

# Intellectual Property Weekly Abstracts Bulletin — Week of August 22

August 24, 2016

## Copyright Decisions

**Nine copyright infringement cases remain stayed while a tenth proceeds to trial to decide the common issues**

[1395804 Ontario Ltd. \(Blacklock's Reporter\) v. Canada \(Attorney General\), 2016 FC 719](#)

The Federal Court has upheld a case management Prothonotary's decision staying nine of ten actions by the same plaintiff, Blacklock's Reporter, finding that moving forward on a single action was the option that best achieved the interests of justice and the just, most expeditious and least expensive determination of the issues in dispute.

As described by the Court, Blacklock is a subscription-based news corporation that covers politics, bills and regulations, reports and committees, as well as the Federal Court and public accounts in Canada. Blacklock alleges that the Defendants have unlawfully distributed its articles within their respective departments or agencies and have breached its copyright after having obtained the articles by way of single-use subscriptions or through third-party sources.

The Court noted the following common defences in the ten proceedings: whether Blacklock owns the copyright in the articles alleged to have been infringed; the novel defence of abuse of copyright; the defence of fair dealing when articles are copied/used for internal government reporting purposes; the proper assessment of damages (whether they be loss of profit apportioned per article or the value of an institutional licence); and the availability of punitive damages.

The Prothonotary had concluded that it was in the interests of justice to stay the nine actions given that 1) the issues raised by the various actions significantly overlapped, 2) a stay would avoid costly duplication of judicial and legal resources, 3) a real risk of contradictory decisions existed, 4) Blacklock would not suffer prejudice, and 5) proceeding with the ten actions would cause prejudice to the Defendants.

On appeal, the Federal Court agreed with this decision and dismissed the appeal. Nine of the proceedings remain stayed and the tenth is scheduled to be heard in September 2016.

**In a proposed class proceeding, the Federal Court has ordered the disclosure of the name and address of an internet subscriber who allegedly has been file sharing copyrighted material**

[Voltage Pictures, LLC v. John Doe, 2016 FC 881](#)

The Federal Court has ordered Rogers Communications Inc., as an internet service provider, to disclose to the Applicants any and all contact and personal information for a Rogers customer associated with an identified internet protocol address.

In the underlying proceeding, the Applicants to this proposed class action have claimed declaratory and injunctive relief against the John Doe Respondent Subscriber who is only known by his or her IP address. The Applicants have alleged that the Subscriber and others have engaged in illegal file sharing over the Internet, and thereby infringed the Applicants' copyrights in several films.

In balancing the privacy rights of the Subscriber, the Court ordered that Rogers must disclose to the Applicants only the Subscriber's name and address as recorded in its records. This information was also not allowed to be disclosed to any other parties or the general public before the Subscriber's identity becomes part of the public record of the proceeding.

The Court awarded Rogers an hourly fee of \$100 plus tax for the time spent in assembling and providing the Subscriber information to the Applicants, as well as Rogers' costs of the motion.

## **Trademark Decisions**

### **Application for declaration of infringement dismissed**

[Wenger S.A. v. Travel Way Group International Inc., 2016 FC 347](#)

Wenger brought an application seeking, inter alia, a declaration of infringement and expungement of certain of Travelway's trademarks. The Court dismissed the application.

On the question of confusion, the Court confirmed the jurisprudence and held that the level of resemblance between the two marks is similar enough to warrant further consideration. However, the Court held that consumers are not likely to know the Wenger Cross Logo as originating from one source. The Court gave no weight to the survey proffered to evidence likelihood of confusion, as it was introduced in the affidavit of a person who neither conducted the interviews nor designed the survey. Furthermore, the Court was not satisfied that mistakes made in retail advertising and anecdotal evidence were not sufficient evidence of actual confusion. Thus, the Court held that Travelway's use of the marks is not likely to confuse the consumer. Furthermore, there **was no passing off and no damages**.

Finally, Travelway's marks were held to be registered and valid. The onus of proving otherwise was on Wenger and they did not meet it.

## **Appeal from an opposition dismissed – new evidence would not have affected Registrar's decision**

### **[L'Oréal v. Cosmética Cabinas, S.L., 2016 FC 680](#)**

In this case, L'Oreal appealed the decision of the Registrar of Trademarks allowing Cabinas' opposition to the mark INOA. L'Oreal filed further evidence on appeal. Cabinas did not respond to that further evidence. The Registrar held that Cabinas had met its burden of proving prior use of AINHOA and that L'Oreal had not met its burden of proving that there was no likelihood of confusion. The Federal Court dismissed the appeal.

The Court held that L'Oreal's new evidence on prior use would not have materially affected the Registrar's findings on that point. Furthermore, the Court held that it would only intervene on the question of prior use if the Registrar's decision was clearly wrong, as it was a question of mixed fact and law. The Court considered the case law, and held that the Registrar's decision was reasonable. Furthermore, reliance on concepts from passing off cases was held to be of no help to L'Oreal.

L'Oreal tried to argue that Cabinas' use of the trademark cannot be considered to be in the normal course of trade because the products were in violation of Canadian cosmetic regulations. However, the Court did not accept this argument, holding that in the absence of clear evidence, the Registrar does not have the jurisdiction to find the use of a trademark to be unlawful in an opposition proceeding, particularly where the matter was within the jurisdiction of another decision maker. There was no such evidence here.

With respect to the issue regarding likelihood of confusion, the Court also held that L'Oreal's new evidence would not have affected the Registrar's decision. Furthermore, L'Oreal reargued many of its positions from before the Registrar. In addition, the Court did not accept that the new evidence that INOA stands for "Innovation No Ammonia" is a coined word suggesting distinctiveness. The Court held that the Registrar's decision on confusion was reasonable. The Court also refused to draw an adverse inference due to Cabinas not filing evidence in response on this appeal. Cabinas had met its burden before the Registrar, and in this appeal, the onus was on L'Oreal.

