



NEWSLETTER

Canadian IT Law Association

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

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

Domain Names

IN *KARSTEN MANUFACTURING CO. V. ZAPADINSKI*, A three person panel considered a dispute over the domain name pinggolf.ca. The complainant owns Canadian registered trademarks for PING in relation to golf clubs, etc. and PING & DESIGN in relation to both clothing and golf clubs. The marks have been used by the complainant in Canada for over 40 years. The disputed domain name resolved to a website featuring golf equipment, and stating "This Domain is For Sale". The registrant did not submit a response to the complaint.

Panel Chair Anton Melnyk noted that the domain name pinggolf.ca incorporated the complainant's trademark PING in its entirety, and referred as well to the kind of wares in relation to which the mark was registered. The panel concluded that the domain name was, as a result, confusingly similar to the complainant's mark.

The panel also found that the statement "Domain Name for Sale" on the registrant's web site supported a finding of bad faith under para. 3.7(a) of the CDRP, which refers to the registrant's registration of the domain name "primarily for the purpose of selling, renting, licensing or otherwise transferring the Registration to the Complainant....for valuable consideration in excess of the Registrant's actual costs in registering the domain name...." As for any legitimate interest on the part of the registrant, Melnyk wrote "[b]ased on the submission of the Complainant, none of the requirements of Section 3.6 were met by the Registrant." (at p. 5) No details were provided of the complainant's submission. The

panel ordered the transfer of the domain name to the complainant.

IN *WRIGLEY CANADA INC. V. BRAIN WAVE HOLDINGS INC.*, a three person panel considered a dispute over the domain name candystand.ca. The complainant alleged that it had rights in the unregistered trademark "candystand", which it had used in Canada. The complainants operated a website at the domain name candystand.com since 1997, and the complainant's predecessor in title had registered CANDYSTAND as a trademark in the United States. The complainant also noted that "candystand.com" was featured prominently on most of the pages constituting its site.

The panel considered whether the trademark was used with respect to services as required by the CDRP. Chair Denis Magnusson noted that "The appearance of Candystand.com as a domain name and the appearance of the word Candystand prominently on the web site as received by Canadian users of the web site clearly satisfy this aspect of the use requirement." (at p. 2) He noted as well that the use of the mark on the website satisfies the requirement that it be used as a 'trademark'. He noted that actual services must be performed to meet the requirements, and stated that the "actual making available of games and educational activities and their actual use by visitors to the web site satisfies this aspect of the use requirement." (at pp. 2-3) Magnusson also observed that the use of the mark must occur in Canada. Although he surmised that the servers on which the site was located were likely in the United States, "when a Canadian user of that web site accesses the web site through the Internet, the images and processes involved in the puzzles, games and activities made available to users on the web site would appear on the computer monitor screen of the user located in Canada." (at p. 3). In the view of the panel, this was sufficient for the services to be performed in Canada. The panel

was also prepared to accept that “at least a few” the many users of the Candystand.com website were based in Canada. As a result, the panel concluded that the complainant’s mark was used in Canada as an unregistered trademark.

The disputed domain name was registered in 2002. Not only was the panel prepared to assume that the candystand.com site was used in Canada by “at least a few” Canadians, it was also prepared to assume that this use predated 2002. The panel also had to deal with the fact that the Complainant, Wrigley Canada Inc. was only a licensee of the mark since 2005, and not prior to the date of registration of the disputed domain name. The panel noted that for the complainant to show rights in the mark prior to 2002, “Wrigley Canada Inc. would have to rely on the Rights of its licensor’s (Wrigley US) predecessors in title.” (at p. 4) Wrigley (US)’s predecessors in title were Nabisco Brands Co. and Kraft Food Holdings. Para. 3.3(a) of the CDRP states: “The Mark has been used in Canada by that person, that person’s predecessor in title, a licensor of that person or predecessor”. The panel was prepared to read this provision as if it contained, at the end of the phrase, the following: “or the predecessor in title [Nabisco & Kraft] of that person’s [Wrigley Canada Inc.] licensor [Wrigley U.S.]” (at p. 4) The panel was therefore prepared to conclude that the complainant had established that it had rights in the mark prior to the date of the registration of the disputed domain name. The panel had no difficulty concluding that the domain name candystand.ca was confusingly similar with candystand.com.

