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Anton Piller Orders

In *Ridgewood Electric Ltd. v. Robbie*, Corbett J. of the Ontario Superior Court of Justice dealt with the issue of the execution of an Anton Piller Order in the context of a private home. He noted that the situation is of a kind likely to increase in frequency given that "a home is not just a person's "castle" nowadays. It is also, often, that person's office." (at para 23). The dispute between the parties in this case involved issues of confidential and copyright protected digital material that was alleged to have been removed from the Ridgewood Electric by Robbie.

Corbett J. was faced with a motion to set aside the Anton Piller Order and to return items seized during the search of the applicant's home. Damages were also sought in relation to the manner in which the search was carried out. Corbett J. described the circumstances of the start of the search in the following manner: "Nigel Robbie arrived home…to find a neighbour barricading his front door. His ten-year-old son had been taken to another neighbour's house, distraught. The neighbourhood was in an uproar. A cadre in suits stood at the front of his house brandishing a thick wad of papers, demanding to be let in." (at para 1). Notwithstanding this description, Corbett J. found that although there were minor breaches of the order during its execution, none were substantial enough to warrant setting it aside. He acknowledged that computer technology required swift execution of Anton Piller orders since the "information or property to be preserved may be copied, transferred across the world, and erased from a computer with a few apt keystrokes." (at para 23) Nevertheless, he was critical of the order itself, and stated: "in future, Anton Piller orders should be structured to avoid the problems that arose in this case…Searches and seizures from private dwellings should be conducted by officials who are trained and accountable for this work: the police. And the tenuous distinction between an Anton Piller order and a search warrant ought to be abolished." (at para 8).

Confidential Information

In *Spotwave Wireless Inc. v. Bongfeldt*, Valin J. of the Ontario Superior Court of Justice considered a motion for summary judgment in relation to counterclaims raised by the defendant in a suit against him which sought an injunction and damages in relation to the wrongful misappropriation of certain confidential and proprietary information held by the plaintiff company.

The plaintiff was a high tech company established by three individuals who sought to develop and sell wireless infrastructure with a view to providing improved cell phone service in areas with poor or non-existent coverage. The defendant Bongfeldt was one of these individuals. Bongfeldt was responsible both for developing and inventing Spotwave's particular technology, but also for implementing an intellectual property strategy for the company. On a number of occasions, Bongfeldt and the other inventors executed assignments of their IP rights to Spotwave. The court found that on each occasion Bongfeldt acted with legal representation, and was fully aware of the content of the documents and of their effect. The IP strategy was essential in order for Spotwave to acquire the necessary financing for its operations.

After his relationship with the company ended, Bongfeldt asserted claims to the company's intellectual property, and his counterclaims in the suit against him specifically sought a declaration that he was "the sole owner of certain patentable technologies and of all concepts and designs conceived by him that are not the subject of patent

applications." He also sought damages in relation to alleged violations of his intellectual property rights. His main argument was that he had signed the agreements "because he never contemplated that he would be ousted from the corporation" and that his reasonable expectation "was that corporate governance would remain in the hands of the three co-founders." (at para 30)

Valin J. granted summary judgment against Bongfeldt on his counterclaims, noting that the documents assigning all rights to the corporation were drafted in clear and unambiguous terms and were agreed to by Bongfeldt after the benefit of independent legal advice.

Criminal Law

Several interesting articles addressing privacy and thermal imagining technology in the criminal context appear in a recent edition of *Criminal Reports*:

- S. Coughlan and M. S. Gorbet, "Nothing Plus Nothing Equals…Something? A Proposal for FLIR Warrants on Reasonable Suspicion" (2005) 23 *Criminal Reports* 239.R.
- M. Pomerance, "Shedding Light on the Nature of Heat: Defining Privacy in the wake of *R. v. Tessling*" (2005) 23 *Criminal Reports* 229.
- J.A. Stringham, Reasonable Expectations Reconsidered: A Return to the Search for a Normative Core for Section 8?" (2005) 23 *Criminal Reports* 245.
- D. Stuart, "*R. v. Tessling*" (2005) 23 *Criminal Reports* 207.

Domain Names

In ***Sotheby's (Canada) Inc. v. PII Technologies and Keith Libou***, a three member panel chaired by James Redmond ruled that the Registrant had registered the domain name sothebys.ca in bad faith, and ordered the transfer of the domain name to the complainant.

