidence was directed to the development of the Mitchum Clinical packaging. Exhibited to her affidavit was a design brief which identified efficacy and a “very distinctive” colour green (“Mitchum green”) as “core assets” of the Mitchum brand. The design brief stated that Mitchum’s main communication comes from the pack and point of sale. Also exhibited to Ms Chae’s affidavit was a market research report obtained by Revlon to evaluate consumer perception of design options for the Mitchum Clinical packaging.
2. Ms Chae’s evidence was that the “M” shape on the coloured arches that were referred to before this court as the “Mitchum Three Toned Triangles” and the shape of the “M” in the Mitchum brand name were designed to mimic each other, in a deliberate attempt to create a recognisable link between the shape of the arches and the Mitchum brand name.
3. Revlon relies on the following visual features of the Mitchum Clinical packaging. It comprises a box with:
4. A curved line travelling from the bottom left corner to the right side of the front face and a curved line travelling from the bottom right corner to the left side of the front face, leaving three triangular shapes, each of which is filled in with a different coloured tone (“Mitchum Three Toned Triangles”), the colours varying depending on the variant;
5. Fine silver foiling outlining the three sectors of the Mitchum Three Toned Triangles;
6. The background of the upper section of the front face, being a white colour (for the women’s variants) or a silver colour (for the men’s variants), with the lower portion of the front face being the colour-coded Mitchum Three Toned Triangles, the colours varying depending on the variant;
7. The brand name “Mitchum Clinical”;
8. Written text; and
9. An oxygen symbol.
10. Each of the four variants features a different colour scheme, using two tones of one colour and the Mitchum green colour (dark for men and light for women), which is said to allow the consumer to identify their preferred variants and to tie them all together as parts of the Mitchum Clinical range when forming a block at point of sale. Revlon contends that the “Mitchum Three Toned Triangles” are likely to be recalled by the consumer, as the most distinctive design element on the packaging. The design element is reinforced by its appearance on the front face of the canister and other products, such as Mitchum Advanced 100ml roll-on.
11. Unilever argued that Revlon did not specify whether the reputation sought to be protected is said to include as an element the particular colour schemes for the four variants; the notion of four colour schemes; or colour schemes that conform to the set of rules put forward by Ms Raso, being two tones of a colour and a contrast colour, with a different colour scheme for each stock keeping unit. At a final hearing, it will probably be necessary to clarify at least whether the use of Mitchum green is an essential element of the Mitchum Clinical get-up.

### New Rexona packaging

1. Revlon contends that the New Rexona Packaging has the following visual features:
2. Curved line travelling from the bottom left corner to the right side of the front face and a curved line travelling from the bottom right corner to the left side of the front face, leaving three triangular shapes, each of which is filled in with a different coloured tone (“Rexona Three Toned Triangles);
3. Fine silver foiling outlining the three sectors of the Rexona Three Toned Triangles;
4. The background of the upper portion of the front face being a white colour, with the lower portion of the front face being the colour-coded Rexona Three Toned Triangles, the colour varying depending on the variant;
5. The brand name “Rexona”;
6. Written text; and
7. A “tick” device.
8. A particular complaint made by Revlon is that, in some cases, the New Rexona Packaging has been displayed with a “shelf flash” or “wobbler” identifying it as a “new” product.

