No. VID1701 of 2025

Federal Court of Australia

District Registry: Victoria

Division: General

On appeal from the Federal Court

**Progressive Green Pty Ltd t/a Flow Power (ACN 130 175 343)**

Appellant

**Flo Energy Australia Pty Ltd (ACN 664 209 330)** and another

Respondents

**Appellant's outline of submissions**

## A. Overview

1. The appellant (**PG**) has operated as an energy retailer since 2009. In March 2017, it rebranded its business, adopting the trade mark FLOW POWER (J [27], [40], [44]). It sought legal advice about its proposed adoption of the FLOW POWER Mark. The legal advice acknowledged an earlier registered trade mark FlowSmart,[1] but recommended that PG proceed with the FLOW POWER brand (J [23], [25]-[26]). At that time, and until late-2024, the FlowSmart Mark was owned by **EnergyAustralia** Pty Ltd, which had not used the mark since about April 2015 (J [96]).

2. Consistently with its legal advice, PG applied for and obtained trade mark registrations for FLOW POWER covering goods and services relating to electricity and the retailing of electricity.[2] IP Australia did not cite the FlowSmart Mark as an impediment to PG's applications (J [33], [125]). EnergyAustralia did not object to or oppose PG's applications and it never raised any objection to PG's use of FLOW POWER.

3. PG's adoption and use of the FLOW POWER mark has been honest, as the primary judge correctly found (J [124]-[126]). Further, PG has developed an energy business and reputation under the FLOW POWER mark (and the primary judge was wrong to find this reputation insufficient in the face of compelling evidence).

4. In mid-2024, the first respondent, **Flo Energy** (a wholly-owned subsidiary of the second respondent, **Flo Holding**) launched an electricity retail business in Australia under the marks FLO ENERGY and FLO. At the time Flo Energy adopted and first used its FLO ENERGY / FLO brand in Australia, it did so with knowledge of PG's use of the FLOW POWER mark, without first obtaining legal advice as to its proposed brand, on notice that PG objected to its FLO ENERGY / FLO brand, and having been informed by IP Australia that PG's registered FLOW POWER marks stood in its way (J [81]-[91]).

5. In August 2024, and during the litigation, Flo Energy added the FlowSmart Mark to a "Dashboard" page in respect of an online account portal (J [98]). When it commenced this use, the FlowSmart Mark was still owned by EnergyAustralia. If this involved use of the FlowSmart Mark, it was infringing. Later, via a circuitous series of agreements, Flo Holding acquired the FlowSmart Mark (J [99]-[101]) and deployed that mark in this litigation in an effort to defeat PG's claim and nullify PG's trade mark rights. The respondents' acquisition, adoption and any use of the FlowSmart Mark was driven by its position in this litigation, rather than any genuine commercial interest or endeavour.

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1 The FlowSmart Mark (no. 1553374) is registered from 30 April 2013 in class 39 (**FlowSmart Mark**).

2 Trade Mark Nos. 1828633 for FLOW POWER in class 4 (registered from 6 March 2017), 1895059 for FLOW POWER in class 35 (registered from 4 May 2017), and 1842461 for FLOW POWER in classes 35, 36, 37, 39, 40 and 42 (registered from 4 May 2017) (together, the **Registered Flow Power Marks**).

6. Against this backdrop, the primary judge erred by: **(1)** cancelling the Registered Flow Power Marks; and **(2)** declining to cancel the FlowSmart Mark, either for non-use or because its use would cause confusion having regard to the prevailing market circumstances. The outcome of the decision is that PG's legitimately acquired rights in the FLOW POWER mark have been removed, PG has been restrained from using FLOW POWER and the respondents' use of the FlowSmart Mark has been held to exonerate its otherwise deliberately infringing conduct.

## B. Ground 2 – cancellation of FlowSmart Mark – s 88(2)(c), TM Act

7. The correct approach to s 88(2)(c) is to compare the notional normal and fair use of the FlowSmart Mark at the date of the removal application (here, 24 December 2024) with the circumstances pertaining at that time.[3] On that approach, the section was triggered and the FlowSmart Mark should have been cancelled.

