

Federal Court



Cour fédérale

**Date: 20210225**

**Docket: T-1683-18**

**Citation: 2021 FC-181**

**Ottawa, Ontario, February 25, 2021**

**PRESENT: The Honourable Mr. Justice O'Reilly**

**BETWEEN:**

**TBV PRODUCTIONS , LLC**

**Plaintiff**

**and**

**DOE # 1 et. al.  
See schedule 1 for list of Defendants**

**Defendants**

**and**

**BELL CANADA,  
SASKTEL, AND  
XPLORNET COMMUNICATIONS INC.**

**Non-Party Respondents**

## ORDER AND REASONS

### I. Overview

[1] TBV Productions LLC claims to own the copyright in a movie entitled “I Feel Pretty”. TBV alleges that various individuals have downloaded the movie or otherwise made it available over the Internet contrary to the *Copyright Act*, RSC 1985, c C-42. Through the assistance of a third party, TBV was able to determine the Internet Protocol (IP) addresses of suspected copyright infringers, and to identify the Internet Service Providers (ISPs) who had assigned those addresses to their subscribers.

[2] TBV then sent notices to the ISPs who are the non-party respondents identified above – SaskTel, Bell, and Xplornet – advising them that some of their customers may have been infringing TBV’s copyright. TBV’s notice required the ISPs to provide two further notices – the first to individual subscribers informing them of potential copyright infringement and, if infringement continued, a notice informing them that the copyright holder may bring an infringement action against them. This is commonly referred to as the “notice-and-notice” regime, set out in the *Copyright Act* (ss 41.25 and 41.26; see Annex for all enactments cited).

[3] By way of motion, TBV sought disclosure from the ISPs of a number of their subscribers’ identities, as well as statutory damages against the ISPs for their alleged failure to discharge their obligation to forward notices of suspected infringement to their subscribers. TBV

seeks \$10,000 for each notice that went undelivered, for a total of \$600,000. The parties subsequently settled the disclosure issue; the question of damages remains outstanding.

[4] The issue before me is not whether TBV is entitled to the damages it seeks. Rather, the sole question is whether TBV's motion is a proper means of obtaining them.

[5] TBV seeks an order permitting it to advance to a hearing on the issue of damages by simple motion. The alternative, urged by the ISPs, would be to insist that TBV pursue a separate action for damages against the ISPs (in addition to its suit against the suspected infringers).

[6] In my view, a motion is not a proceeding in which TBV can obtain an award of damages against the ISPs. It must do so by way of an action.

## II. The Context

[7] One of the purposes of the notice-and-notice regime is to provide copyright holders the information they need in order to bring infringement actions against suspected violators, who will usually be Internet users whose identities are unknown to the copyright holders, but known to the respective ISPs. The action that underlies this proceeding is TBV's suit against persons who have allegedly infringed TBV's copyright by downloading or uploading the movie in question, have received the corresponding notices from their ISPs, and have continued their infringing activities notwithstanding.

[8] Overall, the regime has both a deterrent and an enforcement objective in respect of copyright violations. However, the ISPs themselves are insulated from claims of infringement; instead, they have a duty to promptly forward notices from copyright holders, inform claimants that the notices have been relayed (or explain why they could not be), and retain accurate records of identifying information for at least six months (s 41.26(1)(a),(b)). Implicitly, this means that ISPs have a duty to correlate IP addresses with subscribers' identities and to verify the accuracy of that linkage (*Rogers Communications Inc v Voltage Pictures LLC*, 2018 SCC 38 at para 31 [*Voltage SCC*]). Those duties are enforced by monetary penalties ranging from \$5,000 to \$10,000 (s 41.26(3)).

A. *The ME2 Decision*

[9] TBV relies on a procedure that received the Court's approval in a similar context in *ME2 Productions Inc v Doe et al*, 2019 FC 214 [*ME2*]. In *ME2*, the plaintiffs sought, by way of a motion before Prothonotary Kevin Aalto, disclosure of contact information for alleged copyright infringers from TekSavvy, an ISP. The disclosure order they sought is commonly referred to as a "Norwich Order" (see *Norwich Pharmacal Co v Customs & Excise Commissioners* (1973), [1974] AC 133 (UK HL); *Federal Courts Rules*, SOR/98-106, Rule 238).

