

Federal Court



Cour fédérale

**Date: 20160728**

**Docket: T-662-16**

**Citation: 2016 FC 881**

**Ottawa, Ontario, July 28, 2016**

**PRESENT: The Honourable Mr. Justice Boswell**

**PROPOSED CLASS PROCEEDING**

**BETWEEN:**

**VOLTAGE PICTURES, LLC,  
COBBLER NEVADA, LLC,  
PTG NEVADA, LLC,  
CLEAR SKIES NEVADA, LLC,  
GLACIER ENTERTAINMENT S.A.R.L.  
OF LUXEMBOURG,  
GLACIER FILMS 1, LLC, AND  
FATHERS & DAUGHTERS NEVADA, LLC**

**Applicants**

**And**

**JOHN DOE #1, PROPOSED  
REPRESENTATIVE RESPONDENT ON  
BEHALF OF A CLASS OF RESPONDENTS**

**Respondent**

**And**

**ROGERS COMMUNICATIONS INC.**

**Non-Party Respondent  
(Applicants' Disclosure Motion Only)**

**And**

**SAMUELSON-GLUSHKO CANADIAN INTERNET POLICY AND PUBLIC  
INTEREST CLINIC**

**Intervener**

**ORDER AND REASONS**

[1] The Applicants have initiated a proposed class proceeding claiming, amongst other things, declaratory and injunctive relief against the Respondent whose identity is presently unknown to them. It is alleged that the Respondent (and others like him or her) has engaged in illegal file sharing over the Internet, and thereby infringed the Applicants' copyrights in several films.

[2] The Applicants wish to have this matter certified as a so-called "reverse" class action, and towards that end they have made a motion for an order compelling Rogers Communications Inc. [Rogers] to disclose any and all contact and personal information of a Rogers customer [the Subscriber] associated with an identified Internet protocol address at the various times and dates as set out in Schedule A to their motion. They request such an order "in accordance with" sections 41.25 and 41.26 of the *Copyright Act*, RSC 1985, c C-42. The Applicants also request, as part of an order requiring Rogers to disclose the identity of the Subscriber, a further order that there shall be no fees or disbursements payable by them to Rogers in complying with the order for disclosure.

[3] Rogers takes no position on whether the Applicants have met the applicable requirements for obtaining a disclosure order. It does, however, oppose the Applicants' request to deny Rogers reasonable compensation and costs in complying with any order requiring it to disclose the Subscriber's contact and personal information.

[4] For its part, the Intervener says the Court needs to closely examine the evidence to determine whether any disclosure should be ordered. Its role in the Applicants' motion for disclosure was limited to providing the Court with submissions as to the type and quantity of identification data to be provided by Rogers, the limits that may be imposed on the use of such data, and the form of notice that may be required to be provided to the Respondent when served with the Notice of Application.

[5] For the reasons that follow, I have determined that Rogers must disclose to the Applicants only the Subscriber's name and address as recorded in its records. Rogers should not be compelled to disclose any other personal information about the Subscriber it may have in its records, such as his or her email address or telephone number. I have further determined that Rogers is entitled to be compensated for providing such disclosure to the Applicants and also should be awarded its costs in respect of this motion in a lump sum amount of \$500 (inclusive of any taxes or disbursements).

I. Issues

[6] This motion raises three main issues:

1. Should Rogers be ordered to disclose any and all contact and personal information about the Subscriber?
2. If so, what information about the Subscriber should be disclosed to the Applicants?
3. Is Rogers entitled to be compensated for providing such disclosure to the Applicants, including an award of costs in respect of this motion?

II. Analysis

A. *Should Rogers be ordered to disclose any and all contact and personal information about the Subscriber?*

[7] The Applicants request a disclosure order “in accordance with” sections 41.25 and 41.26 of the *Copyright Act*. These sections provide as follows:

**Provisions Respecting Providers of Network Services or Information Location Tools**

**Notice of claimed infringement**

41.25 (1) An owner of the copyright in a work or other subject-matter may send a notice of claimed infringement to a person who provides

(a) the means, in the course of providing services related to the operation of the Internet or another digital network, of telecommunication through which the electronic location that is the

subject of the claim of infringement is connected to the Internet or another digital network;

(b) for the purpose set out in subsection 31.1(4), the digital memory that is used for the electronic location to which the claim of infringement relates; or

(c) an information location tool as defined in subsection 41.27(5).

