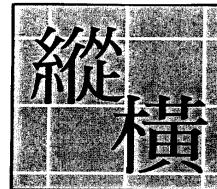


Application No. 15752 of 1999

IN THE MATTER of the Trade Marks
Ordinance (Cap. 43)

AND

IN THE MATTER of an application for the
registration of the trade mark :



in Part B of the register in Class 9 by
Dynamic Software Development Limited

AND

IN THE MATTER of an opposition by Chow
Chung Kai

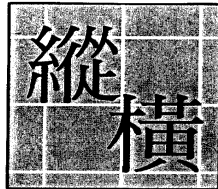
DECISION
OF

Miss Lavinia Chang acting for the Registrar of Trade Marks after a hearing on 28 May 2004.

Appearing: Ms Alice Chan of Intellectual Property Services Centre for the applicant,
Dynamic Software Development Limited

Ms Priscilla Wong of Counsel, instructed by Messrs Vincent T K Cheung, Yap
& Co on behalf of the opponent, Chow Chung Kai

These proceedings arise out of an application made under the provisions of the Trade Marks Ordinance, Cap 43 (the “Ordinance”) on 2 November 1999 (the “application date”) by Dynamic Software Development Limited of Unit 02, 16th Floor, East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong (the “applicant”) to register the mark a representation of which appears below:



(the “suit mark”), App No 15752 of 1999 in Part A of the register. The application is made in respect of “data processing equipment and computers; computer hardware; computer software; computer programs; all included in Class 9” (the “relevant/specified goods”). The application was authorised to be transferred to Part B for acceptance on 28 July 2000, and was advertised on 20 October 2000 for the purpose of opposition in the Government of the Hong Kong Special Administrative Region Gazette.

Pleadings

2. A notice of opposition was filed by Chow Chung Kai of 2nd Floor, East Ocean Centre, 98 Granville Road, Tsimshatsui, East Kowloon, Hong Kong (the “opponent”) on 2 March 2001. In it the opponent pleads that he partnered with the University of Suzhou in the study and research into creating a new processing system for inputting Chinese characters and information using numerical figures. This processing system was developed in October 1993. It incorporated 縱橫漢字輸入法簡體碼, 縱橫漢字系統, 縱橫漢字編碼法, 縱橫漢字信息處理系統, 漢字輸入法 and 縱橫電腦漢字輸入法繁體版 (collectively “software system”). The opponent made an application on 24 December 1999, subsequent to the application date herein, to register the following mark:

“縱橫漢字編碼法
縱橫碼
CKC Input System for Chinese Characters”

(the “opponent’s marks”) under App No 01948 of 1999, in Class 9, for “computer software, inputting system software for Chinese characters for use in computers and mobile telephones”. The opponent claims to have used his marks since the early 1990s prior to the

suit mark's application date. The opponent pleads infringement of his marks by the applicant, that use of the suit mark will likely deceive or cause confusion or disentitlement to protection in a court of justice under section 12(1) of the Ordinance, that registration will be contrary to section 9 (*sic*) of the Ordinance and that it should be refused registration in the Registrar's discretion. He also seeks an award of costs.

3. The applicant denies knowledge of the opponent's averments and allegations and puts the opponent to proof. It pleads use through sales, exhibition and advertisement of the Chinese characters 縱橫 in relation to the goods applied for in Hong Kong since 1989. It states that it had applied in 1994 for registration of “縱橫會計系統” Dynamic accounting system & device” in Hong Kong in Class 9 under App No 09587 of 1994 in respect of “computer programs and computer software for accounting applications; all included in Class 9”, which lapsed before registration was obtained. The applicant pleads the choice of the mark 縱橫 is honest as it is the name of the applicant's predecessor in business “縱橫電腦中心”. It pleads it is the true proprietor of the mark 縱橫, and that to its knowledge, there has been no instance of deception or confusion. It seeks dismissal of the opposition with costs.