## Revlon’s reputation in Australia in Mitchum Clinical products

1. Revlon claims to have acquired a substantial and valuable reputation in Australia in Mitchum Clinical products and the Mitchum Clinical packaging. The relevant time for assessing the reputation is July 2014: see *Viti* at [57]. The reputation is alleged to have arisen principally from:
2. The distribution and sale of the Mitchum Clinical products in Australia since January 2014, noting that Revlon alleges approximately 200,000 units sold since January 2014;
3. The unique features of the Mitchum Clinical packaging;
4. The typical display of the products at the point of sale and the widespread sale of the products, through approximately 1,900 retail outlets throughout Australia;
5. The substantial and widespread promotion and advertising of the Mitchum Clinical products since January 2014, featuring pack shots of the Mitchum Clinical packaging and the Mitchum Clinical canister.
6. Revlon now estimates that it has a 13.5% share of the clinical anti-perspirant deodorant market and up to 25% share of clinical anti-perspirant product sales through Woolworths. It submits that these figures show that consumer recognition and awareness of the Mitchum Clinical brand has grown significantly since January 2014 and most rapidly since the advertising campaign over the May/June period.
7. Revlon contends that its advertising campaign has educated consumers to look for a new clinical deodorant in outer box packaging, featuring get-up with the “Mitchum Three Toned Triangles”. Its evidence is that the appearance of the packaging is given particular prominence in the advertising campaign, in accordance with common practice in advertising new products so that a consumer who is persuaded to “give it a try” picks up the right product.
8. Senior counsel for Unilever, Mr Cobden SC, emphasised that the relevant reputation is not in the Mitchum, or Mitchum Clinical brand, but in the get up of Mitchum Clinical.
9. In *Mars* at [13],Perram J noted that the identification of a trade reputation may be proved by brand specialists as well as evidence about the reactions of randomly selected shoppers to the brands in question. At [14], Perram J noted that evidence before him about marketing of relevant products was of little assistance in determining which elements of the product packaging were the ones that, in the public mind, had a reputation.
10. Revlon did not rely upon expert or survey evidence beyond the evidence of its own marketing director. I read her opinions as submissions but did not admit them on the interlocutory hearing as expert evidence.
11. Counsel for Revlon, Mr Hall, submitted that reputation is traditionally established by a “two-pronged attack”, showing extent of advertising and extent of sales. I accept that Revlon has conducted a significant advertising campaign to promote Mitchum Clinical products, particularly during the months of May and June 2014. However, without reference to authorities supporting Mr Hall’s submission, I am not convinced that the evidence of advertising and sales permits any inference to be drawn as to the existence of a significant and valuable reputation in Mitchum Clinical products and the Mitchum Clinical packaging, as distinct from the brand names “Mitchum Clinical” and “Mitchum”. This is particularly so where the product has only been in the market for seven months.
12. It may be possible to adduce further evidence about these matters at the final hearing. However, in my view, Revlon has not demonstrated a significant likelihood that it will succeed on the first element of its case, namely, that the features of the Mitchum Clinical packaging have become sufficiently distinctive and associated in the minds of a substantial number of potential purchasers so that Revlon could be said to have acquired a relevant trade reputation.

## Passing off or misleading or deceptive conduct: consideration of packaging

1. My conclusion on the first element of Revlon’s case is, strictly speaking, sufficient to dispose of the application. However, in case I am wrong in my conclusion about the strength of Revlon’s case on reputation, I now consider the other elements of the case.
2. The parties disagreed as to the correct identification of the class of prospective purchasers. Ms Raso gave the following evidence:

The broad target market for the Mitchum Clinical product line is women and men aged 20-49 years of age, with a particular focus on women aged 30-45 years old, who perceive themselves as sweating heavily (or at least more than the average person), or as having a problem associated with sweat and odour. They are also seeking greater protection and peace of mind, and want to be able to go about their day without having to worry about sweat and odour. The advertising for Mitchum Clinical has been targeted at women as it is women who make up a high proportion of the clinical segment, and women predominantly do the grocery shopping for themselves and others (such as husbands, sons and daughters) within the target market.