The panel had no difficulty finding that sothebys.ca was confusingly similar to the complainants registered trademark for SOTHEBY'S. The mark had been registered and used in Canada since 1982.

The panel then moved on to consider the issue of bad faith. There was evidence that when contacted by the complainant about the domain name, the registrant inquired about being reimbursed for its costs if it transferred the domain name, and indicated that those costs would include $5000 for the development of a web site and database, and $1000 for legal fees. The panel noted that this inquiry about reimbursement for costs, combined with the fact that the domain name was registered through Privacy.ca in an apparent attempt to conceal the registrant's identity gave rise to inferences that the registration was in bad faith. However, the panel found it unnecessary to decide this point, since they took the view that bad faith was established on other grounds. Specifically, para. 3.7(c) of the Policy states that registration "primarily for the purpose of disrupting the business of the Complainant" was bad faith. The panel relied on prior CDRP decisions to find that "disrupting the business of the Complainant" could occur where the use of the domain name could give rise to "a likelihood of confusion among end users as to affiliation or sponsorship, and includes trademark infringement and passing off." (at p. 7, citing *Glaxo Group Ltd. v. Defining Presence Marketing Group Inc. (Manitoba)*.) The panel then found that this likelihood of confusion arose because the registrant was "using the domain name in association with services that are similar if not identical to services offered by the Complainant." (p. 8). Little discussion of these services was provided; the facts indicated that the registrant "conducts a technology, real estate consulting and lease finance business in Canada." (at p. 4). The panel also found that the registrant did not have a legitimate interest in the contested domain name.

In ***American Multi-Cinema Inc. v. Kapuscincski***, sole panelist Cecil Branson Q.C. dealt with an uncontested complaint filed in relation to the domain name amctheatres.ca. The domain name was registered on February 27, 2003, and the web site hosted a few pictures of the registrant and his friends, with links to the complainant's favorite local businesses, including a link to the complainant's web site movie listings and online ticket sales. On July 17, 2003 the complainant's lawyers sent a letter to the registrant advising him of their rights in the AMC THEATRES registered trademark, and demanding the

transfer of the domain name. Shortly after receipt of this letter, the registrant changed his website. The revised website contained the heading "Ancient Middle Class Theatres" and featured photographs of three Greek theatres, and a small blurb "describing an affection for Greek and Roman architecture" (at para 13). The site also disclaimed any association with the complainant. On August 10, 2004 the complainant sent a letter to the registrant offering to purchase the site for $1000USD. The registrant countered with a demand for $15,000USD. The Complainant then initiated proceedings under the CDRP.

Panelist Branson had no difficulty finding that the domain name was confusingly similar to the complainant's registered trademark AMC THEATRES. The complainant alleged that the registrant's bad faith was demonstrated by his demand for $15,000 for the transfer of the domain name. Branson, however, noted that "Paragraph 3.7 requires that the villainous motive existing at the time of registration of the domain name be the *primary purpose* of doing so. In other words, that it must be proved to be first above all others." (at para 27) He also noted that the policy requires proof of bad faith, and that inferences cannot be drawn based on conduct which occurred well after the time of registration. An offer to sell a domain name for an exorbitant amount is not, in and of itself, evidence of bad faith at the time of registration. The panelist found that "the facts concerning the motivation of the Registrant in registering the domain name in question are equivocal at best." (at para 31) Branson noted that while it was possible that the domain name had been registered in bad faith, bad faith had not been proved on a balance of probabilities. The complaint was dismissed.

Electronic Signatures

The Canadian government has finalized the *Secure Electronic Signature Regulations* made pursuant to Part 2 of the *Personal Information Protection and Electronic Documents Act*.

Internet Surveillance

The Canadian Competition Bureau was among 76 government organizations who participated in a worldwide "internet sweep" targeting scams and spam over the internet. While the principal focus related to investigating fraudulent weight-loss product claims found on the internet, it is part of the Competition Bureau's overall commitment to the International Consumer Protection and Enforcement Network (ICPEN) and Project FairWeb goal of combating internet fraud.

Privacy

A class action suit has been commenced against the Canadian Imperial Bank of Commerce (CIBC) by several of its clients arising from the Bank's disclosure of personal information to a third party located in the United States.

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 Anne Uteck and Teresa Scassa 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 Anne Uteck et Teresa Scassa 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.