The opponent's evidence

4. It is necessary to set out in some detail the evidence filed by the parties as the opposition turns entirely on this.

5. The opponent Mr Chow gave evidence by a statutory declaration dated 24 January 2002. He is the director of a number of Hong Kong limited liability companies (First Link Technologies Limited 香港豐利有限公司, Brilliant System Limited 樂程有限公司, Winner Company (Hong Kong) Limited 永南有限公司, Winsor Industrial Corporation Limited 南聯實業, and the consultant of 香港縱橫碼中心. These entities either develop or promote his computer software for inputting Chinese characters by reference to the name or mark 縱橫 and other marks or names incorporating these characters in Hong Kong and the Mainland. Mr Chow says in 1989 he completed what was known as 縱橫漢字編碼法, a method for coding simplified Chinese characters by numeric codes. Mr Chow explains this is a method he devised for inputting Chinese character at high speed by the use simply of the numeric keypad of a keyboard. He says he independently conceived of the mark 縱橫 for this coding method. His book which bears the title 縱橫漢字編碼法 was published and sold in Hong Kong in 1989.

6. Mr Chow says he was the first and only person to use the name 縱橫 for computer programs for inputting Chinese characters. He points out that the applicant's software is one for accounting purposes only.

7. In December 1992 the opponent and Suzhou University jointly set up 縱橫漢字信息技術研究室 to develop a computer software for inputting Chinese characters. There were promotional activities since 1993 in the Mainland, particularly in Suzhou. These activities were reported in the newsletters of the Kiangsu and Chekiang Residents (HK) Association (蘇浙會訊) ("KCRA") in Hong Kong by reference to the marks or titles such as 縱橫, 縱橫漢字編碼法, 縱橫漢字系統, 縱橫漢字輸入法 and 縱橫輸入法. These newsletters were circulated to members of the Kiangsu and Chekiang Residents (HK) Association in Hong Kong. According to Mr Chow, the opponent's series of computer programs were promoted and taught in schools in Hong Kong and were available before the application date to the public in Hong Kong and the Mainland through internet websites www.zhhz.suda.edu.cn and www.cccl.com.hk. Mr Chow claims that his goodwill and reputation therefore spilt over into Hong Kong.

8. Copies of the preliminary version of the opponent's series of computer program 縱橫漢字輸入法, 縱橫漢字編碼法 and 縱橫碼 were supplied to selected persons in Hong Kong for promotion between 1996 and September 1999. The said series of computer software were officially published in Hong Kong in September 1999. Random copies of handwritten notes showing the supply or distribution of CD-ROMs containing the opponent's computer programs are produced (CCK-13). Copies of orders placed by Brilliant System and First Link Companies (of which the opponent is a director) relating to the manufacture of the 1999 edition of the opponent's series of computer programs are also exhibited (CCK-12). Mr Chow also produces random copies of delivery notes for distributing the 1999 edition of his software system and the manual, 縱橫漢字輸入法說明, and booklets 縱橫漢字編碼法 issued in the name of 香港縱橫碼中心 (CCK-14), which he says was formed by Kiangsu and Chekiang Residents (HK) Association for the promotion of the 縱橫 series of computer programs in June/July 1999. There are also various correspondence relating to the supply of copies of the opponent's software 縱橫漢字輸入法 to certain individuals in Hong Kong, dating from 10 October 1996, some enrolment forms for seminars on this software dating from 18 March 1999, and various "thank you" letters which were dated divers dates in 1999.

9. Mr Chow also exhibits excerpts from the Hong Kong Economic Daily dated 21 July 1999 and 大公報 dated 29 November 1999 which referred to the opponent's software by reference to 縱橫輸入法, 縱橫漢字編碼法 or 縱橫 (CCK-36). At CCK-38 are newspaper clippings and correspondence relating to the promotion and use of the opponent's

series of 縱橫 software. Mr Chow also produces in evidence various delivery notes, correspondence, publications, newspaper clippings referring to his series of 縱橫 software, the majority of which were dated subsequent to the application date.

10. Mr Chow claims he has achieved substantial goodwill and reputation as the supplier of the 縱橫 series of computer software. The rest of Mr Chow's SD consists of arguments.

The applicant's evidence

11. The applicant filed evidence by a statutory declaration dated 17 October 2002 of Chan Chi Ming its director. Mr Chan began his business of design of computer software and tuition/courses in computer studies in 1987 in the name of the applicant's predecessor Dynamic Computer Centre 縱橫電腦中心. Originally a shelf company incorporated in 1987 under the name of Pionic Motion Development Limited 豪情發展有限公司, the applicant underwent a change of name to Dynamic Software Development Limited 縱橫軟件發展有限公司 on 16 January 1996. Mr Chan explains this was on the advice of his accountant on the advantages of a limited liability company as a business vehicle.

