



# A Tale of Two Copyright Decisions: Canada's Federal Court Issues First Site-Blocking Order & Denies Certification of Reverse Class Action Test Case

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By Scott MacKendrick, Catherine Lovrics, Tamara Céline Winegust and Naomi Zener

Separated at birth by a matter of days, the Federal Court last week delivered decisions in two closely followed copyright infringement cases: *Bell Media Inc. v. GoldTV.Biz 2019 FC 1432*, and *Voltage Pictures, LLC v Salna 2019 FC 1412*. The decisions give copyright owners, infringers, and everyone in between, clearer guidance on what may or may not be available [as routes to remedies for copyright infringement in the online world](#). Both cases dealt with widespread copyright infringement through the internet, but sought to tackle the problem in different ways. In *Bell Media*, the rights holders ultimately sought to permanently block access to websites enjoined from hosting infringing materials. The plaintiffs in *Bell Media* first had to commence an action against the John Doe, and only after the defendant ignored the action and injunction ordered by the Court did the plaintiffs seek the site-blocking order. In *Voltage*, the rights holders sought damages from a large group of alleged 'John Doe' individual infringers using BitTorrent services by way of reverse class action.

In *Bell Media*, the Court's decision clarified that site-blocking orders may be available to compel Internet Service Providers (ISPs) block access to websites enjoined from hosting infringing content, suggesting that site blocking could now become a real enforcement mechanism for rights holders in Canada, under the right conditions. [In \*Voltage\*, the Court's decision clarified that when seeking to bring a reverse class action aimed at users of BitTorrent websites and the like](#), the Court will not presume infringement on the part of the account holder for an IP address based only on identification of the IP addresses through which the infringement occurred, and infringement continuing following notice to the account holder. This presents practical evidentiary challenges to certifying reverse class actions to address online infringement by internet users. It suggests that seeking to proceed by way of reverse class action litigation against users in Canada could be difficult in practice.

On November 25, 2019, *Bell Media*, one of the ISP respondents, Teksavvy Solutions Inc., filed an appeal of the decision asking that the site-blocking order be set aside.

## Site-Blocking Order

*Bell Media* represents the first time in Canada that a Court has issued a so-called "site-blocking" order, requiring third party Internet Service Providers (ISPs) to prevent user access to certain named websites, which had been enjoined by the Court from hosting or aggregating copyright infringing content.

As a preliminary matter, Justice Gleason of the Federal Court confirmed that the issuance of site-blocking orders rested squarely within its jurisdiction to issue remedies—including by way of injunction—under the *Copyright Act*. Importantly, the Court also confirmed that section 36 of the *Telecommunications Act*, which provides a permissive, not obligatory power, for the CRTC to impose site-blocking, and does not bar this remedy. (Last year, a collation of rights holders asked the CRTC to invoke its power in this section to block known infringing websites. The CRTC declined this request because it was grounded in copyright, which fell outside the CRTC's jurisdiction.)

In considering whether to grant the site-blocking order, particular focus was paid to the UK Court's [decision in \*Cartier International AG & Ors v British Sky Broadcasting Ltd & Ors\* \[2016\] EWCA Civ 658 \(06 July 2016\)](#), which set out several factors to be weighed before granting such an order: (1) necessity, (2) effectiveness, (3) dissuasiveness, (4) complexity



and cost, (5) barriers to legitimate use or trade, (6) fairness, (7) substitution, and (8) safeguards.

Justice Gleason found these considerations mapped well onto the test for interlocutory injunctions in Canada, as articulated by the Supreme Court in *RJR-MacDonald Inc. v. Canada (Attorney General)*, 1994 CanLII 117 (SCC), [1994] 1 SCR 311. The “necessity” factor spoke to the need to establish “irreparable harm” to the copyright owner, while the other factors informed the “balance of convenience” consideration under the *RJR* test. In the context of the order sought, such “balance” spoke not only to the copyright owner and third party ISPs, but also to the requirement of fairness and the public interest generally.

The Court also concluded that, with sufficient safeguards built in place, the freedom of expression concerns raised by the ISPs could be addressed. (In *obiter*, the Court also doubted whether infringing use of copyright material was protected under the concept of freedom of expression, since such use is unlawful, and unlawful speech is not protected.) Teksavvy Solutions Inc., one of the third party respondents affected by the order

made arguments against the site-blocking order, and raised concerns about freedom of expression, as well as the costs associated with and feasibility of implementing site-blocking, and their effectiveness. The Court addressed these concerns, acknowledging that site-blocking may not be a perfect solution. However, Justice Gleason ultimately held that, as a tool, site-blocking has proven to be an effective deterrent to infringing behavior. The site-blocking order followed the issuance of other injunctive orders directly against the offending websites, GoldTV.biz and GoldTV.ca, which was ignored.

The terms of the order were quite flexible—they allowed the ISPs to suspend compliance to ensure over-blocking did not occur, and permitted new websites to be added as they became identified. In either case (removing or adding websites from the order), the parties would need to bring forward supporting evidence. It also addressed the cost and “compliance” concerns raised by the ISPs, since it required the third party ISP’s costs be borne by the plaintiffs (Bell, Rogers, and TVA), and allowed the ISPs to rely on the domains identified by the plaintiffs associated with the defendants’ websites without needing to separately identify and verify them.

