

Federal Court



Cour fédérale

Date: 20100412

Docket: T-91-10

Citation: 2010 FC 387

Toronto, Ontario, April 12, 2010

PRESENT: The Honourable Mr. Justice Hughes

BETWEEN:

**VINOD CHOPRA FILMS PRIVATE LIMITED
AND RELIANCE MEDIAWORKS (USA) INC.**

Plaintiffs

and

**JOHN DOE AND JANE DOE AND OTHER PERSONS, NAMES UNKNOWN, WHO
DEAL IN COUNTERFEIT VIDEO RECORDINGS, AND OTHER PERSONS LISTED IN
SCHEDULE "A" TO THE STATEMENT OF CLAIM**

Defendants

REASONS FOR ORDER AND ORDER

[1] This is a review of a “rolling” type Anton Piller Order granted by the Court in these proceedings, *ex parte*, on January 26, 2010, which has been sought by several but not all of the parties that have been named as Defendants. This Order therefore will pertain only to those named Defendants who have sought this review, all others remain unaffected.

[2] For the reasons that follow I am setting aside the Anton Piller Order as it affects the Defendants who have sought this review, grant them their costs reasonably incurred on a full indemnity basis, and will Order that the action as against those Defendants be dismissed on terms.

THE DEFENDANTS WHO HAVE SOUGHT THIS REVIEW:

[3] Some, but not all of the persons and corporations that have so far been specifically identified as Defendants have sought this review. This Order shall only pertain to the Defendants seeking this review whom I will call Affected Defendants. They are:

- 1557768 Ontario Inc. o/a Golumbia Video
- Arangesan Paramsothy
- 1691731 Ontario Inc. o/a Bollywood 4 U
- Abulsama Jibhai
- 2148409 Ontario Inc. o/a Video Station
- Kulwant Kaur Singh
- 215151872 Ontario Inc. o/a Singh Video Station
- Mohan Singh
- 2031221 Ontario Inc. o/a Old Karachi Bazar
- Royal Paan Inc.
- Neerad Upadhyay
- Anmol Records Inc.
- Rajesh Syal
- 2122308 Ontario Inc. o/a Albion Audio & Video

- Kulbir Singh Mokha

[4] It must be noted that Tayyabi Huma appeared in person before me and filed an affidavit with this Court to the effect that she had nothing to do with Old Karachi Bazar and that her involvement was simply coincidental as she happened to be in the store when the Anton Piller enforcers arrived. She acted as an interpreter. After some discussion between Ms. Huma, the Court and counsel for the Plaintiffs it was agreed that Ms. Huma would no longer be troubled with anything to do with these proceedings. She has been inconvenienced by the Plaintiffs who involved her in the proceedings and is entitled to reasonable out-of-pocket disbursements. I estimate they would be \$250.00.

ANTON PILLER ORDERS

[5] An Anton Piller Order is a form of civil search warrant enabling representatives of a plaintiff to request entrance into premises occupied by persons named or to become named as defendants to search for and seize relevant documents and things pertinent to the proceedings subject to any further Order of the Court.

[6] The leading case is the recent decision of the Supreme Court of Canada in *Celanese Canada Inc. v. Murray Demolition Corp.*, 2006 SCC 36, [2006] 2 S.C.R. 189, in which Binnie J. delivered the unanimous decision for the Court. Binnie J. wrote at paragraphs 1, and 28 to 32:

1 Binnie J.:— An Anton Piller order bears an uncomfortable resemblance to a private search warrant. No notice is given to the party against whom it is issued. Indeed, defendants usually first learn

of them when they are served and executed, without having had an opportunity to challenge them or the evidence on which they were granted. The defendant may have no idea a claim is even pending. The order is not placed in the hands of a public authority for execution, but authorizes a private party to insist on entrance to the premises of its opponent to conduct a surprise search, the purpose of which is to seize and preserve evidence to further its claim in a private dispute. The only justification for such an extraordinary remedy is that the plaintiff has a strong prima facie case and can demonstrate that on the facts, absent such an order, there is a real possibility relevant evidence will be destroyed or otherwise made to disappear. The protection of the party against whom an Anton Piller order is issued ought to be threefold: a carefully drawn order which identifies the material to be seized and sets out safeguards to deal, amongst other things, with privileged documents; a vigilant court-appointed supervising solicitor who is independent of the parties; and a sense of responsible self-restraint on the part of those executing the order.

