

Article Information

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FanFirm Pty Ltd v Fanatics, LLC - Defences under the Trade Marks Act

The Federal Court decision of *FanFirm Pty Ltd v Fanatics, LLC* [2024] FCA 764 outlines what happens when two businesses with similar branding co-exist for several decades, before discovering that their business activities were slowly moving closer together, ultimately leading to dispute. The decision also considers the necessities for appropriate evidence when relying on defences under the *Trade Marks Act 1995* (Cth) (TMA).

Background

The Applicant, FanFirm Pty Ltd (**FanFirm**), is an Australian company that began trading as a cheer squad for the Australian Davis Cup tennis team in 1997. It has since expanded into offering travel, tours and merchandise for (primarily) international sporting events.^[1] It has operated its business using the registered trade mark “Fanatics” and the device mark below since 2008.^[2]



The Respondent, Fanatics, LLC (**Fanatics**), is a United States corporation based in Florida that operates an online retail store for sports merchandise.^[3] It is the owner of multiple trade mark registrations including: “Football Fanatics”, “Fanatics”, “Sport Fanatics” and a “Fanatics” device (logo).^[4]

Dispute

The parties largely coexisted in Australia for a number of years, opposing each other’s trade mark applications in 2010, 2013 and 2019 (with various oppositions being withdrawn).^[5] However, the real conflict began in 2020 when Fanatics’ intensified its operations in Australia by entering into agreements with the retailer Rebel Sport, the Australian Football League (AFL) and some AFL clubs to sell branded apparel.^[6]

FanFirm commenced proceedings against Fanatics alleging that it:

- (a) infringed its registered trade marks under the TMA;
- (b) engaged in misleading or deceptive conduct;
- (c) made false or misleading representations about goods or services; and
- (d) engaged in the tort of passing off.

Fanatics returned the favour and filed a cross-claim against FanFirm, alleging the same conduct.[\[7\]](#)

Trade Mark Infringement - Deceptive Similarity

Rofe J found that Fanatics' use of the FANATICS Flag Mark (below) on clothing, headgear, sports bags, water bottles, towels, scarves, flags, footwear and blankets were clearly deceptively similar to FanFirm's FANATICS Word Mark registration, and therefore infringed their registration.[\[8\]](#)



A key consideration was that the marks were "aurally identical" and that "the whole of the FanFirm Word Mark [was] contained within the FANATICS Flag Mark", with the only difference being the flag in the Respondent's mark.[\[9\]](#)

However, her Honour considered that Fanatics' FANATICS MVP and FANATICS LIVE marks were not deceptively similar to FanFirm's Word Mark.[\[10\]](#)



Her Honour considered that the additional words "MVP" and "Live", along with the colours and additional banner surrounding the word "live", "further differentiates these marks from the FanFirm Word Mark, both visually and aurally", which were determinative factors in her Honours reasoning.[\[11\]](#)

Defences

Fanatics unsuccessfully raised three defences, arguing that it:

- (a) was using its own name in good faith (s122(1)(a)(i) TMA);
- (b) was exercising its right to use the trade mark because it had trade mark registration (s122(1)(e) TMA); and
- (c) would have obtained registration if it applied (ss122(1)(f) and (fa) TMA).

The first defence raised, that Fanatics was using its "own name", ultimately failed.[\[12\]](#) Central to this defence is the requirement that Fanatics was using its name in good faith.[\[13\]](#) No evidence was led by Fanatics that it had an honest belief that no confusion would arise from its adoption and use of the Fanatics trade marks in Australia, other than relying on an October 2010 "branding update" presentation to explain its adoption.[\[14\]](#) Her Honour said that Fanatics "failure to adduce evidence from anyone as to an honest belief that there would be no confusion is telling".[\[15\]](#)

As to the second defence, the question for the Court was whether an order for trade mark cancellation is retrospective, in which case Fanatics could not rely on the defence as it would no longer have had a 'right' to use the marks. Her Honour agreed with Nicholas J in *Dunlop* and considered that cancellation does not have a retrospective effect, meaning the defence stood for previous use of the Fanatics word marks registered in respect of online retail services.[\[16\]](#) However, as Her Honour later considered the relevant registrations should be cancelled, the defence was ultimately fruitless.[\[17\]](#)

The third defence failed as her Honour considered that Fanatics' conduct did not amount to honest concurrent use.[\[18\]](#) Her Honour found that Fanatics was aware of FanFirm's marks at the time it chose to adopt the FANATICS name, yet had not put forward any evidence in the proceedings that, at the time of adoption, it was of the honest belief that no confusion would arise from its adoption of the FANATICS Flag Mark.[\[19\]](#)

Rectification of the Register

FanFirm sought cancellation of Fanatics' registrations on the basis that FanFirm could have successfully opposed the registrations on several other grounds, including;

