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31 January 2024

Notification of decision

FB Rice Pty Ltd
Level 23
44 Market Street
Sydney NSW 2000
Australia

Trade mark number:	2063345
Your reference:	190504
Trade mark:	Clearpay
Applicant name:	Clearpay Pty Ltd
Opponent name:	Afterpay Australia Pty Ltd
Dispute:	Opposition to registration

Dear Customer

A decision on the disputed matter including written reasons is attached.

This decision may be appealed to the Federal Court or the Federal Circuit Court. Please note that irrespective of which Court proceedings are commenced, the procedural requirements (including forms and time limits for filing) are governed by Division 34.3 of the Federal Court Rules 2011. In particular:

- A party who wishes to appeal from a decision of the Registrar of Trade Marks must file a 'notice of appeal', in accordance with Federal Court 'Form 92', at either the Federal Court or Federal Circuit Court within 21 days of the date of this decision (rule 34.24(1)). If the 21 day period includes a day in the period starting 24 December and ending on 14 January of the following year, the day is not to be counted.
- That party must serve a copy of the notice on the Registrar of Trade Marks and each other party to the appeal within 5 days after filing the document at court (rule 34.24(3))

For more information on appeals, please contact the relevant court registry.

Yours Sincerely,

IP Australia

TRADE MARKS ACT 1995

DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS WITH REASONS

Re: Opposition by Afterpay Australia Pty Ltd to registration of trade mark application number 2063345 (class 36) - **CLEARPAY** - in the name of Clearpay Pty Ltd.

DELEGATE:	**Timothy Brown**
REPRESENTATION:	**Opponent:** Gabriella Rubagotti of counsel instructed by Baker McKenzie **Applicant:** Sonia Stewart of counsel instructed by FB Rice
DECISION:	**2024 ATMO 17** *Trade Marks Act 1995* (Cth) – opposition under section 52 – ss 42(b), 58 and 60 considered – no grounds established – trade mark to proceed to registration.

Background

1. This decision concerns an opposition brought by Afterpay Australia Pty Ltd ('Opponent') under section 52 of the *Trade Marks Act 1995* (Cth)[1] to the registration of the following trade mark:

Trade Mark Number:	2063345
Trade Mark:	CLEARPAY ('Trade Mark')
Owner:	Clearpay Pty Ltd ('Applicant')
Priority Date:	17 January 2020
Specification:	Class 36: financial payment services; payment transaction card services; processing of debit card payments; payment processing services; electronic payment services; processing of payments for banks; monetary transaction services; deposit accounts services; payment of bills and accounts for others; escrow services; bankers clearing house services; bankers' clearing services; bankers' clearing-house services; financial

[1] Each reference to a section in these reasons is a reference to a section of the *Trade Marks Act 1995* (Cth) ('Act'). Each reference to a regulation in these reasons is a reference to a section of the *Trade Marks Regulations 1995* (Cth) ('Regulations').

clearing house service; clearing-houses (financial); securities settlement; financial securities; management of securities; securities exchange services; securities brokerage; securities trading services; provision of financial securities; brokerage of securities; trading in securities; commodities brokerage; brokerage of currency

('Applicant's Services')

2. Following examination under section 33 of the Act, the Trade Mark was accepted and subsequently advertised for opposition on 12 August 2020.

3. The Opponent filed a Notice of Intention to Oppose registration of the Trade Mark on 8 October 2020, followed by a Statement of Grounds and Particulars ('SGP') on 6 November 2020. On 5 January 2021, the Applicant filed a Notice of Intention to Defend the opposition.

4. The Opponent filed Evidence in Support of the opposition on 1 April 2021. The Applicant filed Evidence in Answer on 7 July 2021. Evidence in Reply was filed by the Opponent on 8 September 2021.

5. Following the conclusion of the evidence period, the Applicant requested a hearing. On 2 November the matter was heard before me, a Delegate of the Registrar of Trade Marks. The Opponent was represented by Gabriella Rubagotti of counsel. The Applicant was represented by Sonia Stewart of counsel.

Grounds of Opposition, Onus and Relevant Date

6. The grounds of opposition nominated in the SGP were sections 42(b), 43, 44, 58, 60 and 62A. At the hearing, the Opponent pressed only sections 42(b), 58 and 60. For completeness, I find that sections 43, 44 and 62A are not established.

