



NEWSLETTER

Canadian IT Law Association

www.it-can.ca

This newsletter is prepared by Professors [Robert Currie](#), [Chidi Oguamanam](#) and [Stephen Coughlan](#) of the Law and Technology Institute of [Dalhousie Law School](#).

Les auteurs du présent bulletin sont les professeurs [Robert Currie](#), [Chidi Oguamanam](#) et [Stephen Coughlan](#) de l'Institut de droit et de technologie de la [Faculté de droit de l'Université de Dalhousie](#).

Canadian Version of Sedona E-Discovery Principles Released

The [Sedona Conference](#), a U.S.-based nonprofit research and educational institute, has just released [The Sedona Canada Principles Addressing Electronic Discovery](#). This document is a compilation of principles and best practices for addressing the technical, legal and cost issues involved in the disclosure and discovery of electronic information in civil litigation. It builds on an earlier document generated by The Sedona Conference for use in the U.S., now in its second edition. However, The Sedona Canada Principles were formulated by a primarily Canadian blue-ribbon panel of judges and lawyers with expertise in electronic evidence matters (including general editors Justice Colin Campbell of the Ontario Superior Court of Justice and Justice Ted Scanlan of the Nova Scotia Supreme Court), and designed to mesh with the procedural discovery rules of all Canadian jurisdictions.

The overall scheme of the Principles is to encourage parties reach agreement, as much as possible, on problems unique to the use of electronic information in litigation, such as: the preservation of potentially relevant electronically-stored data; whether it is necessary to search for or collect deleted or residual data; methods of collection, storage and review; format, content and organization of information which is disclosed; and means to protect privilege, privacy, trade secrets and other confidential information. As the Editors' Foreword to the Principles notes, there has already been substantial interest in incorporating the Principles into the procedural regimes of several jurisdictions,

including rule revision projects in Nova Scotia and British Columbia, and in the Tax Court of Canada. It is anticipated that the Sedona Canada Principles will soon begin to show up both in inter-party negotiations in civil cases, and in reported judicial decisions on interlocutory discovery motions.

Domain Name Dispute Resolution Decisions

In *Omer DeSerres Inc. v. Erik Maddeaux*, sole panellist Eric Macramalla considered a dispute over the domain name omerdeserres.ca. The Complainant ("DeSerres") is a Quebec-based retailer of arts and crafts supplies which has registered the marks "OMER DESERRES" and "OMER DESERRES & Design," and has used the OMER DESERRES trademark since at least 1921. The Registrant ("Maddeaux") is a resident of Mississauga, Ontario, who did not respond to the complaint. The disputed domain name resolved to a "pay-per-click" website operated by TrafficClub.com, where a banner bearing the domain name led users to the sites of competitors of DeSerres.

The Panellist first considered the requirement under 4.1(a) of the CIRA Policy that a Complainant prove that the disputed name is "confusingly similar" to the Complainant's mark, noting that the test "is one of first impression and imperfect recollection" (para. 31). He concluded that this was the case as the domain name (read, as is required, without its "dot-ca" suffix) was nearly identical to the marks. He next considered the requirement under 4.1(b) of the Policy that the registration have been made "in bad faith," and DeSerres's argument that the registration met the definition of bad faith contained in 3.7(c) of the Policy, where the Registrant obtained the domain names "primarily for the purpose of disrupting the business of the Complainant ... who is a competitor of the Registrant." The Panellist drew on previous decisions in making the point that this particular brand of cyber-squatting (i.e. resolving a domain name to a customized portal linked to competitors'

sites in order to capitalize on consumer confusion) “constitutes *prima facie* evidence of bad faith as per paragraph 3.7(c) of the Policy” (para. 45). Similarly, it is well-established that this technique makes the Registrant itself a “competitor” of the mark owner under para. 3.7(c). Accordingly, in this case the Panellist easily found that Maddeaux had intended to disrupt DeSerres’s business and thus had registered the domain name in bad faith.

The Panellist finally considered whether Maddeaux had a “legitimate interest” in the domain name, under 4.1(c) of the Policy. Noting DeSerres’s longstanding use of the marks, the Panel was easily satisfied that Maddeaux had no legitimate interest in the name, in that it was being used in bad faith and moreover was not: a descriptive or generic term; used in connection with a non-commercial activity; nor a name or geographical location associated with Maddeaux’s business. Accordingly, the disputed domain name was ordered transferred to DeSerres.

