

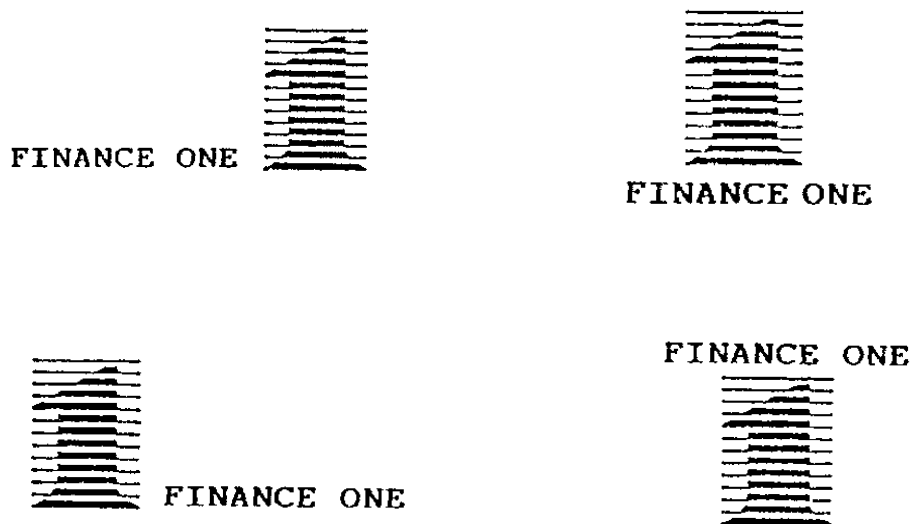


**Trade Marks Act 1955**  
**Decision of a Delegate of the Registrar of Trade Marks,**  
**with Reasons**

Re: Opposition by Comlink Information Systems, Inc to the registration of applications 530127 and 530128 in the name of Technology One Pty Ltd.

**Background**

On 27.8.92, the above two trade mark applications were advertised accepted for registration. The applications are in the name of Technology One Pty Ltd ("the applicant"). The trade mark the subject of the two applications, which were lodged on 8.3.90, is the words FINANCE ONE with a numeral one in a rectangular border and overlaid by a grid of black lines and white spaces, as below.



The applications were filed under the "series" provisions of section 39, the only difference between the various members of the series being that the logo appears above, below or to the left or right of the words.

The applications relate to "Computer software and hardware" and to "Computer programming and professional services relating to computer software, being services included in class 42". However, the applicant's evidence satisfies me that, for products of the sort traded in by the applicant, it is impossible to separate a trade in goods from a trade in services, and it will be convenient to speak of the applications as if they were one.

The examiner of trade marks found that the word "finance", in combination with a numeral, per se, was not a distinctive trade mark. None the less, in the light of evidence which showed that the mark was factually distinctive at the date of lodgement of the applications, the provisions of s 26(2) were applied and the applications were accepted. The applicant has consented to an endorsement which reads: "Registration of this trade mark shall give no right to the exclusive use of the words FINANCE ONE or the numeral 1".

Registration of the application has been opposed, as provided for by sub-section 49(1) of the Trade Marks Act 1955, by Comlink Information Systems, Inc ("Comlink"), on grounds which are generalised and which I will not recite at length. There appears to be neither substance nor evidence to support any of them, except perhaps under three headings: the claims that the applicant is not the proprietor of the mark, that the application should be refused in any case as use of the applicant's mark would be likely to deceive, and that, because of the applicant's conduct or otherwise, the mark is overall disentitled to registration.

After the evidence stages provided for in the regulations, the matter was set down for hearing on 29.8.94. The opponent did not appear but the applicant was represented by Mr Grant Adams, a patent attorney of the attorney firm of Grant Adams and Co. I turn to the evidence, which I have assessed on its merits having heard Mr Adams' submissions.