...

28 Anton Piller orders have been available in Canada for close to 30 years. Unlike a search warrant they do not authorize forcible entry, but expose the target to contempt proceedings unless permission to enter is given. To the ordinary citizen faced on his or her doorstep with an Anton Piller order this may be seen as a distinction without a meaningful difference.

29 Originally developed as an "exceptional remedy" in the context of trade secrets and intellectual property disputes, such orders are now fairly routinely issued in ordinary civil disputes...

[7] The Anton Piller Order originated from a decision of the English Court of Appeal in a case of that name *Anton Piller KG v. Manufacturing Process Ltd.*, [1976] Ch. 55, in which the Plaintiff, a manufacturer of sophisticated electric motors used in computers, had evidence from two former employees of the Defendant that the Defendant was stealing the Plaintiff's trade secrets and would be likely to destroy evidence to that effect if it had notice. The Court gave an Order permitting the

Plaintiff to request that the Defendant allow an inspection of its premises for the purpose of finding and securing such evidence. Refusal by the Defendant to allow such entry and inspection would be a contempt of court. The extraordinary nature of this Order was specifically addressed by Lord Denning M.R. at page 61 where he wrote:

*This is not covered by the Rules of the Supreme Court and must be based on the inherent jurisdiction of the court. There are one or two old precedents which give some colour for it, *Hennessy v. Rohmann, Osborne & Co.* [1877] W.N. 14, and *Morris v. Howell* (1888) 22 L.R. Ir. 77, an Irish case. But they do not go very far. So it falls to us to consider it on principle. It seems to me that such an order can be made by a judge *ex parte*, but it should only be made where it is essential that the plaintiff should have inspection so that justice can be done between the parties: and when, if the defendant were forewarned, there is a grave danger that vital evidence will be destroyed, that papers will be burnt or lost or hidden, or taken beyond the jurisdiction, and so the ends of justice be defeated: and when the inspection would do no real harm to the defendant or his case.*

Nevertheless, in the enforcement of this order, the plaintiffs must act with due circumspection. On the service of it, the plaintiffs should be attended by their solicitor, who is an officer of the court. They should give the defendants an opportunity of considering it and of consulting with their own solicitor. If the defendants wish to apply to discharge the order as having been improperly obtained, they must be allowed to do so. If the defendants refuse permission to enter or to inspect, the plaintiffs must not force their way in. They must accept the refusal, and bring it to the notice of the court afterwards, if need be on an application to commit.

[8] Thus an Anton Piller Order began as an extraordinary remedy, to be used only when it was “essential” and there was “grave danger” that the evidence might be destroyed such that the “ends of justice be defeated” and, from the defendant’s point of view, no real harm would be done. The jurisprudence in Canada has culminated in the *Celanese* case, *supra*, where the Supreme Court of

Canada has called the Order an “*extraordinary remedy*” to be used only when there is a “*real possibility that relevant evidence will be destroyed or otherwise made to disappear*”.

[9] There have been many cases in Canada dealing with Anton Piller Orders however it is appropriate to consider that the principal jurisprudence has now been established by the Supreme Court of Canada in *Celanese supra*. The requirements for obtaining such an Order were set out by Binnie J. at paragraph 35 of that decision:

35 There are four essential conditions for the making of an Anton Piller order. First, the plaintiff must demonstrate a strong prima facie case. Second, the damage to the plaintiff of the defendant's alleged misconduct, potential or actual, must be very serious. Third, there must be convincing evidence that the defendant has in its possession incriminating documents or things, and fourthly it must be shown that there is a real possibility that the defendant may destroy such material before the discovery process can do its work...