Evidence and Professional Negligence: Web-Based Algorithm for Breast Cancer Prognosis

The British Columbia Court of Appeal has delivered its judgment in *Bobun v. Segal*. In May 2001, the plaintiff/respondent consulted her family physician because she was concerned about a breast lump she had noticed days earlier. Her physician was of the impression that the lump was approximately 2cm in size. She was referred for an ultrasound and mammogram. The ultrasound report recommended further assessment by way of biopsy and a referral was made to the defendant/appellant, a general surgeon and breast cancer specialist. At the first consultation between the respondent and the appellant in June 2001, the latter determined that the lump was 2.5cm in size and was of the impression that the respondent’s right breast mass was likely to be fibroadenoma and would need to be observed over a period of three months. The appellant neither recommend nor performed biopsy which was his standard practice. Another meeting between the two was in October 2001. Despite the respondent’s concern that the lump was increasing in size, the appellant determined that its size remained 2.5cm and in January 2002 he performed excisional biopsy.

Then the pathological size of the lump was 4.5cm. The difference between the latter measurement and the former is explained by the fact that “clinical assessments cannot measure the microscopic extensions of the tumour”. Later in the same month, the appellant performed breast conservation surgery followed by radiation therapy on the respondent to ensure removal of all tumours. In May 2003, the respondent married and exactly a year later (May 2004), she gave birth to her daughter. Toward the end of the pregnancy, the breast cancer reoccurred and a decision to remove both breasts was taken. Before the surgery, CT scan revealed that the cancer has spread to her lungs. Surgery was no longer viable even as the cancer escalated and spread to some of her other organs. She was put on palliative care. This was in 2006. By June 2007, four months after the trial, she died.

In her action at the lower court, the respondent claimed damages against the appellant for breach of duty of care and for negligence specifically for failing to perform the biopsy in June 2001 thus causing a critical delay in diagnosis and treatment of the respondent’s cancer. In establishing the effect of the delay in diagnosis between June 2001 and January 2002, at the lower court, the plaintiff/respondent called an expert witness, Dr. Olivotto, a radiation oncologist to show how a delay in diagnosis affects the prognosis of patients with breast cancer. Dr. Olivotto used a web-based algorithm called ADJUVANT! which incorporates a subject’s clinical and pathological features at the time of diagnosis and which estimates the effect of various chemotherapy and hormonal treatment that the subject may have. Relying on the expert evidence using ADJUVANT! the court agreed that “the plaintiff’s relative risk of death was increased by 20% due to missed diagnosis and the type of cancer she had” (¶27).

The trial court rejected the contention that the plaintiff has not proven the “but for” test of negligence by failing to show that but for the alleged delay in diagnosis, she would not have had a recurrence of her breast cancer. In the court’s opinion, the case falls within the exceptions to the “but for test” and requires the application of the material contribution test. The court found that it is not possible for the plaintiff to prove that her injury was caused by the defendant using the “but for test” for reasons outside the control of the plaintiff.

According to the court, “[w]hile it is known that the cancer metastasized to other parts of [then] Ms. Johnston’s body prior to the first surgery in January 2002, it is impossible, due to the current limits of scientific knowledge, to know whether the migration took place before or after June 2001” (¶31)

In rejecting the finding of the lower court for the plaintiff, the court of appeal held that the prognosis generated by the ADJUVANT! medical evidence which the trial court relied upon “incorporates the potential eventuality of migration and metastasis” which was the basis of the lower court’s exclusion of the “but for” test and its application of material contribution test. Relying on the Supreme Court of Canada and the House of Lord decisions in *Resurfice Corpn. v. Hanke* (2007), and *Barker v. Corus* (2006), the appeal court concluded that “[h]aving failed to establish causation on the available “but for” test, the causation analysis ought to have come to an end. It was not open to the plaintiff to prove, or to the trial judge to consider, the material contribution test” (¶53).

Wireless Ringtones Attract Copyright Protection (and SOCAN Tariffs)

The Federal Court of Appeal has ruled that the wireless transmission of musical ringtones from wireless carriers to cellphones, at the request of cellphone owners, is a “communication” under the *Copyright Act*—and therefore the Society of Composers, Authors & Music Publishers of Canada (SOCAN) can collect royalties on these transmissions under SOCAN Tariff No. 24.