On the issue of bad faith registration, the complainant provided a list of domain names registered by an individual associated with the registrant company, and which conflicted with trademarks owned by others. In some cases, there were actual findings of bad faith registration following complaints by trade-mark holders against this individual. The panel was prepared to conclude that this established a pattern of registering domain names so as to prevent persons who have rights in the names from registering them. The panel noted that the registrant likely knew of the candystand.com site at the time it registered the disputed domain name. Magnusson wrote: “The fact that the Candystand mark had already been registered as a

dot-com domain name would likely have alerted the Registrant to the probability the owner of the Candystand Mark might well want to register it as a dot-ca domain name in the future.” (at p. 7) The registrant argued that the mark was inherently descriptive. The panel found the descriptiveness of the domain name candystand.ca for internet purposes to be “debatable”, and noted that the “notoriety” of the complainant’s site made it unlikely that the registrant “was so blinded by the domain name’s descriptive potential that it never adverted to the dot-ca domain name then being in conflict with someone else’s Mark.” (at p. 7)

The registrant used the disputed domain name to resolve to a website which featured links to other web sites. The panel noted that it might be possible at some of these sites to buy candy. However, the panel noted that for a registrant to assert a legitimate interest in the mark based on the fact that it is inherently descriptive of the business he carries out, the use must be in good faith. Having previously found bad faith registration, the panel was not prepared to accept that the registrant had a legitimate interest in the domain name flowing from its descriptive character in relation to his own website. The panel ordered that the disputed domain name be transferred to the complainant.

Evidence

THE ONTARIO SUPERIOR COURT OF JUSTICE HAS delivered its judgment in *City Park Co-operative Apartments Inc. v. Dubois*. The defendant signed an occupancy agreement with the plaintiff/applicant, a non-profit housing co-operative which was governed by city by laws including the occupancy by law. The defendant’s rent is subsidized by the City of Toronto. Under the subsidy scheme, his effective housing charge is \$510.70 monthly or \$16.79 daily. The defendant developed a pattern of making late payments and accumulated several months of arrears of unpaid rent which led to his signing a performance agreement with the co-operative, in which he promised to pay his monthly charges in full and on time. He remained in breach of this performance agreement. He did not attend the invitation of the Board of Directors of the co-operative to deliberate on the proposed termination of his membership and occupancy

right and his eviction. Nor did he offer any reason for not attending. Noting that the defendant did not respond to all the opportunities offered to rectify his mounting arrears and poor payment record, the board decided to commence his eviction proceedings on the grounds that he owed \$935.90 and has repeatedly paid his monthly housing charges late. The defendant did not appeal this decision.

In court, the defendant retained the services of counsel. He did not dispute the co-operative's claims regarding his payment history. Rather, he argued through affidavit evidence that for the last one year and half the housing co-operative's security firm has been harassing him and his guests and that he had several difficulties with the co-operative notably in regard to getting access to his unit and disconnection of his buzzer. Pursuant to section 171.13(7) of the *Co-operative Corporations Act* members may not dispute claims for arrears of housing charges on the grounds that the co-operative is in breach of its obligation under its by laws unless the member pays to the local registrar the amount claimed by the co-operative in arrears. The court observed that "[t]he purpose of the section is to ensure that any disputes by the co-operative member are serious and not simply a spurious attempt to delay eviction" (¶18). It noted that the defendant has not paid any amount pursuant to this section.

Nonetheless, the court considered the defendant's affidavit evidence along with that of the plaintiff. The court found that although the defendant claimed that he did not have entrance key to the building since 2005 until he received one in September 2006, he "signed for a replacement key fob #10123 on March 2003, which provides access to the building by using unique electronic signature. The Co-operative's security computer recorded that that particular key fob had been used a total of 1,447 times between March 31 and October 15, 2006, an average of seven times a day. This is documented in the records produced by the Co-operative. In the light of the documentary evidence there can be no doubt that Mr. Dubios [the defendant] was untruthful in his affidavit, perhaps not realizing that that the Co-operative would be able to produce documentation concerning use of specific key fob issued to him" (¶21). Similarly, the defendant swore that an incident on August 31, 2006 made him to stay away from the building until September 20, 2006 because of fear of

the guards. However, the computer records showed access into the building with the defendant's key fob 158 times in that period. Also, the court found that the disconnection of the defendant's buzzer was no fault of the plaintiff's. It was as result of the defendant's own personal system/arrangement which linked his buzzer with his internet. In all, the court upheld the actions of the co-operative as conforming with the by law. It upheld the plaintiff's application and made orders regarding the eviction of the defendant, payment of arrears of rent, costs, etc. The court found that there has been no harassment or other breach of by laws by the co-operative and that much of the defendant's discredited complaints "are a year or more old and ... have been raised solely to avoid eviction" (¶35).