### **Form and content of notice**

(2) A notice of claimed infringement shall be in writing in the form, if any, prescribed by regulation and shall

(a) state the claimant's name and address and any other particulars prescribed by regulation that enable communication with the claimant;

(b) identify the work or other subject-matter to which the claimed infringement relates;

(c) state the claimant's interest or right with respect to the copyright in the work or other subject-matter;

(d) specify the location data for the electronic location to which the claimed infringement relates;

(e) specify the infringement that is claimed;

(f) specify the date and time of the commission of the claimed infringement; and

(g) contain any other information that may be prescribed by regulation.

### **Obligations related to notice**

41.26 (1) A person described in paragraph 41.25(1)(a) or (b) who receives a notice of claimed infringement that complies with subsection 41.25(2) shall, on being paid any fee that the person has lawfully charged for doing so,

(a) as soon as feasible forward the notice electronically to the person to whom the electronic location identified by the location data specified in the notice belongs and inform the claimant of its forwarding or, if applicable, of the reason why it was not possible to forward it; and

(b) retain records that will allow the identity of the person to whom the electronic location belongs to be determined, and do so for six months beginning on the day on which the notice of claimed infringement is received or, if the claimant commences proceedings relating to the claimed infringement and so notifies the person before the end of those six months, for one year after the day on which the person receives the notice of claimed infringement.

#### **Fees related to notices**

(2) The Minister may, by regulation, fix the maximum fee that a person may charge for performing his or her obligations under subsection (1). If no maximum is fixed by regulation, the person may not charge any amount under that subsection.

#### **Damages related to notices**

(3) A claimant's only remedy against a person who fails to perform his or her obligations under subsection (1) is statutory damages in an amount that the court considers just, but not less than \$5,000 and not more than \$10,000.

#### **Regulations — change of amounts**

(4) The Governor in Council may, by regulation, increase or decrease the minimum or maximum amount of statutory damages set out in subsection (3).

[8] The Applicants contend that these two provisions of the *Copyright Act*, referred to as the so-called “notice and notice” regime, ground the basis for a disclosure order in this case and, moreover, must be interpreted to deny Rogers any compensation for compliance with such an order because, as the parties acknowledge, no fee has been fixed by regulation pursuant to subsection 41.26(2). The Applicants’ submissions in this regard are without merit. Their request for a disclosure order “in accordance with” sections 41.25 and 41.26 is misguided. Nowhere in these provisions is it explicitly stated that there can or must be an application or motion for a disclosure order in respect of the information required to be recorded and retained pursuant to

paragraph 41.26(1)(b). Moreover, nowhere in these provisions is it explicitly stated that a fee or compensation is prohibited or cannot be paid in complying with a disclosure order made in respect of that information.

[9] It is true, as the Applicants point out, that the request for submissions sent to Internet service providers [ISP] such as Rogers in 2013, prior to these provisions coming into force in January 2015, did state that a subscriber's identity "may be released to the copyright owner with a court order." However, nowhere in these legislative provisions is there any reference to disclosure of a subscriber's identity by an ISP whether by court order or otherwise. In this regard, it is apt to note the Supreme Court of Canada's decision in *Parry Sound (District) Social Services Administration Board v OPSEU, Local 324*, 2003 SCC 42, [2003] 2 SCR 157, where Justice Iacobucci stated for the majority of the Court as follows:

39 To begin with, I think it useful to stress the presumption that the legislature does not intend to change existing law or to depart from established principles, policies or practices. In *Goodyear Tire & Rubber Co. of Canada v. T. Eaton Co.*, [1956] S.C.R. 610, at p. 614, for example, Fauteux J. (as he then was) wrote that "a Legislature is not presumed to depart from the general system of the law without expressing its intentions to do so with irresistible clearness, failing which the law remains undisturbed". In *Slaight Communications Inc. v. Davidson*, [1989] 1 S.C.R. 1038, at p. 1077, Lamer J. (as he then was) wrote that "in the absence of a clear provision to the contrary, the legislator should not be assumed to have intended to alter the pre-existing ordinary rules of common law".

