



NEWSLETTER

Canadian IT Law Association

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Domain Name Decisions

“haltonpolice.ca”

In *The Regional Municipality of Halton Police Services Board v. Clickable Corporation*, CIRA sole panelist Sharon Groom considered a dispute over the domain name haltonpolice.ca. The Complainant (the “Board”) is a board created under the Ontario *Police Services Act* to provide the police services of the Halton Regional Police Service to the Municipality of Halton, Ontario (which includes Burlington, Halton Mills, Milton and Oakville). It maintains a website at hrps.on.ca. The Registrant (“Clickable”) utilizes the Namespro.ca Private WHOIS service in British Columbia as an administrative contact, and the decision discloses no other identifying information. It registered the domain name on 21 November 2006, and did not respond to the Complaint.

Panelist Groom first considered whether the disputed domain name was “confusingly similar” to a mark held by the Board under 3.4 of the CIRA Policy. It appeared from the evidence (in particular the hrps.on.ca website) that the Halton Regional Police Service had been using various relevant marks since 1974, including “Halton Regional Police Service” and “Halton Regional Police.” The evidence also disclosed that the Board itself had been using the marks “Halton Regional Police Services Board” and “The Regional Municipality of Halton Police Services Board” since its own incorporation in 1990. The Board argued that all of these marks were protected under s. 9(1)(n) of the *Trademarks Act*, but provided no evidence of this and the Panelist’s own search disclosed no such registration. In addition, the Panelist held that the Board had provided no evidence that the mark “Halton Police” had

actually been used. Nonetheless, the domain name was held to be confusingly similar” to the various marks because it “incorporates the most distinctive elements of the Complainant’s marks, namely the words ‘Halton’ and ‘police’, and anyone seeing that domain name is going to assume that it is affiliated with the Halton Regional Police Service” (para. 24). The Panelist next turned to whether Clickable had a “legitimate interest” in the domain name, under 3.6 of the Policy. The domain name had been used only for a website parking page until late 2008, when the Board attempted to contact Clickable to purchase the domain name. While Clickable did not respond to the Board, it caused the domain name to resolve to a page “displaying unauthorized and incorrect Halton Regional Police Service content, including the names of Halton Regional Police Service Officers (some of whom had retired and were private citizens), the Halton Regional Police Service crest and other trademarked and/or police service specific information. The domain had a notation in the top corner stating ‘This domain name may be for sale’ (para. 16). The Panel noted that none of the criteria under 3.6 of the Policy were made out by the current use, and ruled that Clickable had no legitimate interest.

Finally, considering whether the registration was made “in bad faith” under 3.7 of the Policy, Panelist Groom noted that Clickable had registered over 142 other domain names, including the names burlingtonpolice.ca, miltonpolice.ca and oakvillepolice.ca. Given that these were “all names that the Complainant would be likely to want given the fact that its police services cover each of these locations” (para. 28), she held that this was evidence of bad faith under 3.7(b) of the Policy because they supported a finding that the registration was made to prevent the Board from registering its marks as domain names, and that Clickable had engaged in a pattern of registering domain names for this purpose. All three requirements being made out, the domain name was ordered transferred to the Board.

“netfirm.ca”

In *Netfirms Inc. v. Dinesh Meriston*, sole CIRA Panelist Denis Magnusson considered a dispute over the domain name netfirm.ca. The Complainant (“Netfirms”) is an Ontario company headquartered in North York. It carries on a business providing web hosting, domain name, e-commerce and other Internet services, and registered the mark NETFIRMS at CIPO effective 29 March 2003. The Registrant (“Meriston”) resides in Scarborough, Ontario, and registered the domain name on 21 January 2006. Meriston did not respond to the Complaint.

Panelist Magnusson first considered whether the disputed domain name was “confusingly similar” to a mark held by Netfirms. He noted that the domain name, “apart from capitalization and *pluralisation*” (emphasis added) was identical to Netfirms’ CIPO-registered mark, and held that there was confusing similarity. Next, he considered whether the registration was made “in bad faith” under 3.7 of the Policy. The evidence disclosed that the domain name resolved to a website that contained various links to other companies offering web hosting, business web design etc., and all of which were competitors of Netfirms. The Panelist held that this constituted “bad faith” under 3.7(c) of the Policy, and provided a succinct statement of the relevant authority on this point:

Past decisions under the Policy have ruled that where a Registrant does not compete with the Complainant by the Registrant’s itself offering services the same as or substitutable for the services of the Complainant, but the Registrant mounts a website which directs people to competitors of the Complainant, the Registrant is effectively functioning as a competitor of the Complainant for the purposes of Policy 3.7(c). Past decisions under the Policy have also ruled that the Registrant’s purposes in registering the domain name can be fairly inferred from the uses to which the Registrant puts the domain name after registration (at p. 3).