1. The parties also made conflicting submissions about the likely approach of a consumer to the purchase of a clinical protection product, which might bear upon the manner of assessment of the packaging. Revlon submitted that anti-perspirant deodorants are generally a quick impulse purchase. Customers in a hurried supermarket environment wishing to purchase Mitchum Clinical (or the new clinical anti-perspirant deodorant that they had seen advertised), could easily purchase Rexona Clinical by mistake. Unilever submitted that the purchase of a clinical protection product, being three times the price of an ordinary deodorant at around $15 per unit and purchased for a particular personal hygiene reason, was unlikely to be an impulse purchase and was most likely to be made on the basis of brand name.
2. For the purposes of assessing Revlon’s case, I have proceeded on the basis that the class of prospective purchasers comprises Revlon’s broad target market. I have also proceeded on the basis that the purchasing decision in this case is likely to be made in a relatively short period of time and in conditions which may vary.
3. According to Revlon, there is a high risk of consumer confusion between the Mitchum Clinical packaging and the New Rexona Packaging. Relevant factors are:
4. The hurried supermarket environment;
5. The relative frequency of re-purchase (said to be approximately once every three months);
6. The likelihood that the product would be an impulse purchase;
7. That consumers look for key visual triggers such as the “Mitchum Three Toned Triangles”;
8. The likelihood that the product would be purchased quickly, in no more than two minutes;
9. The typical close proximity between the products on supermarket shelves; and
10. Lack of uniformity of supermarket shelf arrangements of products.
11. Revlon contended that, by reason of the similarity between the New Rexona Packaging and the Mitchum Clinical packaging, consumers “might perceive a range of associations between the two products or their distributors”. Revlon identified scenarios in which a consumer might be misled: for example, a repeat purchaser of a Mitchum Clinical product who, at point of sale, recalls the use of the “Mitchum Three Toned Triangles” as an identifier of the Mitchum Clinical brand as a whole and thinks that new variants have been added.
12. Revlon argued that the ordinary reasonable consumer is likely to have an imperfect recollection of the Mitchum outer product packaging. First time purchasers are likely to consider a “conversion purchase” once their current deodorant is finished and not immediately upon seeing the Mitchum advertising campaign. Similarly, repeat purchasers are likely to have an imperfect recollection of the Mitchum outer product packaging.
13. Mr Cobden SC emphasised that the evaluation of the packaging should not focus on a comparison between the Mitchum Three Toned Triangles and the Rexona Three Toned Triangles. Rather, he submitted that I should look at the whole of the packaging that forms the “get-up”.
14. When I was first shown the Mitchum Clinical packaging together with the New Rexona Packaging, I thought that the degree of similarity was striking. However, the boxes were shown to me from the Bar table and, at that distance, I could not read any of the print on the packaging, including the brand names.
15. Assessing the packages as a matter of impression, but sufficiently closely to be able to read them, in my opinion, the single most obvious feature in each case is the brand name. For Revlon, this comprises the words “Mitchum Clinical” in Mitchum green font (dark for men’s variants and light for women’s variants). For Unilever, this comprises the word Rexona underneath a very large tick, both in a dark blue font. In each case, the brand name appears in large font on both the front and the top of the boxes.
16. Revlon contended that the presence of the brand name “Rexona” and the Rexona “tick” device on the New Rexona Packaging do not necessarily obviate the risk of confusion. However, their prominence cannot be overlooked in an assessment of the overall packaging. That prominence is enhanced by the fact that both Mitchum and Rexona are very well known trade-marks.
17. The second most obvious feature is the shared use of the word “Clinical”. On the Mitchum Clinical packaging, this forms part of the brand name. On the New Rexona Packaging, the words “Clinical Protection” appear in capitals immediately under the brand “Rexona”.
18. Another prominent feature of the Mitchum Clinical packaging is the use of Mitchum green (dark for men’s variants and light for women’s variants). For each variant, this colour is used on the top of the box, in one of the coloured triangles on the front of the box and for the majority of the words on the front of the box.
19. The Mitchum Clinical packaging also identifies the men’s variants with the word “men” at the top of the front of the box and the women’s variants with the word “women” at the top of the front of the box. In contrast, the Rexona New Packaging does not refer to either men or women but has a graphic of a woman on the side of the box. Rexona’s clinical protection products for men are not packaged in the Rexona New Packaging.
20. Other features of the Mitchum Clinical packaging which tend to differentiate it from the New Rexona Packaging are:
21. The use of the large gold oxygen symbol in the centre of the front of the box;
22. The use of a silver box for the men’s variants;
23. The taller boxes;
24. A differentiating feature of the New Rexona packaging is Rexona’s use in the bottom triangle of the words “DOCTOR RECOMMENDED” encircled by a symbol containing in very small font “No 1 Deodorant Brand in the World”.
25. The main similarities in the packaging are the prominent use of the word “CLINICAL” and the triangular graphics on the bottom halves of the boxes, that is, the Mitchum Three Toned Triangles and the Revlon Three Toned Triangles. However, the shapes of the triangular graphics are significantly different, as is the use of the Mitchum green in the Mitchum Three Toned Triangles but not the Revlon Three Toned Triangles.
26. My impression is that the similarities do not detract from the overall distinctiveness between the two forms of packaging, which is derived from the brand names and the other differentiating features mentioned above. I conclude that, on the available evidence, it is possible but unlikely that the ordinary or reasonable consumer within Revlon’s broad target market would confuse the Mitchum Clinical packaging with the New Rexona Packaging. If they were confused, it is fairly unlikely that they would be misled or likely to be misled into believing that the products were associated because of the distinctive differences in the packaging, particularly the prominent use of brand names on each product and the use of Mitchum green on the Mitchum Clinical packaging.