The goods the applicant sells are mid to top-range software packages, with a total national market that is estimated by the applicant to be about 100 units per year. In the applicant's view there are four major companies offering such packages: the applicant, two other companies and Oracle

Financials, against the last of which applicant has recently been a successful tenderer. Comlink is not said to be one of the four, and the applicant declares that it does not know of ever having competed against them in a tender.

Comlink's evidence consists of a single declaration by John David Martin, a director of Comlink. The declaration shows that an Australian company named Comlink Information Systems Limited offered for sale, in Australia, a financial package under the trade mark FINANCE ONE. That was in late 1982, or perhaps slightly earlier, in a sale to Barclay's Bank. While there is no explanation of how that company, Comlink Information Systems Limited, may be connected to Comlink, an American corporation, the president of the Australian company was J.D. Martin, and the very strong inference is that there is a connection in the course of trade between the company of which he is, or at least was, president, and Comlink.

In 1984, Comlink appointed Financial Network Services Pty Ltd (FNS), an Australian corporation operating as a wholly owned subsidiary of the State Building Society of N.S.W., a distributor of "FINANCE ONE <sup>TM</sup>" products in the Asian Pacific region and the United Kingdom. However, while that appointment sounds impressive, there is no evidence that Financial Network Services Pty Ltd ever entered into the spirit of the arrangement. Equally, the distributorship appears to be little more than an arrangement which allowed FNS to sub-licence program modules, "which have heretofore been provided to FNS through a marketing/licence agreement with Cincom Systems, Inc. of Cincinnati, Ohio". The agreement is certainly restricted to modules which FNS already owned and which it arguably bought as a final consumer and without the intention to re-sell.

Mr Martin goes on to declare to a sale, under the licence agreement, to the Canberra Building Society in December 1987. While the terms of that original sale are not in evidence, payment of a licence fee is in evidence in the form of a letter (June 1988) from FNS. A later payment was made by FNS (in January 1989) in respect of Perwira Habib Bank. In both instances, the letters from FNS speak of FINANCE ONE modules sold to the companies in question and in both instances the fees were paid after the date of what FNS refers to as the sales, said to be in December 1987

and October 1987 respectively. While it is fairly obvious where the Canberra Building Society is located, I have not been shown any reason why a sale to the Periwah Habib Bank is necessarily any sort of use in Australia.

Comlink itself has, declares Mr Martin, "entered into various licence agreements with third parties in relation to the Finance One software package". Eight are specified over a period that extended up to perhaps May 9, 1989. The final pages of the licence agreements in the eight instances are in evidence, but all these show is some form of contract, said to be under the laws of the United States and of the State of Minnesota, in relation to "the software product". Thus, it is not immediately clear that the sales were actually made or offered under the trade mark FINANCE ONE. Comlink's evidence on that point depends on the construction of Mr Martin's declaration and there is no other direct evidence.

In relation to one particular instance among the eight, it is alleged by Comlink that in 1982, Hastings Deerings "looked at" the purchase of FINANCE ONE products from Comlink, and that Comlink tendered for Hastings Deerings' work. The dealings with Hastings Deering are left undefined. Mr Martin does not say if the product was looked at in Australia, or perhaps looked at in some other way, perhaps as an interesting overseas product which was not available here. Nor is there any evidence in relation to any tendering process, though Mr Martin does allege that the activities in 1983 involved a tender for the Hastings Deering work.

Whatever, the say-so of Comlink is that Hastings Deering, having "looked at" Comlink's FINANCE ONE, bought another product entirely, CHAIRMAN, in 1983. The latter is a product originating from two companies which Mr Martin calls, for simplicity, the Chairman companies. Comlink's allegation is that the decision was made because the selected product "was supported by a service company called Syscom Holdings Pty Ltd ("Syscom") based in Brisbane". The evidence is not clear as to just what the relationship is between Syscom, as Mr Martin calls it, the applicant and either the Chairman companies or CHAIRMAN.