Turning to whether Meriston had “any legitimate interest” in the domain name, the Panelist ruled that Netfirms had provided ample evidence that what he identified as “the beneficial owner of the domain name” had no legitimate interest per 3.6 of the

Policy. The domain name was ordered transferred to Netfirms.

Online Defamation: “Damage to Governing Reputation”

The British Columbia Supreme Court has delivered its judgment in *Dixon v. Powell River (City)*. In that case, the plaintiffs, Dixon and British Columbia Civil Liberties Association (CLA) seek a declaratory relief that the city lacks legal authority to embark on civil proceedings or threaten to so do on the basis of alleged defamation of its reputation as a municipal government. Also, the plaintiffs seek an order of permanent injunction restraining the City from making threats of legal action in defamation against persons who have published letters that are critical to the City. The action arose from some online publications of certain members of the community that were critical to the city. In response to a previous publication in a community online newspaper known as *Peak Online*, Mr. Win Brown added an online comment suggesting possible criminal behavior by the City council. Subsequently, he received a letter written by the City’s counsel which warned him to desist from further defamatory actions and required him to issue “a timely and unequivocal retraction of [the] statement”. An attempt to comply by Mr. Brown was rebuffed by the publisher of *Peak Online*. In his bid to avoid getting into “legal trouble”, Mr. Brown attended a council meeting after consultations with the City counsel and publicly retracted his statement. He followed it up with a letter and wanted to know from the Mayor whether “that was all over”. The mayor’s answer was inconclusive. Rather, the mayor suggested that defamatory words against the City would not be tolerated.

The present action was instituted by Mr. Dixon and BC CLA. Apart from being a real property owner in the City of Powell River, Mr. Dixon is an elector in the City. Also, he is the secretary of the CLA. Dixon claims that although he was not a recipient of the letter from the City, his right to freedom expression includes his right to receive communication from his fellow electors regarding the administration of the City. After initially filing a defence, the city withdrew its statement of defence, leaving the present application unopposed. The court held that the issue

of public interest standing need not be decided because “Mr. Dixon, as a resident and ratepayer of Powell River, has personal interest sufficient to provide him with personal standing” (para 30).

In granting the first relief, the court held that common law causes of action such as defamation must be applied in a manner consistent with the Charter. In that spirit, the court ruled that “governments cannot sue for defamation for damage to their governing reputation” (para 46). In rejecting the request for permanent injunction, the court held that even though the City has not given specific undertaking that it will not commence defamation proceeding, the fact that it withdrew its statement of defence and was not opposed to the present application is indicative of the City’s acknowledgement that its action was unlawful. The court concluded: “I am reluctant to permanently restrain the defendant in such broad terms for future conduct that may involve different considerations and may not necessarily come within the reasons of this judgment” (para 52).

Pharmaceutical Patents: Anticipation and Obviousness

The Federal Court of Appeal has delivered its judgment in *Abbott Laboratories v. Canada (Minister of Health)*. Abbott is the manufacturer and patent holder of the antibiotic, clarithromycin. The latter is available in different formulations which include an extended release tablet sold in Canada under the brand name, BIAXIN XL. Before the expiration of Abbott’s patent, Sandoz filed an Abbreviated New Drug Submission (ANDS) with the Minister of Health. In its application, Sandoz compares its product with Abbott’s BIAXIN XL. Abbott opposed the Sandoz’s application pursuant to *Notice of Compliance (NOC) Regulations* at the Federal High Court. It requested for an order prohibiting the Minister from approving Sandoz’s application until after the expiry of Abbott’s several related patents. For the purpose of the proceeding, only claim 5 of Abbott’s Canadian Patent no. 2,386,527 (‘527 patent’) was in issue. The ‘527 patent’ discloses that clarithromycin can exist at least in two crystalline Forms which Abbott named Form I and Form II. There was evidence that it could also exist in a third Form 0. According to the specification, Form

I “has an intrinsic rate of dissolution about three times that of Form II crystals”, which is asserted to “increase bioavailability of the antibiotic and provide significant formulation advantages” (para 8).