[10] Furthermore, the following comments of Justice Stone for the Federal Court of Appeal in *Glaxo Wellcome PLC v Minister of National Revenue*, [1998] 4 FCR 439, [1998] FCJ No 874

[*Glaxo Wellcome*], also serve to undermine the Applicants' over-broad interpretation of the "notice and notice" regime provisions:

36 ... Cory J. emphasized in *Rawluk v. Rawluk*, [1990] 1 S.C.R. 70 (S.C.C.) at page 90 that as a general principle, the legislature "is presumed not to depart from prevailing law 'without expressing its intentions to do so with irresistible clearness'". However, the case law indicates that this presumption may be rebutted if it is clear that the legislature intended to modify existing common law or equitable rights by providing a comprehensive regulation of the matter at issue: *Driedger, supra*, at pages 307 and 309.

[11] The "notice and notice" regime does not provide any detailed or comprehensive mechanism for copyright owners such as the Applicants to enforce their rights as against alleged infringers. At best, it provides a mechanism for copyright owners to send a notice of *claimed* infringement via an ISP to an alleged infringer with the knowledge that there will be records available at some later date to determine the identity of such infringer if necessary. An ISP such as Rogers is only obligated under section 41.26(1) to do two things: (1) forward the copyright owner's notice of claimed infringement electronically to the pertinent Internet protocol address; and (2) retain records to allow the subscriber's identity to be determined for specified periods of time depending on whether the copyright owner has or has not commenced proceedings relating to the claimed infringement. The fact that no regulation has been made to fix the maximum fee that an ISP may charge for performing these obligations speaks, not to whether no fee or compensation can be paid to comply with a disclosure order but, rather, to the current policy under the "notice and notice" regime that the costs of complying with these obligations is, at least for the time being, to be borne by the ISP.



[12] Contrary to the Applicants' arguments, Parliament's intention in enacting sections 41.25 and 41.26 was not one of "irresistible clearness" to abrogate and depart from established law and principles with respect to so-called *Norwich* disclosure orders emanating from the decision in *Norwich Pharmacal Co. v. Customs & Excise Commissioners* (1973), [1974] A.C. 133 (UK HL). The availability of such orders in the Federal Court was first recognized by the Federal Court of Appeal in *Glaxo Wellcome*, and in *BMG Canada Inc v Doe*, 2005 FCA 193, [2005] 4 FCR 81 [BMG], the Court of Appeal recognized that:

[41] Modern technology such as the Internet ... must not be allowed to obliterate those personal property rights which society has deemed important. Although privacy concerns must also be considered, it seems to me that they must yield to public concerns for the protection of intellectual property rights in situations where infringement threatens to erode those rights.

[42] Thus, in my view, in cases where plaintiffs show that they have a bona fide claim that unknown persons are infringing their copyright, they have a right to have the identity revealed for the purpose of bringing action. However, caution must be exercised by the courts in ordering such disclosure, to make sure that privacy rights are invaded in the most minimal way.

[13] The principles emanating from *BMG* that should be considered when making a *Norwich* order may be summarized as follows:

1. The applicant for a *Norwich* order must have a *bona fide* case;
2. The party against whom such an order is to be issued must have information on an issue in the proceeding;
3. An order of the Court is the only reasonable means by which the information can be obtained;

4. Fairness dictates that the information be provided prior to discovery or trial or, in the circumstances of this case, prior to certification of the proposed class proceeding; and
5. Any order made will not cause undue delay, inconvenience, or expense to the party against whom such an order is to be issued or others.

[14] I am satisfied that the Applicants have adduced sufficient evidence, notably in the Affidavit of Daniel Macek, to show that they have a *bona fide* claim that unknown persons are infringing the copyright in their films. Consequently, they have a right to have the identity of the Subscriber revealed and disclosed for the purpose of pursuing their proposed class proceeding. This right flows from established case law such as that noted above; it does not flow from and is not grounded in any way by the “notice and notice” provisions of the *Copyright Act*.

[15] I am also satisfied that the other principles emanating from *BMG* dictate that an order should be made requiring Rogers to disclose information about the Subscriber.