7. The Opponent bears the onus of establishing one or more of the grounds of opposition.[2] The required standard of proof is on the balance of probabilities.[3] The date at which the rights of

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[2] *Food Channel Network Pty Ltd v Television Food Network GP* [2010] FCAFC 58, [32] ((Keane CJ, Stone and Jagot JJ).
[3] *Pfizer Products Inc v Karam* (2006) FCA 1663, [6]-[26] (Gyles J); *Telstra Corporation Limited v Phone Directories Company Pty Ltd* [2015] FCAFC 156, [133] (Besanko, Jagot and Edelman JJ).

the parties will be determined is the priority date of the Trade Mark, being 17 January 2020 ('Relevant Date').

Evidence

Opponent

8. The Opponent's evidence consists of the following:

Evidence in Support

- Declaration of James Gatewood Gonczi, Head of Legal Australia and New Zealand of Afterpay Corporate Services Pty Ltd, made on 31 March 2021 ('Gonczi Declaration') with Annexures JGG-1 to JGG-26.

Evidence in Reply

- Declaration of James Gatewood Gonczi made on 7 September 2021 ('Second Gonczi Declaration') with Annexures JGG-27 to JGG-41.

9. The Opponent is a subsidiary of Afterpay Limited ('Afterpay') founded in 2014 and is responsible for Afterpay's operations in Australia and New Zealand. Afterpay operates a financial technology business that provides payment options, including via mobile and computer software apps, which allows consumers to purchase goods and then subsequently pay for those purchases in various installments. The Opponent refers to these services as buy now, pay later services.

10. Afterpay currently operates in Australia, New Zealand, the USA, Canada, and the United Kingdom. Clearpay Finance Limited ('Clearpay UK') is responsible for Afterpay's operations in the United Kingdom.

11. Mr Gonczi opines that Afterpay has grown to become 'a leading provider of instalment payment services'[4]. In support, the Gonczi Declaration includes a timeline highlighting Afterpay's major business milestones since its inception.[5] At present, Afterpay is listed as an

[4] Gonczi Declaration [9].
[5] Ibid Annexure JGG-3.

ASX top 20 company and is one of the 50 largest companies in Australia by market capital. In 2020, Afterpay reported a total income of 519.2 million dollars and a marketing expenditure of 70.5 million dollars.[6]

12. Afterpay launched its operations in the United Kingdom in the first quarter of 2019 under the brand 'CLEARPAY' ('Opponent's Trade Mark'). Mr Gonczi declares that the Opponent first began using the Opponent's Trade Mark in June 2019 in relation to various computer software goods, financial and payment services, and software as a service.

13. The Opponent launched www.clearpay.co.uk/en-GB ('Opponent's Website') in April 2019. The Gonczi Declaration includes screenshots from the period of 7 June 2019 and 31 October 2019 featuring use of the Opponent's Trade Mark.[7] According to the Gonczi Declaration:

- Between 1 January 2020 and the 31 August 2020, the average monthly traffic to the Opponent's Website was 1 million visits, 0.4% of which was directed from Australia; and

- Between 7 November and the end of December 2019, the Opponent's Website had 1.84 million views, 0.17% of which originated from Australian based devices.

14. Mr Gonczi declares that as of 30 June 2020, Afterpay had 1 million active customers in the UK, with its services utilised by over 1,100 traders in the UK. The Gonczi Declaration includes screenshots from the websites of various retailers, such as Marks and Spencer and The Hut.[8]

15. Afterpay also provides its services to customers via mobile application. The Opponent's Trade Mark is featured on this mobile app, and, according to the Gonczi Declaration, as of 31 October 2019 'more than 61,470 unique customers globally have had a CLEARPAY branded mobile App session'[9]. This increased to 817,040 by 30 December 2020.[10]

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[6] Ibid Annexure JGG-4.
[7] Ibid Annexure JGG-9.
[8] Ibid [23]; Annexure JGG-10.
[9] Ibid [16].
[10] Ibid.

16. The Gonczi Declaration outlines the various marketing activities undertaken by Afterpay in relation to the Opponent's Trade Mark in the UK, including:

    - Co-branding with various retail partners, such as Boohoo, JD Sport, bareMinerals, Gymshark, Urban Outfitters, Foot Locker, Nasty Gal and Smiggle.