8. The relevant "circumstances" included: **(1)** PG's reputation in the FLOW POWER mark; and **(2)** the fact that PG adopted FLOW POWER honestly and on legal advice (J [124]-[126]) and then built goodwill and recognition in it by trading under the mark since March 2017 (J [1]-[2], [34]-[66], [130]-[144]).[4]

9. Other relevant uncontested and uncontroversial "circumstances" included: **(1)** EnergyAustralia had long ago ceased use of the FlowSmart Mark (J [95]-[96]); **(2)** any residual reputation in that mark was negligible and in any event not relied upon (J [325]); **(3)** the FlowSmart Mark is deceptively similar to FLOW POWER (J [426]); **(4)** as set out in further detail below, Flo acquired the dormant FlowSmart registration for strategic reasons during the litigation, (J [266]), while eschewing reliance on any EnergyAustralia goodwill or reputation (J [325]); and **(5)** the overlap between notional use of the FlowSmart Mark and the electricity-related services offered by PG under the Flow Power registrations (J [337]).

10. As to reputation, the primary judge accepted that PG had: **(1)** used FLOW POWER since March 2017 (J [1]-[2]); **(2)** substantial revenue (J [38], [141]); **(3)** around 1,500 commercial and industrial (**C&I**) customers and was ranked seventh or eighth nationally by market share for C&I customers (J [34]-[36]; [140]); and **(4)** promoted the brand through its website, customer materials, communications, social media, press advertisements and third-party media publications (J [133]-[139]; [144]). The primary judge accepted that PG had invested "*a significant amount of money and effort in the*

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3 ***Taylor*** *v Killer Queen LLC* [2026] HCA 5; (2026) 100 ALJR 335, [55]-[56].

4 See Pt C tab 18, AB-445 – AB-461 – [16]-[75]; tabs 18.5-18.32; tab 23, AB-1847 – AB-1887 – [23]-[94]; tabs 23.5-23.31; tab 28; tabs 51-56.

*Flow Power Marks*" (J [330]).[5] Those findings should have led to a finding that, by the relevant date (ie, 24 December 2024 (J [196])), PG had a relevant reputation in the FLOW POWER mark, at least in the C&I market and among industry participants.

11. The primary judge nevertheless dismissed the s 88(2)(c) case on the basis that PG's reputation in FLOW POWER was insufficient to support the conclusion that use of the FlowSmart Mark would be likely to deceive or cause confusion (J [14(1)(b)], [338]-[339]). That conclusion involved a number of errors.

12. *First*, the primary judge framed the inquiry incorrectly by requiring PG to establish a "*substantial reputation among a substantial section of the consumers of electricity and energy related products and serves in the Australian electricity and energy market*" (J [330]). The *Trade Marks **Act** 1995* (Cth) contains no such requirement as to a reputation or its extent. The primary judge wrongly treated the relevant market as the *entire* market for electricity and energy-related products and services, effectively requiring PG to demonstrate a reputation which is broader than its trading activities.

13. *Secondly*, the primary judge erred by treating as decisive the inquiry as to whether PG's reputation was itself sufficient to cause confusion. The correct approach was to have regard to all relevant "circumstances" (J [328]-[330], [336], [338]). Section 88(2)(c) does not require an applicant for cancellation to demonstrate a "*substantial reputation*" and does not require that the source of confusion be the reputation of another mark.[6]

14. *Thirdly*, the primary judge erred in evaluating PG's reputation (J [330], [338]-[339]).[7] For the reasons set out above, the primary judge should have found that, by the relevant date, PG had developed a relevant reputation in the FLOW POWER mark.

15. *Fourthly*, the primary judge failed to give proper effect to the respondents' admission that FlowSmart is *deceptively similar* to FLOW POWER.[8] That admission carried with it acceptance that the FlowSmart Mark so nearly resembled FLOW POWER that its use would be likely to cause confusion. Although the primary judge referred to the relevant principles at J [324], she did not have regard to the effect of the admission.