In *Canadian Wireless Telecommunications Ass’n v. Society of Composers, Authors & Music Publishers of Canada* the dispute focused on the transmission of musical ringtones, which are short clips of digitized music that may be used by cellphone owners to signal an incoming call. Often these ringtones are parts of established musical compositions in which copyright is held [the “Hockey Night in Canada” theme is a popular one, in your editors’ experience]. In an earlier decision the Copyright Board of Canada had certified SOCAN Tariff No. 24, which authorized SOCAN to collect royalties on wireless transmission of

ringtones to cellphone owners, where the owners had requested and purchased the ringtone. The Canadian Wireless Telecommunications Association and two of its members, Bell Mobility Inc. and Telus Communications Company, sought judicial review of that decision. They argued that Tariff No. 24 was invalid because: (1) a ringtone transmission was not a “communication” and therefore did not fall within the authorizing section of the *Copyright Act*; and (2) even if these transmissions were “communications,” they were not made “to the public,” and thus did not attract copyright protection.

The Federal Court of Appeal dismissed both arguments. As to the first, Sharlow J.A. drew on the decision of the Supreme Court of Canada in *Society of Composers, Authors & Music Publishers of Canada v. Canadian Association of Internet Providers* and held that a transmission of music is a “communication” once the target of the transmission receives it. It did not matter, as the applicants had argued, that the cellphone owner does not hear the music during the transmission: “The fact that the technology used for the transmission does not permit the cellphone owner to listen to the music during the transmission does not mean that there is no communication” (para. 19).

On the second argument, the applicants had submitted that since each transmission was essentially a commercial exchange between the wireless carrier and one individual, then it is a private communication rather than a public one, particularly where the transmission is initiated by the cellphone owner. However, Justice Sharlow upheld the Copyright Board’s characterization of the transmissions, which was that the wireless carriers were seeking repeated transmissions of the same works to many different recipients (para. 36). This was as “public,” the Court found, as the transmission of a television show, which is intended for private viewing at home, but available to a vast segment of the public. Justice Sharlow reasoned: “If a wireless carrier were to transmit a particular ringtone simultaneously to all customers who have requested it, that transmission would be a communication to the public. It would be illogical to reach a different result simply because the transmissions are done one by one, and thus at different times” (para. 43). In the result, the Court of Appeal dismissed the application for judicial review.

This newsletter is intended to keep members of IT.Can informed about Canadian legal developments as well as about international developments that may have an impact on Canada. It will also be a vehicle for the Executive and Board of Directors of the Association to keep you informed of Association news such as upcoming conferences.

If you have comments or suggestions about this newsletter, please contact Professors Robert Currie, Chidi Oguamanam and Stephen Coughlan at it.law@dal.ca.

Disclaimer: The IT.Can Newsletter is intended to provide readers with notice of certain new developments and issues of legal significance. It is not intended to be a complete statement of the law, nor is it intended to provide legal advice. No person should act or rely upon the information in the IT.Can Newsletter without seeking specific legal advice.

Copyright 2008 by Robert Currie, Chidi Oguamanam and Stephen Coughlan. Members of IT.Can may circulate this newsletter within their organizations. All other copying, reposting or republishing of this newsletter, in whole or in part, electronically or in print, is prohibited without express written permission.

Le présent bulletin se veut un outil d'information à l'intention des membres d'IT.Can qui souhaitent être renseignés sur les développements du droit canadien et du droit international qui pourraient avoir une incidence sur le Canada. Le comité exécutif et le conseil d'administration de l'Association s'en serviront également pour vous tenir au courant des nouvelles concernant l'Association, telles que les conférences à venir.

Pour tous commentaires ou toutes suggestions concernant le présent bulletin, veuillez communiquer avec les professeurs Robert Currie, Chidi Oguamanam et Stephen Coughlan à l'adresse suivante : it.law@dal.ca

Avertissement : Le Bulletin IT.Can vise à informer les lecteurs au sujet de récents développements et de certaines questions à portée juridique. Il ne se veut pas un exposé complet de la loi et n'est pas destiné à donner des conseils juridiques. Nul ne devrait donner suite ou se fier aux renseignements figurant dans le Bulletin IT.Can sans avoir consulté au préalable un conseiller juridique.

© Robert Currie, Chidi Oguamanam et Stephen Coughlan, 2008. Les membres d'IT.Can ont l'autorisation de distribuer ce bulletin au sein de leur organisation. Il est autrement interdit de le copier ou de l'afficher ou de le publier de nouveau, en tout ou en partie, en format électronique ou papier, sans en avoir obtenu par écrit l'autorisation expresse.