I will return to these requirements later in these reasons.

WHAT IS A “ROLLING” ANTON PILLER ORDER?

[10] The Order under review here is what has become known as a “rolling” Anton Piller Order, Such an Order was discussed by Pelletier J. (as he then was) in *Club Monaco Inc. v. Woody World Discounts* (1994), 2 C.P.R. (4th) 4-36, [1999] F.C.J. No. 1645 at paragraph 6:

6 The comments which follow are limited to the question of "rolling" Anton Piller orders in which the defendants are not known and which are issued against John Doe and Jane Doe. They are also limited to the case of itinerant sales or flea markets and do not deal with the particular problems which arise in the case of travelling celebrity attractions, to which other considerations may apply. These "rolling" orders are potentially binding upon all who carry on trade in certain types of consumer goods. It is therefore incumbent upon the Court to be satisfied that the potential interference with

individual rights is justified by the evidence put before it as to the scope of the infringement of the plaintiff's rights.

[11] There have been a few instances where such “rolling” Orders have also been directed toward permanent shops as well (e.g. *Viacom Ha! Holding Co. v. Doe* (2000), 6 C.P.R. (4th) 36 per Tremblay-Lamer J. at para 67).

[12] Professor Jeff Berryman of Windsor Law School (formerly the dean) has written extensively on the subject of Anton Piller Orders, particularly in the Canadian context. In his paper entitled “*Recent Developments in Anton Piller Orders*” appearing in the Oxford Intellectual Property Research Centre Working Paper series No. 4, Nov. 2001 he discussed the development of “rolling” Orders in Canada, particularly in the Federal Court (the “Oxford” paper). The following are excerpts from that paper. Prof. Berryman begins at page 2:

Rolling Anton Piller Orders

It is difficult to discern a definite point in time when the rolling Anton Piller order was created in Canada although it is uniquely a creation of the Federal Court. Canada's Federal Court is a statutory court created pursuant to the constitutional powers accorded the Federal government to establish courts for the 'better administration of the laws of Canada'. Under the constitutional division of powers the Federal government has the exclusive responsibility to create and regulate copyright and patents, and pursuant to the trade and commerce power, to make provision for trademarks. While the jurisdiction of the Federal Court, and the reasons for maintaining it as a separate court, have often been challenged throughout its 126 year history, most critics have accepted the desire to have a specialist tribunal deal with, among other things, intellectual property as a valid reason for the court's continued existence. Pursuant to this specialized nature the Federal Court, during the eighties, built up a significant Anton

Piller jurisdiction the majority of which involve breaches of copyright and trademark.

[13] I move to the end of that paper where, at page 13 Prof. Berryman wrote:

Evaluation of the Federal Court's Position on Rolling Anton Piller Orders

'New millennium', 'post-industrial', 'globalization', and the 'knowledge economy' are all terms often placed within close proximity to one another. Taken together they mark a paradigm shift in the underlying economic basis of western democracies. Information, knowledge, brand names and consumers associative memories that go with this material to generate goodwill, as well as the manipulation of the same, increasingly forms the main assets of modern enterprises. This new form of property is distinguished by one major characteristic, that it is capable of multiple use without a corresponding deprivation of use by the lawful owner. Thus, the primary wealth in the property is its 'use' value that can only be protected by remedies aimed at exclusion of others. The common law's presumptive remedy, damages, is substitutionary in effect, measuring and trading the plaintiff's loss for a damages equivalent. Equity's presumptive remedy, the injunction, is exclusionary in effect. Thus, as the knowledge economy takes hold, we can only expect an increasing reliance upon exclusionary remedies. The Federal Court's rolling order is a natural growth of this trend but it also portends other changes.