Site-blocking provides copyright holders with a meaningful remedy in circumstances where the website operator appears to have no intention to voluntarily comply with court orders. While a ‘whack-a-mole’ problem may remain (as the website operator can move the site to another online location), being able to block access to an infringing website is nevertheless an important tool for copyright holders.

The grant of a site-blocking order by a Canadian court is an encouraging development for rights holders seeking to stem infringement in Canada. However, based on the facts and the Court’s reasoning in *Bell Media*, it should by no means be considered a “first line of defense”. Rights holders hoping to obtain such orders ought to prepare themselves for a process and delay. Nevertheless, it is certainly an option to consider in the fight for copyright enforcement.

As noted, one of the ISPs, Teksavvy, has appealed the site-blocking order on the grounds that the Court erred in law in finding (i) the site-blocking order was available under the *Copyright Act*; (ii) Section 36 of the *Telecommunications Act* did not apply to the site-blocking order; and (iii) in both his interpretation and application of the test for a mandatory injunction under *RJR-MacDonald Inc v Canada*. Last, Teksavvy is asking that the Order be set aside because it is not compliant with section 2(b) of the *Canadian Charter of rights and Freedoms*.

### **Challenges to Reverse Class Action Certification**

In *Voltage*, the Plaintiffs (Voltage Pictures and other production companies) sought certification of a class of defendants whom, they alleged, violated the Plaintiffs’ copyright in certain motion pictures that were being uploaded to and downloaded from the internet by thousands of users of BitTorrent websites. The Federal Court denied certification of the class, finding that the Plaintiffs had not met any of the requirements for the class to be certified. For example, the Court found that the Plaintiffs did not meet the requirements to prove they had a reasonable cause of action against named proposed defendants, Robert Salna, James Rose and Loredana Cerilli.

Before commencing the lawsuit, the Plaintiffs had used forensic software to identify the Internet Protocol (IP) addresses of internet accounts where the movies in question had been uploaded and downloaded, and sent demand letters to the owners of the accounts associated with those IP addresses. In order to even obtain Robert Salna’s IP address, *Voltage* had applied for a Norwich Order against Rogers Communications Inc. in *Voltage Pictures, LLC v. Salna*, 2019 FC 1047, to compel Rogers’ disclosure of Robert Salna’s personal contact and personal information. To move forward with the reverse



class action, they identified a “lead” (representative) defendant, Robert Salna, who was the owner of one of the IP addresses. Mr. Salna, in turn, identified two tenants of his property, Mr. Rose and Ms. Cerilli, that used his internet. The Court rejected Voltage’s argument that this was enough—identifying an IP address as one that has downloaded or uploaded copyright infringed content online, and associating that with an internet account holder or subscriber, was too tenuous an evidentiary connection to lead to find that the account holder or subscriber was the infringer. Moreover, without the ability to point to any single direct infringer with some level of certainty, the Plaintiffs’ theory of infringement by [authorization](#) (secondary infringement) failed.

Critical to the Court’s conclusions were the gaps in evidence left by the Plaintiffs’ forensics analysis. While the evidence identified the IP address at issue and their owners, the Court found it impossible to leap from that information to the identity of the actual infringer, since multiple devices may share an IP address and multiple people may have access to each device. For example, an IP address may have several computers, a WiFi router, a smart fridge, smart TVs, tablets and mobile devices all connected to a single IP address. The evidence did not include device identifiers. Moreover, each connected device could be used by different people at the same time—leading to even more uncertainty about who could be the direct infringer.

With respect to authorizing infringement, Voltage argued an internet account holder *authorizes* an infringement if he/she is willfully blind to how their accounts are used to infringe copyright, proposing that the account holder has a legal obligation to monitor the internet activity of those using their internet connection after being notified of an alleged infringement. The Court refused to certify the class action based on this theory, in part because an authorizing infringer is not even the infringer of first instance, the direct infringer is. With respect to whether there were common questions for the class, the respondents argued that an essential element of authorization is the degree of control a class respondent exercised over the persons who committed the infringement, and willful blindness was a question of fact. Voltage also took the position that ‘*advertising works available for download*’ over a BitTorrent network is itself actionable. The Court essentially found that the *Copyright Act* does not sanction ‘advertising works available for download’ separate from offering a service that primarily enables acts of infringement.

The decision in *Voltage* will no doubt assuage the concerns of many users and policy makers who fear that the simple threat of a reverse class action lawsuit could be employed to compel settlement from people who engage with infringing content—people named typically being private citizens without the financial resources—to mount a full throttled defense. However, it does leave the door open to such strategies being allowed to proceed on better evidence of direct infringement; for example, forensic tools that enable the connection of the alleged infringement to a specific named user. Until that happens, rights holders seeking to proceed by reverse class action will face challenging evidentiary hurdles in proceeding through one of the initial stages in class action lawsuits—class certification.

Stay tuned for our upcoming podcast where Catherine Lovrics, Tamara Céline Winegust and Naomi Zener discuss the *Voltage and Bell Media* decisions, and how they might impact copyright holders’ efforts to put an end to piracy.

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