Intellectual Property Weekly Abstracts Bulletin — Week of August 29

August 31, 2016

Trademark Decisions

Registrar's decision denying third request for extension of time to file evidence upheld
Trademark Tools Inc. v. Miller Thomson LLP, 2016 FC 971

The Court dismissed Trademark Tools' appeal of the Registrar's decision denying its third request for an extension of time to file evidence. Pursuant to subsection 45(1) of the *Trade-Marks Act*, Trademark Tools was called upon by the Registrar of Trademarks to provide evidence of the use of its trademark within a specified time frame. Following two requests for extensions of time to file this evidence, the Registrar denied Trademark Tools' third request and expunged Trademark Tools' trademark for failure to show use.

While Trademark Tools' new affidavit was admissible at the Hearing, the Court found that it did not provide evidence of use. The Court also noted that the use of a variant of the trademark did not qualify as use. Apart from the use of the word and spelling of "logix", the updated mark did not maintain the dominate features of the registered trademark. Finally, the Court found that there were no special circumstances that would excuse non-use of the mark at issue. The appeal was dismissed.

Copyright Decisions

Repeat offender ordered to pay $100,000 in damages for selling five infringing copies of Microsoft software
Microsoft Corporation v. Liu, 2016 FC 950

Microsoft has been awarded damages and an injunction against the unauthorized copying of several of its programs by the individual defendant. The Court awarded $50,000 in statutory damages, $50,000 as exemplary and punitive damages, $40,000 in costs, plus interest.

Prior to this application Microsoft and Mr. Liu had settled two separate instances of copyright infringement, one in 2010 and the other in 2012. The 2012 settlement included a court ordered injunction on consent. A third alleged instance occurred a

month after the Federal Court had issued the injunction, but this does not appear to form part of this application.

The within proceeding related to further alleged infringements occurring in October 2013 and February 2015. In 2013 a private investigator visited a retail store where he was offered a computer containing Microsoft software that would not come with a DVD or a licence. The private investigator paid cash for the computer and obtained a business card from the proprietor, Mr. Liu.

In February 2015 the private investigator returned to the store and bought a refurbished computer with Microsoft software on the computer without a certificate of authenticity, DVD or licence. This computer was sold by a different employee, who had installed the Microsoft software using a hard drive handed to him by Mr. Liu.

The Court found Microsoft owns the copyright in the Microsoft programs and that Mr. Liu reproduced and copied Microsoft's computer programs and sold unlicensed copies of them to the private investigator in October 2013. This was found to constitute copyright infringement.

However the Court did not find that Mr. Liu was responsible for the February 2015 infringement. It was Mr. Liu's co-worker who made the sale and installed the software. While Microsoft asserted Mr. Liu was liable for authorizing the infringement, the nature of the relationship between Mr. Liu and the co-worker was not clear. It was not established that Mr. Liu had sufficient control or direction over Henry's actions to establish vicarious or joint liability for the infringement on February 3, 2015.

In the Court's view, someone who merely provides the equipment that could be used to infringe copyright is not liable or responsible for any subsequent violation of copyright that might occur when that equipment is used by someone else to infringe a copyrighted work. This was held to be akin to the self-service photocopiers made available to patrons of the library in *CCH Canadian Ltd. v. Law Society of Upper Canada*, 2004 SCC 13, [2004] 1 SCR 339 at paras 42 to 46.

After finding at least one instance of copyright infringement, the Court declined to award the maximum statutory damages. The Court noted there was no evidence as to Mr. Liu's sales of unlicensed software, or the profit generated by the infringing activity, on any date. Mr. Liu's conduct was not found to be as egregious as the defendant in some other cases and there was only a single instance of copyright infringement found, albeit for five computer programs. An award of full statutory damages, or $100,000 for the five works, was held to be out of proportion of any profit he may have made. However, the Court noted the failure to abide by the previous settlement agreements and thus the Court provided an award to deter future infringement. Thus, $10,000 was awarded for each infringement, totalling $50,000.

Punitive damages totalling $50,000 were awarded in light of the general disregard for the Court's prior injunction, the need for denunciation and the ongoing nature of the infringements. A $40,000 costs award was also provided based on a draft bill of costs of $71,686.

Supreme Court Leaves to Intervene Granted

AstraZeneca Canada Inc., v. Apotex Inc., (SCC #36654) — leave to intervene granted

The Supreme Court has granted leave to intervene to the following: Innovative Medicines Canada and BIOTECanada (jointly); the Centre for Intellectual Property Policy; the Canadian Generic Pharmaceutical Association; the Fédération internationale des conseils en propriété intellectuelle; the Intellectual Property Owners Association and the Intellectual Property Institute of Canada.

The Supreme Court had previously granted AstraZeneca leave to appeal in its application, which asks the correct applicable standard for patent utility in Canada and whether a promised utility doctrine properly exists, see our summary here.

Industry News

Health Canada published a Notice – Health Canada and United States Food and Drug Administration (US FDA) Joint Public Consultation on International Council on Harmonisation (ICH) Guidelines for Registration of Pharmaceuticals for Human Use

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Expertise

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