



# NEWSLETTER

Canadian IT Law Association

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## Domain Names

In *The Co-operators Group Ltd. v. Artbravo Inc.*, a three person panel considered a dispute over the internet domain name [cooperator.ca](#). The Complainant is a multi-product insurance company that operates across Canada. It holds the Canadian trade-mark registrations for THE CO-OPERATORS and LES COOPERATEURS for use in association with a wide assortment of wares, as well as insurance-related services. It also has three other trade-mark registrations which incorporate the words "THE CO-OPERATORS". The panel, chaired by Barry C. Effler, noted that the company is "very well known" in Canada, and that its rights in the family of "CO-OPERATORS" marks pre-date the registration of the domain name [cooperator.ca](#). The Complainant also holds the domain name registration for [cooperators.ca](#) as well as 20 other related domain names.

The Registrant is a web development business for the arts community. It holds a number of domain name registrations for its various ventures. One of them, [domaindealer.ca](#) lists a significant number of domain names for sale, at prices ranging from \$200 to \$549,000. The Complainant provided evidence that among the names for sale are names that include or reflect trade-marks held by third parties.

The panel found that the domain name [cooperator.ca](#) was confusingly similar to the Complainant's mark. In particular they noted that there were only incidental differences between the domain name and the mark. The panel also found that the manner in which the domain name had been used by the Registrant "creates confusing similarity within the meaning of the Policy". (at para 26) On this point,

there was some dispute between the parties. The Complainant submitted printed pages from the site, accessed on October 9, 2005, which showed, under the heading "Popular Links", five links related to insurance, including one link called "Cooperators". The Registrant submitted copies of a page dated before October 9, and one dated afterwards. Both pages contained links to arts topics and neither mentioned insurance topics. The Registrant argued that the Complainant had manipulated the page which it submitted as part of its complaint. The panel concluded that "At least part of the time, the Domain Sponsor landing page provided links referring to insurance companies." (at para 27) While there was no evidence regarding the sites to which the insurance-related links resolved, Effler wrote: "We have only the complainant's statement that these links led to "third party sites that offer goods and services in competition with the Complainant". This statement is corroborated to some extent by the web site pages provided and is sufficient, absent an explanation by the Registrant, to establish confusing similarity for the purposes of the Policy." (at para 27) The panel noted that the Registrant, which alleged that the pages submitted by the Complainant were fabricated, could have submitted evidence as to the contents of the landing page on October 9, 2005, but chose not to.

The panel found that the Registrant had registered the domain name in bad faith. In addition to finding that the Registrant engaged in a pattern of registering domain names containing the trade-marks of third parties, the panel noted that the Registrant permitted the domain name, once registered, to resolve to a landing page provided by a third party. The panel placed the onus on the Registrant to show how the contents of the landing page were determined. Absent any explanation, the panel found that the registration of the domain name was "to take a free ride on the Complainant's good will" (at para 31). The panel also concluded that the domain name was not registered in good faith.

On the issue of remedy, one of the panelists took the view that because the domain name is fairly generic, and “capable of being used innocently by a third party”, the registration should be cancelled, rather than transferred to the Complainant. In his view “The Co-operators Group has not shown a pattern of registering typographical variants of its name as domain names, and has heretofore been content to leave the ownership of such names to chance.” (at para 40). However, the majority was of the view that the appropriate remedy was to transfer the domain name to the Complainant.

[Comment on the issues raised in this decision at the IT.Can blog](#)



IN *PPL LEGAL CARE OF CANADA CORP. v. PATEY*, SOLE panelist Teresa Scassa considered a dispute over the domain name [pre-paidlegalservicesinc.ca](http://pre-paidlegalservicesinc.ca). The Complainant (PPL) is a Nova Scotia incorporated company, and a wholly owned subsidiary of the U.S. based company Pre-Paid Legal Services Inc. (PPLSI). Both the Complainant and its parent company offer pre-paid legal services plans with benefits covering a variety of legal services. The Registrant, Curtis Patey, who did not respond to the complaint, appeared to have used the domain name to resolve to a site which offered pre-paid legal services. There was some evidence provided by the Complainant that suggested that the Registrant had a track record of fraudulently selling non-existent legal services plans in the United States and Canada.

In order to successfully make out its claim, the Complainant had to establish that the registered domain name was “confusingly similar to a mark in which the Complainant had rights”. The evidence indicated that PPLSI, the U.S. parent company, owned a trade-mark registration in the U.S. for PRE-PAID LEGAL SERVICES INC. This was also the U.S. company’s trade name, but not the trade name of the Complainant. The U.S. company also held the domain name registration for: [www.pre-paidlegal.com](http://www.pre-paidlegal.com). Scassa noted that evidence submitted by the Complainant to show that it had used the mark in Canada tended to show use by the U.S. parent company of the mark in Canada.

Scassa noted that subparagraph 3.2 of the CDRP “does not require that the Mark be used in Canada by

the *Complainant*, simply that it be used in Canada “by a person... for the purpose of distinguishing the wares, services or business of that person.” (at para 23.) She found that it had been so used in Canada by PPLSI. In order for the Complainant to have rights in the mark, sub-paragraph 3.3 of the CDRP requires the Complainant to show “that the mark was either “used in Canada by that person... or a licensor of that person”. She found that PPLSI was a licensor of PPL, and that the Complainant has rights in the Mark “because the Mark has been used in Canada by a licensor of the Complainant.” (at para 25). Because the mark was virtually identical to PPLSI’s registered trade-mark, she found the domain name [pre-paidlegalservices.ca](http://pre-paidlegalservices.ca) to be confusingly similar to that mark. She also found there was sufficient evidence to establish that the registrant had no legitimate interest in the mark, and that the mark was registered in bad faith.