At page 14 he points out that the Federal Court is, in effect, filling in gaps in legislation:

By virtue of its statutory jurisdiction Canada's Federal Court has received the vast majority of Anton Piller suits. The court's cautious development has occurred at a time when the Federal government has spent considerable time in legislating changes to Canada's intellectual property statutes including the remedial provisions. Thus, the legislature has had the opportunity to address concerns with the direction that the court has been taking. Certainly, one would expect and hope that government's legal advisors were aware of legislative initiatives in the United Kingdom during this period. On the other hand, the fact that the legislature did not make specific provision for a self-help right of

seizure, as the United Kingdom had done with copyright in 1988, may cause pause for a court and whether it should ‘gap fill’ legislation. In this sense the Federal Court has been caught in a quandary over a lacuna in Canadian law.

The “Rolling Order” has never been fully litigated, a problem that concerned Professor Berryman as he wrote at page 15:

A common feature in most jurisdictions that have developed the Anton Piller order, but perhaps more so in Canada’s Federal Court, have been the relative paucity of either ‘strong’ or willing defendants to mount concerted actions against the order. The conditions in which adjudication takes place are thus less than ideal. In Canada the number of plaintiffs, and their counsel engaged in arguing before the Federal Court, have been small in number. From a plaintiff’s point of view, significant advances have been made, but have these been matched by sufficiently vigorous arguments for defendants?

...

Rolling Anton Piller orders and the exclusionary remedy they provide are both a work in progress and a principle derived from adjudication. The remedy is responsive to plaintiffs needs; it remains to be seen whether it proves to be an inconvenience along the way to a better developed set of coherent decision making principles. I do not believe the Federal Court should be faulted for trying. The conditions for adjudication are not ideal; nevertheless, the court does make participation in its processes by defendants and other voices representative of an extra-legal community an important focus.

[14] The situation remains today largely as expressed in 2001 by Prof. Berryman. There has not been a case, until the present, where sufficiently rigorous arguments have been raised by a defendant. The “rolling” Order as it has been developing is a remedy responsive to a plaintiff’s needs but has a proper balance with respect to a defendant’s concerns and the concerns of the public

at large been considered? Has due regard been given to The Canadian Charter of Rights and Freedoms, section 8:

8. Everyone has the right to be secure against unreasonable search or seizure.

THE PLAINTIFFS AND RIGHTS ASSERTED

[15] It is not contested for the purposes of this review that the Plaintiff Vinod Chopra Films Private Limited is an Indian Company and owner of copyright in Canada in a motion picture film entitled “3 Idiots”. A certificate of the registration of that copyright with the Canadian Copyright Office is in the record as registration number 1073886 registered January 13, 2010 which names Vinod Chopra Films Pvt. Limited as owner. (I do not consider that the abbreviation of Private to Pvt. is material at this stage). Under the provisions of the *Copyright Act*, R.S.C.1985, c. C-42, section 53(2) that certificate is evidence that copyright subsists in the work and that the person so registered is the owner. One of the Defendants’ Counsel, Mr. Padda, raised an objection to the effect that the registration of copyright was secured after some of the allegedly infringing events occurred. It must be remembered that copyright subsists without registration, a registration is evidence as to the subsistence of copyright but is not necessary to create the right. Here we have that evidence by way of the registration. That evidence is not contested.

[16] The other Plaintiff, Reliance Mediaworks (USA) Inc. purports to be a licensee under that copyright with rights to exploit the work in Canada in motion picture theatres as well as by CD’s, DVD’s and the like. Counsel for some of the defendants, Mr. Schneiderman, invited me to find that

this plaintiff had not sufficiently demonstrated his rights as licensee on the evidence provided to the Judge who granted the original *ex parte* Order, Justice Zinn. I have reviewed that evidence, which comprises the affidavit of Sumit Chadha sworn January 18, 2010 and in particular paragraphs 16 to 22. I am satisfied that this Plaintiff has sufficient status to claim as a licensee for the purpose of the Anton Piller Order. The full nature and extent of the license, if contested, may become more material as the action progresses into trial, if at all.