## C. Ground 1 – non-use of FlowSmart Mark

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[5] See Pt C tab 18, AB-446 – [22]; tab 23, AB-1847 – [23]-[24], AB-1848 – [27], AB-1852 – AB-1882 – [38]-[78]; tabs 23.5, 23.8, 23.26 and 23.27.

[6] *Taylor*, [78].

[7] The evidence relied upon to establish reputation was conventional: *McCormick & Co Inc v McCormick* [2000] FCA 1335; (2000) 51 IPR 102, [85]-[86]; *Taylor*, [53]; *Fanatics, LLC v FanFirm Pty Ltd* [2025] FCAFC 87; (2025) 426 ALR 367, [205]-[206]. See also *Self Care IP Holdings Pty Ltd v Allergan Australia Pty Ltd* [2023] HCA 8; (2023) 277 CLR 186, [48]; *Austin Nicholls & Co Inc v Lodestar Anstalt (No 1)* [2012] FCAFC 8; (2012) 202 FCR 490, [45]. See Pt C tab 18, AB-445 – AB-461 – [16]-[75]; Pt C tabs 18.5-18.32; tabs 23.5-23.31; tab 28; tabs 51-56.

[8] Pt A tab 2, [8B]; Pt A tab 5, [8B].

16. **Background to the FlowSmart Mark**: When this proceeding was commenced, EnergyAustralia owned the FlowSmart Mark. On 31 October 2024, a Dutch company, **Bruutzak** Holding B.V., received an assignment of the mark. After acquiring the mark, Bruutzak executed an exclusive licence to use the mark in favour of Flo Energy. On 2 December 2024, Bruutzak assigned the mark to Flo Holding (J [99]-[101]).

17. EnergyAustralia did not use the mark during the **Non-Use Period** (3 November 2021 to 3 November 2024 (J [102])). It had ceased use of the FlowSmart Mark long before that time (J [95]-[96]). Further, there was no suggestion that EnergyAustralia authorised any use by the respondents' of the FlowSmart Mark. Accordingly, the focus of the non-use claim was a very brief window of **31 October 2024** and **3 November 2024** (J [222]), during which period Bruutzak was the registered owner. This meant that the exercise of control over any use by the respondents in that time by Bruutzak was vital (J [301]).

18. To support their claim of use, the respondents relied upon their claim to have used the FlowSmart Mark on the Dashboard, an online portal for customers from late-August 2024 (J [103]-[107]).[9] The primary judge accepted that this was relevant evidence of use (J [234]-[236] and [250]-[253]). However, the respondents presented no evidence of any customer having accessed the Dashboard during the Non-Use Period. The only (and desultory) evidence relied upon in respect of the Non-Use Period comprised a screenshot dated 1 November 2024 which was revealed during the trial to be of Flo Energy's own office account (cf J [107], [234]-[238]).

19. **Authorised use:** The respondents contended that the claimed use was *authorised* use because Flo Energy's use was governed by a written licence containing quality control provisions. The primary judge erred by upholding that contention (J [319]; [321]), thereby treating a *contractual capacity to control* as sufficient to demonstrate *actual* control (J [317]-[318]).

20. The authorities considered by the primary judge (J [287], [313]-[315]), including ***Lodestar*** *Anstalt v Campari America LLC* [2016] FCAFC 92; (2016) 244 FCR 557,[10] require control *as a matter of substance*, rather than the existence of contractual rights through which control could be exercised. In *Lodestar*, quality control provisions did not establish authorised use where the evidence showed they did not affect the licensee's use. The Full Court held that the terms of the licence, the circumstances in which it came into existence, and the absence of steps under it showed no real or genuine control.

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[9] The respondents also relied on use in emails and terms documents in October and November 2024 (Pt A tab 10, 35-36 – [109]-[112]), but the primary judge rejected the respondents' submissions to this effect (Pt A tab 10, 73-74 – [254]-[259]). See Pt C tab 20.1, AB-1580 – AB-1597; tabs 33-34; tab 25.1, AB-2884 – AB-2903; tab 25.3.

