

Fireworks in the Federal Court: Katie Perry Triumphs Over Katy Perry

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In the case of *Taylor v Killer Queen, LLC* (No 5) [2023] FCA 364, a boutique Australian fashion designer has been partially successful in asserting her trade mark rights against international pop star, Katy Perry.

The Applicant, Katie Taylor, was the owner of the trade mark KATIE PERRY, which was registered in class 25 for “clothes”, with a priority date of 29 September 2008. Ms Taylor had designed and sold clothes under the brand name since 2007.

The second Respondent, Kathryn Hudson, first adopted the name Katy Perry in 2002, and since that time has used the name for the purposes of her music career and associated commercial merchandise licensing activities. The first, third and fourth Respondents, Killer Queen, LLC, Kitty Purry, Inc and Purrfect Ventures, LLC were all companies associated with Ms Hudson.

The Applicant alleged that the Respondents had infringed her mark, pursuant to section 120 of the *Trade Marks Act 1995* (Cth) (**Act**) by selling, distributing, promoting and manufacturing clothing bearing various marks, including the word mark, “KATY PERRY”.

In response, the Respondents filed a cross-claim seeking cancellation of the Applicant’s mark, pursuant to section 88 of the Act. This was on the basis the registration of the Applicant’s mark could have been opposed under various sections of the Act.

Background

The background to this proceeding was fittingly described by Justice Markovic in the opening line of her judgment as “a tale of two women, two *teenage dreams* and one name.”

Since 2009, the parties had engaged in a dispute regarding the Applicant’s trade mark. During this time, the Respondents had threatened action against Ms Taylor if she proceeded to register her mark. At the same time, Ms Hudson attempted to register the word mark, KATY PERRY in various classes, including class 25 in respect of clothes. After receiving an adverse examination report, citing the existence of the Applicant’s KATIE PERRY mark, Ms Hudson elected to delete the goods in class 25 from her application. Ms Hudson also elected not to pursue opposition proceedings against Ms Taylor and the KATIE PERRY mark proceeded to registration. The parties had also attempted to negotiate co-existence agreements.

Ms Taylor eventually commenced the infringement proceedings against the Respondents in 2019, with the assistance of a litigation funder. Ms Taylor alleged that the Respondents had engaged in infringing conduct via a number of distinct channels of sales. These channels included the sale of merchandise at Ms Hudson’s concert tours, in pop-up stores, in various physical retail stores and online.

Key Takeaways

- Pre-existing reputation can be both a blessing and a curse. A strong reputation may act as a barrier to arguing that a similar mark is likely to deceive or confuse.
- The good faith defence is a limited one – when using a name as a trade mark, only the person who goes by that name may use this defence.
- Don’t underestimate the value of acting early – pursuing opposition proceedings or settlement agreements at the registration stage avoids the chance of more complex trade mark disputes arising further down the track.

The question of infringement

As it was agreed that the KATY PERRY mark, and each of the stylised adaptations were deceptively similar to the Applicant’s mark, the focus of the infringement action was on whether the Respondents were liable as joint tortfeasors.

The third Respondent, Kitty Purry was found liable as a joint tortfeasor.

In concluding that Kitty Purry was a joint tortfeasor, her Honour had particular regard to the 2014 Bravado Agreement, between Bravado (a merchandising company), Kitty Purry as the grantor and Ms Hudson as the “Artist”. Kitty Purry had assumed obligations to assist Bravado in its role, design, manufacture and sale of KATY PERRY branded merchandise and was therefore acting in common design with Bravado. Ms Hudson herself was not found to be a joint tortfeasor in Bravado’s infringement, as she was merely the human agent through which Kitty Purry was able to exercise its contractual rights.

Her Honour did not find Killer Queen or Purrfect Ventures to have directly infringed the Applicant’s trade mark, or to have infringed as joint tortfeasors. Killer Queen was merely responsible for granting a license to Kitty Purry for the use of the KATY PERRY trade mark. This act of licensing was not sufficient to establish common design or joint tortfeasorship. Purrfect Ventures was an entity involved in the sale of footwear bearing the KATY PERRY mark. Her Honour found that footwear did not meet the description of clothes, and were not goods of the same description of clothes. As such, Purrfect Ventures could not have infringed the Applicant’s trade mark pursuant to section 120 of the Act.

However, her Honour did find that Ms Hudson was directly liable for infringing the Applicant’s mark by way of various tweets and Facebook posts she had made, promoting branded clothing and various pop-up stores in Australia.

Defences

In response to the finding that both Ms Hudson and Kitty Purry had infringed the Applicant's trade mark, the Respondents sought to rely upon the defence of good faith, pursuant to section 122(1)(a). Her Honour found that only Ms Hudson herself could rely upon this defence. Kitty Purry as a joint tortfeasor could not. Her Honour found that based on the wording of section 122(1)(a), only the person who was using their name as a trade mark, could take advantage of the good faith defence.

Her Honour also clarified that it was immaterial "Katy Perry" was an adopted stage name and not the name on Ms Hudson's birth certificate.

In assessing whether Ms Hudson had in fact used her stage name in good faith, her Honour distilled the principles required to establish this defence:

1. the person must have honestly thought that no confusion could arise and that they had no intention of wrongfully diverting business to themselves by using their name;
2. satisfaction of the requirement of good faith is not concluded by a lack of fraud or lack of conscious dishonesty; and
3. there may be a lack of good faith where the person acts in a deliberate manner to take advantage of another party's reputation; - but it does not follow that in the absence of dishonesty, good faith is established.

The Court found evidence that the actions of Ms Hudson's agent (and by extension, Ms Hudson) demonstrated an honest belief that no confusion would arise from the sale of clothes bearing KATY PERRY. The Court also had regard to the fact that Ms Hudson had no intention to divert trade away from Ms Taylor. There was limited reputation in the Applicant's mark. There was also evidence Ms Taylor had in fact sought to divert trade towards herself than vice versa.

At one point, Ms Taylor had made a Facebook post stating "Heard my namesake Katy Perry is in town and wore an Alex Perry dress. Imagine if Katy Perry wore Katie Perry.!!"

Cross-claim

The Respondents brought a cross-claim, seeking an order under section 88(1)(a) that the Applicant's trade mark be cancelled. It was argued that before the priority date of the Applicant's mark, the KATY PERRY mark had acquired a reputation in Australia in respect of clothes, and as a result, the Applicant's mark would be likely to deceive or cause confusion.

Her Honour found that whilst Ms Hudson had acquired a reputation at the priority date, it was in entertainment and music, not clothes. Furthermore there was no evidence of confusion between the two marks at the priority date. Similarly, her Honour found that under section 88(2)(a) of the Act, based on the circumstances applying at the time the cross-claim was filed in 2019, the Applicant's mark was not likely to deceive or cause confusion. Markovic J found that Ms Hudson was essentially a "victim of her own success." The strength of Ms Hudson's reputation by 2019, owing to her status as an international pop star, made it unlikely that consumers would be confused or deceived by the Applicant's mark.

Conclusion

Although final orders are yet to be made, her Honour found that Ms Taylor would be entitled to seek an injunction against Kitty Purry, preventing the manufacture, advertising and sale of clothes bearing the KATY PERRY mark. Her Honour also found that Ms Taylor would be entitled to additional damages. This is on the basis that notwithstanding the Respondents' knowledge of the existing registration of the Applicant's mark and that the KATY PERRY mark was not registered in class 25, they proceeded with the plan to sell clothes bearing the KATY PERRY mark in Australia.

The Respondents filed an appeal earlier this month.



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