THE ALBERTA COURT OF QUEEN'S BENCH HAS delivered its judgment in the case of *Alberta Dental Association (ADA) v. Unrau*. The defendant has been permanently enjoined from engaging in the practice of dentistry and specifically from using the name or designation of dentist or dental surgeon or any title, description or abbreviation, letter or symbol that gives the impression expressly or by implication that he is entitled to practice dentistry. Subsequently, the defendant was found to be in breach of the injunction in a manner that "reasonably grounds an apprehension that without careful surveillance, Mr. Unrau [the defendant] may indeed start to practice dentistry" (¶6). However, after noting that the breaches were "not at the most serious end of the scale" and that the defendant apologized to the court, parties agreed on a suspended sanction for breach of injunction. Consequently, pursuant to its inherent jurisdiction, the court placed the defendant on probation. Despite the repealing of the *Alberta Dental Profession Act* under which the defendant's previous trial and subsisting injunction issued and the subsequent replacement of that statute by the *Health Professions Act*, the court noted that the "permanent injunction granted under the *Dental Profession Act* remains in effect until set aside by further court order" (¶10).

In the meantime, the defendant contacted Dr. Campbell, commissioner of the ADA and left large number of voice messages for him. In these messages, he identified himself as Dr. Bernie Unrau and as a dentist. Transcriptions of the messages

which accompanied Dr. Campbell's affidavit indicated that the defendant requested licence or accreditation for the practice of dentistry. He was of the view that he had equivalent qualifications. Also, the defendant had regularly and persistently faxed the National Dental Examining Board (NDEB) under the title of Dr. Bernie Unrau, DDS and Bernie Unrau, D.D.S. He had also written a book titled Dentinator concerning which the ADA received a press release that described the author as a dentist and as Bernie Unrau, D.D.S. Similarly, the ADA obtained letters written by Unrau and business cards and Implantent charts which sustained his claim as a dentist. Indeed, "[t]he business card contained a website address. A print-out from the website refers to Implantent Inc. and Bernie Unrau D.D.S." (¶17). All of these were contained in the affidavit of Dr. Campbell for the ADA in support of this proceeding for civil contempt. Meanwhile, the defendant had shunned summons to appear before the court for the present application. While discountenancing aspects of the affidavit evidence that bordered on hearsay, the court found that the defendant breached the permanent injunction and was in civil contempt. In addition to his other conducts, including the voice messages, the court held that "[t]here is direct evidence of his representations to the general public in his press release and website" (¶21).

Internet Taxation

In *Dawn's Place Ltd. v. Canada*, [2006] F.C.J. no. 1600 (FCA) (not yet available online) the Federal Court of Appeal considered the issue of whether GST was payable for subscriptions by non-residents of Canada to an internet website operated by the respondent.

Under the *Excise Tax Act*, GST is payable by a party receiving "a supply made in Canada by a supplier in the course of commercial activity." (at para 2). Under the Act, "a supply is deemed to be made in Canada if it is a supply of intangible personal property that may be used in whole or in part in Canada." (at para 3) The Act also contemplates 'zero-rated' supplies. In general terms, a zero-rated supply is one that is exported or provided to a non-resident of Canada.

The respondent's business was a website providing adult content consisting of photographs and videos. The material on the site was copyright protected,

and the respondent was the owner of the copyrights. The material was available to adult subscribers to the site. Under the terms of the subscription agreement, the subscriber could, among other things, download and keep, for his or her own use, images or files from the website. The court noted that approximately 90% of the subscribers to the site were located outside Canada. The *Excise Tax Act* would require the respondent to collect and remit GST in relation to the supply of intangible personal property (i.e. the copyright works) unless the supply is either exempt or zero-rated. The Court framed the issue in this case as: "whether access to an internet website operated by a Canadian enterprise (which is a supply of intangible personal property) is a zero-rated supply to any non-resident recipient (who is not a GST registrant), because the recipient has the right to download and retain a copy of copyrighted material accessed on the website." (at para 9)