12. Mr Chan says the suit mark has been used in the course of trade as labels affixed to the applicant's goods, on packaging bearing the suit mark and on promotional materials and as the applicant's trade name. Sample packaging is exhibited showing use of “縱橫會計系統 Dynamic Accounting System” and “縱橫電腦中心” but gives no indication as to the date of manufacture.

13. The applicant also participated in the Software Exhibition held by the Hong Kong Productivity Council in 1991, 1993 and 1994. There is evidence that the applicant has advertised its business in various newspapers and magazines since 1990 as 縱橫電腦中心 (Dynamic Computer Centre) and for its 縱橫會計系統 (Dynamic Accounting). The applicant asserts it has established goodwill in the suit mark, also used as its trade name, which has come to signify to the trade and to the public goods or services manufactured, exported, sold or provided by the applicant.

14. Mr Chan says even though the applicant deals in computer software for accounting purpose, it also sells other kinds of computer software and office equipment, such as printers, network system and other software eg 國喬, 倚天 (CCM-14 dated 25 November 1991).

15. Mr Chan says the applicant has been using its trade mark and name in good faith for the specified goods since 1987 and has established substantial goodwill in it. He claims it has acquired prior rights to the characters 縱橫. The rest of Mr Chan's SD consists of arguments.

The opponent's evidence in reply

16. In his second statutory declaration made on 14 August 2003, Mr Chow repeats the characters 縱橫 are well-known in the trade and public for computer software for inputting Chinese characters, and denotes the opponent's computer software or software authorised by the opponent, whereas the applicant has only been involved in accounting or accounting-related software but not software for inputting Chinese characters.

17. Mr Chow says in so far as the opponent's marks have been used through other entities, they have never been applied by any entity without his authority or his retaining control. He exhibits transfer notes and receipts as evidence of his funding of the project.

18. The matter came on for hearing on 28 May 2004, at which Ms Alice Chan represented the applicant and Ms Priscilla Wong of Counsel appeared for the opponent.

Decision

19. Although the hearing took place after the commencement of the Trade Marks Ordinance Cap 559, by virtue of section 10(2) of Schedule 5 to Cap 559, oppositions to registrations still pending as of 4 April 2003 remain to be dealt with under the provisions of the repealed Ordinance, Cap 43.

20. At the hearing, the parties agreed that the only tenable grounds of opposition were section 12(1) of the Ordinance and the Registrar's general discretion under section 13(2) of the Ordinance.

Opposition under section 12(1) of the Ordinance

21. Before an opposition can be launched under this section, the opponent must first establish that its mark is known to a sufficient number of persons in Hong Kong, for if the

mark is relatively unknown, deception or confusion is unlikely to arise. This reputation must be established by the application date (*NOVA Trade Mark* [1968] RPC 357 at 360). Only if the opponent discharges this burden does the onus shift to the applicant to satisfy the tribunal that there is no reasonable likelihood of deception arising among a substantial number of persons if the suit mark proceeds to registration (*Eno v Dunn* (1890) 15 App Cas 252 at 261).

22. The applicant has raised two preliminary questions:

- (a) whether the opponent has *locus standi* to oppose since much of the evidence of use adduced pertains to use made by companies of which the opponent is a director or consultant only; and
- (b) if the opponent has *locus standi*, whether the nature of the user made of the opponent's marks, ie 縱橫漢字編碼法, 縱橫碼, and “CKC Input System for Chinese Characters” meets the requirements under section 12(1). Specifically the applicant argues the use made was not use “in the course of trade.”

23. As for the first issue, the applicant attacks the opponent's *locus standi* to oppose for the reason that the opponent's evidence of use is in the names of separate business entities, that is to say, First Link Technologies Limited 香港豐利有限公司, Brilliant System Limited 樂程有限公司, Winner Company (Hong Kong) Limited 永南有限公司, Winsor Industrial Corporation Limited 南聯實業 and the University of Suzhou, but not the opponent who commenced these proceedings in his personal capacity. Furthermore, evidence of publications and documents relating to the use of 縱橫漢字編碼法 and 縱橫碼 were issued by the University of Suzhou. In any case the opponent is only one of the 10 researchers in the list of major researchers for the invention of 縱橫漢字訊息處理系統.