[17] For purposes of the Anton Piller Order I am satisfied that a strong *prima facie* case has been made and that copyright subsists in Canada in the motion picture filed entitled “3 Idiots”, that the plaintiff Vinod Chopra Films Private Limited is the owner of that copyright and that the Plaintiff Reliance Mediaworks (USA) Inc. is a licensee in Canada in respect of that copyright. It has not been contested on the motion before me that such copies of “3 Idiots” has have been seized in execution of the Order are unauthorized copies.

REVIEW OF AN ANTON PILLER ORDER

[18] This is a review of an Anton Piller Order granted, *ex parte*, January 26, 2010. This is the first time that a defendant has an opportunity to challenge that Order. The law is clear that such a review is conducted *de novo* and that evidence in addition to that considered by the Judge granting the original Order may be taken into consideration. (*Adobe Systems Inc. v. KLJ Computer Solutions Inc.*, [1999] 3 F.C. 621 (T.D.); *Bell Express Vu v. Rodgers* (2007), 57 C.P.C. (6th) 312 (Ont. SC) at para 11).

[19] The original Order was granted *ex parte*. As Binnie J. wrote in *Celanese supra* at paragraph 36 there is a heavy onus on counsel and the parties seeking that Order to be candid and complete:

36. Both the strength and the weakness of an Anton Piller order is that it is made ex parte and interlocutory: there is thus no cross-examination on the supporting affidavits. The motions judge necessarily reposes faith in the candour and complete disclosure of the affiants, and as much or more so on the professional responsibility of the lawyers participating in carrying out its terms.

[20] There is a duty on a party, especially in *ex parte* proceedings, to make out its case. It should not take a position where it will put in enough evidence to persuade a Court to issue the Order, then “cooper up” any deficiencies later, if challenged. I am particularly concerned with two situations, one is directed to proof of a plaintiff’s rights, something that is known to the plaintiff before the proceedings have been instituted and should be fully established in evidence before the Court in seeking the *ex parte* Order. The second is more insidious. An Anton Piller Order is to be granted only where there is grave danger that relevant material may be destroyed. For a plaintiff simply to allege that a defendant may destroy relevant material, obtain an Order, secure some material by a surprise search, then return to the Court with the material in hand should not mean that the fact that such material has been obtained can now be used as proof of the likelihood that it would have been destroyed. Such later acquired material may be evidence of the existence of such material, but not evidence that it would likely have been destroyed. Evidence as to the general conduct of a Defendant whose premises are being searched should be used with extreme caution when attempting to use such “post Order” evidence to support the “pre Order” assertion that the materials sought would likely be destroyed. There must be sufficient proof at the beginning of the process to

support an allegation of likely destruction, not a simple allegation to be supported later by conduct of a party during execution of the Order or materials seized.

[21] Since an Anton Piller Order is an extraordinary remedy. I have no hesitation in drawing an analogy to a situation such as that considered in the context of criminal law. In Sopinka et al “*The Law of Evidence in Canada*”, 3rd ed, Lexis Nexis, the authors wrote at paragraph 6.437:

6.347 It is therefore incumbent on the trial judge to carefully instruct the jury to ensure that such evidence is not misused. The jury should be told that after-the-fact conduct relied on by the Crown has only an indirect bearing upon the issue of guilt and that the jury should exercise caution in inferring guilt because the conduct might be explained in an alternative manner. The jury should also be instructed that they must not use this conduct to support an inference of guilt unless they rejected any innocent explanation for the conduct.

[22] In short, post Order conduct of a defendant may be introduced but used with extreme caution if it is to be used in support of an allegation made at the *ex parte* hearing that the defendant would have been likely to destroy relevant material.