Writing for the Court, Sharlow J.A. characterized the subscription transaction as "the supply of access to the Dawn's Place website, including a single copy of the contents of the Dawn's Place website." (at para 20) In doing so, he rejected a characterization of the transaction as a copyright licence, notwithstanding the use of this language in the subscription agreement. He interpreted s. 10 of the Act to apply to "a transaction in which the copyright itself is transferred from one person to another (for example, an assignment or sale), or where the holder of copyright enters into an agreement by which another person becomes entitled to use the copyright." (at para 24) Interpreted in that way, it would not apply to the supply as characterized by the court in this case. Sharlow J.A. referred to commentary on the OECD Model Tax Convention on Income and Capital to the effect that "in a transaction that in essence is an acquisition of data or images transmitted electronically, any incidental copying is merely the means by which the data is captured and stored. The essential consideration for the payment in that case is the data, not the use of the copyright, even though the copyright is incidentally used." (para 29)

Privacy

IN *ROUSSEAU V. WYNDOWE AND PRIVACY COMMISSIONER of Canada*, Justice Teitelbaum considered a s. 14

application under the *Personal Information Protection and Electronic Documents Act*. One of the respondents, Dr. Wyndowe had conducted an independent medical examination (IME) of the applicant Rousseau on behalf of an insurance company. Mr. Rousseau sought access to the notes made by Dr. Wyndowe on several occasions, but the doctor consistently refused to provide them. Rousseau brought a complaint to the Office of the Privacy Commissioner of Canada. The Assistant Commissioner found that the notes contained Rousseau's personal information, and that exceptions in PIPEDA for solicitor-client privilege or information generated in the course of a formal dispute resolution process did not apply. As a result, Rousseau had a right of access to the notes. Rousseau then applied to the Federal Court under s. 14 of PIPEDA for a hearing in relation to the matter.

The Court considered two issues: first, whether the notes produced by Dr. Wyndowe constituted "personal information" under PIPEDA; and second, if they did, whether they fell under any exceptions in s. 9(3) the Act. If the notes fell under any of the exceptions, they would not have to be disclosed to Rousseau.

Teitelbaum J. noted that there was no case law interpreting the definition of "personal information" in PIPEDA. He noted that the definition of "personal information" in the Privacy Act includes medical history. Given that the PIPEDA definition is broader than that in the Privacy Act, Teitelbaum J. concluded that "it is reasonable to interpret the definition in the PIPED Act as broad enough to catch medical history and other medical information." (at para 30)

Although the doctor had argued that there were a number of compelling reasons why access to notes from an IME should not be provided, Teitelbaum J. took the view that "the PIPED Act is clear that persons should be given access to their personal information." (at para 33) He noted that there were no exceptions that applied specifically to doctors' notes.

With respect to the exceptions in s. 9(3), Teitelbaum J. was prepared to accept that the solicitor-client privilege exception set out in s. 9(3)(a) was intended to include litigation privilege. He adopted the following test for litigation privilege: "it must be

shown that there was a reasonable prospect of litigation at the time of the communication and that litigation was the *dominant* purpose for the creation of such communication." (at para 35) While litigation might have been one of the purposes of the examination, Teitelbaum J. found that there was no evidence that litigation was the dominant purpose for the IME conducted by Dr. Wyndowe. He was careful to limit his conclusion to the facts before him, stating: "The facts indicate that IMEs are a routine part of an insurance company's business of doing ongoing assessments of a person's entitlement to benefits. Dr. Wyndowe has not proved a claim to litigation privilege." (at para 36)

Teitelbaum J. also found that the claim to the exception relating to an ongoing dispute resolution process was not made out on the facts. He found that "submitting to medical examinations is a part of the insurance contract." (at para 37) In the present case, on a refusal of benefits, a party could appeal and launch a dispute resolution process. However, this would only occur after the IME. At the time of the IME, no such process had been engaged. Teitelbaum J. ordered that Dr. Wyndowe provide Rousseau with access to the notes within fifteen days of the decision.

THE OFFICE OF THE INFORMATION AND PRIVACY
Commissioner for British Columbia has published revised *Policies and Procedures* setting out the way in which the Commissioner will carry out his duties under the *Freedom of Information and Protection of Privacy Act*.

NOVA SCOTIA'S NEW PERSONAL INFORMATION
International Disclosure Protection Act, designed to protect the personal information of Nova Scotians from being disclosed under the *Patriot Act* has been [proclaimed into law](#).

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.

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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

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