24. The answer to this question is straightforward. Unlike the provisions governing removal of a registered mark, the opening words of section 15(1) of the Ordinance provides that “any person”, without discrimination, may oppose. There is no bar to opposition proceedings being launched based on use by another, since section 12(1) is primarily concerned with the public interest:

“[Section 12(1)] is ... for the protection of the public and anyone may object, but if he relies only on similarity he must prove the practical likelihood of confusion to the public and this he can only do, for the purposes of the section, by proving the existing user by another, not necessarily by himself, which is likely to cause deception or confusion...” (*Bali Trade Mark* [1969] RPC 472 at 495-6).

The kernel of section 12(1) is therefore the likelihood of deception or confusion with a pre-existing mark from the point of view of the public. It is sufficient however, if the result of the use and registration of the suit mark will be that a number of persons will be caused to wonder whether it might not be the case that the two products have come from the same source (*Jellinek's Trade Mark* [1946] 63 RPC 59 at 78, *per Romer J*). Actual probability of deception leading to success in a passing off or an infringement action is not necessary.

25. Before I examine the evidence it is convenient here to address the applicant's second preliminary issue as to the nature of the use made of the opponent's mark. The elements common to the parties' marks are the Chinese characters 縱橫. The applicant alleges that 縱橫碼, the opponent's method of coding Chinese characters, and transformation of 縱橫碼 into a computer program (not put on the market for sale) was merely academic research and did not constitute first use of the mark 縱橫 in Hong Kong. The applicant contends that such use is not use in the course of trade, and therefore no relevant or sufficient use was made of the opponent's marks to even get a section 12(1) objection off the ground.

26. The words "in the course of trade" appear in section 2(2) of the Ordinance under the definition for "trade marks relating to goods", which reads "a mark used or proposed to be used in relation to goods for the purpose of indicating, or so as to indicate, a connection *in the course of trade* between the goods and some person having the right either as proprietor or as registered user to use the mark..." Use or intention to use the suit mark, in the course of trade, is a pre-requisite for obtaining registration as a trade mark. However, for the purposes of section 12(1), at least with regard to the evidential burden which the opponent has to discharge, what the opponent needs to prove is reputation, not strictly use as a trade mark.

27. The following passage in *Philip Morris Products Inc. v R J Reynolds Tobacco Co* [1996] AIPR 28 at 44 sums up the position for Hong Kong:

"Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd [1976] RPC 294 and *Hong Kong Caterers Ltd v Maxims* [1983] HKLR 287 establish it is the awareness of the overseas mark in Hong Kong that is relevant and it does not matter in what manner that awareness is achieved. The awareness of the mark need not be related to goods actually being sold or offered for sale in Hong Kong or other experience in the Hong Kong market. In *Maxims*, Hunter J held that reputation associated in trade or business with a name is recognized in law for trade mark purposes whether such reputation is based on what would be regarded by Hong Kong law as registrable trade mark user or not and, following *Wienerwald Holding AG v Kwan, Wong, Tan & Fong* [1979] FSR 381, that a reputation can exist in Hong Kong

without any business having been carried on here.”

The reputation should therefore be one associated in trade or business with a name although no actual business needs to have been conducted in Hong Kong. Elsewhere, the nature of this reputation is explained thus:

“Because the section is not concerned essentially with issues of proprietorship, it is not strictly necessary to establish that the prior mark has been in use as a trade mark in [Hong Kong] (as *is* required under [our section 13(1)]), that it could be protected in passing off proceedings or that the owner of the prior mark would be injured by the use of the later mark.” (D R Shanahan, *Australian Law of Trade Marks and Passing Off*, 2nd edn at 162)

28. The key element in this opposition is whether or not the opponent has proved the requisite level of reputation in its marks, more specifically in the essential feature of their marks, namely the two Chinese characters, 縱橫, to activate section 12(1). At the hearing Ms Chan made much of the respective dates of first use of the parties’ marks. First user is no doubt central to a proprietorship claim, but as the opponent relies in this case on section 12(1), the matter must be looked at in the first instance as at the application date.

29. The date by which cognizance or awareness in the opponent’s mark in the relevant market must be established is 2 November 1999.

