SECTION 45 PROCEEDINGS
TRADE-MARK: ALTOS
REGISTRATION NO.: 259,825

On April 2, 2001, at the request of Messrs. McCarthy Tetrault, the Registrar forwarded a Section 45 notice to Acer America Corporation, the registered owner at the time of the above-referenced trade-mark registration. The trade-mark was assigned to Acer Incorporated on May 11, 2001 and the change was recorded on the trade-mark register on March 27, 2002.

The trade-mark ALTOS is registered for use in association with the following wares:

> Computer systems, computer central processing units; computer disk drives and disks; computer software recorded on magnetic media.

The Section 45 notice is restricted solely to the wares "computer software recorded on magnetic media".

Section 45 of the Trade-marks Act requires the registered owner of the trade-mark to show whether the trade-mark has been used in Canada in association with each of the wares and/or services listed on 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 use since that date. In this case the wares are "computer software recorded on magnetic media" and the relevant period is any time between April 2, 1998 and April 2, 2001.

In response to the notice the affidavit of Ming Wang together with exhibits has been furnished. Each party filed a written argument. The registrant alone was represented at the oral hearing.

The main argument raised by the requesting party concerning the evidence furnished is that any use shown is not use of the trade-mark ALTOS in association with the wares "computer software recorded on magnetic media".

In my view, what the evidence establishes is that the registrant sells and has sold during the relevant period various models of computer systems/servers with computer software already pre-loaded. As stated at paragraph 11 of the affidavit, the hardware and the software are sold as a package and the customer is charged for the entire system, including the software. Consequently, the computer software is an integral part of the computer system/server. One issue, in my view, is whether the evidence shows that the trade-mark ALTOS is being used in association with "software" and not only in association with the computer system/server incorporating the software.

The brochure submitted as Exhibit 2 to the affidavit refers to the trade-mark ALTOS 600 (which I accept would be perceived as use of ALTOS "per se"); however, the brochure is in respect of the ALTOS 600 computer server. It gives information on the system features and options and although reference therein is made to several software such as ACER's EasyBuild software, ACER's Advanced System Manager Pro 4.3 software, Server Management Utilities &

Applications, and ASM Pro Web-based Manager 4.0 as well as other software, the software is not shown to be associated with the trade-mark ALTOS.

At the hearing, counsel for the registrant indicated that the invoices pertaining to the sale of the computer system/server (Exhibit 3) identify the pre-loaded software under the trade-mark "ALTOS" and the Software Manual System Guide referred to in paragraph 9 of the Wang affidavit and shown in the photocopy of the photograph furnished as part of Exhibit 2 bears the trade-mark ALTOS. She then submitted that this was sufficient to permit the Registrar to conclude that the trade-mark ALTOS was in use in association with "computer software recorded on magnetic media" during the relevant period.

I have reviewed the invoices and I note that under "options" there appears to be a reference to software associated with the trade-mark "ALTOS" (see for example invoice no. 0040820, item no. SRAB704003 wherein reference is made to SW ALTOS (which I am prepared to accept as meaning software ALTOS)). Consequently, from the invoices it can be concluded that the registrant also uses the trade-mark ALTOS in association with its pre-loaded software. Further, I conclude that the invoices would have brought to the attention of the purchaser of the goods the fact that the software is associated with the trade-mark ALTOS and, therefore, the required notice of association of the trade-mark and the software would have been made within the meaning of Section 4(1) of the Act. As the evidence shows that the invoices were shipped to the same physical place where the wares were delivered and as it is reasonable to conclude that the invoices would probably have been received by the buyers at approximately the same time as the

wares since the wares were shipped only one day ahead of the invoices, I conclude that the invoices in this case constitute sufficient notification under Section 4(l) of the Act to establish use in association with "software". (see *Gordon A. MacEachern Ltd*. v. *National Rubber Co. Ltd*., 41 C.P.R. l49). Consequently, this case is clearly distinguishable from the situation in *Riches, McKenzie & Herbert* v. *Pepper King Ltd*., 8 C.P.R. (4th) 471.

In any event, the Software Manual System Guide which I accept would accompany the wares, would also provide the notice of association between the trade-mark and the pre-loaded software at the time of transfer of the wares. Although the trade-mark appearing on the Software Manual is shown as ACER ALTOS, I consider that arguably the public could perceive the word ALTOS appearing on the Software Manual as functioning as a separate trade-mark from the word ACER. According to the evidence, the word ACER is often used by itself both as a trade-mark and as a trade name and considering that it appears by itself at the top of the invoices and that the word ALTOS 'per se' appears in the invoices as a trade-mark for the software, I find that arguably the words ACER ALTOS appearing on the Software Manual could probably be perceived as use of the trade-mark ACER ALTOS as well as use of the trade-mark and trade-name ACER, as well as use of the trade-mark ALTOS 'per se'. (see *Nightingale Interloc Ltd*. v. *Prodesign Ltd*., 2 C.P.R. (3d) 535 , Principle 1)

In view of the above, and taking into consideration that the registrant's server pre-loaded with software is an expensive item, therefore the type of product that probably would be carefully scrutinized by the prospective purchasers, I am prepared to conclude that when the registrant

sells the computer system/server pre-loaded with software to a client, the purchaser would be aware that it is purchasing not only a computer system/server in association with the trade-mark ALTOS but also pre-loaded software associated with the trade-mark ALTOS.

As I am satisfied that the evidence shows that sales of the computer system/server pre-loaded with the software (referred to as ALTOS in some of the invoices) occurred during the relevant period, and as I accept that any sale of the computer system/server pre-loaded with such software would also amount to a sale of software, I conclude that sales of computer software recorded on magnetic media associated with the trade-mark occurred during the relevant period. Accordingly, I conclude that the trade-mark registration should remain as is on the register.

Registration No. 259,825 will be maintained in compliance with the provisions of Section 45(5) of the Act.

DATED AT GATINEAU, QUEBEC, THIS 4TH DAY OF DECEMBER 2003.

D Savard
Senior Hearing Officer
Section 45 Division