[10] See also *Ceramiche Caesar S.p.A. v Caesarstone Ltd* [2020] FCAFC 124; (2020) 381 ALR 631 at [39], citing *Pioneer Kabushiki Kaisha v Registrar of Trade Marks* [1978] RPC 716; (1977) 137 CLR 670 at 683.

21. The findings here should have led the primary judge to the same conclusion: **(1)** Bruutzak had no involvement in the decision to add the FlowSmart Mark to the Dashboard (J [305]). The FlowSmart Mark was already being used on the Dashboard before Bruutzak acquired it (J [236]); **(2)** Bruutzak's ownership of the FlowSmart Mark for a period of 33 days "*did nothing to change the manner or terms of its use*" (J [309]); and **(3)** There was no evidence that Bruutzak gave any directions as to the use of the FlowSmart Mark, had any connection with electricity supply, or had any interest in or knowledge of the industry beyond Mr Guichelaar's role (J [311]).

22. The Licence Agreement did not establish actual control (cf J [307]-[310]). The form of use set out in the Licence Agreement was the very form of use adopted by the Flo entities before Bruutzak acquired the mark and without any involvement by Bruutzak. There was no evidence suggesting Bruutzak prescribed that form or assessed or approved the use, and no evidence that the licence conditions affected Flo Energy's conduct.

23. It was no answer to the lack of any proof of actual control to say that the licence existed for only 33 days, or that it was not put to Mr Guichelaar that Bruutzak would be unwilling or unable to enforce it (cf J [317]). That inverts the onus.[11] It was for the respondents to prove actual control *as a matter of substance*.

24. **No use in good faith**: The primary judge erred in finding (at J [281]) that any use by the respondents of the FlowSmart Mark was use "in good faith" for the purposes of s 92(4)(b). The primary judge correctly found the acquisition of the mark was litigation-motivated and its incorporation into the Flo entities' business would not have occurred but for the litigation (J [266], [277]). It was an error to treat a *post hoc* asserted commercial rationale as sufficient to establish good faith use.

25. The primary judge correctly identified the relevant principles at J [260]-[265]. To establish use "in good faith", the Respondents had to show "[r]*eal, as opposed to token, use in a commercial sense*",[12] that their use was "*ordinary and genuine use*" and not "*some fictitious or colourable use*",[13] and that "*contriving use for the purpose of defeating a trade rival's plans will lack the necessary quality of genuineness*".[14]

26. The error lay in the application of those principles to the facts as found. Those findings showed that the use was not ordinary and genuine use judged by commercial standards: **(1)** the FlowSmart Mark was purchased "*principally, if not solely*" to assist the

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[11] There was "*some force*" in the submission that Bruutzak was interposed to conceal the true purchaser and that it was never intended to exercise control (Pt A tab 10, 89-90 – [316]-[317]). That should have led to the conclusion that there was no authorised use. The "*significant doubts*" at Pt A tab 10, 90 – [320] as to unity of purpose reinforce that conclusion.

[12] *Woolly Bull Enterprises Pty Ltd v Reynolds* [2001] FCA 261; (2001) 107 FCR 166 at [16].

[13] *Lodestar* at [120].

[14] *E & J Gallo Winery v Lion Nathan Australia Pty Ltd* [2010] HCA 15; (2010) 241 CLR 144 at [62].

respondents in the litigation (J [266]); **(2)** the purchase was "*clearly motivated*" by the litigation (J [277]); **(3)** incorporation of FlowSmart into Flo Energy's business "*would not have occurred but for the litigation*" (J [277]); and **(4)** the FlowSmart Mark was inconsistent with the FLO branding the Respondents had otherwise adopted (J [280]).

27. Those findings should have led the primary judge to conclude that any use during the Non-Use Period was contrived use for a strategic litigation purpose. The respondents did not revive or deploy an existing commercial brand in the ordinary course of their business (cf J [279]). They identified a long-disused third-party registration, inserted it into the Dashboard *prior to* acquiring rights in the mark (J [98]; [305]), purchased the mark via a Dutch company, Bruutzak, to obscure the identity of the true user (J [304]), acquired it only to improve their position in the litigation, and relied on that use to preserve the registration and defeat PG's case.