30. In order for section 12(1) to be triggered, this cognizance or awareness cannot be *de minimis*. The important question is the significance of the number in relation to the market for the particular goods (*Pioneer Hi-Bred Corn Co v Hy-Line Chicks Pty Ltd* (1976) RPC 294 at 302). And so the degree of cognizance can be small if, for example, the relevant market for the goods concerned is small, specialized or confined in terms of geographical area. Having regard to the applicant’s specification of goods, I postulate the relevant market to be that part of the population which is computer literate.

31. Only if the opponent discharges this evidential burden does the onus shift to the applicant to satisfy the tribunal that there is no reasonable likelihood of deception arising among a substantial number of persons if the mark proceeds to registration.

32. I must look at the use that the opponent has made of the Chinese characters 縱橫 in Hong Kong. I note firstly that the opponent has not adduced evidence of sales figures or advertising expenditure relating to his trading activities, if any, in Hong Kong for the relevant

goods. The applicant points out that had there been any use of the trade mark 縱橫 by the opponent in the 1980s such use only related to a method for numeric coding Chinese characters, which was irrelevant to Class 9 goods, and in any case, it was not available to the purchasing public. The evidence shows that even though the manual 縱橫漢字編碼法 was published and registered in 1989 under the Books Registration Ordinance 1976 in Hong Kong, that use was use of the characters 縱橫 in relation to the opponent's method of numeric coding, and did not bear a relationship with the applicant's specified goods. The books and publications referred to by the opponent only refer to the coding method for Chinese characters but not any computer software.

33. Amongst the opponent's evidence is a KCRA Newsletter dated 15 April 1997, in which there was a report of an interview with Mr Chow as regards the evolution of 縱橫漢字輸入法:

「既然縱橫漢字輸入法已發展成熟，我即請周先生介紹一下推廣的情形，周先生很高興的作了簡解

初步推廣是在一九九三年十月開始，由蘇州市電腦教育基金會及蘇州市教育局合力推行，在蘇州市重點中學中試用縱橫輸入法教學軟件及應用軟件，得到良好的反應，受到老師們及同學們的熱烈歡迎，一致認為縱橫輸入法易學好用，掀起了一陣學習熱潮，因之市教育局在一九九四年九月份舉辦了「蘇州市縱橫輸入法比賽」，這次比賽，為縱橫輸入法的推廣點起了火頭，江蘇省教委，常州技術師範學院都有代表出席觀摩，發現了縱橫輸入法確有長處，決定在江蘇省部分重點中學試行推廣，而常州技術師範學院即決定全校採用縱橫輸入法。

由於縱橫漢字輸入法得到良好的推廣，在一傳十，十傳百的情況，目前在江蘇省，差不多有電腦的重點中學都在學習縱橫碼了，即使沒有電腦的學校，也有先學習該項編碼法，以備有電腦後即刻可以使用縱橫碼。．．．．．

我問：「為甚麼不在香港推廣一下？」他說：「這項輸入法的推廣重點，一開始就著眼於國內，因國內電腦教育落後，教育上基本以中文為主，故這項輸入法，以價值觀來說，對國內更為重要，故在研究時間表上，以簡體字為先，目前已經証實了縱橫輸入法的優越性，所以繁體字版不久也將在香港推廣。」(CCK-6: 蘇浙會訊 15.4.97)

Amongst other things, in this interview Mr Chow explained why his coding method 縱橫輸

入法 had not been promoted in Hong Kong. His primary intention was to promote his invention 縱橫輸入法 in the Mainland where the benefit of his invention would be most keenly felt. That was why the simplified Chinese character version of the coding method was the first one launched. At the same interview Mr Chow also intimated that the traditional Chinese character version would shortly be introduced in Hong Kong. I take this to be an indication that the opponent's software was not available commercially in Hong Kong as of 15 April 1997.

34. In a KCRA Newsletter dated 15 October 1998 (re-reported from an article dated 4 September 1998 in 大公報), 縱橫漢字 Windows 套件 was said to be available for free download on <http://www.cccl.com.hk>. In another KCRA Newsletter dated 15 August 1999, it was noted that 15 representatives of three KCRA-affiliated secondary schools were given an introduction to 縱橫漢字輸入法 on 19 March 1999. In yet another KCRA Newsletter, dated 15 October 1999, it was reported 縱橫漢字輸入法 was planned to be launched as part of the school curriculum in these three secondary schools in the coming school year, which I take to be September 1999. Seminars on the subject of 縱橫漢字輸入法 were held by the KCRA in cooperation with various educational institutions and organizations in Hong Kong.

