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Article Information

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Not deceptively similar, still deceptive – High Court judgment in Bed Bath 'N' Table

The High Court of Australia has overturned the Full Federal Court's decision and reinstated the orders of the primary judge, Rofe J. In the Federal Court, Rofe J held that Global Retail Brands Australia Pty Ltd's use of the mark "HOUSE BED & BATH" did not infringe Bed Bath 'N' Table's registered trade mark "BED BATH N' TABLE" under section 120(1) of the *Trade Marks Act 1995* (Cth), finding the marks were neither substantially identical nor deceptively similar. However, Rofe J found, in its manner of use of the words "HOUSE BED & BATH", Global Brands engaged in misleading or deceptive conduct in contravention of the *Australian Consumer Law*.

Background

Bed Bath 'N' Table (**BBNT**) has been operating in Australia since 1976 and operates stores selling homewares under the registered trade mark "BED BATH N' TABLE". Global Retails Brands Australia Pty Ltd (**GRBA**) owns a business that sells kitchenware and hard homewares, utilising a trade mark which incorporates the word "House". Examples include "House WAREHOUSE", "House OUTLET", "House POP UP", and "House Superstore".[1]

In May 2021, GRBA started using the trade mark "House BED & BATH" for a new homewares business which sold items specifically for bedrooms and bathrooms (**House B&B mark**).[2] It was this mark that BBNT alleged infringed its registered marks under section 120 of the *Trade Marks Act 1995* (**TMA**). Further, BBNT alleged that by using this mark GRBA contravened sections 18(1) and s 29(1)(a), (g) and (h) of the Australian Consumer Law (**ACL**) and engaged in the tort of passing off.

Of significance in this case was the evidence of Mr Lew and Ms McGann of GRBA, which was given weight when determining that GRBA's conduct was considered misleading and deceptive or likely to mislead or deceive in breach of the ACL.

The Primary Judgment

Lew's Evidence

The primary judge placed emphasis on evidence given by GRBA's founder, director and Executive Chairman, Steven Lew. Her Honour determined that Mr Lew has been aware of BBNT since at least 2004 and was aware in May 2021 that they were a leading competitor in the soft homewares market. Lew agreed that BBNT were prominent and successful. Lew also stated that he had never seen "bed and bath" in the branding of another store in Australia other than BBNT. Lew argued he did not look at BBNT any more than any other competitor and that he never had them in mind when deciding on the name.

Her Honour noted that Lew, in cross-examination, repeatedly observed that the words "bed" and "bath" are common descriptors in the category of soft homewares and furnishings and he never considered this could cause issues of similarity or confusion with BBNT. [3] The primary judge considered it telling that Lew had a strong resistance that there was any similarity whatsoever to BBNT, especially in circumstances where Lew responded that there was no similarity between the store names BED BATH N' TABLE and House BED & BATH when he was asked. [4]

Overall, the primary judge considered that this evidence established GRBA's "wilful blindness" to the risk of confusion as Mr Lew was wilfully blind to the similarities between the House B&B mark and branding and the branding of GRBA's key competitor BBNT as he perceived that there was a commercial benefit in using part of a well-known brand name in the new soft homewares store. [5]

McGann's Evidence

Meghan McGann, GRBA's Head of Brand and Media, had been in the employ of GRBA for 21 years at the time of the trial and was very much aware of BBNT. She considered BBNT a market leader and very well known. McGann advised she kept an eye on all competitors including BBNT, however she argued that at no time did she think customers would be confused between BBNT's marks and the House B&B mark. When being cross-examined, McGann actively sought to down play her awareness of BBNT and would regularly raise Adairs when asked questions about BBNT. For example, advising she had shopped at BBNT but she "also shopped at Adairs". Her Honour considered McGann an unimpressive witness who gave some unbelievable answers.[6]

Final Conclusions

Her Honour considered that by clearly refusing to acknowledge there could be any confusion between the marks, Lew and McGann's evidence was untenable. At best, they had an extremely cavalier attitude to intellectual property. At worst, which her Honour considered the more likely option, Mr Lew was wilfully blind to the similarities between the House B&B mark and the BBNT mark and the similarities in the names. Her Honour determined that Lew perceived there was a commercial benefit in utilising a market leading competitor's branding. [7]

The Full Court Judgment

The Full Court of the Federal Court of Australia overturned the primary judge's decision, The Full Court considered that Mr Lew's evidence, treated by the primary judge as establishing GRBA's wilful blindness to the risk of confusion, was incapable in the circumstances of providing any reliable evidence on the objective question of whether GRBA had engaged in conduct likely to mislead or deceive in contravention of s 18(1). [8]

The High Court Judgment

Key Takeaways

On appeal, the High Court overturned the Full Court's decision.