B. *What information about the Subscriber should be disclosed to the Applicants?*

[16] In addressing this issue, I note (as did the Court of Appeal in *BMG*) that “caution must be exercised” in ordering disclosure of information about the Subscriber “to make sure that privacy rights are invaded in the most minimal way.” I further note the Court’s approach to disclosure in *Voltage Pictures LLC v John Doe*, 2014 FC 161 [*Voltage*], where the email address of the ISP’s customer was not ordered to be disclosed, as well as the Intervener’s argument that the

information to be disclosed by Rogers to the Applicants should not exceed the Subscriber's name and address associated with the Internet protocol address alleged to be associated with the infringing activity identified by the Applicants.

[17] In my view, the Applicants are entitled to disclosure by Rogers of only the Subscriber's name and address as recorded in Rogers' records. The release of this information by Rogers shall remain confidential and not be disclosed to any other parties without further order of the Court and shall only be used by the Applicants in connection with their proposed class proceeding. Furthermore, the Applicants shall not be permitted to disclose to the general public by making or issuing any statement to the media with respect to the information obtained from Rogers.

C. *Is Rogers entitled to be compensated for providing disclosure of information about the Subscriber to the Applicants, including an award of costs in respect of this motion?*

[18] The record shows that Rogers was prepared to disclose information about the Subscriber upon the Applicants submitting a proposed form of order and prior payment of a fee of \$100 per hour plus HST to cover its costs associated with compiling such information. The Applicants refused to do so because of their view that the "notice and notice" provisions of the *Copyright Act* preclude Rogers from imposing or collecting any such fee. For the reasons stated above, that view is misguided.

[19] In any event, the Applicants contend that even if Rogers is entitled to a fee for disclosing information about the Subscriber, that fee is at best minimal and should be at most 50 cents per subscriber because most of the information has already been collected and assembled by Rogers

in complying with its obligations under subsection 41.26(1) of the *Copyright Act*. Moreover, the Applicants assert that the fee of \$100 per hour is unreasonable and contrary to certain evidence in the record which suggests that the fee was only \$5 or \$10 per subscriber name a few years ago. For its part, Rogers has offered evidence as to how the \$100 per hour fee was established and why it is reasonable.

[20] The case law suggests that consideration should be given to the costs incurred by Rogers in assembling the information about its Subscriber and complying with a disclosure order (see *BMG* at para 35 and also *Voltage* at paras 46 and 138). In *Voltage*, for example, it was ordered that “all reasonable legal costs, administrative costs and disbursements incurred” by the ISP in abiding by the disclosure order were to be paid by the plaintiff to the ISP prior to release of the customer information.

[21] The Applicants’ argument as to the unreasonableness and the amount of Rogers’ hourly fee is not persuasive. The fee is what it is, and if the Applicants want information about the Subscriber they must pay the hourly fee. The record suggests that no more than about an hour will be necessary for Rogers to assemble, verify and forward the Subscriber information to the Applicants, so the total cost would be approximately \$113.

[22] In addition, Rogers is entitled to its costs on this motion which I fix and award in the amount of \$500 (inclusive of any taxes or disbursements). These costs shall be payable forthwith and, in any event, within 20 days from the date of this order.

III. Conclusion

[23] The Applicants provided the Court with a draft form of order, including a form of letter to be sent to John Doe, on the day this motion was heard via teleconference. Not all terms of this draft had been agreed to by the parties at the time of the hearing, and the Intervener also submitted a draft form of order.

[24] Accordingly, the Court directs the parties to agree upon the terms of the letter to be sent to John Doe within 10 days of the date of this order and to provide the Court with a final, signature-ready copy of such letter for the Court's approval prior to such letter being sent. In the event the parties are unable to so agree, the Court will review and finalize such letter based upon the draft form previously provided by the Applicants.

**ORDER**

**THIS COURT ORDERS, for the reasons stated above, that:**

1. The Non-Party Respondent, Rogers Communications Inc., shall disclose to the Applicants, within ten days of the date of this order, the name and address of the Rogers subscriber [the Subscriber] associated with the IP address 174.112.37.227 at the following dates and times (UTC):
  - a. 2016-03-24, 05:25:15
  - b. 2016-01-14, 08:14:55
  - c. 2016-02-18, 03:45:27
  - d. 2016-03-10, 02:23:04
  - e. 2016-01-26, 01:06:07
2. The Applicants shall pay to Rogers Communications Inc. an hourly fee of \$100, plus HST, for the time spent and incurred by Rogers Communications Inc. in assembling and providing the Subscriber information to the Applicants, such fee to be paid in full prior to the release of the information to the Applicants.
3. The Applicants shall include a copy of this Order in any correspondence sent with the Notice of Application to the Subscriber.
4. The Subscriber may request a full copy of the reasons for this Order from the Applicants and the Applicants shall provide a copy at no charge to the Subscriber requesting the copy.