    - Email marketing to promote Afterpay's services from the launch of the Afterpay's services in the UK to present.

    - Paid advertising from September 2019 to present and use of social media influencers to market Afterpay's services in November 2019 and May 2020.

    - Use of the Opponent's Trade Mark on specific 'CLEARPAY' branded social media accounts, namely Instagram (22,000 followers), Facebook (20,000 followers) and LinkedIn (3000 followers).

17. Annexure JGG-5 of the Gonczi Declaration also includes screenshots from Afterpay's other social media accounts featuring its 'AFTERPAY' trade mark, including Afterpay's Facebook, Twitter, LinkedIn, and Instagram Account. According to the Gonczi Declaration, Afterpay has over 217,000 Facebook followers, 39,000 LinkedIn followers, 3,000 Twitter followers and over 78,500 Instagram followers.[11]

18. Mr Gonczi declares that the Opponent's Trade Mark has been used in Australia through various public documents and ASX filings. In support, the Gonczi Declaration includes the following:

    - A presentation entitled 'CEO and CRO Presentation' referencing the launch of the 'CLEARPAY' mobile application.[12]

[11] Ibid [15].
[12] Ibid Annexure JGG-13.

- ASX Business Announcements dated 13 November 2019 and 27 August 2020,[13] which respectively refer to Afterpay's mobile app and the growth of the brand in comparison to its competitors.[14]

19. The Gonczi Declaration also includes copies of various third-party media articles discussing the adoption of the Opponent's Trade Mark by Afterpay,[15] including articles from the Sydney Morning Herald and the Australian Financial Review.

20. The Gonczi Declaration discusses a feature of Afterpay's services named 'Cross Border Trade' that allows Australian customers to purchase goods from UK retailers using their Afterpay accounts. As described in the Gonczi Declaration:

> An Australian customer is able to select an item using AFTERPAY branded services from a participating UK online retailer who has signed an agreement with Afterpay's subsidiary in the UK, Clearpay UK. The customer is then redirected to the Afterpay branded purchase flow software to checkout with their existing Afterpay account, where Afterpay converts and displays the GBP price of the goods in AUD dollars.[16]

21. According to Mr Gonczi, 90% of participating merchants in the UK have enabled the 'Cross Border Trade' feature allowing them to sell their goods into Australia. Screenshots from the checkout pages of the websites of UK brands Koibird and Huggle are included in the Gonczi Declaration to illustrate how the 'Cross Border Trade' feature operates.

22. Mr Gonczi opines that given the high volume of Australians travelling to the UK,[17] many Australian consumers would have encountered the Opponent's Trade Mark.

Applicant

23. The Applicant's evidence consists of the following:

Evidence in Answer

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[13] Ibid Annexure JGG-14.
[14] Ibid Annexure JGG-15.
[15] Ibid [29]; Annexures JGG-17-18.
[16] Ibid [32].
[17] Ibid [28].

- Declaration of Nickolas John Karantzis, Group CEO of the Applicant and its parent company iSignthis Ltd, made on 7 July 2021 ('Karantzis Declaration') with Annexures NJK-1 to NJK-14.

24. The Applicant is described in the Karantzis Declaration as a 'start-up enterprise'. It was incorporated on 17 January 2020 and is a joint venture between the companies NSX Limited ('NSX') and iSignthis Ltd. NSX is the owner of the National Stock Exchange of Australia Ltd ('NXSA').

25. Mr Karantzis declares that the Trade Mark was first used when the Applicant was incorporated on 17 January 2020. The Trade Mark is used by the Applicant in relation to a digital securities trading platform that provides 'clearing, settlement and payment netting services, aimed at the wholesale securities broker sector'[18].

26. The Trade Mark is used by the Applicant on its websites www.clearpay.systems and htttps://cearpay.isx.one ('Applicant's Websites'). The Karantzis Declaration includes screenshots from the Applicant's Websites obtained from the Internet Wayback Machine dated from February 2020.[19]

27. The Karantzis Declaration demonstrates the following use of the Trade Mark by the Applicant:

- Use of the Trade Mark in the Applicant's correspondence, such as on the Applicant's letter heads and email signatures.[20]

- Use of the Trade Mark on the Applicant's social media accounts, namely its Twitter and LinkedIn accounts.[21]

- Shareholder communications such as quarterly reports, newsletters and disclosure notifications.[22]

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[18] Karantzis Declaration [15].
[19] See: Ibid Annexure NJK-3.
[20] Ibid Annexure NJK-5.
[21] Ibid Annexure NJK-6.
[22] Ibid [26].