[10] In addition to the Norwich Order, the plaintiffs sought statutory damages from TekSavvy for failure to comply with its obligations under the notice-and-notice regime.

[11] TekSavvy opposed *ME2*'s motion, arguing that the grounds for a Norwich Order had not been established, and that *ME2*'s quest for statutory damages had to proceed by way of an

action, not by motion. Prothonotary Aalto disagreed with TekSavvy. He granted the Norwich Order and allowed ME2's damages claim to be determined by motion, relying on the Federal Court of Appeal's statement of the purpose of the regime as being an effort to simplify and accelerate the process of enforcing copyright in the internet era (*Voltage Pictures LLC v John Doe*, 2017 FCA 97 at para 21 [*Voltage FCA*]). TekSavvy appealed.

[12] Justice William Pentney allowed the appeal, in part. He quashed the Norwich Order, with leave to ME2 to reapply on the best available evidence. He also remitted ME2's damages claim to the Prothonotary for decision. A number of Justice Pentney's observations are relevant to TBV's motion before me.

[13] Justice Pentney began by noting that the notice-and-notice regime was relatively new, and that an "overarching consideration" in the case before him was the amount of "elbow room" that should be granted to a case management judge to determine how the scheme should operate (para 6). He underscored the purposes of the regime as described by the Supreme Court of Canada in an appeal of the *Voltage FCA* case (*Voltage SCC*), being to deter online copyright infringement and to balance the rights of the various players – copyright holders, internet users, and ISPs (*Voltage SCC* at para 22).

[14] In respect of the Norwich Order, Justice Pentney found that the evidence tendered by ME2 was insufficient, amounting to boilerplate law clerk affidavits and contiguous exhibits. He quashed the Norwich Order without prejudice to ME2's ability to submit a fresh application on better evidence.

[15] On the issue of the proper forum for addressing statutory damages, Justice Pentney took note of the fact that the question of damages had arisen within the context of ME2's application for a Norwich Order to obtain information about subscribers, and that TekSavvy was a party to that proceeding. Further, the claim for damages was grounded on TekSavvy's alleged failure to keep proper records of subscribers' information. Accordingly, the issues of disclosure and statutory damages were intertwined. Given the link between the two issues, the Prothonotary had approved a process for addressing the issue of damages alongside the request for disclosure – ME2 would be allowed to tender affidavits containing the evidence on which it relied, and TekSavvy would then have an opportunity to cross-examine on those affidavits and put forward its own evidence. In the Prothonotary's view, this process would provide a fair and efficient means of determining the issue of damages.

[16] Justice Pentney considered TekSavvy's argument that there was no basis for resorting to any procedure other than an action for damages pursuant to the *Copyright Act* (s 34(5)) and the *Federal Courts Rules*. However, he concluded that where, as in the case before him, an alleged failure by an ISP arises in the context of a request for a Norwich Order "it only makes sense to deal with the damages claim for such breaches within the framework of the same proceeding" (para 136). Otherwise, needless expense, delay and uncertainty would be caused, contrary to the purposes of the scheme.

[17] Therefore, Justice Pentney found that the Prothonotary had not committed a palpable and overriding error in proposing the process described above. It was fully within the Prothonotary's discretion as case management judge to make that call. Justice Pentney did not find any

reversible error “in the particular circumstances of this case” (para 139). TekSavvy would have a full opportunity to test the evidence against it and proffer its own evidence; the process would be fair and proportionate. Justice Pentney remitted ME2’s claim for statutory damages back to the Prothonotary.

B. *Similarities and Differences*

[18] As in *ME2*, TBV originally sought both a Norwich Order and an award of statutory damages within the same motion. However, the parties here have now settled the issue of disclosure, so the request for a Norwich Order is no longer part of TBV’s motion. It relates solely to damages.

[19] Unlike *ME2*, the question before me does not involve any consideration of the “elbow room” to be granted to a case management judge or prothonotary. Justice Pentney made clear in *ME2* that the issue before him was whether the Prothonotary had committed a palpable and overriding error by permitting ME2 to pursue statutory damages against the ISPs by way of a motion. He concluded that the Prothonotary had made no reviewable error in sanctioning that procedure.

[20] Accordingly, unlike *ME2*, the question here is not whether a case management judge in the exercise of discretion may allow a damages claim to be determined in conjunction with a related Norwich Order motion. Rather, the question is whether there is a legal basis for allowing a damages claim to proceed by way of a motion unconnected to a Norwich Order motion. In my view, the answer to the former is yes; to the latter, no.