## Likelihood of damage to Revlon by reason of erroneous beliefs

1. I accept that there is a reasonable likelihood of damage to Revlon if the New Rexona Packaging amounts to passing off, or involves misleading or deceptive conduct on the part of Unilever. I did not understand Unilever to argue to the contrary, although no concession was made about whether any material harm would be suffered.
2. Ms Raso gave evidence that very significant harm would be done to the Mitchum Clinical brand if its capacity to link consumers, who have seen its advertising and are prepared to try the product, to the correct pack is impaired. Such harm includes erosion of market share and loss of sales, lost or misappropriated investment by Unilever and “misattribution” of brand awareness. No attempt was made to quantify the harm.
3. Although I accept that there is a reasonable likelihood of harm to Revlon if it is able to establish the first two elements of its claim, the extent of any impact is unknown.

## Unilever’s purpose in adopting the New Rexona Packaging

1. Revlon referred to the following statement of Dixon and McTiernan JJ in *Australian Woollen Mills Ltd v FS Walton & Co Ltd* (1937) 58 CLR 641 at 657:

The rule that if a mark or get-up for goods is adopted for the purpose of appropriating part of the trade or reputation of a rival, it should be presumed to be fitted for the purpose and therefore likely to deceive or confuse, no doubt, is as just in principle as it is wholesome in tendency. In a question how possible or prospective buyers will be impressed by a given picture, word or appearance, the instinct and judgment of traders is not to be lightly rejected, and when a dishonest trader fashions an implement or weapon for the purpose of misleading potential customers he at least provides a reliable and expert opinion on the question whether what he has done is in fact likely to deceive.

1. At the hearing, counsel for Revlon, Mr Hall, disavowed a case of “dishonest trader”, but submitted that Unilever had deliberately adopted the new packaging “with intention of appropriating part of the trade or reputation of a rival”.
2. I do not doubt Mr Hall’s submission that Unilever has made a “coordinated response” to the launch of Mitchum Clinical products in Australia. Nor do I doubt the general proposition that Unilever’s response is intended to recover market share lost to Revlon by the launch of Mitchum Clinical. However, I do not infer from the material pointed to by Revlon that Unilever sought to erode the distinctiveness of the Mitchum Clinical packaging by the New Rexona Packaging. This was the stated basis for a finding of the relevant intention. It follows that I am not satisfied that Unilever’s adoption of the New Rexona Packaging was for the purpose of appropriating part of the trade or reputation of Revlon by eroding the distinctiveness of the Mitchum Clinical packaging.
3. I reject the submission that Unilever “delayed for 6 months while Mitchum built its presence in the market, before deciding to launch their new packaging”. There was no evidence of any deliberate delay on Unilever’s part.

## Discretionary considerations

1. In my opinion, the following discretionary considerations weigh strongly against the grant of interlocutory relief.  First, on the available evidence, Revlon’s case is weak. In my view, even if the relevant reputation is established, it is fairly unlikely that a reasonable consumer in the relevant class would be misled by the similarities between the Mitchum and New Rexona Packaging, for the reasons I have given above. Second, the final hearing is due to commence in less than one month. Third, if interlocutory relief were granted, there is a real likelihood of disruption to the market by temporary unavailability of the Rexona clinical protection products for women. (Men would probably not be affected because Rexona has not changed the packaging of its men’s variants, a point which Revlon relies on in its favour on the balance of convenience). Ms Raso’s evidence is that women make up a high proportion of consumers of clinical protection products. The potential cost to Unilever of responding to an injunction, by re-packaging, is significant but I have not taken this into account because Unilever made a deliberate decision to launch its New Rexona Packaging in the face of the Mitchum Clinical packaging.
2. On the other hand, if interlocutory relief is not granted, then prospective purchasers will continue to be adversely affected by any passing off or misleading or deceptive conduct eventually found to have occurred after a final hearing.  Further, Revlon may suffer from the erosion of the distinctiveness of its product and be disadvantaged in its efforts to launch the Mitchum Clinical range.  It was also submitted that it would be difficult or impossible to assess the damages caused by any harm Revlon is found to have suffered.
3. These considerations in favour of interlocutory relief are material. However, ultimately, even if there is a prima facie case of either passing off or misleading or deceptive conduct, I would not grant relief because the extent to which prospective purchasers may be misled is unclear, the extent of likely harm to Revlon is unknown and the parties will have a final hearing in less than one month.

## Conclusion

The application for interlocutory relief should be dismissed.

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| I certify that the preceding seventy-five (75) numbered paragraphs are a true copy of the Reasons for Judgment herein of the Honourable Justice Gleeson. |

Associate:

Dated: 19 August 2014