28. Mr Karantzis opines that the Opponent's Trade Mark has never been used in Australia in relation to services similar to the Applicant's Services and that 'AFTERPAY' is not a financial product. Annexed to the Karantzis Declaration is a copy of a letter from the Opponent to the Federal Treasury from March 2019, which states the following:

> Afterpay is not regulated as a financial services business under the Corporations Act 2001 (Cth) (Corporations Act) because the Afterpay product is a credit facility. Credit facilities are not a financial product (section 765A(1)(h)) for the purposes of the Corporations Act.
>
> In our view, as it is regulated as neither credit nor financial product, it would be an inappropriate result if such a product, which relevant legislation does not intend to regulate, was to be made subject to only part of an extensive and complex regulatory regime – being the ASIC powers.[23]

Discussion and Reasons

Section 58

29. Section 58 provides:

> The registration of a trade mark may be opposed on the ground that the applicant is not the owner of the trade mark.

30. Ownership of a trade mark can be established through authorship and use of a trade mark,[24] or, in the absence of use, a combination of authorship, the filing of an application or an intention to use the trade mark.[25] To succeed in this ground of opposition, the Opponent must establish the following:

- The Trade Mark is identical, or substantially identical, to an earlier trade mark;
- The earlier trade mark has been used in respect of services that are 'the same kind of thing' as the Applicant's Services.

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[23] Ibid Annexure NJK-13.
[24] *Moorgate Tobacco Co Ltd v Philip Morris Ltd (no 2)* 156 CLR 414 (Deane J); *Food Channel Network Pty Ltd v Television Food Network GP* [2010] FCAFC 58, [49], [55] (Keane CJ, Stone and Jagot JJ).
[25] *Pham Global Pty Ltd v Insight Clinical Imaging Pty Ltd* [2017] FCAFC 83, [50] (Greenwood, Jagot and Beach JJ) ('*Pham*'); *Shell Co of Australia Ltd v Rohm and Haas Co* (1948) 78 CLR 601, 627 (Dixon J).

- Another person has an earlier claim of ownership based on use of the earlier trade mark in Australia before the Relevant Date.[26]

31. The Opponent relies on the use of the Opponent's Trade Mark as the basis for this ground of opposition.

32. Both parties agree that the trade marks are substantially identical. As both trade marks are comprised of the expression, 'CLEARPAY', I am also satisfied that the Trade Mark is clearly identical to the Opponent's Trade Mark.

33. In my view, the central issue under this ground of opposition is whether the use of the Opponent's Trade Mark before the Relevant Date constitutes use of the Trade Mark in Australia. The Opponent submits that Afterpay promoted its financial services in Australia with reference to the Opponent's Trade Mark before the Relevant Date. In particular, the Opponent contends that the Opponent's Trade Mark has been used prior to the Relevant Date in third party newspaper publications, Afterpay's publications and on the websites of United Kingdom retailers.

34. The Applicant submits that there is no evidence that the Opponent's Trade Mark was used in Australia prior to the Relevant Date, and that the Opponent's evidence only demonstrates use of the Opponent's Trade Mark in the United Kingdom.

35. The type of use that must be demonstrated by the Opponent is public use of the trade mark in Australia. As Deane J stated in *Moorgate Tobacco Co Ltd v Philip Morris Ltd (No. 2)*:

> The prior use of a trade mark which may suffice, at least if combined with local authorship, to establish that a person has acquired in Australia the statutory status of "proprietor" of the mark, is public use in Australia of the mark as a trade mark, that is to say, a use of the mark in relation to goods for the purpose of indicating or so as to indicate a connection in the course of trade between the goods with respect to which the mark is used and that person…[27]

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[26] *Pham* (n 25) [50].
[27] (1984) 156 CLR 415, 433-434.