**D. Ground 3 – cancellation of Flow Power Marks – s 41**

28. The test for inherent adaption to distinguish is whether FLOW POWER is a term which other traders are likely in the ordinary course of their business, and without any improper motive, to desire to use on or in connection with their goods or services for its "ordinary signification" (J [153]-[157]). The first step in assessing inherent adaptation to distinguish is to identify the "ordinary signification", if any, of the mark to persons who will purchase or trade in the relevant goods or services.[15]

29. The primary judge failed to identify the correct test and to then apply that test. Her Honour did not identify any ordinary signification of FLOW POWER.

30. The primary judge found that the "*syntactically unusual arrangement of words in FLOW POWER goes some way to render the phrase functionally meaningless*" (J [388]), accepting that the expression FLOW POWER did not have a meaning that was apparent on its face and that the expression was without meaning in its original form (J [390]). The primary judge further accepted that the respondents' approach impermissibly ignored the unusual word order of FLOW POWER (J [391]). Those findings should have led to the conclusion that FLOW POWER has no ordinary signification in relation to the registered goods or services. At its highest, it is allusive. It is therefore inherently adapted to distinguish.

31. The question is not whether "flow" and "power" could be used separately, or whether different expressions such as "flow of power" or "power flow" might have a technical

[15] *Cantarella Bros Pty Ltd v Modena Trading Pty Ltd* [2014] HCA 48; (2014) 254 CLR 337 at [70]-[71]. See also *F.H. Faulding & Son Ltd v Imperial Chemical Industries of Australia and New Zealand Ltd* [1965] HCA 72; (1965) 112 CLR 537 at 555; *Clark Equipment Co v Registrar of Trade Marks* [1964] HCA 55; (1964) 111 CLR 511 at 514. See also the summary of principles in *Accor Australia & New Zealand Hospitality Pty Ltd v Liv Pty Ltd* [2017] FCAFC 56; (2017) 345 ALR 205 at [236].

or scientific meaning (cf J [385]). In assessing inherent adaptability, the Court may consider words nearly resembling the mark. However, that does not mean expressions which rearrange, grammatically complete or change the syntax of the words in the mark are to be treated as if they are the mark itself (cf J [157]).

32. That is what occurred here. The primary judge erred at J [392] by concluding that honest traders may wish to describe their goods and services "*in a manner encompassing the Registered Flow Power Marks*". Whether or not traders may wish to use the words "flow" and "power", or the different expressions "flow of power" and "power flow", does not respond to the statutory question. It wrongly treats different expressions, with different grammar and signification, as if they were the registered marks. The descriptive quality of those different expressions cannot be treated as determinative of the *capacity* of FLOW POWER to distinguish.

33. In any event, "flow of power" and "power flow" (let alone FLOW POWER) are not directly descriptive of the goods and services for which the Flow Power Marks are registered. The primary judge's characterisation of those expressions as describing "*the way electricity moves*" and stating that, in the context of retailing electricity, "*it is the movement of electricity that is being sold*" (J [388]-[389], [404]) was too broad and inapposite. PG does not sell the movement of electricity. The registered goods and services include, *inter alia*, electricity as energy, the retailing of electricity and information services relating to the supply of electricity (Annexure A to J)[16].

34. Further, the evidence did not establish that honest traders had any legitimate need or desire to use FLOW POWER, or any mark nearly resembling it, in relation to the registered goods or services. The primary judge accepted that the respondents' internet search evidence was not evidence of "use in trade", that there was "*little evidence of use by commercial traders*" (J [385]-[386]), that there was no evidence of confusion from consumers and no evidence that other traders, save for the respondents, had sought to use "Flow Power" or its derivatives (J [419]). Having made those findings, the primary judge should not have treated the evidence of internet searches as demonstrating the legitimate descriptive needs of honest traders (cf J [386]).