III. Is this motion a proper means of obtaining the relief TBV seeks?

[21] TBV maintains that the circumstances of this case are so similar to those in *ME2* that I should permit it to seek statutory damages by way of a motion, including a process for the exchange of evidence analogous to the one proposed in that case. In particular, TBV points out that, as in *ME2*, it initiated a request for a Norwich Order against the ISPs in conjunction with a demand for statutory damages. While the issue of disclosure has now been settled, the motion TBV initiated was essentially the same as that brought by *ME2*.

[22] I disagree. In my view, the circumstances here are sufficiently different from those in *ME2* to justify a requirement to pursue the claim of damages by way of an action, the usual process for obtaining monetary relief.

[23] The ISPs urge me to find that the decision in *ME2* is not binding on me. Had the circumstances in this case not been substantially different from those in *ME2*, I would have rejected that submission. Generally, judges are bound by the decisions of their colleagues on the same Court, absent a strong reason to depart from them (*Apotex Inc v Pfizer Canada Inc*, 2013 FC 493 at paras 11-18). This principle is often referred to as judicial comity, but it is really part of the doctrine of *stare decisis*, the idea that matters already decided should be left to stand. In any case, the differences between this proceeding and that which was before Justice Pentney justify a different outcome, so the concepts of comity and *stare decisis* are not in play.



[24] In *ME2*, the alleged failures by the ISPs came to light within ME2's motion for disclosure, justifying the pursuit of damages within the same proceeding (*ME2*, above, at para 139). There, ME2 alleged that the suspected infringers continued their activity after receiving notices from the ISPs and TekSavvy resisted disclosure of subscribers' identities on the basis that ME2 had not provided sufficient information about the suspected infringement. TekSavvy conceded that it did not keep complete records of subscribers, causing ME2 to seek damages for that failure. Therefore, ME2's complaint about the conduct of TekSavvy was inextricably connected to the issue of disclosure. Here, by contrast, TBV does not allege that the ISPs failed to comply with the notice-and-notice regime in respect of the range of IP addresses that were the subject of the disclosure motion. Indeed, the issue of disclosure has already been settled. Instead, the issue that remains relates to a separate range of IP addresses assigned to suspected infringers who never received proper notices from the ISPs. The ISPs offer reasons for that failure – that the notices TBV sent them were duplicates, that they did not actually have email addresses for the suspected infringers, and that some of the suspected infringers were not parties to TBV's infringement action and, therefore, had not received notices. The ISPs' alleged failure to comply with the notice-and-notice regime is not connected to any issue of disclosure and, as mentioned, that issue has, in any case, been settled.

[25] Accordingly, the circumstances here differ from those in *ME2*. The issues surrounding the alleged failure of the ISPs here to provide notice to suspected infringers are entirely separate from the issue of disclosure. This proceeding now represents an effort by TBV to obtain an award of damages without the need to initiate an action against the ISPs. In my view, there is no justification in the circumstances for TBV's proposed approach.

[26] Generally speaking, matters of liability and damages can be determined only by way of an action (*TMR Energy Ltd v State Property Fund of Ukraine*, 2005 FCA 28 at para 40). The question, then, is whether there is legal authority for proceeding by motion in this particular context.

[27] Proceedings for copyright infringement can be initiated either by application or action (*Copyright Act*, s 34(4)). As Justice Pentney observed in *ME2*, an application is any proceeding that is commenced by some process other than a writ or statement of claim (para 137). That means, he concluded, that a damages claim could be made by way of a motion (para 139).

[28] Without disputing Justice Pentney's conclusion about the particular circumstances before him, it is not clear that a free-standing claim of damages under the notice-and-notice regime can be initiated by motion. A claim for damages for non-compliance with the notice-and-notice scheme is not identified as a proceeding that can be determined in a summary way by application or action (*Copyright Act*, s 34(4)). The procedure for advancing a claim under the notice-and-notice regime is not specified in the Act (see s 41.26(3)). The general rule, therefore, that liability and damages should be decided by way of an action, applies here.