Mr Martin goes on to assert, without external evidence, that Syscom worked to tailor the CHAIRMAN product for Hastings Deering. Comlink has also served evidence to show that one of the officers of Syscom at that time was a Mr Adrian Di Marco, (or DiMarco, as it is spelt in that man's own declaration, which is in evidence), currently the managing director of the applicant. Comlink asserts: "Adrian Di Marco was aware of the Finance One package and name as early as 1983 when Comlink and the Chairman companies both tendered for Hastings Deering's work". Mr Martin also refers to the replacement of CHAIRMAN, in 1987, by what I presume is claimed to be Comlink's own FINANCE ONE package, said to have been installed in 1987 and upgraded in March 1988. "Adrian Di Marco", declares Mr Martin, "was involved with Hastings Deering during the transitional period when" (after mid 1987) "Finance One was replacing Chairman".

I note that one of the licence agreements, to which I have referred above and of which one page is in evidence, is between Comlink and Hastings Deerings (Queensland) Pty Ltd. However, there are the problems to which I have referred in assessing the licence agreement. It is no more than arguable that Hastings Deering purchased a FINANCE ONE system from Comlink. Aside from Mr Martin's statements there is no confirming evidence of this aspect. There is no other verification that the product was installed in October 1987 or upgraded in 1988 and no direct verification that these operations were carried out under or by reference to the trade mark FINANCE ONE.

While I do not dispute the honesty of Mr Martin's declaration, the exact nature of the sales or business to which he declares is clearer to him than to me. If I am to find, as a matter of law, that the FINANCE ONE product was sold or offered for sale, Comlink is under a fair onus to show me that Mr Martin's perceptions are accurate.

Not all of Mr DiMarco's careful wording is entirely consistent. In particular, Mr DiMarco says, at clause 21 of his declaration, that he has no knowledge of any trade by Comlink in Australia, yet he does not dispute the sales to Barclay's Bank or to Canberra Building Society.

Mr DiMarco's declaration satisfies me that the applicant's own product under the trade mark FINANCE ONE has been commercially available in Australia for some time. The applicant started doing business under the words FINANCE ONE perhaps as early as April 1989, when a trade newspaper, *Pacific Computer Weekly*, refers to the release of version 1.0. That date is not solidly verified, and it is safer to take the first clearly demonstrated sale as having been in December 1989, when the evidence of both parties agrees that there was a major sale of the applicant's FINANCE ONE system to the North East Queensland Electricity Board.

Exhibited with Mr Martin's declaration are examples of a FINANCE ONE manual and of various user testimonials. The testimonials all originate from North America, and there is no evidence of where or when the manual was in use or available

The applicant relies, in answer to the opposition, on a single declaration. Its declarant, Mr DiMarco, declares that, "I had no involvement with the installation at Hastings Deering as they used NCR "V" series hardware while I worked a later (non-compatible) NCR-hardware." Mr DiMarco declares, and has annexed company records to show, that he severed the last of his connections with the Chairman companies in March 1987. He also declares that he was not involved in any replacement of the CHAIRMAN software.

Annexed to Mr DiMarco's declaration are copies of two letters. One of these is from a Mr Gardam, who says that he worked for Syscom and Chairman Software Systems during the approximate period 1981 - 1985. During that time he worked on-site at Hastings Deering as a programmer, analyst and project leader on computer software projects. He has written:

The projects undertaken centred on the installation of the "CHAIRMAN" software package and its conversion from PRIME Cobol to NCR Cobol to run on the HASTINGS DEERING NCR mainframe.

To the best of my knowledge, Adrian Di Marco took no active part in the programming, analysis, project management or any other aspect of the projects undertaken by the above mentioned companies, or any other companies, during the time in which I was working at HASTINGS DEERING.

I have no recollection or record of any discussions taking place during that period of the product (or the name) "FINANCE ONE".

