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Consumer Protection

A private member's bill, Bill 60 has been introduced into the Legislative Assembly of Ontario. The Bill proposes amendments to the province's *Consumer Protection Act, 2002* which would regulate the promotion and advertising of Internet gaming in Ontario. The Bill defines an "internet gaming business" as one that "offers to accept wages or bets over the Internet on any game of chance or mixed skill and chance or on any contingency or event that is to take place inside or outside of Canada". The proposed amendments would prohibit advertisements in any medium that includes an Internet gaming website address unless the business is licensed or the person posting the address believes in good faith that it is licensed.

Domain Names

In *Alberta Treasury Branches, Edmonton, Alberta v. Jim Yoon* sole panelist Denis Magnusson considered a dispute over the domain name atbfinancial.ca. Alberta Treasury Branches (ATB) was established in 1938 by the Alberta government, and made a crown corporation in 1997. It provides financial services in Alberta. In 2002, ATB created a new subsidiary called ATB Financial. ATB applied for registration of the trademark ATB Financial in 2001, and the trademark was accepted for registration in 2002. The domain name atbfinancial.ca was first registered in 2005. The website to which the domain name resolves contains a variety of links with titles relating to various financial services including loans, credit cards and so on. These main links each led to a series of sponsored links.

Magnusson quickly concluded that the domain name atbfinancial.ca was confusingly similar with the complainant's registered trademarks for ATB FINANCIAL and related design marks. In considering the issue of bad faith registration, Magnusson noted that since "domain name registrations cannot recognize the capitalization and spacing of a trademark or trade name" (at p. 3), the registration of atbfinancial.ca effectively prevented the complainant from registering its trademark as a domain name. In order to find bad faith under 3.7(b) of the CDRP, however, the complainant would have to also show that the registrant had engaged in a pattern of such activity. The complainant led evidence to show that the registrant had also registered the following domain names: empiretheatres.ca, encandirect.ca, pepsico.ca and royalepage.ca. Magnusson ruled that this was sufficient to establish a pattern. He was also of the view that bad faith under para. 3.7(c), registration primarily for the purpose of disrupting the business of the complainant, had been made out on the facts. Magnusson also accepted that the registrant had no legitimate interest in the domain name, and ordered the transfer of the registration of the domain name.

Jurisdiction

The Supreme Court of Canada has denied leave to appeal from the decision of the Ontario Court of Appeal in *Bangoura v Washington Post* (written up in IT.Can newsletter of September 22, 2005). The case involved a law suit by the plaintiff against three reporters. The suit was commenced in Ontario even though at the time of publication of the articles there were only 7 Ontario subscribers to the *Washington Post*, and the plaintiff did not reside in Ontario. The Court of Appeal had ruled that there was no "real and substantial" connection to the jurisdiction of Ontario.

The British Columbia Supreme Court has rendered its decision in *Lieberman and Morris v. Business Development Bank of Canada* (BDC). In this

case, the plaintiff sued the defendants pursuant to *BC Class Proceedings Act* on behalf of retired employees of the defendants in connection with the administration of the BDC pension plan. The plaintiffs allege that the defendants breached statutory and private law duties and thereby partially revoked the trust for the administration of the pension fund. The alleged illegal conducts included: (i) amending the BDC plan to provide that the BDC would receive any surplus upon the winding up or termination of the BDC plan; (ii) providing itself and active members [as opposed to retired members] contribution holidays; and (iii) paying administrative expenses out of the trust fund constituted for beneficiaries of the BDC plan (¶ 53).

The defendants did not dispute that plaintiffs' action meets the criteria for class action. However, they applied for a stay of the action in BC so that it could be certified as a class action in Quebec rather than in a Canadian common law province due to issues of *forum non conveniens*. The crux of the defendants' application for stay hinges, for the most part, on the argument that the case involves "a pension plan governed by Quebec law, with Quebec based witnesses, with respect to acts that took place in Quebec [and] with respect to assets located in Quebec" (¶ 34).