[29] I also agree with the ISPs that the effect of TBV's position would be to allow a copyright holder to expose entities who are not even parties to an infringement action to substantial damages without their having recourse to the usual procedural protections available to defendants to an action, particularly the exchange of pleadings, an opportunity for discovery, and the presentation of evidence and testimony at trial. Some ISPs receive hundreds of thousands of

notices from copyright holders every month. It would be unfair to permit substantial damage claims against them for alleged failures under the scheme to be prosecuted other than through the usual process of an action. The potential damages to which ISPs are liable under the regime will usually exceed those for which the actual infringers will be exposed. It makes little sense, therefore, not to afford ISPs the same procedural rights.

[30] I can see no basis, absent the special circumstances in *ME2*, for allowing a damages claim against ISPs under the notice-and-notice scheme to proceed by motion.

#### IV. Conclusion and Disposition

[31] There being no special circumstances that would justify allowing TBV to pursue its damages claims against the ISPs by motion, TBV must proceed by way of an action. TBV's motion is dismissed, with costs.

**ORDER IN T-1683-18**

**THIS COURT ORDERS** that the motion is dismissed, with costs.

"James W. O'Reilly"

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Judge

ANNEX

**Copyright Act (RSC 1985, c C-42)**

**Loi sur de droit d'auteur (LRC (1985), ch C-42)**

**34. ...**

**34. ...**

(4) The following proceedings may be commenced or proceeded with by way of application or action and shall, in the case of an application, be heard and determined without delay and in a summary way:

(4) Les procédures suivantes peuvent être engagées ou continuées par une requête ou une action :

(a) proceedings for infringement of copyright or moral rights;

a) les procédures pour violation du droit d'auteur ou des droits moraux;

(b) proceedings taken under section 44.12, 44.2 or 44.4; and

b) les procédures visées aux articles 44.12, 44.2 ou 44.4;

(c) proceedings taken in respect of

c) les procédures relatives aux tarifs homologués par la Commission en vertu des parties VII.1 ou VIII ou aux ententes visées au paragraphe 67(3).

(i) a tariff approved by the Board under Part VII.1 or VIII, or

(ii) agreements referred to in subsection 67(3).

Le tribunal statue sur les requêtes sans délai et suivant

une procédure  
sommaire.

(5) The rules of practice and procedure, in civil matters, of the court in which proceedings are commenced by way of application apply to those proceedings, but where those rules do not provide for the proceedings to be heard and determined without delay and in a summary way, the court may give such directions as it considers necessary in order to so provide.

(5) Les requêtes visées au paragraphe (4) sont, en matière civile, régies par les règles de procédure et de pratique du tribunal saisi des requêtes si ces règles ne prévoient pas que les requêtes doivent être jugées sans délai et suivant une procédure sommaire. Le tribunal peut, dans chaque cas, donner les instructions qu'il estime indiquées à cet effet.

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

41.25 (1) Le titulaire d'un droit d'auteur sur une oeuvre ou tout autre objet du droit d'auteur peut envoyer un avis de prétendue violation à la personne qui fournit, selon le cas :

(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;

a) dans le cadre de la prestation de services liés à l'exploitation d'Internet ou d'un autre réseau numérique, les moyens de télécommunication par lesquels l'emplacement électronique qui fait l'objet de la prétendue violation est connecté à Internet ou à tout autre réseau numérique;

(b) for the purpose set out in subsection 31.1(4), the digital memory that is used for the electronic location to which the

b) en vue du stockage visé au paragraphe 31.1(4), la mémoire numérique qui

claim of infringement  
relates; or

est utilisée  
pour  
l'emplacement  
électronique  
en cause;

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

c) un outil de  
repérage au  
sens du  
paragraphe  
41.27(5).

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

(2) L'avis de prétendue  
violation est établi par  
écrit, en la forme  
éventuellement prévue  
par règlement, et, en  
outre :

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

a) précise les nom et  
adresse du demandeur et  
contient tout autre  
renseignement prévu par  
règlement qui permet la  
communication avec lui;

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

b) identifie l'oeuvre ou  
l'autre objet du droit  
d'auteur auquel la  
prétendue violation se  
rapporte;

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

c) déclare les intérêts  
ou droits du  
demandeur à l'égard  
de l'oeuvre ou de  
l'autre objet visé;

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

d) précise les  
données de  
localisation de  
l'emplacement  
électronique  
qui fait l'objet  
de la

infringement  
relates;

prétendue  
violation;

(e) specify the  
infringement  
that is  
claimed;

e) précise la  
prétendue  
violation;

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

f) précise la date et  
l'heure de la  
commission de la  
prétendue violation;

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

g) contient, le  
cas échéant,  
tout autre  
renseignement  
prévu par  
règlement.