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## Evidence And E-discovery

The Ontario Superior Court has delivered its ruling on a motion by the plaintiffs in *Air Canada v. WestJet Airlines Ltd.* The plaintiffs sought two orders. First, was an order confirming that in the event that the parties in this case inadvertently released privileged documents in carrying out electronic document discovery, such a release will not constitute a waiver of privilege. Second, the plaintiffs wanted a confirmation order by the court that production of documents by the e-discovery process will not constitute an admission of relevance of the entire document or a part thereof.

The court describes the substantive action as “a complicated case involving allegations that the defendants engaged in corporate espionage against the plaintiffs” (¶1). The plaintiffs’ main claim in this case, which they characterize as “the largest case of corporate espionage ever seen in Canada” (*id*), is for \$200 million in damages. Both parties have previously been subject to e-discovery orders. The present motion concerns an e-discovery order made on January 4, 2006 with which the plaintiffs have partially complied. To fully comply with that order the plaintiffs claim that they have 75,000 more

documents to deliver and their motion relates to the method by which they collected the documents.

The process of isolating the documents involved identification of sets of relevant search terms to be applied to the plaintiffs' electronic database. These search terms were sent to the defendants with a view to achieving a consensus. The defendants' suggestions on expansion of the terms were partially accommodated but there was no compromise on the search terms that the plaintiffs eventually used. After the search, the plaintiffs subjected the documents to an electronic filter to identify and remove privileged documents. The plaintiffs offered to review a sample of 5% of the documents to ensure the accuracy of the search and did not intend to conduct any further review of the documents in regard to their relevance, privileged status or confidentiality. By the present motion, the plaintiff sought to shield themselves from these responsibilities and potential consequences.

Both the plaintiffs and defendants rely on the [Guidelines for Discovery of Electronic Documents in Ontario](#) (the Guidelines) to oppose and support the need for manual review of documents to be produced. The Defendants argue *inter alia* that manual review is the plaintiffs' responsibility under the [Rules of Civil Procedure](#) (the Rules) and that it is necessary in the e-discovery process because, given the different meanings that words can have, electronic searches alone are not reliable to distinguish documents that use the same words in relevant as well as irrelevant contexts (¶10). Part of the plaintiff's argument is that manual review is not only time consuming but expensive.

Nordheimer J. held that the relief sought in the plaintiffs' motion against deemed admission was unwarranted because pursuant to order 30.05 of the Rules, production of a document is not admission of its relevance. Moreover, in Canada "inadvertent disclosure of privileged documents does not *per se* constitute a waiver of privilege" (¶20) although this proposition is open to doubt. However, before a court could make an order of waiver "one would hope that there would be a consensus among the parties that such an order is necessary" (*id*). The court noted that "the ability to edit a document is something in which a party may engage but does not have to" (¶21). In dismissing the motion, the court observed that contrary to the plaintiffs' belief,

rule 10 and the accompanying commentary of the Guidelines do not dispense with the necessity for manual review; it contemplates some form of review after electronic search.

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## Privacy

The Privacy Commissioner of Canada has delivered her findings in [PIPEDA Case #323](#) on a bank's wrongful assumptions regarding the scope of Do Not Solicit (DNS). In this case, the complainant, a bank customer, was averse to receiving marketing calls from his bank. At least on three occasions, he verbally advised the bank to stop calling him and by so doing he withdrew his consent to marketing. He tracked continued marketing calls he received to the bank's credit card service. Upon receiving yet another call concerning life and disability insurance, the complainant contacted the Office of the Privacy Commissioner. Although the bank could not trace the complainant's earlier request to have his name removed from its marketing list, it acknowledged that about the time the complainant filed his complaint, he had telephoned the bank to the same effect and his file was flagged as "do not solicit".

Several months after filing his complaint, the complainant got a number of marketing voice messages from the bank. The caller in question told the complainant that he receives from the bank's credit card office on monthly basis list of names to solicit and that his name was included in the list. The list is generated internally using a different method and it is not linked to or overridden by a centrally managed DNS list. A customer's name can be included in the list, for example, as a result of casual information dropped during an over the counter transaction. This may happen where a customer for instance expresses reservations over his/her experience with a rival financial institution. It may then be appropriate for a personal banker to isolate the customer as a market lead and initiate follow-up contact. The complainant, however, indicated that he did not visit the branch from where the latest calls originated. In any case, the bank failed to establish any other basis upon which the complainant (whose only bank product or service was a credit card that

was in no need of renewal or service follow-ups) could not have his DNS request respected.

The Commissioner found *inter alia* that the bank was wrong in assuming that a client on a DNS list would want to be informed of certain offers. The Commissioner was of the view that “when a customer withdraws consent to marketing, the bank should assume that the customer does not want marketing of any kind—whether it is from a telemarketer or a local branch employer”. According to the Commissioner, when a customer withdraws its consent the bank can inform the individual about the consequences of such withdrawal. She was of the view that the bank’s practice did not respect principle 4.3. The Commissioner wrote to the bank recommending that it defer to DNS designations when using internally generated sales list for marketing.

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If you have comments or suggestions about this newsletter, please contact Professors Teresa Scassa, Chidi Oguamanam and Stephen Coughlan at [it.law@dal.ca](mailto: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 Teresa Scassa, Chidi Oguamanam et Stephen Coughlan à l'adresse suivante : [it.law@dal.ca](mailto:it.law@dal.ca)

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