35. **Section 41(4)**: To the extent s 41(4) arises (PG submits it does not), the primary judge erred by relying on the conclusion that PG had not established "*a substantial reputation among electricity consumers*" (J [415]). Section 41(4) does not require the registered owner to establish a substantial or market-wide reputation. While "*the use, or intended use, of the trade mark by the applicant*" is a factor to be considered under s 41(4)(b),

[16] Pt A tab 10, 126-129.

evidence of post-priority date use is only relevant insofar as it is "*capable of illuminating the probabilities already inherent in* [a prior] *situation*" (J [405]).

36. The primary judge did not find FLOW POWER was unrecognised or unrecognisable in the market. To the contrary, the primary judge accepted that the Flow Power Marks had a reputation (J [453]). The findings as to "substantiality" were directed to its relatively small share of all electricity users in Australia – "*a very large cohort of individual and corporate customers in the millions*" (J [332]). That says nothing about the inherent capacity of FLOW POWER to distinguish PG's goods and services.

37. More relevantly, there was no evidence of confusion from PG's use of FLOW POWER, no evidence that other traders apart from the respondents had sought to use "Flow Power" or its derivatives, and affirmative evidence of consumer or customer recognition of the mark (J [419]; see also J [132]-[145]). Those matters supported the conclusion that, if s 41(4) was engaged, the Registered Flow Power Marks were inherently adapted to distinguish the registered goods and services as at the priority dates.

**E. Grounds 4 and 5 – cancellation of Flow Power Marks – s 44, TM Act**

38. **Section 44(3)(b)**: It is not in dispute that: **(1)** FLOW POWER and FlowSmart are deceptively similar; **(2)** the FlowSmart Mark has an earlier priority date (J [426]); and **(3)** the marks are registered in relation to overlapping goods or services (J [428]-[433]). The issue is whether, "*because of other circumstances*", it would be proper for the Registered Flow Power Marks to be accepted for registration under s 44(3)(b).

39. The primary judge erred in not exercising the discretion under s 44(3)(b) in PG's favour. That conclusion involved the exercise of discretion, attracting ***House*** *v The King* [1936] HCA 40; (1936) 55 CLR 499. The *House* requirements are satisfied here.

40. *First*, the primary judge acted on a wrong principle by proceeding from an erroneous premise concerning the reputation required to engage s 44(3)(b). Although the primary judge correctly accepted s 44(3)(b) required consideration of the circumstances as a whole (J [172]) and the date for considering those "other circumstances" is the date at which the discretion is to be exercised (J [176]-[181]), she erred by treating the absence of a "*significant reputation in the market*" as determinative (J [452]).[17] Section 44(3)(b) does not require a registered owner to show a significant or market-wide reputation.

41. That error caused the primary judge's exercise of discretion to miscarry by giving insufficient weight to the matters supporting PG's case under s 44(3)(b), namely: **(1)** PG adopted FLOW POWER honestly based on legal advice (J [126], [452]); **(2)** PG used the Registered Flow Power Marks for years and generated substantial revenue under those marks (J [446]-[447], [452]); **(3)** the FlowSmart Mark was not raised as an

[17] That error was compounded by the erroneous evaluation of PG's reputation (see paragraph 14 above).

impediment to registration of the Registered Flow Power Marks by the Registrar (J [33]); **(4)** the marks were not opposed (J [440]); **(5)** FlowSmart was not used between 2015 and 2024 (J [96], [222], [326(3)], [327], [448]); **(6)** any reputation in FlowSmart was negligible (J ([325]; [335]); and **(7)** the acquisition of FlowSmart during the proceeding was motivated by this litigation (J [ 442]-[445]).

42. *Secondly*, the primary judge failed to take into account a material consideration as a result of her earlier findings regarding non-use and s 88(2)(c). The exercise of discretion miscarried because it assumed that the FlowSmart Mark remained valid and registered. If this Court upholds Ground 1 or Ground 2, the FlowSmart Mark ought to be cancelled or removed. That would be a "*compelling circumstance*" the primary judge did not take into account, which supports the exercise of discretion under s 44(3)(b).[18]

43. **Discretion – s 89**: Following the decision in *Taylor*, PG accepts there is no discretion under s 88(1) to preserve the Registered Flow Power Marks if the s 41 ground is established.[19] The only source of a discretion not to rectify the Register is s 89. PG submits that s 89 does apply to s 44 where deceptive similarity is in issue.[20] The primary judge did not consider the discretion under s 89. As a consequence, it falls to this Court to exercise that discretion.

