

Federal Court of Canada
Trial Division



Section de première instance de
la Cour fédérale du Canada

T-1812-96

11-28

B E T W E E N:

ITT HARTFORD LIFE INSURANCE
COMPANY OF CANADA

Plaintiff

- and -

AMERICAN INTERNATIONAL ASSURANCE LIFE
COMPANY LTD.

Defendant

REASONS FOR ORDER

NADON, J.:

By its motion, the plaintiff (defendant by counterclaim) seeks an order striking paragraphs 5, 6, 7, 16 and 17 of the Amended Statement of Defence and Counterclaim dated October 15th, 1996.

With respect to paragraphs 5, 6 and 7 of the Amended Statement of Defence and Counterclaim, the plaintiff submits that these paragraphs do not disclose a reasonable defence in that they fail to provide material facts sufficient to rebut the presumptions under s. 34(3)(a) and s. 53(2)(a) of the *Copyright Act*.

In essence, by paragraphs 5 and 6 of its Statement of Defence and Counterclaim, the defendant denies the originality of the plaintiff's "Provider Series 2000 - Rate Book Administration Manual" without alleging any material facts to support that conclusion. A similar issue was raised before my colleague

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Mr. Justice MacKay in *Glaxo Canada Inc. v. Apotex Inc.* (1994), 58 C.P.R. (3d)

1 (F.C.T.D.). At page 8 of his reasons, Mr. Justice MacKay states that:

The plaintiff says that those proposed paras. 12 and 13, deny originality in the get-up as a whole without any material facts supporting the conclusion. Thus, for example, the defendant does not plead that the modified package design is identical to the original design used by Glaxo. In proposed para. 13 the simple denial of originality in the modified cartons, which are said to be "substantially identical" to the original cartons is not a pleading of material facts but of a conclusion that fails to take account of the fact that copyright interests may exist in modified representations.

Later on, at page 9, Mr. Justice MacKay states:

. Those paragraphs do not plead material facts, their general allegations do not adequately take account of the law of copyright and the presumptions from registration under the Act, as the plaintiff urges." The defendant's problem may be in finding the appropriate balance between succinctness in pleading and the necessity to plead material facts, but, if so, pleading known particulars in some detail in order to ensure material facts are fully set out may be essential

In the present instance, I am of the view that paragraphs 5 and 6, as they stand, should be struck. Perhaps the defendant can seek leave to amend its pleading so as to advance material facts relevant to the conclusion which it seeks. For the time being, paragraphs 5 and 6 simply constitute, in effect, denials of the plaintiff's allegations.

In paragraph 6 of its Amended Statement of Defence and Counterclaim, the defendant pleads, if I have correctly understood the pleading, that the plaintiff is not entitled to the presumptions of s. 34(3)(a) and s. 53(2)(a) of the *Copyright Act* because the registration of the plaintiff's work occurred after the activities of which the plaintiff complains.

In support of its position, the defendant referred me to the decision of Denault J. in *Grigon v. Roussel et al.* (1991), 38 C.P.R. (3d) 4 (F.C.T.D.). In that case, Denault J. clearly held that, in his view, the presumption of s. 53(2) did not apply where registration occurred after the alleged infringing work was published.

In the case at bar, the plaintiff's work was registered on July 17, 1996. On the other hand, the defendant's alleged infringing work appears to have been published prior to July 17, 1996. Thus, it cannot be said, in my view, that paragraph 7 of the defendant's Amended Statement of Defence and Counterclaim has no chance of success. Consequently, the paragraph shall not be struck.

I now turn to paragraphs 16 and 17 of the Amended Statement of Defence and Counterclaim, in respect of which the plaintiff submits that there is no basis for the allegations contained in these paragraphs. I agree.

In paragraph 16, the defendant has simply repeated the words of s. 7(a) of the *Copyright Act*. In paragraph 17, the defendant alleges that it relies on the provision of the *Trade Marks Act*, including s. 7(a) thereof.

I fail to see how paragraphs 10 through 14 of the Amended Statement of Defence and Counterclaim can serve as a basis for the allegations contained in paragraphs 16 and 17. Consequently, paragraphs 16 and 17 shall be struck.

One final point. During the hearing, counsel for the plaintiff asked that I extend the plaintiff's time to reply to the Amended Statement of Defence and Counterclaim. The plaintiff shall have 15 days from the date of this order to file and serve its reply.

Costs of the motion shall be in favour of the plaintiff.

"Marc Nadon"

Judge

Toronto, Ontario
November 6, 1996

FEDERAL COURT OF CANADA

Names of Counsel and Solicitors of Record

COURT NO: A-1812-96

STYLE OF CAUSE: ITT HARTFORD LIFE INSURANCE
COMPANY OF CANADA

- and -

AMERICAN INTERNATIONAL
ASSURANCE LIFE COMPANY LTD.

DATE OF HEARING: NOVEMBER 4, 1996

PLACE OF HEARING: TORONTO, ONTARIO

REASONS FOR ORDER BY: NADON, J.

DATED: NOVEMBER 6, 1996

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