The other letter is from a Mr or Ms S. La Bruniy, who has written direct to Mr DiMarco in the context that "there is some dispute over the origin of the name 'Technology One' ". The writer says that s/he was the project manager for a project "by Syscom Pty Ltd (later Chairman Software)", whatever that may mean. The project was the software development for Hastings Deering and Mr/Ms La Bruniy cannot remember Mr DiMarco having any involvement with that project. The letter says that there would have been little reason for such involvement, as Mr DiMarco did not have any experience in the relevant areas. It also says that, "At the time of the proposal for this system, our company was not informed of any alternative solution under consideration".

When all this has been said, Mr DiMarco has noted the lack of evidence in Comlink's declaration; he has denied he knows why CHAIRMAN was selected and "categorically" denied being involved in the installation or in any replacement of that software. He has emphasised the point that Mr Gardam did not know of "Finance One", but Mr DiMarco does not say the same of himself in unequivocal terms. How the applicant came to first consider the words FINANCE ONE as its trade mark is left open.

Mr DiMarco has declared that the trade mark was adopted by the applicant in March-April 1987. There is no evidence of what this "adoption" involved. "Finance", says Mr DiMarco, was selected for its descriptive function, while the logo was selected to provide an eye-catching feature, but there is no explanation of the use of the number or the numeral "One".

Mr DiMarco details the enquiries made to see if the trade mark was available. No evidence that it was in use was found, "and so the mark and the logo were adopted". Thus Mr DiMarco uses the word "adopted" to mean both the formulation of the trade mark and the act by which, after its availability was checked, it was positively decided on as the one for use.

The claim by Comlink that Mr DiMarco learned of and borrowed, as it were, Comlink's own mark in some unspecified way, is not met head on. The closest Mr DiMarco comes to a complete denial is this which follows. The emphasis added is mine.

Mr Martin has declared that Mr DiMarco "was aware of the Finance One package and name **as early as 1983** when Comlink and the Chairman companies both tendered for Hastings Deering's work". Mr DiMarco makes specific reference to that clause in his own declaration. In reply he says:

I categorically deny that I **was** aware of a "Finance One" software package from Comlink, and Mr Martin cannot declare what I did or did not know personally.

Since Mr DiMarco is undeniably aware now - from Comlink's own evidence, if in no other way - of such a package, the use of the word "was" has been careful. Mr DiMarco has not, in a clause-by-clause reply to Mr Martin's declaration, specified just when he "was" unaware.

There is a similar careful framing in the evidence about the circumstances set out in a letter written by the applicant's patent attorneys, in 1990. That letter was in response to a warning letter sent to them by the attorneys for Comlink. The applicant's attorney replied:

When adopting the trade mark, our clients checked ... if the trade mark was available and neither our clients or the persons in their industry that they contacted had any knowledge of any other "Finance One" software.

Mr Martin, at Clause 20, says that this letter "is incorrect" because of the association of Mr DiMarco with Syscom and the Chairman companies. Of this, Mr DiMarco merely says: "I strongly reject the assertion ... as it is based on faulty logic and is not supported by Comlink's own evidence".

As to other aspects that may be relevant, Comlink did not, at the date of application, have a significant reputation in this country in respect of the trade mark FINANCE ONE. The only part of

Comlink's evidence which refers to a public reputation in Australia relates to the FINANCE ONE product of the applicant. That single reference is in the December 1989 issue of *Computerworld Australia*, and is made in the course of a brief article which notes that, "A young Australian software house has edged out Oracle Financials to win a \$500,000-plus order from the North Queensland Electricity Board". The article goes on to identify the products in the sale as, among others, "Finance One". That product is said to have been available for less than six months, and to be from the same design team that produced the Chairman financial system running under Prime Information.

However, the mark the subject of the present application is not simply the non-distinctive words in question; it incorporates a device, and the applicant has expressly disclaimed use of the words themselves. In the evidence which has been served by the trade mark applicant, the first instance of the use of the device in conjunction with the words is a newspaper advertisement in *Computerworld Australia* of 2.11.90. That, of course, was after the date of the opposed applications.