[23] A review of the *ex parte* Anton Piller Order is to be conducted so as to determine if the four criteria for obtaining such an Order as set out by the Supreme Court of Canada in *Celanese supra* at paragraph 35 have been met, to repeat:

- Has the plaintiff demonstrated a strong *prima facie* case
- Is the damage to the plaintiff potential or actual very serious
- Is there convincing evidence that the defendant has in its possessions incriminating documents or things

- Is there a real possibility that the defendant may destroy such material before the discovery process can do its work

[24] I add that there are further criteria discussed in *Anton Piller supra* and in cases such as *Netbored Inc. v. Avery Holdings Inc.*, 2005 FC 1405 at paragraphs 63 to 66, namely:

- Would the inspection do no harm to the defendant or its case
- Would the interests of justice be brought into disrepute

[25] As this case deals with a “rolling” Anton Piller Order the review must also consider criteria such as set out by Pelletier J. at paragraph 7 of *Club Monaco supra*:

As a result, it is my view that in future applications for a rolling Anton Piller order the evidence submitted in support of the application should reflect the following:

1) The affidavits should contain the personal knowledge of the affiant as to the nature and extent of the problem as it relates to the Plaintiff. It is, after all, the plaintiff's valuable property which it is sought to protect. If the officers of the plaintiff are not in a position to testify from their own personal knowledge as to the nature and extent of the problem, doubts are raised as to the need for the remedy. While counsel who habitually practice in this area no doubt acquire expertise and insight into the practices of counterfeiters, the unusually heavy reliance upon information provided by counsel which one often sees in these matters creates a risk of putting counsel's credibility in issue. This detracts from the independence which the Court is entitled to expect from counsel appearing before it.

2) Certain elements of the proof put before the Court are general in nature and cannot be easily be particularized, for example, the damage to the goodwill of the plaintiff from the existence of substandard counterfeit goods. This evidence can be given in the form of general statements of the plaintiff's understanding of the

effect of counterfeiting upon the value of their intellectual properties.

3) Other elements of the proof can and should be particularized, specifically the instances of counterfeiting known to the plaintiff which would justify the granting of an order. In general it would not be sufficient to simply say that the plaintiff is aware of counterfeiting in a given city or region. Since these orders are applied for ex parte and often in camera, there is no obvious justification for not giving the Court particulars of known instances of counterfeiting which would justify the issuance of the order sought, especially when the counterfeiting activity is taking place at some distance from the centre where the order is sought.

4) In general, a number of instances of counterfeiting would be required to justify a "rolling" order for the simple reason that a specific instance would only justify a specific order. If the plaintiff wishes an order applicable to unlimited future instances, it is incumbent upon it to demonstrate that specific orders are not an appropriate remedy. The deponent's unsupported testimony as to his or her belief that such an order is required would not usually be sufficient.

5) In the same way, proof of a number of incidents of counterfeiting in Ontario would only justify an order which applied to Ontario. If a Canada wide order is sought, there should be some proof that the counterfeiting is not a local problem. This is not an insurmountable problem: an order tailored to the evidence submitted at the time of the hearing could be extended subsequently by amendment if further evidence of counterfeiting in other provinces or regions became available.

6) Since it is the allegation of counterfeiting which justifies the extraordinary interference with existing property rights, the grounds upon which it is believed that counterfeiting is occurring should be clearly stated. A simple assertion that the affiant believes the goods to be counterfeit is not sufficient. What observations or examinations support the affiant's belief? In general terms, evidence upon information and belief as to this issue would not be particularly persuasive. This evidence goes to the heart of the application and should receive critical attention.

7) In those cases where it is sought to renew an existing order, it is incumbent upon the plaintiff to demonstrate to the court the use

which it has made of the order previously granted. An order which has not been enforced does not need to be renewed but the fact of enforcement does not, of itself, justify renewal of the order, though it may in some cases. As a courtesy to the Court, this information should be collated and summarized so as to enable the court to quickly review the plaintiff's past experience.

8) An assertion in an affidavit that the plaintiff agrees to be bound by an undertaking as to damages is not an undertaking as to damages just as a promise to agree is not an agreement. A separate undertaking as to damages, directed to the court, properly executed by corporate officers who have the authority to do so should accompany the application.

[26] A further point raised upon this review was the use of the “John Doe” designation of defendants in the “rolling” order. Was it a proper use of the “John Doe” procedure?