## **Other Cases of Interest**

### **Court declares Minister's decision restricting importation of drugs from two of Apotex's drug manufacturing facilities in India unlawful**

#### **[Apotex Inc. v. Canada \(Health\), 2016 FC 673](#)**

Apotex et al. brought a judicial review (JR) of the Minister of Health's August 2015 decision that varied the terms and conditions of Apotex's Drug Establishment Licences in respect of its two facilities in India, such that products produced after June 2015 were subject to various additional testing and reporting requirements.

This is the second JR involving a decision of the Minister restricting importation of drugs from two of Apotex's drug manufacturing facilities. Our summary of the first JR can be found [here](#).

Following the first JR decision, which quashed the Minister's 2014 Import Ban, the Minister issued a decision removing all terms and conditions on Apotex's establishment licences for the two facilities. Consequently, the Respondents' requested the dismissal of the second JR for mootness. While the Court was satisfied that the JR was moot, the Court decided that it ought to hear it upon considering the three factors set out by in *Borowski v Canada (Attorney General)*, [1989] 1 SCR 342, namely: (a) the presence of an adversarial context; (b) judicial economy; and (c) the need for the Court to be sensitive to its role as the adjudicative branch of government.

The issue before the Court was whether the August 2015 Decision was unlawful on the basis that the amendment, in effect, sustained a decision quashed by this Court by maintaining in part, the 2014 Terms and Conditions in the 2015 Terms and Conditions. The applicable standard of review was correctness.

The Court noted that the lawfulness of the August 2015 Decision would depend upon:

- (i) whether it is a sufficiently independent decision from the 2014 Import Ban, and
- (ii) whether it could nonetheless be justified in the evidence, such that the Minister's improper purpose in imposing the Import Ban did not also taint this subsequent and related decision.

The August 2015 Decision was not implemented as, nor intended to be, a new and independent decision from the 2014 Import Ban. Further, the Court found that there was a lack of evidence before the Minister that supported any reasonable belief an Import Ban was necessary in August of 2015.

The Court also noted that while the first JR found that the 2014 Import Ban was motivated by a purpose falling outside the Minister's delegated authority, this did not, in these circumstances, render it automatically void. Rather, the Court found that there was simply no evidence supporting any asserted basis for implementing or maintaining the Import Ban so as to support a finding that the 2015 Decision was justified or sufficiently separate from the 2014 Import Ban. The Court granted the JR and declared that the August 2015 Decision was unlawful.

## **Cases Pursuant to S. 8 of the NOC Regulations**

**Claims under Section 8 of the NOC Regulations and under *Ashby v. White* struck in Ontario Court**

[Apotex Inc. v Pfizer Ireland Pharmaceuticals et al., 2016 ONSC 4966](#)

In the Ontario Court, Apotex claimed damages pursuant to, inter alia, section 8 of the NOC Regulations. Pfizer brought a motion to strike out parts of Apotex' statement of claim, except for its claim for treble damages under the Statutes of Monopolies. The motion was mainly dismissed.

In the underlying proceeding, Pfizer's application for prohibition of the 446 Patent was wholly successful. On appeal, the 446 Patent was subsequently declared invalid by the Supreme Court of Canada. In its motion to strike, Pfizer argued that section 8 does not apply since the prohibition proceeding was not withdrawn, discontinued or dismissed,

nor was it reversed on appeal. The Court agreed that the subsequent finding of invalidity does not give rise to a claim by Apotex under section 8 of the PMNOC Regulations. Thus, it struck this claim.

Pfizer also moved to strike Apotex's claim pursuant to the Trade-marks Act on the basis that it conflicts with the PMNOC Regulations. Pfizer argued that the Court should apply the principle of the presumption of coherence and, if need be, resolve the conflict by giving precedence to the PMNOC Regulations. The Court held that there was a live issue as to whether subordinate legislation such as the PMNOC Regulations could oust the statutory remedies in the Trade-marks Act merely because the PMNOC Regulations contain a limited remedy for damages suffered by a generic manufacturer as a result of the Prohibition Proceeding. Thus, Apotex's claim under Trade-marks Act was not struck.

Pfizer also tried to strike the pleadings regarding unjust enrichment. In a recent Court of Appeal case, Apotex's claims for unjust enrichment had been struck because the pleading failed to assert a proper deprivation. The Court found that Apotex's pleading in this case was significantly different in that it claimed only that portion of Pfizer's revenues that represent the revenues Apotex was deprived of because of the delay in obtaining its Notice of Compliance. As a result, the claim for unjust enrichment was not struck.

Pfizer also asserted that Apotex claims for nuisance must fail because Apotex failed to plead an element of private nuisance, namely that there be an interference with exclusive property rights, and failed to plead the requisite elements of public nuisance. The Court held that, while unusual, it could not be said at this stage that Apotex's claim for nuisance disclosed no reasonable cause of action. However, the Court did strike Apotex's claims based on *Ashby v. White*, to the extent that they asserted an independent cause of action.

Finally, the Court found that it was not plain and obvious that Apotex's claim for conspiracy was doomed to fail. Thus, the claim was not struck.

## Other Industry News

Patented Medicine Prices Review Board (PMPRB) tabled the 2015 Annual Report of the PMPRB with the Clerks of the House of Commons and the Senate on August 17, 2016. The 2015 Annual Report showed, among other things, a record increase in patented medicine sales in Canada, while pharmaceutical R&D investment remains at historic lows.

A quick summary of the Report [can be found here](#) and a copy of the Annual Report 2015 [can be found here](#).

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