## **Decision.**

### **Proprietorship.**

At the outset, let me say that I think it is likely that the applicant company knew of the use of the trade mark FINANCE ONE by Comlink. Had the applicant's selection of the trade mark been mere coincidence, Mr DiMarco would no doubt have said so. With all that has been said about the relationship between Mr DiMarco and Syscom, his former employer, the most likely explanation is that Mr DiMarco learned of that name in the years between 1983 and 1990, when the opposed applications were lodged. That, in itself, is no offence, and to file an application for such a trade mark which has not been used in Australia is no more than sharp business practice.

Mr Justice Williams said, in *The Seven Up Co v O.T. Ltd*, 75 CLR 203 at p.211:

"... in the absence of fraud it is not unlawful for a trader to become the registered proprietor under the *Trade Marks Act* of a mark which has been used, however extensively, by another trader as a mark for similar goods in a foreign country, provided the foreign mark has not been used at all in Australia at the date of the application for registration. But the position is different if at that date the mark has become identified with the goods of the foreign trader in Australia because those goods have been brought into Australia by the foreign trader himself or by some importer or in some other manner. The court frowns upon any attempt by one trader to appropriate the mark of another trader although that trader is a foreign trader and the mark has only been used by him in a foreign country. It therefore seizes upon a very small amount of use of the foreign mark in Australia to hold that it has become identified with and distinctive of the goods of the foreign trader in Australia."

By the relevant date, the date of application, the mark FINANCE ONE had been used in Australia by the opponent. Thus, while the words may have been adopted in the belief that the applicant was technically able to do so, that turns out not to have been the case.

That is not, fortunately for the applicant, the end of the matter. The words themselves are not distinctive: "finance" describes the goods as being the financial package they are, while numerals are notoriously common to the trade. For this reason the applicant was required to disclaim exclusive right to the word and numeral in question.

It is still open to speculation that the registration of another FINANCE ONE mark, perhaps with a different logo, might be impeded by the presence on the register of the applicant's mark. Equally, perhaps the applicant may start an infringement action against the proprietor of such a mark - for example, against Comlink. None the less, there is nothing that can be done, under section 40 of the Act, to prevent such situations. Established decisions show that proprietorship is precluded only by a better claim in respect of substantially the same mark.

Here I rely on the decision in *Karu Pty Ltd v Robert Leon Jose* (unreported, and appeal pending) in which Drummond J followed Gummow J's decision in *Carnival Cruise Lines Inc v Sitmar Cruises Ltd* (1994) 120 ALR 495 or 1994 AIPC 91-049. Gummow J had noted that the conflict between DITRENE and DITHANE (*Shell Co of Australia v Rohm and Haas Co.* (1949) 78 CLR 601) was resolved on the common ground that the two marks could not co-exist on the register for goods of the same description.

Drummond J comments that Mr Justice Gummow's views on the issue of competing claims between non-identical marks were obiter to the latter decision. None the less, Drummond J applied them directly to the matter before him. He noted, in particular, the portion of Gummow J's decision which reads:

When the decision (*Shell v Rohm and Haas*, supra) is understood in this way, it does not supply any general authority for the proposition that in the case of disputed claims to proprietorship under the present statute anything less than substantial identity between the two marks will suffice. The phrase "substantially identical" as it appears in s. 62 (which is concerned with infringement) was discussed by Windeyer J in *Shell Oil Co of Australia Ltd v Esso Standard Oil (Australia) Ltd* (1963) 109 CLR 407 at 414. It requires a total impression of similarity to emerge from a comparison between two marks. In a real sense a claim to proprietorship of the one extends to the other. But to go beyond this is, in my view, not possible. There is, as Mr Shanahan points out in his work, (*Australian Law of Trade Marks and Passing Off*, second edition) p. 158, real difficulty in assessing the broader notion of deceptive similarity in the absence of some notional user in Australia of the prior mark (something postulated by s. 33) or prior recognition built up by user: s.28(a)