In opposing Abbott, Sandoz alleged that claim 5 was invalid on the basis of anticipation and obviousness. In agreeing with Sandoz, the applications judge relied on a US Patent No 4,990,602 (‘602 patent’) which was five years prior to ‘527 patent’. According to the ‘602 patent’, clarithromycin was already well known as was its use as an antibacterial agent. Also, there were several known methods for preparing it that did not preclude the formulations in the ‘527 patent’. The applications judge held that there are two requirements for finding anticipation, namely prior disclosure and enablement. The judge found that ‘602 patent’ constitutes prior disclosure of 527 patent’. The court has no hesitation finding “[t]he ‘602 patent’ is enabling. It describes clarithromycin, its use and how to make it in a crystalline form, which is Form I. To practice what is taught by the ‘602 patent’ would be to infringe claim 5 of the ‘527 patent’” (para 15). In regard to obviousness, the judge found that both parties were in agreement as to who is the appropriate person skilled in the art (POSITA): “a chemist or chemical engineer having at least a bachelor level degree and at least three to five years experience in the pharmaceutical industry, including substantial experience in crystallization process” (para 10).

In dismissing Abbott’s appeal, the court of appeal upheld the findings of the applications judge in regard to obviousness, anticipation and prior art. The court held that the applications judge did not consider the elements of special advantages as essential element of claim 5 of the ‘527 patent’. However, that approach was not fatal to the decision reached. According to the court, “[w] hether a particular element of a claim is essential is a matter of claims construction, which is a question of law” (para 19). The standard of review is one of correctness. Given the consensus in the overall use of clarithromycin to treat bacterial infection, the court held that increased solubility of Form I over Form II (as emphasized in ‘527 patent’) is not an essential element of the claim. Similarly, the court held that the application judge’s finding that ‘602 patent’ anticipated ‘527 patent’ was justified, and that the appropriate standard of review was one of “palpable

and overriding error”. Despite the erroneous finding of the application judge regarding the melting point for Form I, “nothing turns on that error with respect to his conclusion that the allegation of anticipation was justified” (para 25).

Privacy: Nightclub Cannot Electronically Scan Drivers’ Licenses

In *Penny Lane Entertainment Group v. Alberta (Information and Privacy Commissioner)*, Alberta Queen’s Bench Justice Carolyn Phillips presided over a judicial review of a decision of the Alberta Information and Privacy Commissioner. The case arose from a complaint to the Commissioner by Nyall Engfield, alleging that in 2004 Engfield’s driver’s license had been electronically scanned by doormen at the “Tantra” Nightclub operated by Penny Lane in Calgary. Penny Lane had admitted the scan and testified that the scanning and consequent storing of information was done for security purposes, specifically to identify persons who had been implicated in incidents threatening the security of club staff and to be able to bar them from all nightclubs operated by Penny Lane. While the club had subsequently put up a poster at Tantra explaining this collection, it had not been posted the night Engfield attended. After an investigation the Commissioner had ruled that the practice

contravened s. 11 of Alberta’s *Personal Information Protection Act (PIPA)*, as “it was not reasonably related to the purpose for its collection” (para. 10). He ordered Penny Lane to cease scanning and to destroy all information gathered in this way. Penny Lane applied for judicial review.

Upon review, Justice Phillips began by noting that in terms of the standard of review, the Commissioner’s “responsibility, by law, for the administration of PIPA suggests a high degree of deference” (para. 42) and that the appropriate standard of review was one of reasonableness (para. 59). She noted that the Commissioner was provided with no evidence that showed any correlation between “the scanning system’s effectiveness in (i) deterring violent behaviour; and (ii) enhancing the safety of staff and patrons” (para. 60) and had therefore ruled that there was no reasonable relationship between the practice and the goal. She held that this finding was within the scope of reasonable conclusions that were available to the Commissioner based on the evidence, or lack thereof. She also dismissed Penny Lane’s submission that the remedies imposed by the Commissioner had exceeded his jurisdiction, holding that the ability to impose the remedies could be found in s. 52 of PIPA and that the remedies ordered fell squarely within the Commissioner’s discretion under that section. The application for judicial review was dismissed.

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.

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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

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