



HIGH COURT OF AUSTRALIA

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Details of Filing

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Important Information

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IN THE HIGH COURT OF AUSTRALIA
 SYDNEY REGISTRY
 BETWEEN:

ZIP CO LIMITED

First Appellant

ZIPMONEY PAYMENTS PTY LTD

Second Appellant

and

FIRSTMAC LIMITED

Respondent

10

APPELLANTS' OUTLINE OF ORAL SUBMISSIONS

Part I: Certification: This submission is in a form suitable for publication on the internet.

Part II: Propositions to be advanced during oral argument:

1. The honest concurrent user scheme:
 - (a) presupposes the registrability of a mark based on honest concurrent use which would otherwise be infringing and with knowledge of the statutory rights of the owner of the prior competing registered mark or application;
 - (b) affords protection to the person who achieves registration as an honest concurrent user against an action for infringement of the prior registered mark for past and future use; and
 - (c) reserves to the discretion of the registrar (or Court) consideration of objective factors, after satisfaction of subjective honesty.
2. Section 44(3)(a) is only triggered by the existence of a prior trade mark registration or application for a substantially identical or deceptively similar mark for similar goods or services (s 44(1), (2)). The priority of the prior mark will inevitably be because its owner was the earlier of the first to use or apply for the mark (ss 58, 88(1), (2)(a), *Shell Company of Australia Ltd v Rohm* (1949) 78 CLR 601, 628).
3. Section 44(3)(a) requires an application based on honest concurrent use to be determined, like any other application for registration, as at the date of the application (RS [16]); *Southern Cross*, 595; *McCormick*, [31]).
4. "honest concurrent use" is not defined, but the expression is not "honest concurrent *non-infringing* use". The expression "use" of a trade mark has a meaning

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independent of whether it is infringing: ss 7, 17, AS [34]; honest concurrent use was established although notionally infringing and with knowledge of prior mark in: *Alex Pirie*, 154.23-.29, 155.3-.17, 156.3, 156.3-.23, 158.45-160.12; *McCormick*, [35], [57](1), [44], [11], [28] [84], [79], [89], [32], [33], [42], [57(4)[7], [79], [84], [89]. See also *General Electric* (1972) 1 WLR at 743B-F. Ss 120(1), (2).

5. Once registered, s 23 exists (at least in part) for the very purpose of protecting the honest concurrent user from an action by the prior owner restraining use: *NSW Dairy*, 385-6 (Mason CJ), 404 (Dawson, Toohey JJ); *General Electric*, 743F. It is inherent in s 122 (1) (f), “in spite of section 120” ... “would obtain”, not “or has already obtained”, as protection is presumed by reason of s 23.
6. “Honest” means subjectively honest adoption of a mark independently of the prior mark and with no intention to take advantage of any reputation in that other mark. An absence of belief that the adopted mark would cause confusion is a concomitant of the foregoing but *a fortiori* where, as here, the Appellant was unaware of any use by the Respondent (which was not using it anyway for most of the relevant period): PJ [166]-[168], [229]-[234], [242]-[246], [250], [255], [257]-[259], [262], [269]-[270]; AS [7], [19], [23], [24], [28]-[32], [37], [42], [49], [51]-[52], [57], [63]-[64]; *Alex Pirie*, 159; *McCormick* [32]-[33]; *Parkington*, 182-183; *Baume v AH Moore*, 921; *Killer Queen*, [196], [205]-[209], [214].
7. Knowledge of the earlier mark or its attached rights does not defeat honesty: *Alex Pirie*, 159; *McCormick*, [33]; *Dunlop*, [266]; *Killer Queen*, [205]; AS [26], [28]-[30], [37], [39], [45]-[48]; [54]; [58]-[64].
8. A register open to inspection is a central element of the Act. It is antithetical to a workable operation of the honest concurrent user scheme to require as a precondition of “honest” a lack of awareness of the existence of the prior registrants’ rights. Such rights (s 20(1)) are specifically subject to s 23 and necessarily s 44(3)(a) and ss 122(1)(f) and (fa).
9. It is not for the trader to form a view as to whether conduct was likely to infringe a registered mark as part of an element of honesty: AS [16], [25], [59]. In the present case the Appellant honestly did not think there would be confusion. That accorded with the PJ’s finding that there was none: AS [40], PJ [269], [270].
10. But in any event, the honest concurrent use scheme inherently tolerates a degree of confusion: AS [19]; *NSW Dairy*, 382 (Mason CJ), 406 (Dawson and Toohey JJ),

Campomar Sociedad, Limitada v Nike International Limited (2000) 202 CLR 45, [50]-[52]; *McCormick*, [42]. It is for the Registrar (or Court) to assess the acceptable level as part of the discretion.

11. Objective considerations, including the likelihood of confusion arising from use inform the exercise of the discretion (“may accept”): *McCormick* at [30]. The PJ’s exercise of the discretion was correct and not challenged: PJ [263]-[271].
12. The Full Court’s reasoning (like recent authority) is contrary to the historical basis of the scheme and the proper interpretation of honesty as a trader’s adoption of a mark with no subjective intention to trade off another’s use of that mark. It is not an assessment of the legal “ability” to use the mark. The Full Court’s assessment of honesty by reference to the objective criterion of reasonableness conflated good faith and honesty in error. They are distinct, and separate (and independent) defences are provided in s 122(1)(a), (b), (c) for good faith: AS [12], [41]-[64]; AR [1]-[10]; FCJ [7]-[16], [62]-[84]; *Anheuser* [217]-[218]; *Flexopack* [110]-[111].
13. Consistently with the foregoing, the date for determining the availability of the defences under ss 122(1)(f) and (fa) is the date of filing of the defence or the date of the hearing, at which hearing “the court is of the opinion that the person would obtain registration of the mark”. *Anchorage* is wrong and did not address s 23 or the logical putative alternative scenario of the honest concurrent user applying for registration at the date of the hearing in the absence of an infringement suit. *Anchorage* at [211]-[217]; FCJ [3], [74]-[75]; AS [65]-[70]; AR [11]-[18]. The primary judge correctly took into account use up to 2019: AS [40], PJ [264]-[266].
14. If the Appellants succeed on appeal in relation to the honest concurrent use defence, then the undisturbed s 88(2)(c) decision of the primary judge ought to be restored: AS [71]-[72]; PJ [375]-[378], [380]-[381], [395]; FCJ [49], [166], [169], [172], [177], [181].

Dated: 12 February 2026



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