36. Actual sale of goods or services bearing the trade mark is not necessarily required.[28] An offer of trade or an existing intention to offer or otherwise supply goods or services bearing the trade mark may suffice.[29]

37. The Applicant referred me to *Ward Group Pty Ltd v Brodie & Stone Plc,*[30] in which Merkel J discussed the concept of trade mark use in the context of trade mark infringement:

> [T]he use of a trade mark on the Internet, uploaded on a website outside of Australia, without more, is not a use by the website proprietor of the mark in each jurisdiction where the mark is downloaded. However, as explained above, if there is evidence that the use was specifically intended to be made in, or directed or targeted at, a particular jurisdiction then there is likely to be a use in that jurisdiction when the mark is downloaded. Of course, once the website intends to make and makes a specific use of the mark in relation to a particular person or persons in a jurisdiction there will be little difficulty in concluding that the website proprietor used the mark in that jurisdiction when the mark is downloaded.[31]

38. The Opponent's position relies on following evidence:

- Third party media articles discussing the launch or success of Afterpay's services branded under the Opponent's Trade Mark.[32]

- Screenshots from online third-party UK retailers, such as The Hut, ASOS, and Marks and Spencer from December 2019.[33]

- Afterpay's own publications featuring the Opponent's Trade Mark, namely its ASX filings and presentation entitled 'CEO and CRO Presentation'.[34]

- Data from the Opponent's Website, which received over 1 million visitors between 1 January and 31 August 2020, 0.4% of which were from Australia. Separately, between 7 November and December 2019, the Opponent's Website received 1.84 million views, 0.17% of which originated from Australian devices.[35]

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[28] Ibid.
[29] Ibid.
[30] [2005] FCA 471
[31] Ibid [43].
[32] Gonczi Declaration [27], [29].
[33] Ibid [23]; Ibid Annexure JGG-10.
[34] Ibid Annexure JGG-13-14.
[35] Ibid [18], [22].

- The Cross Border Trade feature of Afterpay's services.

39. In regard to the third-party media articles referenced by the Opponent, I note that while these articles are published by Australian publications and directed to an Australian audience, they only refer to the Opponent's Trade Mark in connection with services provided to the United Kingdom. They do not indicate that the services associated with the Opponent's Trade Mark are targeted at the Australian marketplace. For example, the Sydney Morning Herald article dated 1 May 2019 is entitled 'Afterpay to adopt ClearPay name for UK Launch'. Similarly, the Australian Financial Review article dated 9 December 2019 entitled 'Afterpay's plans to dominate Europe' discusses Afterpay's foray into the United Kingdom market using the Opponent's Trade Mark. Each of the articles annexed to the Gonczi Declaration consists of articles reporting on foreign news, namely Afterpay's business activities in the United Kingdom. I do not consider this to be evidence of use of the Opponent's Trade Mark in Australia.

40. In regard to the screenshots from various UK third party retail websites, I note that while they feature the Opponent's Trade Mark, there is no evidence of any intention from Afterpay to target Australian consumers. I accept that Australian consumers may encounter the Opponent's Trade Mark by visiting these websites. Similarly, given the widespread use of the Opponent's Trade Mark in the United Kingdom, visitors from Australia to the United Kingdom may encounter the Opponent's Trade Mark. However, in my view, the exposure of the Opponent's Trade Mark to Australian consumers in this context is largely incidental. There is no evidence that the use of the Opponent's Trade Mark on any of the third-party websites is directed towards Australian consumers.

41. Turning to Afterpay's own promotion of the Opponent's Trade Mark, I accept that visitors to the Opponent's Website includes those from Australia. However, as with the third party retail websites, the screenshots included in Annexure JGG-7 of the Gonczi Declaration do not indicate that the website's content is intended for Australian audiences. Instead, they appear to indicate the intended audience is United Kingdom consumers, noting the location referenced in the screenshots is the 'UK'.

42. I accept that the presentation referenced by the Opponent, 'CEO and CRO Presentation' and its ASX announcement are directed to Australian audiences. However, both these documents focus on Afterpay's business activities in connection with the trade mark 'AFTERPAY'. They only refer to the Opponent's Trade Mark in the context of its United Kingdom launch. The ASX Announcement references the Opponent's Trade Mark in the context of Afterpay's UK business activities, stating, '[s]uccessful launch of the Clearpay App in October' in a section of the paper entitled, 'UK Market Update'. Similarly, the 'CEO and CRO Presentation' only references the Opponent's Trade Mark in the context of promoting its launch in the UK.