Gageler CJ, Gordon, Edelman, Jagot and Beech-Jones JJ of the High Court of Australia considered that in applying the required approach to the appeal, the Full Court did not apply the required principles provided by *Self-Care IP Holdings Pty Ltd v Allergan Australia Pty Ltd*. [9] Instead, the Full Court unduly put too much focus and consideration towards analysing the question of whether the trade marks were deceptively similar under s 120(1) of the TMA. The High Court considered that the Full Court did so at the expense of giving consideration to the immediate and broader context of the impugned conduct. [10]

Of note, when determining if there was misleading or deceptive conduct under ACL, the High Court agreed with the primary judge that BBNT's use of the words "bed" and "bath" in that order, used in branding by BBNT alone for 40+ years, and GRBA's wilful blindness to the risk of confusion when it decided to use the House B&B mark. [11]

The Full Court materially downplayed 'the significance of the primary judge's findings about the significance the two words, "bed" and "bath", in that order, on the exterior of BBNT soft homewares stores, as part of the overall BBNT mark and branding.' [12] The Full Court considered that the primary judge's findings gave BBNT a monopoly of the words "bed" and "bath" which the Hight Court clarified was not the case, placing emphasis on the primary judge's reasoning for GRBA's breach of section 18(1). [13]

The High Court made clear that the answer to the trade mark infringement case did not provide an answer to the misleading or deceptive conduct case. The scope and function of the TMA is different from the scope and function of the ACL. [14]

Lew and McGann's Evidence

In relation to Lew's evidence, the High Court considered that '[t]he primary judge's characterisation of the state of mind as "wilful blindness" and rejection of Mr Lew being "commercially dishonest" is not to be converted into a finding of honesty." [[15]

McGann and Lew's refusal to acknowledge or conceive that there was any prospect of consumers being confused by the

House B&B mark and branding and BBNT was, according to the primary judge, "untenable". [16] The High Court considered that the primary judge's findings about Mr Lew and Ms McGann's states of mind were sufficient to establish that GRBA had engaged in misleading or deceptive conduct under section 18(1) of the ACL. [17]

The High Court considered the ultimate question, when determining if conduct is misleading or deceptive, is one of objective assessment of fact. The High Court confirmed that while a person can be scrupulously honest and still contravene section 18(1), a person's state of mind may still be a relevant consideration. [18]

The Primary judge applied the evidentiary approach in *Australian Woollen Mills* which supported the inference that Mr Lew's state of mind was a cogent reflection of reality. While the primary judge did not consider there to be an infringement under section 120 of the TMA, her Honour did consider that GBRA 'certainly intended to take part of BBNT's trade and decided to use part of the BBNT mark, together with the "Hamptons" style of the BBNT get-up and other soft homewares stores, intending to achieve the end or object of taking part of BBNT's trade' and the High Court considered that these findings involved no error.[19]

Takeaways

This case demonstrates that even where the conduct does not infringe a registered trade mark under the TMA by being substantially identical to, or deceptively similar to a trade mark relating to the same goods or services, the conduct can still be considered misleading or deceptive, or likely to mislead or deceive, in breach of the ACL.

When considering the use of a trade mark, proper and thorough checks should be undertaken and records should be kept that demonstrate why the particular trade mark was proposed. Ordinary words like "bed" and "bath", when used in a particular order and in the specific way (such as how BBNT use them in their shop names and external signage) can result in ACL breaches where consumers can be mislead or deceived by the use of those ordinary words in the same or similar ways. While there may not be dishonest intentions to appropriate a mark by misleading consumers into believing there is an association, they can still intend to achieve the end or object of taking part of the market leader's trade. This decision confirms that while not required, state of mind can be relevant to the objective question of whether there has been a breach of section 18(1) of the ACL.

Piper Alderman has a nationally recognised practice in intellectual property enforcement and protections, with experience in all jurisdictions. Please contact Tim O'Callaghan and his team if you require intellectual property advice.

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[1] *Bed Bath 'N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393, [1]-[7].

[2] Ibid [7].

[3] Ibid [179].

[4] Ibid [186].

[5] Ibid [242].

[6] Ibid [189]-[218].

[7] Ibid [242].

[8] *Global Retail Brands Australia Pty Ltd v Bed Bath 'N' Table Pty Ltd* (2024) 424 ALR 119, [88].

[9] (2023) 408 ALR 195.

[10] *Bed Bath 'N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* [2025] HCA 50, [37].

[11] Ibid [39].

[12] Ibid [43].

[13] Ibid [44].

[14] Ibid [40].

[15] Ibid [49].

[16] *Bed Bath 'N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* (2023) 182 IPR 393 at [242].

[17] *Bed Bath 'N' Table Pty Ltd v Global Retail Brands Australia Pty Ltd* [2025] HCA 50, [57].

[18] Ibid [54].

[19] Ibid [55].