- (a) deceptively similar marks (s 44 TMA);
- (b) Fanatics was not the owner of the mark (s 58 TMA);
- (c) prior reputation in a confusingly similar mark (s 60 TMA); and
- (d) because of the circumstances applying at the time when the application for rectification was filed, Fanatics' use of the trade mark was likely to deceive or cause confusion (s88(2)(c) TMA).[\[20\]](#)

Her Honour found that FanFirm had satisfied the grounds for cancellation in respect of the Fanatics Marks in class 35 under s58 of the TMA.[\[21\]](#) However, no grounds were found for cancellation in respect of the marks in class 42.[\[22\]](#) Further, her Honour ordered the cancellation of Fanatics SPORTS FANATICS Mark for non-use pursuant to s92(4)(a) of the TMA.[\[23\]](#)

Fanatics argued that the Court should exercise its discretion not to cancel or amend the registrations of the FANATICS Marks on the basis that there is absence of any confusion between the parties' goods and services from over a decade of coexistence.[\[24\]](#) Her Honour chose not to exercise her discretion as she considered Fanatics knew of FanFirm's registration when it adopted its marks and chose to proceed anyway.[\[25\]](#)

In considering Fanatics' cancellation claim against FanFirm, her Honour did not remove FanFirm's registration for its marks in class 24.[\[26\]](#) However, given the Applicant's reputation in Australia, and the absence of any use by the Applicant of its marks in the remaining classes, Rofe J ordered the removal of FanFirm's marks from the Register in classes 9, 16, 32 and 38.[\[27\]](#)

Misleading and Deceptive Conduct and Passing Off - ACL Claims

Finally, her Honour considered that the reasonable consumer (as at December 2010, and also later at 2015) who has familiarity with the either party's goods and services was unlikely to be misled or deceived by the other's conduct.[\[28\]](#)

Her Honour stated:

"at the level of the individual consumer, the types of sport being targeted by each party, and the sports merchandise sold on their respective websites, is so different that I do not think that there is a real or tangible danger that consumers seeing the Respondent's website would be misled or deceived into thinking that the products displayed and offered for sale came from the Applicant".[\[29\]](#)

For the same reasons her Honour considered that the passing off claim would fail.[\[30\]](#)

Key Takeaways

The decision serves to underline two fundamental considerations needed for those operating within the Australian market:

When launching a new brand, it is crucial to ensure that you are not infringing another party's intellectual property rights. This requires appropriate searches and investigations. If your business's trade mark resembles an existing mark for similar goods or services, your business may be at risk of a finding of trade mark infringement.

To rely on a defence of honest concurrent use, a trade mark owner needs to provide evidence to demonstrate that it genuinely believed at the time of adoption that the trade mark would not confuse or mislead consumers. Mere statements concerning honest belief are not sufficient for the purposes of establishing a defence under the TMA.

Piper Alderman has a nationally recognised intellectual property practice which has experience in both registering trade marks and in enforcing intellectual property rights in all Australian jurisdictions.

[\[1\]](#) *FanFirm Pty Ltd v Fanatics, LLC* [2024] FCA 764, [2] ('**Decision**').

[\[2\]](#) *Ibid* [6].

[\[3\]](#) *Ibid* [3].

[\[4\]](#) Ibid [8].

[\[5\]](#) Ibid [134] – [135].

[\[6\]](#) Ibid [140].

[\[7\]](#) Ibid [11] – [12].

[\[8\]](#) Ibid [237].

[\[9\]](#) Ibid [230].

[\[10\]](#) Ibid [241].

[\[11\]](#) Ibid [240].

[\[12\]](#) Ibid [301].

[\[13\]](#) Ibid [277]; *Australian Postal Corporation v Digital Post Australia* (2013) 105 IPR 1, [89] (North, Middleton and Barker JJ).

[\[14\]](#) *Decision* [288].

[\[15\]](#) Ibid [296].

[\[16\]](#) Ibid [314]; *Dunlop Aircraft Tyres Ltd v Goodyear Tire and Rubber Company* (2018) 134 IPR 22, [214] – [215].

[\[17\]](#) *Decision* [302], [314].

[\[18\]](#) Ibid [324].

[\[19\]](#) Ibid [329], [331] – [333].

[\[20\]](#) Ibid [352].

[\[21\]](#) Ibid [358] – [359].

[\[22\]](#) Ibid [360].

[\[23\]](#) Ibid [388].

[\[24\]](#) Ibid [380] – [381].

[\[25\]](#) Ibid [382] – [383].

[\[26\]](#) Ibid [479].

[\[27\]](#) Ibid [472], [480].

[\[28\]](#) Ibid [413].

[\[29\]](#) Ibid [415].

[\[30\]](#) Ibid [417] – [418].