43. In regard, to the 'Cross Border Trade' feature referred to in the Gonczi Declaration. The Second Gonczi Declaration and Annexure JGG-41 of the Second Gonczi Declaration, which includes a presentation illustrating the feature, explain that this feature allows Australian consumer to access Afterpay's services when making purchases from participating UK online retailers. The Opponent's claims that this requires Australian consumers to first interact with the Opponent's Trade Mark before being redirected to AFTERPAY branded services. I am not satisfied that this clearly demonstrates use of the Opponent's Trade Mark in Australia. Firstly, this feature launched in July 2020, after the Relevant Date. Although the Gonci Declaration indicates that some UK traders agreed to adopting this feature prior to the Relevant Date, as with the evidence discussed above, there is no clear evidence of any intention to target Australian consumers. In contrast, the Opponent's EIS as whole seems to indicate that the Opponent's Trade Mark was designed specifically for use in the UK market, with Afterpay's Australian services being branded under the trade mark, 'AFTERPAY'.

44. For these reasons I am not satisfied that there has been any use in Australia of the Opponent's Trade Mark in Australia by Afterpay. Accordingly, the Opponent has not established that the Applicant is not the owner of the Trade Mark.

45. The section 58 ground of opposition has not been established.

Section 60

46. Section 60 provides:

> The registration of a trade mark in respect of particular goods or services may be opposed on the ground that:

(a) another trade mark had, before the priority date for the registration of the first-mentioned trade mark in respect of those goods or services, acquired a reputation in Australia; and

(b) because of the reputation of that other trade mark, the use of the first-mentioned trade mark would be likely to deceive or cause confusion.

47. To establish this ground of opposition, the Opponent must establish:

- A reputation existing in another trade mark in Australia before the Relevant Date; and
- That because of the reputation of the other trade mark, use of the Trade Mark would be likely to deceive or cause confusion.

48. The Opponent relies on the use of the Opponent's Trade Mark, contending that there is significant consumer recognition of the international reputation of the Opponent's Trade Mark, such that use of the Trade Mark would be likely to deceive or cause confusion.

49. Conversely, the Applicant submits that the Opponent's Trade Mark has no reputation in Australia and that any reputation acquired by the Opponent's Trade Mark is confined to the United Kingdom.

50. Reputation, in the context of section 60, refers to the 'recognition of [the mark] by the public generally'.[36] It is not a factor that is assumed and must be established by the Opponent as a matter of fact.[37]

51. There are a variety of ways the reputation of a trade mark may be established, including by demonstrating a significant number of people have been exposed to the trade mark,[38] or providing evidence of high volume of sales,[39] advertising expenditure or other promotion of goods or services to which the trade mark applies.[40] There are also qualitative aspects to the

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[36] *McCormick & Co Inc v McCormick* [2000] FCA 1335, [81] (Kenny J) ('*McCormick'*).
[37] *Conagra Inc v McCain Foods (Australia) Pty Ltd* [1992] FCA 159, [77] (Lockhart J) ('*Conagra*').
[38] Ibid [118].
[39] *McCormick* (n 36) [86].
[40] Ibid.

reputation of a trade mark, which concern the value or esteem that the public hold for the trade mark.[41]

52. Generally, the relevant reputation must be amongst a significant or substantial number of persons.[42] What amounts to a significant or substantial number of people is informed by the relevant market and the nature of the goods or services in question.[43]

53. In *Pham Global Pty Ltd v Insight Clinical Imagine Pty Ltd*[44], the Full Court referred to Lockhart J's explanation from *Conagra* regarding the issues of foreign reputation and impact of modern developments in telecommunications and advertising:

> Modern mass advertising through television (which reaches by satellite every corner of the globe instantaneously), radio, newspapers and magazines, reaches people in many countries of the world. The international mobility of the world population increasingly brings human beings, and therefore potential consumers of goods and services, closer together and engenders an increasing and more instantaneous awareness of international commodities. This is an age of enormous commercial enterprises, some with budgets larger than sovereign states, who advertise their products by sophisticated means involving huge financial outlay. Goods and services are often preceded by their reputation abroad. They may not be physically present in the market of a particular country, but are well known there because of the sophistication of communications which are increasingly less limited by national boundaries, and the frequent travel of residents of many countries for reasons of business, pleasure or study.[45]

54. The Opponent's evidence demonstrates that the Opponent's Trade Mark:

- Was used in generating significant amounts of revenue for Afterpay in connection with buy now pay later services in the United Kingdom.
- Features on a number of websites of notable third-party online retailers in the United Kingdom.
- Received third party recognition from various newspapers and media outlets in the Australia for its launch in the United Kingdom.