After a detailed analysis of authorities on *forum non conveniens*, including *Stern v. Dove*, *Thrifty Canada*, and *Amchem Products*, the court (B.M. Davies, J.) held that even though the trust agreement in question provided that it shall be governed by the laws of Quebec, the issues raised by the present litigation involve both civil and common law questions. Moreover, the defendants and their pension plan are established under federal statutes: *Business Development Bank of Canada Act, 1995* and *Pensions Benefits Standards Act, 1985* (PBSA). The latter governs the impugned actions of BDC in regard to the pension plan. According to the court, "issues concerning the applicable substantive law or the cost of proving foreign law are not factors that weigh heavily in favour of either British Columbia or Quebec as a more appropriate forum" (¶ 71). Moreover, the court found no evidence that the cost of proving "foreign law" would be more in BC than in Quebec. For the court, perhaps the primary and decisive competing interests are those of costs (¶ 73). The defendants are not at any significant disadvantage if the class action is commenced in BC. Where two jurisdictions are suitable for resolution of an action, not all factors enunciated in the leading cases on *forum non conveniens* carry equal weight. Each factor requires individual and collective assessment in the context of a given case. The issue of cost or logistics appears to have been moderated by technology. The court held that "the availability and improvement of the quality of video conferencing technology has greatly lessened the impact of travel and distance on the litigation process" (¶ 87). In addition to the question of costs, the impact of PBSA to the issues raised in the present action, the national nature of BDC's undertaking, the national reach of the plaintiff class as well as the fact that there are no parallel proceedings in Quebec warrant the continuation of the action in BC.

Patent Law and Procedure

The Federal Court of Appeal, Toronto has delivered its decision in *AB Hassle v. Apotex Inc.* [2006] F.C.J. No. 203 (hyperlink not available). In this case, Apotex appealed the decision of Federal High Court prohibiting the Minister of Health from issuing to it a notice of compliance (NOC) in respect of its proposed generic 10mg and 20mg omerprazole magnesium tablets until after the expiration of Canada Patent No. 1,292,693 (the "693 patent") in 2008. The applications judge granted the prohibition order essentially because Apotex's non-infringement allegations (in relation to the 693 patent) was similar to its non-infringement allegation in a prior proceeding for which it was not successful. Moreover, Apotex included allegations of invalidity which it did not raise in the said prior proceedings. Two of Apotex's 4 grounds of invalidity are that if claim 1 of the 693 patent is construed to include a subcoating formed in situ between medicinal core and enteric coating pursuant to the interpretation of the decision in the 2003 prior proceedings, then the claim is invalid because such subcoating is a known prior art, and that claim is also invalid for anticipation because of the prior art (¶ 21).

According to the Court of Appeal, "[t]he principal issue in this case is whether Apotex should have raised the allegations of invalidity in *AB Hassle 2003* and whether, in the particular circumstances of this case, its attempt to raise these invalidity allegations

for the first time in this case should be barred on the basis of doctrine of issue estoppel, *res judicata* or abuse of process" (¶ 22). The court held that "this issue is best resolved on the basis of abuse of process alone" (id). In dismissing the appeal, per Sharlow, J.A. (for the panel) held that even though there are situations that justify raising subsequent notices of allegation, the trial judge was not in error in treating the allegations of invalidity as subject of issue estoppel, or alternatively abuse of process and she was well within her discretion when she declined to hear the invalidity argument. However, the court found that Apotex's disagreement with the construction of the 693 patent in the 2003 prior proceedings is not without remedy because "proceedings under the NOC Regulations cannot result in decisions that are conclusive for all purposes on questions of validity and infringement" (¶ 28). Parties to NOC proceedings are at liberty to obtain full trial for substantive issues under the *Patent Act*.

Privacy

In *Cash Converters Canada Inc. v. Oshawa (City)* the applicants challenged the validity of a City of Oshawa bylaw that required the collection of certain personal information by second hand goods dealers, who where then required by the bylaw to submit the information to local police. The objective the bylaw was to stop people from fencing stolen goods through second hand good dealers. The information required by the bylaw included the name, gender, date of birth, address, telephone number and approximate height of the selling customer. Dealers in second hand goods business are also required to ask for identification documents including at least one piece of photo identification, and to scan the photo on the photo identification document. The information collected, including the scanned photo must be sent electronically to the police.

The validity of the bylaw was challenged on a number of grounds. Most pertinent here was the argument that the bylaw conflicted with federal and provincial privacy laws, more specifically, *PIPEDA* and the *Municipal Freedom of Information and Protection of Privacy Act* of Ontario. Belobaba J. ruled that there was no conflict, as there was no evidence that such information was collected with the seller's consent. Both laws permit the collection of personal information with consent of the individual. Further, he noted that both PIPEDA and MFIPPA "make clear that they do not apply where the collection of personal information is 'required by law' or 'expressly authorized by statute.'" (at para 28).

Telecommunications

The CRTC has released a public notice soliciting input on the development and implementation of a Do Not Call List for Canada, and on related telemarketing rules. They have also given notice that they will hold a public proceeding to address a range of issues related to the Do Not Call List. Those wishing to participate in the process are requested to fill out a form by March 6, 2006.

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 Teresa Scassa, 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.

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 Teresa Scassa, 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.