[27] Fortunately not all of these considerations need to be considered on this review. Counsel for all parties, Plaintiffs and Defendants, were extremely professional and helpful in reducing the number of issues and getting to the point particularly Ms. Danzig for the Plaintiffs and Mr. Toyne for some of the Defendants. There is little real dispute, as to the rights asserted by the Plaintiffs, nor is there any real dispute that the copies of the “3 Idiots” motion picture embedded in the CD’s and DVD’s seized were unauthorized copies. The manner in which the execution of the Order, once granted, was carried out is not in dispute. The issues for consideration on this review are therefore those as set out in the following section.

ISSUES FOR REVIEW:

[28] The issues now before the Court, which will be considered in turn are:

1. Have the Plaintiffs established that the damage, potential or actual, is very serious?

2. Have the Plaintiffs provided convincing evidence that the defendants have in their possession incriminating documents or things?
3. Have the Plaintiffs established a real possibility that the Defendants may destroy such material before discovery?
4. Have the Plaintiffs provided a proper basis for a “John Doe” proceeding?
5. Have the interests of justice been brought into disrepute?

1. Have the Plaintiffs established that the damage, potential or actual, is very serious?

[29] It is to be noted at the outset that this requirement is not only that damage, potential or actual, exists or will exist, but that such damage is *very serious*.

[30] The evidence to that effect put before the Court on the *ex parte* application is found on the affidavit of Sumit Chadha sworn January 18, 2010. He is the US Operations Manager of the Plaintiff Reliance, a position that he has held for some three years. The issue of damage is discussed at paragraphs 32 to 44 of that affidavit. At paragraph 33 he states, with reference to a news report on the Al Jazeera Network (no copy provided) that the Indian pirated movie industry earns more than four times what the mainstream industry earns. At paragraph 34 he refers to a US India Business Counsel news release stating that the Indian economy has sustained huge job and revenue losses as result of piracy. A different report is also referred to in that paragraph. He purports to attach as Exhibit F a copy of the press release. In fact Exhibit F is another copyright registration certificate said to be erroneous (paragraphs 23 to 25). Nowhere is a copy of the news release or report provided. At paragraphs 35 to 38 he discusses how plans are made such that a motion picture is

released in theatres with a planned later release of home video copies. At paragraph 38 he says that unauthorized copies “detrimentally impact” upon such plans. At paragraph 39 to 41 he discusses illegal sales of videos that “reduces attendance at theatres” referring to a 1999 report by an entity identified only as MPA respecting the movie “Star Wars”. At paragraph 42 he says that his company’s market for home video products will “diminish”. At paragraph 44 he concludes that lost ticket sales and sales of video products will result.

[31] Nowhere does this evidence specifically direct itself to Canada, nor the motion picture “3 Idiots” nor to any particular potential defendant or group of defendants. Nowhere is the damage said to be “very serious”.

[32] Even to look at the post-Order evidence, the results of the execution of the Order show that only a handful of unauthorized video copies of “3 Idiots” were seized. They are said to sell at between one and two dollars a copy. Even if statutory damages as permitted by the *Copyright Act*, *supra*, were assessed even at the high end, they would not amount to “very serious” damage.

[33] Plaintiffs’ counsel submitted that the total quantity of unauthorized videos is still unknown and the market destruction is still unknown. That may be, but the onus was on the Plaintiffs to establish that the damage, actual or potential, was or would be “very serious”. They have not done so.

2. Have the Plaintiffs provided convincing evidence that the defendants have in their possession incriminating documents or things?

[34] I am satisfied that the Court had before it on the *ex parte* motion through the affidavits of Trehan, Parish and Archibald, sufficient evidence that a number of retail establishments, at the time identified only in a general way by city and unnumbered streets, were offering for sale unauthorized copies of “3 Idiots”. The evidence later filed shows that, upon execution of the Order, some unauthorized copies were seized.