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[41] *Rodney Jane Racing Pty Ltd v Monster Energy Company* [2019] FCA 923, [83] (O'Bryan J).
[42] *Renaud Cointreau v Cordon Bleu International Ltee* [2001] FCA 1170, [75] (Moore, Tamberlin, Goldberg JJ).
[43] *Le Cordon Bleu BV v Cordon Bleu International Ltee* [2000] FCA 1587, [91] (Heerey J).
[44] [2017] FCAFC 83 (Greenwood, Jagot and Beach JJ).
[45] Ibid [80]; *Conagra (*n 37) [115].

- Was used and promoted on the Opponent's Website and via Afterpay's social media accounts, namely Twitter, LinkedIn, Facebook and Instagram.

55. I agree with the Applicant that much of the evidence outlined above is not specific to the use of the Opponent's Trade Mark in Australia. Rather, the evidence demonstrates that the use of the Opponent's Trade Mark is largely confined to the United Kingdom. While the media publications from Australian news outlets may indicate some degree of awareness of Afterpay's ownership of the Opponent's Trade Mark amongst the Australian public, it falls short of demonstrating any sort of spillover from the reputation the Opponent's Trade Mark may have in the United Kingdom. Furthermore, while I accept that the Opponent's evidence does demonstrate significant revenue in the United Kingdom, there is no evidence that the Opponent's Trade Mark had acquired an international reputation for buy now pay later services, or any other payment or financial services.

56. Instead, the evidence suggests that any reputation associated with the Opponent or Afterpay's services in Australia would be associated with the trade mark, 'AFTERPAY' rather than the Opponent's Trade Mark. The Gonczi Declaration demonstrates that the trade mark, 'AFTERPAY' has a significant reputation in Australia for buy now pay later financial services. This is apparent from the revenue detailed in the Gonci Declaration, the number of consumers for Afterpay services in Australia and New Zealand, and the extensive use of the AFTERPAY trade mark in the majority of the promotional material provided in the Gonczi Declaration.

57. For these reasons I am satisfied that the evidence is not sufficient to establish that the Opponent's Trade Mark had acquired a reputation in Australia amongst a significant number of people. Accordingly, the section 60 ground of opposition has not been established.

Section 42

58. Section 42 relevantly provides:

> An application for the registration of a trade mark must be rejected if:
>
> …
>
> (b) its use would be contrary to law.

59. The Opponent relies on sections 18 and 29(1) of the *Australian Consumer Law* ('ACL') of *Schedule 2* of the *Competition and Consumer Act 2010 (Cth)* and the tort of passing off as the basis for the ground of opposition under section 42(b) of the Act. As particularised in the SGP:

> Use by the Applicant of the Opposed Trade Mark in relation to the services claimed in the Application would, in view of the reputation of the Opponent's Trade Marks
>
> (i) constitute misleading or deceptive conduct contrary to the Australian Consumer Law; and/or
>
> (ii) involve a misrepresentation that the services provided under the Opposed Trade Mark are associated with or authorised by the Opponent thereby leading to deception of the public, which misrepresentation is likely to cause damage to the goodwill of the Opponent's Trade Marks and would amount to the common law tort of passing off.

60. To succeed in an opposition under section 42(b) of the Act, the Opponent must demonstrate on the balance of probabilities that use of the Trade Mark *would* contravene sections 18 or 29 of the ACL or constitute passing off. [46]

Australian Consumer Law

61. The requirement that the relevant consumer be misled or deceived is one of the main differences between section 18 and 29 of the ACL and section 60. There is no material difference between the expression 'mislead or deceive' in section 18 of the ACL and 'false or misleading' in section 29 of the ACL.[47] The requirement to mislead or deceive the relevant consumer imports a stricter requirement than section 60 of the Act.[48]

62. The Opponent notes that there is no requirement under the ACL for an applicant to show an exclusive reputation.[49] I accept that the question is ultimately whether consumers are likely to be misled or deceived by the respondent's conduct into believing there is an association between the Trade Mark and Afterpay.

