



LE REGISTRAIRE DES MARQUES DE COMMERCE  
THE REGISTRAR OF TRADE-MARKS

**Citation: 2016 TMOB 21**  
**Date of Decision: 2016-02-02**

**IN THE MATTER OF A SECTION 45 PROCEEDING**

**Vizio, Inc.** **Requesting Party**

**and**

**Costar Computer Systems** **Registered Owner**

**TMA278,133 for COSTAR** **Registration**

[1] At the request of Vizio, Inc. (the Requesting Party), the Registrar of Trade-marks issued a notice under section 45 of the *Trade-marks Act* RSC 1985, c T-13 (the Act) on January 30, 2014 to Costar Computer Systems, a partnership, the registered owner at that time of registration No. TMA278,133 for the trade-mark COSTAR (the Mark). Subsequent to the issuance of the notice, the registration was amended to change the owner's name to Costar Computer Systems (the Owner). This amendment is not at issue in this proceeding.

[2] The Mark is registered for use in association with the goods "Computer software".

[3] Section 45 of the Act requires the registered owner of the trade-mark to show whether the trade-mark has been used in Canada in association with the goods specified in the registration at any time within the three year period immediately preceding the date of the notice and, if not, the date when it was last in use and the reason for the absence of such use since that date. In this case, the relevant period for showing use is between January 30, 2011 and January 30, 2014.

[4] The relevant definition of "use" in association with goods is set out in section 4(1) of the Act as follows:

4(1) A trade-mark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

[5] It is well established that the purpose and scope of section 45 of the Act is to provide a simple, summary, and expeditious procedure for removing “deadwood” from the register and, as such, the evidentiary threshold that the registered owner must meet is quite low [*Uvex Toko Canada Ltd v Performance Apparel Corp*, 2004 FC 448, 31 CPR (4th) 270].

[6] In response to the Registrar’s notice, the Owner furnished the affidavit of Ian McCrum, Executive Vice President of the Owner, sworn on June 12, 2014 in Edmonton, Alberta. Neither party filed written representations; a hearing was not requested.

#### The Owner’s Evidence

[7] In his affidavit, Mr. McCrum states that the Owner has developed and licensed computer software since 1975. He attests that, during the relevant period, the Owner provided business solutions in the form of computer software to various Canadian companies. He explains that the Owner currently concentrates on offering its COSTAR software products to the tire and automotive industry. However, he attests that the Owner has also offered software to companies in other industries, such as in the sports betting and food services industries.

[8] With respect to the Owner’s normal course of trade in Canada for its COSTAR computer software, Mr. McCrum attests that purchasers enter into license agreements with the Owner before installation of the software. He attests that these license agreements, in exchange for payments to the Owner, permit the Owner’s customers to use the COSTAR computer software. Specifically, he attests that customers purchased either a yearly or monthly license to use the software. In this respect, he attests that “as is typical of the computer software industry, no physical products were sold to customers.”

[9] With respect to advertising of its COSTAR computer software, Mr. McCrum attests that descriptions of the software are available on the Owner’s websites at *www.costar.ca* and

*www.costarsoftware.ca*. Furthermore, he attests that a detailed description of the software is in sales literature provided to potential customers.

[10] In regards to sales, Mr. McCrum attests that the Owner sold approximately 1000 licenses for its COSTAR computer software in Canada each year during the relevant period. He attests that the income generated from such licenses was approximately \$14,000,000 during the relevant period.

[11] In support of his assertion of use of the Mark during the relevant period, Mr. McCrum provides the following exhibits attached to his affidavit:

- Exhibit H consists of four copies of license agreements entitled “COSTAR SOFTWARE AGREEMENT”, which Mr. McCrum attests were executed by customers in Canada during the relevant period. He attests that the license agreements were delivered to customers before the Owner’s software was installed. Although some information has been redacted, the licenses are between the Owner and customers with Canadian addresses.
- Exhibit I consists of four invoices, which Mr. McCrum attests were delivered to customers in Canada during the relevant period. The Mark is clearly displayed at the top of each invoice and in the description of the goods, which show variations of the COSTAR software licenses. For example, an invoice dated January 4, 2013 is for “IMP COSTAR Software Implementation Dec 18 12”. Again, although some information has been redacted, the invoices are addressed to customers in Canada. Mr. McCrum attests that, typically, an invoice is delivered to the customer after the license agreement has been entered into, but before the software is installed.
- Exhibit J consists of printouts of screenshots that Mr. McCrum attests would have appeared on the customer’s computer screen at the time of installation of the Owner’s computer software. The Mark is prominently displayed on each of the screenshots.

- Exhibits K and L consist of printouts of screenshots that Mr. McCrum attests would have appeared on the customer’s screen when accessing and operating the Owner’s computer software. The Mark is prominently displayed at various locations on the screenshots.
- Exhibit M is a webpage screenshot from *www.costar.ca* that Mr. McCrum attests is representative of how the webpage appeared during the relevant period. The Mark is displayed as both a logo and in text in various locations on the webpage.
- Exhibit N consists of a six pages of “sales literature” that Mr. McCrum attests was provided to potential customers in Canada during the relevant period. The literature describes the various COSTAR computer software products as “Shop Management Software” for the tire and automotive industry; the Mark is clearly displayed throughout the material.
- Lastly, Exhibit O is a copy of a quotation that Mr. McCrum attests the Owner provided to a potential customer in Canada interested in the Owner’s software during the relevant period. The Mark is clearly displayed at the top of the quotation and in the description of goods. Although some information has been redacted, the quotation is addressed to a customer in Alberta.

### Analysis

[12] As discussed in *BMB Compuscience Canada Ltd v Bramalea Ltd* (1988), 22 CPR (3d) 561 (FCTD), this type of business software is not a physical object, and thus a computer software company experiences unique difficulties when attempting to associate a trade-mark with its software (see also *Fasken Martineau DuMoulin LLP v Open Solutions DTS Inc*, 2013 TMOB 68, CarswellNat 1684; and *Clark Wilson LLP v Genesistems, Inc*, 2014 TMOB 64, CarswellNat 1392).

[13] In this case, as shown at Exhibits H and I, the Mark appears on the license agreement and invoice that a purchaser of the Owner’s software would have seen prior to installation of the software. Furthermore, notice of association continues when the Mark appears onscreen during installation and operation of the software, as shown at Exhibits J, K, and L.

[14] As such, I am satisfied that the requisite notice of association would have been given to purchasers of the Owner's computer software in accordance with section 4(1) of the Act.

[15] In view of the foregoing, I am satisfied that the Owner has demonstrated use of the Mark in association with the registered goods within the meaning of sections 4 and 45 of the Act.

Disposition

[16] Accordingly, pursuant to the authority delegated to me under section 63(3) of the Act, the registration will be maintained in compliance with the provisions of section 45 of the Act.

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Andrew Bene  
Hearing Officer  
Trade-marks Opposition Board  
Canadian Intellectual Property Office

**TRADE-MARKS OPPOSITION BOARD  
CANADIAN INTELLECTUAL PROPERTY OFFICE  
APPEARANCES AND AGENTS OF RECORD**

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No Hearing Held

**AGENTS OF RECORD**

Parlee McLaws LLP

For the Registered Owner

Bereskin & Parr LLP

For the Requesting Party