35. In a newspaper article (Hong Kong Economic Daily) dated 21 July 1999, the opponent was reported to have said that one of his dreams then was to introduce 縱橫輸入法 to the people of Hong Kong so that they too could benefit from the invention. In the same article, it was also reported that Mr Chow had arranged for instructors from the Mainland to come to Hong Kong to give demonstrations and tuition at schools interested in this coding method (CCK-36).

36. Amongst the opponent's evidence is a copy of his CD-ROM 縱橫漢字輸入法軟件 and a manual entitled 縱橫漢字輸入系統. It was stated in the manual that this is the 1999 traditional Chinese character version of the manual (presumably intended for the Hong Kong market) and it was published for the first time in Hong Kong in September 1999 (CCK-11). Two documents entitled 委託書 (commissioning document) from First Link Technologies Limited are exhibited showing two orders placed on 28 September 1999 and 23 November 1999 respectively for the manufacture of altogether 2000 CD-ROMs (CCK-12). A stock list showing to whom copies of the said CD-ROMs had been sent between 2 October (the date of receipt from the contractor of 1000 copies) and 28 October 1999 is exhibited at CCK-13. Of the first 1000 copies, only 244 copies were sent to persons or institutions in Hong Kong other than the opponent himself. In the year 1999 (up to the relevant date), it appears from the opponent's evidence that 縱橫漢字輸入法 has been "promoted" in respect of 35 individuals, companies or organizations (CCK-16). It is very difficult to assess the extent and reach of

the promotion from this evidence without information on what these individuals, companies or organizations were supposed to do or actually did with the free software. Were they supposed to promote the software within their companies or organizations? That seems rather unlikely if the software was supplied unsolicited. If the recipients were not in some way obliged to help promote the opponent's software, it is difficult to see how the small-scale distribution could have led to sufficient awareness of his marks among the computer literate purchasing public in Hong Kong before the application date.

37. Even though the evidence shows that 縱橫漢字 Windows 套件 was available for download between 15 April 1997 and 4 September 1998 on a designated website, without attendant proof that the Hong Kong computer literate public are familiar with it, or that it is frequented by members of the Hong Kong web population, it is of little assistance to the opponent.

38. I cannot conclude on the evidence that a spillover of the opponent's reputation in the Mainland had occurred prior to that date based on use of the opponent's marks in the Mainland and particularly in Suzhou Province. Although news relating to the development and publicity of the opponent's coding method and software in the Mainland were reported in the KCRA Newsletters, I have no information, for example, on the membership of the KCRA in Hong Kong, on how wide a circulation these newsletters enjoy or the profile of the recipients of these newsletters.

39. In summary, the opponent only began use of the words 縱橫 in relation to computer software on any scale at all in Hong Kong in September or October 1999 that is to say, one to two months before the application date. There is evidence of manufacture in Hong Kong but no sales appear to have taken place before the relevant date. While there need not be any actual sale in Hong Kong to found reputation, use made of the opponent's marks did not appear to have been made sufficiently within the context of a trade or business in the goods. Even if I regard the giving away of copies to targeted individuals, companies or organizations as a form of promotion before the commercial launch of a new product, as I have said the extent, in terms of period, and the reach, in terms of the number of prospective customers covered in this promotion campaign seem to me to have been on a very small scale as to be *de minimis*. I am not satisfied that there is sufficient cognizance of the opponent's marks in Hong Kong at the application date for mounting an opposition under section 12(1). That being the case, the onus does not shift to the applicant, and the opposition under section 12(1) fails. In the light of this, it is no surprise that in all of the evidence not one single instance of confusion or damage has been shown.

Discretion under section 13(2) of the Ordinance

40. As the opposition under section 12(1) fails, the exercise of my discretion arises to consider if there are grounds for refusing registration of the suit mark.

41. I am mindful that my discretion under section 13(2) is to be exercised upon judicial principles on reasonable grounds with regard to all the circumstances of the case. A *bona fide* application should not be refused on fanciful grounds or grounds which are unsubstantial in a business sense. However, I will be justified in exercising my discretion against the applicants where it is shown that their conduct has been such that it is reasonable to infer they may seek to secure some improper advantage for themselves by registering the suit mark.