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[46] *Advantage Rent-a-Car Inc v Advantage Car Rental Pty Ltd* [2001] FCA 683, [28] (Madgwick J).
[47] *Australian Competition and Consumer Commission v Coles Supermarkets Australia Pty Ltd* [2014] FCA 634, [40] (Allsop CJ).
[48] *Parkdale Custom Built Furniture Pty Ltd v Puxu Pty Ltd* [1982] HCA 44, [8] (Gibbs CJ); *Monster Energy Company v Mixi Inc* [2020] FCA 1398, [32]-[33] (Stewart J).
[49] See: *Woodtree Pty Ltd v Zheng* (2007) 164 FCR 369, [34] (Heerey J).

63. The Opponent's claims that a not insignificant number of persons are likely to be misled or deceived by the Applicant's conduct into believing there is an association between the Trade Mark and Afterpay, having regard to:

- Afterpay's buy now pay later financial services;
- Afterpay's position as a market leader in the industry in Australia;
- Afterpay's acquisition of Clearpay UK in the UK; and
- Its investment into ventures other than buy now pay later services.

64. I do not find the Opponent's submissions convincing. While I accept that Afterpay, and specifically, its trade mark 'AFTERPAY', have a significant reputation for buy now pay later services. It does not follow that consumers would associate use of the Trade Mark with Afterpay because of Afterpay's connection with the use of 'CLEARPAY' in the UK. As stated in discussion on the section 60 ground of opposition, the is no reputation for 'CLEARPAY' in Australia. I am not convinced that many Australian consumers would be aware of the connection between Afterpay and the Opponent's Trade Mark. Furthermore, in the absence of a reputation in Australia for the Opponent's Trade Mark or any other relevant conduct by the Applicant, there is no basis for consumers to associate the Trade Mark with Afterpay or the Opponent.

Passing Off

65. Where a trade mark does not contravene section 18 of the ACL, it is unlikely to amount to passing off.[50] Justice Hill noted in *Re Equity Access Pty Ltd v Westpac Banking Corporation* that*:*

> The scope for the operation of s.52 will thus be broader than that involved in the tort of passing off so that in a case such as the present where the claim is for the protection of the reputation in a name against the use of that name by another, failure to succeed under s.52 or s.53 will invariably mean that proceedings for passing off would likewise fail.[51]

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[50] *Monster Energy v USA Nutraceuticals Inc* [2017] ATMO 22, [58] (Hearing Officer Robert Wilson).
[51] *Re Equity Access Pty Ltd v Westpac Banking Corporation* [1989] FCA 771, [40].

66. Sections 52 and 53 of the *Trade Practice Act 1974* (Cth) were the antecedents of sections 18 and 29 of the ACL. Given my findings in relation to sections 18 and 29 of the ACL, I am also satisfied that use of the Trade Mark would not constitute passing off.

67. In consideration of the above reasons, the ground of opposition under section 42(b) has not been established.

Decision

68. Section 55(1) relevantly provides:

> Unless subsection (3) applies to the proceedings, the Registrar must, at the end, decide:
>
> (a) to refuse to register the trade mark; or
>
> (b) to register the trade mark (with or without conditions or limitations) in respect of the goods and/or services then specified in the application;
>
> having regard to the extent (if any) to which any ground on which the application was opposed has been established.

69. The Opponent has not established any of the nominated grounds of opposition. Accordingly, trade mark 2063345 may proceed to registration one month from the date of this decision.

70. Should the Registrar be served with a notice of appeal before the registration of the Trade Mark, I direct that the registration of the Trade Mark not occur until the appeal has been decided or discontinued, and that any disposition of the application be in accordance with the Court's orders or direction.

Costs

71. Both parties sought an award of costs. As the Opponent was not successful in the opposition, I award costs against the Opponent under s 221 of the Act in accordance with the amounts detailed in Schedule 8 of the Regulations.

Timothy Brown
Hearing Officer
Delegate of the Registrar of Trade Marks
31 January 2024