(3) A notice of  
claimed  
infringement  
shall not  
contain

(3) Toutefois,  
il ne peut  
contenir les  
éléments  
suivants :

(a) an offer to  
settle the  
claimed  
infringement;

a) une offre  
visant le  
règlement de  
la prétendue  
violation;

(b) a request  
or demand,  
made in  
relation to the  
claimed  
infringement,  
for payment or  
for personal  
information;

b) une demande ou  
exigence, relative à  
cette prétendue  
violation, visant le  
versement de  
paiements ou  
l'obtention de  
renseignements  
personnels;

(c) a  
reference,  
including by  
way of  
hyperlink, to

c) un renvoi,  
notamment au  
moyen d'un  
hyperlien, à  
une telle offre,



such an offer,  
request or  
demand; and

demande ou  
exigence;

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

d) tout autre  
renseignement  
prévu par  
règlement, le  
cas échéant.

41.26 (1) A person  
described in paragraph  
41.25(1)(a) or (b) who  
receives a notice of  
claimed infringement  
that complies with  
subsections 41.25(2)  
and (3) shall, on being  
paid any fee that the  
person has lawfully  
charged for doing so,

41.26 (1) La personne  
visée aux alinéas  
41.25(1)a) ou b) qui  
reçoit un avis  
conforme aux  
paragrapes 41.25(2)  
et (3) a l'obligation  
d'accomplir les actes  
ci-après, moyennant  
paiement des droits  
qu'elle peut exiger :

(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

a) transmettre dès que  
possible par voie  
électronique une copie de  
l'avis à la personne à qui  
appartient l'emplacement  
électronique identifié par  
les données de localisation  
qui sont précisées dans  
l'avis et informer dès que  
possible le demandeur de  
cette transmission ou, le cas  
échéant, des raisons pour  
lesquelles elle n'a pas pu  
l'effectuer;

(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

b) conserver, pour une  
période de six mois à  
compter de la date de  
réception de l'avis de  
prétendue violation, un  
registre permettant  
d'identifier la personne à  
qui appartient  
l'emplacement

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.

électronique et, dans le cas où, avant la fin de cette période, une procédure est engagée par le titulaire du droit d'auteur à l'égard de la prétendue violation et qu'elle en a reçu avis, conserver le registre pour une période d'un an suivant la date de la réception de l'avis de prétendue violation.

...

...

(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.

(3) Le seul recours dont dispose le demandeur contre la personne qui n'exécute pas les obligations que lui impose le paragraphe (1) est le recouvrement des dommages-intérêts préétablis dont le montant est, selon ce que le tribunal estime équitable en l'occurrence, d'au moins 5 000 \$ et d'au plus 10 000 \$.

...

...

***Federal  
Courts Rules  
(SOR/98-106)***

***Règles des  
Cours  
fédérales  
(DORS/98-  
106)***

238 (1) A party to an action may bring a motion for leave to examine for discovery any person not a party to the action, other than an expert witness for a party, who might have

238 (1) Une partie à une action peut, par voie de requête, demander l'autorisation de procéder à l'interrogatoire

information on an issue in  
the action.

...

préalable  
d'une  
personne qui  
n'est pas une  
partie, autre  
qu'un témoin  
expert d'une  
partie, qui  
pourrait  
posséder des  
renseignement  
s sur une  
question  
litigieuse  
soulevée dans  
l'action.

...

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-1683-18

**STYLE OF CAUSE:** TBV PRODUCTIONS, LLC v. DOE #1 et al  
(See schedule 1 for list of Defendants) and  
BELL CANADA,  
SASKTEL, AND  
XPLORNET COMMUNICATIONS INC (Non-Party  
Respondents)

**PLACE OF HEARING:** HEARING HELD BY VIDEOCONFERENCE IN  
TORONTO, ONTARI

**DATE OF HEARING:** NOVEMBER 2, 2020

**ORDER AND REASONS:** O'REILLY J.

**DATED:** FEBRUARY 25, 2021

**APPEARANCES:**

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FOR THE PLAINTIFF

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INC

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