



# MAJOR CASES AFFECT ALL AREAS OF IP



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# CANADA

## Trademarks

### Damages

In *Louis Vuitton Malletier S.A. v. 486353 B.C. Ltd.* 2008 BCSC 799, the recent trend to award significant damages continued. The defendants had continued selling counterfeit Louis Vuitton products despite the seizure by the plaintiff of hundreds of counterfeit products during execution of an Anton Piller Order and an initial Federal Court judgment for \$12,000 damages. A subsequent settlement agreement between the plaintiff and the defendants similarly failed to stop the counterfeit sales, and the plaintiff finally launched an action for breach of contract, trademark infringement, passing-off and copyright infringement.

In total, the defendants were ordered to pay \$980,000, which included \$300,000 in punitive and exemplary damages, and special costs due to their deliberate and inexcusable repeat infringement and failure to co-operate in the litigation.

### New opposition ground

In *Parmalat Canada Inc. v. Sysco Corporation* 2008 FC 1104, the Federal Court allowed an appeal by way of judicial review from an Opposition Board decision. The decision rejected a new ground of opposition on the basis that the applicant could not have been satisfied under section 30(i) of the Trademarks Act that it had the right to use its trademark in Canada, because such use would have been in violation of section 22 of the Act, which prohibits depreciation of goodwill in a registered trademark (dilution). Section 22 has recently been extensively dealt with by the Supreme Court of Canada in *Veuve Cliquot Ponsardin, Maison Fondée en 1772 v. Boutiques Cliquot Ltee.* 2006 SCC 23.

The Opposition Board said that determining dilution was beyond its jurisdiction, and that in the *Veuve Cliquot* case, the Supreme Court had simply “issued guidelines regarding what needs to be established” in order to find depreciation of goodwill in a mark, not that section 22 was a proper ground of opposition. The Federal Court disagreed and allowed judicial review of the Board decision on the basis that “the issue...was not whether on a stand-alone basis section 22...[is a valid opposition ground] but rather whether section 38(i) of the Act could have resorted to section 22... to sustain an opposition on the grounds the requirements of section 30(i) were not respected”. This is arguably consistent with other cases wherein the Opposition Board has allowed a ground of opposition under section 30(i) to be based on the breach of a federal statute.

## Patents

### Online PCT

In September 2008, the Canadian Intellectual Property Office (CIPO) announced

the launch of a new online tool for filing PCT applications. CIPO's PCT E-Filing initiative offers applicants the opportunity to prepare an international application using the latest PCT-Safe software, available online from the World Intellectual Property Office (WIPO), and sign it using a WIPO-issued digital certificate. The application can be electronically filed to the Canadian Receiving Office using the new filing module on CIPO's website. Applicants submitting PCT applications online may be eligible for fee reductions.

### Pilot programme

On January 28, 2008, USPTO and CIPO launched a one-year trial period of the United States Patent Prosecution Highway (PPH) pilot programme. The programme has been extended to end on January 28, 2011. The programme is expected to significantly accelerate examination of patent applications if examination has already been conducted at another intellectual property office. For example, if at least one claim has been found allowable by one intellectual property office, an accelerated examination can be requested at the other intellectual property office.

During the PPH pilot, CIPO will process requests for advance prosecution free of charge. Regular fees for requesting examination will continue to apply. This initiative could be useful for applicants in areas where fast-track prosecution is desired—for example, in biotechnology and nanotechnology.

### Selection patents

In May 2008, the Supreme Court of Canada issued its first decision on “selection patents”, in view of a genus patent, in *Apotex Inc. v. Sanofi Synthelabo Canada Inc.*, 2008 SCC 61.

On anticipation, the court adopted a two-step approach:

1. Prior disclosure: For a person skilled in the art, if in reading the genus patent, there is no discovery of the special advantages of the selection patent, the genus patent does not anticipate the selection patent and the disclosure requirement to prove anticipation fails. No trial and error is permitted
2. Enablement: A person skilled in the art must have been able to perform the invention without undue burden. The skilled person may use his or her common general knowledge of the relevant art at the relevant time to supplement information contained in the prior genus patent and may conduct routine trials without being considered an undue burden, but prolonged or arduous trial and error experiments would not be considered routine.

On obviousness, the court adopted a four-step approach where consideration of “obvious to try” could be relevant:

1. (a) Identify the notional “person skilled in the art”  
(b) Identify the relevant common general knowledge of that person
2. Identify the inventive concept of the claim in question, or if that cannot readily be done, construe it
3. Identify what, if any, differences exist between the matter cited as forming part of the “state of the art” and the inventive concept of the claim or the claim as construed
4. Viewed without any knowledge of the alleged invention as claimed, do those differences constitute steps that would have been obvious to the person skilled in the art or do they require any degree of invention?

The court notes that “obvious to try” may be appropriate as part of the fourth step for inventions in areas where “advances are often won by experimentation”, such as the pharmaceutical industry.

For a finding that an invention was “obvious to try”, there must be evidence to convince a judge on a balance of probabilities that it was more or less self-evident to try to obtain the invention. Mere possibility that something might turn up is not enough. The court also provided a non-exhaustive list of factors as possible considerations. The decision is viewed as a victory for innovative pharmaceutical companies in that the Supreme Court of Canada has expressly endorsed the doctrine of selection patents, and refined the tests for anticipation, obviousness and double patenting.

## Copyright

### Copying music

In *Apple Canada Inc. v. Canadian Private Copying Collective* 2008 FCA 9, the court held that the Copyright Board does not have jurisdiction to certify a tariff on digital audio recorders or on memory permanently embedded therein.

### Databases

In *Médias Transcontinentale s.e.n.c. c. Soumissionnez.com Inc.* 2008 QCCS 1772, the co-plaintiffs published a magazine and website that listed current construction requests for proposals and bids, and maintained a bidding website for public construction works. They launched a copyright infringement action against a defendant whose website permitted paying subscribers to view documents from the plaintiffs' publications and access the plaintiffs' bidding information. The court found the plaintiffs' copyright had been violated because maintenance of the database of construction bids and other information required

the plaintiffs' skill and judgement, notwithstanding the public domain nature of this information. The court granted a permanent injunction and \$7,500 in regular and punitive damages.

### Parody

The plaintiff launched a copyright infringement action against the defendant, who produced a parody version of the plaintiff's newspaper. In *Canwest Mediaworks Publications Inc. v. Horizon Publications Ltd.* 2008 BCSC 1609, the court held that neither parody nor the freedom of expression provisions of the Canadian Charter are defences to infringement under the Copyright Act.

### Ringtones

In *Canadian Wireless Telecommunications Association v. SOCAN* 2008 FCA 6, SOCAN's authority to collect royalties on the transmission of ringtones from wireless carriers to customers' cellphones was unsuccessfully challenged on the basis that these transmissions were not “communications to the public”, and thus not subject to tariff. The court disagreed, holding that “communication” connotes the passing of information from one person to another, whether or not the cellphone owner accesses the ringtone at the time it is transmitted to the phone by the carrier or at a later time. Moreover, even though ringtones are transmitted to individual customers' cellphones, there is still a communication “to the public”, because the offering of ringtones to the public or a significant segment of the public supplies the requisite degree of openness to constitute a “communication to the public”.

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