5. Correspondence sent by the Applicants to the Subscriber with the Notice of Application shall clearly state in bold type that:
  - a. the Applicants currently are seeking to make the Subscriber serve as the Representative Respondent in a class proceeding they seek to certify by way of application under Part 5-1 – Class Proceedings of the *Federal Court Rules*, SOR/98-106;
  - b. no Court has yet made a determination of fact or law that such Subscriber may be forced to serve as the Representative Respondent to the class proceeding;
  - c. no Court has yet made a determination of fact or law certifying the Applicants' proceeding as a class proceeding;
  - d. no Court has yet made a determination of fact or law that such Subscriber is the party responsible for the allegedly infringing activity identified by the Applicants;  
and
  - e. no Court has yet made a determination of fact or law that such Subscriber has infringed or is liable in any way for payment of damages.
6. The Court directs the parties to agree upon the terms of the correspondence to be sent to John Doe within 10 days of the date of this order and to provide the Court with a final, signature-ready copy of such correspondence for the Court's approval prior to it being sent.
7. The information released by Rogers Communications Inc. shall only be used by the Applicants in connection with the claims in this proceeding.

8. Without further order of the Court, the information obtained from Rogers Communications Inc. shall remain confidential and shall not be disclosed to any other parties or to the general public, by making or issuing a statement to the media or otherwise, until such time as the Subscriber's identity becomes part of the public record of the proceeding.
9. Any further amendments or additions to this Order shall be within the discretion of the Case Management Judge for this proceeding.
10. The Applicants shall pay to Rogers Communications Inc. its costs on this motion in the lump sum amount of \$500 (inclusive of any taxes or disbursements). Such costs shall be payable forthwith and, in any event, within 20 days from the date of this Order.

"Keith M. Boswell"

---

Judge



**FEDERAL COURT**

**SOLICITORS OF RECORD**

**DOCKET:** T-662-16

**STYLE OF CAUSE:** VOLTAGE PICTURES, LLC, COBBLER NEVADA, LLC, PTG NEVADA, LLC, CLEAR SKIES NEVADA, LLC, GLACIER ENTERTAINMENT S.A.R.L. OF LUXEMBOURG, GLACIER FILMS 1, LLC, AND FATHERS & DAUGHTERS NEVADA, LLC v JOHN DOE #1, PROPOSED REPRESENTATIVE RESPONDENT ON BEHALF OF A CLASS OF RESPONDENTS v ROGERS COMMUNICATIONS INC. v SAMUELSON-GLUSHKO CANADIAN INTERNET POLICY AND PUBLIC INTEREST CLINIC

**MOTION HELD VIA TELECONFERENCE ON JUNE 28, 2016 FROM TORONTO, ONTARIO AND OTTAWA, ONTARIO**

**ORDER AND REASONS:** BOSWELL J.

**DATED:** JULY 28, 2016

**WRITTEN REPRESENTATIONS BY:**

Kenneth R. Clark  
Patrick Copeland

FOR THE APPLICANTS

Not Represented

FOR THE RESPONDENT

Andrew Bernstein  
James Gotowiec

FOR THE NON-PARTY RESPONDENT  
(APPLICANTS' DISCLOSURE MOTION ONLY)

David Fewer

FOR THE INTERVENER

**SOLICITORS OF RECORD:**

Aird & Berlis LLP  
Barristers and Solicitors  
Toronto, ON

FOR THE APPLICANTS

Not Represented

FOR THE RESPONDENT

Torys LLP  
Barristers and Solicitors  
Toronto, ON

FOR THE NON-PARTY RESPONDENT  
(APPLICANTS' DISCLOSURE MOTION ONLY)

Samuelson-Glushko Canadian Internet  
Policy and Public Interest Clinic  
University of Ottawa, Faculty of Law,  
Common Law Section  
Ottawa, ON

FOR THE PROPOSED INTERVENER