44. The combined effect of the following matters supports the exercise of discretion under s 89 not to remove the Registered Flow Power Marks.

45. *First*, and importantly, the primary judge held that PG's use of FLOW POWER was not "*blameworthy*" (J [458]). That finding strongly supports the conclusion that the relevant ground of opposition (namely, s 44) did not arise "*through any act or fault of the registered owner*" (cf s 89(1)). It is a powerful reason in support of the exercise of discretion in PG's favour.

46. *Secondly*, the public interest will not be adversely affected if the Registered Flow Power Marks remain on the Register. PG adopted FLOW POWER honestly on legal advice (J [124]-[126]). It registered and used the mark for years without objection; there was no evidence of confusion from consumers; and there was no evidence that any trader other than the respondents had sought to use "Flow Power" or its derivatives (J [419]). PG was not blameworthy in its use of FLOW POWER (J [458]). Its use of the Registered Flow Power Marks was not infringing (cf J [456]; see J [465]). The public interest is not advanced by cancelling marks adopted and used honestly for years in

[18] *Bendigo and Adelaide Bank Ltd v Community First Credit Union Ltd* [2021] FCAFC 31; (2021) 389 ALR 196 at [226]-[229].

[19] *Taylor* at [16], [219], [246]. See Pt A tab 9, 6 [28A].

[20] Section 89(1)(b) is premised on "*the ground that the trade mark is liable to deceive or confusion*". That aligns with the definition of deceptive similarity at s 10 of the Act.

order to preserve the priority of a dormant mark with negligible (if any) reputation (cf J [458]). To the contrary, failing to exercise the discretion was contrary to the public interest, insofar as it will encourage traders to engage in "sharp" conduct in "cavalier disregard" to another trader's rights (cf J [456]).

47. *Thirdly*, before the circumstances giving rise to the application arose, FLOW POWER in fact distinguished PG's goods and services. The primary judge accepted that the Flow Power Marks did have a reputation, albeit one her Honour (erroneously) found insufficient to cause the removal of the FlowSmart Mark (J [453]).

**F. Ground 6 – defence of honest concurrent use – s 122(1)(fa), TM Act**

48. Ground 6 concerns the defence under s 122(1)(fa). It arises only if the FlowSmart Mark remains on the Register and PG's use of FLOW POWER would otherwise infringe that mark (contrary to Grounds 1-5).

49. The primary judge found that PG was subjectively honest in its adoption of FLOW POWER (J [124]-[126]). Despite this, the primary judge held that the defence under s 122(1)(fa) was unavailable (J [471]-[472]).

50. The primary judge's analysis miscarried because it did not separately address the matters relevant to honest concurrent use or consider those matters at the relevant point in time. The s 122(1)(fa) inquiry is directed to whether the relevant mark would have been registered at the time of the alleged potential infringement.[21] As infringement could only arise after cancellation of the Registered Flow Power Marks (J [465]-[467]), it is that time at which honest concurrent use is assessed. By that time PG had used FLOW POWER honestly for years, built substantial business recognition in it, and will face serious prejudice if restrained (as contemplated by the injunction granted).

51. The primary judge erred by failing to have regard to the extent and duration of PG's use since March 2017 to the date of cancellation of the Registered Flow Power Marks, the absence of any instances of actual confusion, the negligible use and reputation (if any) of FlowSmart, and the substantial inconvenience to PG if it were restrained from using the mark around which it had built its business since that time. Those matters supported, and should have led to the conclusion that, if PG applied to register FLOW POWER at the time of cancellation, the mark would be accepted under s 44(3)(a).

Originally filed: 23 June 2026

Amended to include Pt C references: 21 July 2026

**Tony Bannon** **Luke Merrick** **Marcus Fleming**

**Herbert Smith Freehills Kramer**

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[21] *Zip Co Ltd v Firstmac Ltd* [2026] HCA 16 at [5], [51].