

April 12, 2017

ARTICLE

Intellectual Property Weekly Abstracts Bulletin — Week Of April 10, 2017

Patent Decisions

Apotex Granted Leave to Expand Scope of Evidence Available to Prove its NIA Plea
[Astrazeneca Canada Inc. v. Apotex Inc. 2016 FC 865](#)
Drug: omeprazole

In this recently reported decision, the Court granted Apotex leave to deliver Fresh as Amended Responding Statement of Issues for the reference into AstraZeneca's damages or Apotex's profits, following the Court's decision that the '693 Patent is valid and infringed by Apotex ([see 2015 FC 322, our summary here](#)).

The impugned amendments relate to one of the defences plead by Apotex, namely that Apotex had available to it non-infringing alternatives (NIA) which would reduce or eliminate the damages or profits available to AstraZeneca. The Court concluded that the proposed amendments did not add new defence. Rather, the amendments expanded the evidence on which Apotex hopes to prove the defence of NIA, which was previously pled by Apotex.

In the Court's view, the threshold question for allowing amendments that go to an existing plea expanding the scope of the evidence available to prove the plea is whether they would survive a motion to strike. The Court agreed with Apotex that AstraZeneca would not have been successful in striking the proposed amendments if they had been in the original Responding Statement. The Court also found that Apotex established that the proposed amendment was necessary to determine the real question in controversy between it and AstraZeneca.

On the issue of whether the amendment will create an injustice or prejudice that is not compensable in costs, the Court noted that Apotex had given assurances that it will fully cooperate regarding any further discovery. The Court also noted an absence of evidence that such discovery would impact the current schedule, except possibly the date of AstraZeneca's election between damages or profits, which can be moved without consequence if required. The Court also found that Apotex had met its burden to establish that the proposed amendments are in the interests of justice.

Trademarks Related Decisions

ONCA upholds Summary Judgment Concerning Dispute over Website Domain Names
[Boaden Catering Limited v. Real Food for Real Kids Inc., 2017 ONCA 248](#)

The Ontario Court of Appeal (ONCA) dismissed the Appellant's appeal from a summary judgment dismissing its action and from an order dismissing the Appellant's motion to strike certain paragraphs of the Respondents' statement of defence. The ONCA also dismissed leave to appeal the costs award.

These proceedings arose out of a dispute over website domain names. The parties are competitors in the market for healthy children's catering in the Greater Toronto Area. The Respondent had previously submitted complaints to the Internet Corporation for Assigned Names and Numbers (ICANN) and the Canadian Internet Registration Authority (CIRA) concerning the Appellant's registration of a .com domain name and three .ca domain names. Both arbitrators found that the Appellant had no legitimate interest in the disputed .com or .ca domain names respectively, and that the domain names had been registered in bad faith.

The Appellant subsequently commenced this action for a variety of relief, including a declaration that the Appellant is the lawful owner of the disputed domain names, and damages for passing off, defamation and theft of trade secrets. The Appellant sought an adjournment of the summary judgment motion for the purpose of cross-examining the Respondents' deponents. The adjournment was refused and the action was summarily dismissed with costs awarded in favour of the respondents in the sum of \$98,959.82.

On appeal, the ONCA rejected all grounds of appeal, including the Appellant's argument that it was denied procedural fairness when the motions judge wrongly refused to adjourn the summary judgment motion. For one, the ONCA found that, consistent with the pattern of delay by the Appellant in the litigation, the Appellant did not act reasonably to cross-examine the Respondents' deponents. Also the fact that the Appellant brought a motion to strike paragraphs of the statement of defence did not warrant an adjournment of the summary judgment motion.

Copyright Decisions

Statutory Damages Awarded in Copyright Infringement Case
[Trader v. CarGurus, 2017 ONSC 1841](#)

Through its websites "autotrader.ca" and "autohebdo.net", Trader operates "digital marketplaces" relating to new and used vehicles in Canada. Trader provides a service to dealers whereby Trader photographers take photos of vehicles to include in the listings on the websites. CarGurus became a direct competitor in Canada to Trader in the spring of 2015. Trader alleges that CarGurus infringed Trader's copyright in a number of these photos. Trader was seeking statutory damages in the amount of \$98,370,000 (\$500 per infringing photo, of which there are 196,740).

The Court noted that evidence was provided by CarGurus as to its practices for obtaining vehicle listings, which includes using computer software to "crawl" online and extracting data of interest. The Court found that the photos were the subject of copyright, and that Trader had established it owned the copyright in 152,532 photos. However, there was no direct evidence of ownership with respect to the remainder of the photos.

In terms of infringement, the Court noted that CarGurus' argument was that it did not reproduce the photos but the images only appeared to be part of CarGurus' website and were instead located on servers hosting the Dealers' websites. This argument was rejected by the Court on the basis that the display on the CarGurus website made the photo available to the public by telecommunication. CarGurus relied on the defence of fair dealing, but the Court was not persuaded that the dealing was fair, partly relying on the fact that reason was a commercial one. Finally, the Court considered whether CarGurus is exempt from the claim for statutory damages on the basis that it is a provider of an information location tool pursuant to section 41.27 of the *Copyright Act*. The Court found that CarGurus was not acting as an intermediary.

The Court granted a declaration that 152,532 photos were infringed, and ordered statutory damages in the amount of \$2.00 per photo, for a total of \$305,064. The Court considered a number of factors when determining the appropriate amount of statutory damages. Punitive damages and a permanent injunction were denied. The Court noted that CarGurus had removed all the impugned photos and taken a number of other steps such that the injunction was not necessary.

Industry Updates

Health Canada published a [Notice - Intellectual Property Hold for Notifiable Change Submissions](#)


By: [Chantal Saunders](#), [Beverley Moore](#), Adrian J. Howard


Services: [Intellectual Property](#), [Copyright](#), [Licensing](#), [Patents](#), [Trademarks](#)

Related Contacts & Expertise

Beverley Moore
Partner


 Ottawa


 BMoore@blg.com

 [613.369.4784](tel:613.369.4784)

Chantal Saunders
Partner

 Ottawa

 CSaunders@blg.com

 [613.369.4783](tel:613.369.4783)

Related Expertise

Intellectual Property

Copyright

Licensing

Trademarks

Patents