A similar view can be taken to the conflict between 7UP in a square and 8UP in a circle - *The Seven Up Co v OT Ltd*, 75 CLR 203. In that case the American company objected on the basis

that they were the only ones who could become the proprietors, in Australia, of "any mark so nearly resembling 7UP as to be likely to deceive". However the decision of Williams J, and subsequently of the Full High Court, turned entirely on the lack of use of the overseas trader's mark in Australia. But, to return to the matter in relation to identical marks, Gummow J continued:

In the present case there would, in my view, be no material distinction to be drawn between FUN SHIP and FUNSHIP or between the addition of the definite article or the use of the plural. However, FUN SHIP is for this purpose a substantially different trade mark to SITMAR'S FUNSHIP or FAIRSTAR THE FUNSHIP.

When viewed in that light the issue is clear. The test for "substantially identical" trade marks has been defined by Windeyer J in *Shell Co of Australia Ltd v Esso Standard Oil (Australia) Ltd*.

This is the test to which Gummow J referred and it is framed as follows:

(the marks) should, I think, be compared side by side, their similarities and differences noted and the importance of these assessed having regard to the essential features of the registered mark and the total impression of the resemblance or dissimilarity that emerges from the comparison. The identification of an essential feature depends, it has been said, partly on the Court's own judgement and partly on the evidence that is placed before it.

The marks at issue here are not substantially identical in view of the logo which is an essential feature of the applicant's mark but missing from the mark used by Comlink. As a logo element, it is prominent, a complex if not a stunning graphic, and more than just a symbol for the number one. It is also depicted in a variety of positions in relation to the non-distinctive words which make up the trade mark used by Comlink. Moreover, the words in question have been disclaimed in the present application so that there is no way that, "(i)n a real sense a claim to proprietorship of the one extends to the other", per Gummow J., *supra*.

I therefore dismiss the opposition as it arises under that heading.

### **Other Matters.**

As to the objection(s) which hinge on deception or confusion, let me say simply that there is little evidence that anyone outside of some unidentified people in the computer systems areas of Barclay's

Bank, the Canberra Building Society, the Periya Habib Bank, (wherever that bank is located), Financial Network Services Pty Ltd and perhaps Hastings Deering has heard of Comlink's FINANCE ONE product. While some or all of those firms are quite substantial, I have not been shown that the Comlink product was widely known even inside the companies. There is an evidentiary onus on Comlink to present evidence that the reputation on which it bases its opposition is significant and this has not been met. I have not been shown that a "substantial" number of people in the relevant trade - which I take to be the field of electronic financial information processing - would, at the date of application, have expected a FINANCE ONE product, with or without a logo like the present rendition of the numeral in question, to have come from Comlink.

The extent of the reputation required to ground an opposition under s 28(a) is considered in Shanahan, supra, at p. 164. In particular, I note that a reputation may be sufficient even if it is confined to a relevant market and does not extend to a very large number of people when measured in absolute terms. Had the evidence relied on by Comlink been more convincing as to the extent of knowledge within the industry, or had there been some corroborating evidence from the trade, then the matter would perhaps have had to go against the applicant. There is no such evidence, and Comlink has neither claimed to have spent any money in promotion in Australia, nor been shown to have had any spill-over reputation, at issue in *Pioneer Hi-Bred Corn Corp v Hy-Line Chicks Pty Ltd* {1979} RPC 410.

Accordingly, I dismiss the oppositions as they relate to a conflicting reputation and, for the record, I do not have to consider the overall action of section 28.

Finally, and in summation, I see no evidence that the adoption of this mark by the applicant would amount to anything more than sharp business practice. There is no evidence that the mark would be disentitled to protection in a Court of Justice and so I am not called on to deal any further with any ramifications of that question.

I therefore dismiss the oppositions and direct that the applications proceed to registration.

T.E Williams  
Hearing Officer

8 December 1994