42. Mr Chan as director of the applicant has in his evidence explained the provenance of the suit mark. He has asserted the applicant is the true proprietor of the suit mark and that the choice of company name was honest and original:

“The reason why we chose the company “縱橫” and/or “Dynamic” is that we wish our computer software business could be also dynamic that (a) it serves the needs of different people; (b) it serves many functions; and (c) it solves many problems. We adopted the Chinese name “縱橫”, meaning 縱橫四海 (literally means across 4 seas vertically and horizontally, i.e. touches all areas and meets all needs in a dynamic way). In 1987, we invented our own computer software for accounting purposes and we simply adopted our company name as the trade mark for this computer software known as “縱橫會計系統” or its English equivalent “Dynamic Accounting System”. As shown from Exhibit “CCM-6” in paragraph 16 hereinbelow, “縱橫會計系統” is a very dynamic software (workable in both Chinese and English platform) that covers nearly all aspects of any kinds of business activities, including “sales and inventory control and distribution, production, payrolls for employees, quotation, fixed assets, capital, profit and loss, retailing services, bar codes of goods, leave management, auditing, invoices, sales returns, accounts, price lists, customers’ lists, interchange of foreign currency, work records ledger etc”. In the premise, the choice of my company name and the trade mark “縱橫” and/or “Dynamic” was honest and original. The Applicant is the true proprietor of the subject mark “縱橫” and trade marks incorporating the words “縱橫” (“the Applicant’s Trade Name and Trade Mark”).” (at para 8, CCM’s SD)

I see no reason to doubt the applicant's *bona fides*.

43. Mr Chan has also explained that the change of company name to Dynamic Software Development Limited 縱橫軟件發展有限公司 did not take place until 16 January 1996. However, he has also produced copies of invoices dating back to October 1989 issued by "Dynamic Computer Centre", the applicant's business, of sales of various modules of the "Dynamic Accounting" software. Whilst in a great number of these invoices it is not altogether clear if 縱橫-branded accounting software was the subject matter of the sale, most of the invoices were stamped, apparently for verification purposes, "Dynamic Computer Centre Hong Kong 縱橫電腦中心" (CCM-4).

44. If this evidence of use is equivocal, there is further evidence that the applicant has advertised its business in various newspapers and magazines since 1990 as 縱橫電腦中心 (Dynamic Computer Centre) and for its 縱橫會計系統 (Dynamic Accounting software). Sample packaging exhibited showing use of "縱橫會計系統 Dynamic Accounting System" and "縱橫電腦中心" gives no indication as to the date of manufacture. However, from general knowledge, based on the telephone and fax numbers appearing on the packaging (Tel: 5777193 and Fax: 5760614) this would appear to have come from a time prior to 1 January 1995, when all pre-existing telephone and fax numbers in Hong Kong took on the digit "2" in front.

45. Despite the opponent's challenge as regards the date of the applicant's change of name to its present form, I am satisfied that the applicant has proved its use dating back to 1990 at the latest, of 縱橫電腦中心 as its business name and 縱橫會計系統 in relation to its accountancy software.

46. As for the suit mark itself (incorporating the two Chinese characters 縱橫 in a grid device), on the applicant's own evidence the earliest proven use (*per* its letterhead) dates back to 30 August 1995. Therefore prior to the application date, the applicant had had at least four years' use of the suit mark.

47. Taking these considerations altogether, if registration of the suit mark is denied the hardship or inconvenience to the applicant seems to me out of proportion to the hardship that the opponent would suffer in the event that it is allowed. The balance of convenience weighs in favour of allowing the application. In the circumstances I decline to exercise my discretion.

Costs

48. The applicant has sought costs. Whilst I have some sympathy with the opponent for having invested in the development of his software system and for having given it away, I do not find that either the circumstances or conduct of this case would warrant a departure from the general rule that the successful party is entitled to his costs. I accordingly order that the opponent pays the costs of these proceedings.

49. Subject to any representations as to the amount of costs or calling for special treatment, which either party makes within one month from the date of this decision, costs will be calculated with reference to the usual scale in Part 1 of the First Schedule to Order 62 of the Rules of the High Court (Cap 4) as applied to trade marks matters, unless otherwise agreed between the parties.

(Lavinia Chang)
p. Registrar of Trade Marks
4 February 2005