[35] There were no documents seized, other than a few business cards and cash register slips. No documents were recovered as to the source of such unauthorized copies. A later filed affidavit identifies a mysterious and untraceable Mansur Samji as the source of some of these copies. Inferences are raised that some shops may make copies on the premises using computers located there but no hard evidence to that effect was provided.

3. Have the Plaintiffs established a real possibility that the Defendants may destroy such material before discovery?

[36] The evidence put before the Court on the *ex parte* application as to the likelihood of destruction is largely set out in the affidavit of Sumit Chadha referred to earlier (I will return to Trehan, Parish and Archibald later). The Chadha affidavit is peculiar in this regard. It begins at paragraph 46 by stating that, based on his experience at Reliance (some 3 years in the US) he has “come to learn” that certain persons may destroy or hide evidence. He says:

46. Based upon my experience at Reliance MediaWorks (USA) Inc. I have come to learn that persons engaged in the sale of Counterfeit

Recordings, including street market vendors, flea market vendors and fixed location retail establishments, often move their operations on a moment's notice, and/or refuse to voluntarily identify themselves, and/or destroy or hide evidence of their wrongful conduct, and/or destroy or hide documents that might lead the Plaintiffs to the source of the Counterfeit Video Records or to their supplier, if given notice of the intended proceedings.

[37] I give no weight to such a generalized statement. At paragraph 47 he gives hearsay evidence from Trehan. Trehan provided his own affidavit in these proceedings and could have said this himself. He did not.

47. I am advised by Tarun (Sunny) Trehan and believe that many fixed location retail establishments are engaged in the illicit sale of Counterfeit Recordings.

[38] I give no weight to this statement since Trehan gave evidence and did not say this anywhere.

[39] At paragraphs 48 and 49 Chadha gives hearsay evidence based on information received from Plaintiffs' counsel Mr. Lipkus:

48. I am advised by Mr. Lipkus and believe that the ever-changing and elusive practices engaged in by counterfeiters transcend the venue from which they carry on their trade. This position is sustainable when one considers the following examples of business practices, undertaken, from time to time, by persons carrying on business at fixed location retail establishments. I am advised by Lorne M. Lipkus and believe that all of these examples were extracted from Affidavits filed with this Honourable Court, and I believe each can be an indicator of impermanence and risk of loss of evidence of counterfeiting:

a) business permits not at business premises despite municipal by-laws mandating same;

b) incorrect or expired or previous owners' business permit on premises;

c) name on sign at the premises is different from the name appearing on receipts given to customers and/or from the name appearing on the business permit;

d) generic cash register receipt with no reference to business name and/or no description of the item purchased;

e) cash register receipt fails to contain GST number;

etc. etc.

49. I am informed by Mr. Lipkus and believe that attempts are made from time to time to elicit the voluntary surrender of counterfeit merchandise, including, Counterfeit Video Recordings and the voluntary cessation of counterfeit activity. However, I am also informed by Mr. Lipkus, and believe that often the counterfeiters he encounters refuse to relinquish their rights to the counterfeit merchandise unless and until they are served with an Anton Piller Order. Even those served with Anton Piller Orders, from time to time, refuse to voluntarily surrender their counterfeit merchandise and refuse to voluntarily permit a search of their premises.

[40] It is highly improper for a Plaintiff's own lawyer, whether directly, or through information and belief adopted by another witness, to give evidence as to a contentious matter in a proceeding such as this. This is particularly so where the evidence is directed to an allegation that a person may hide or destroy evidence if notice were given. I contrast this situation with that considered by Justice Snider of this Court in *Chum Limited v. Stempowicz*, 2003 FCT 800 where Mr. Lipkus himself provided his affidavit directed to similar points but a different law firm and different counsel appeared for the parties.

[41] As the Supreme Court of Canada said in *Celanese supra*, a plaintiff and counsel owe the highest degree of candour to the Court in matters of this kind in seeking an *ex parte* order. As stated by Pelletier J. in *Club Monaco supra* at paragraph 7, point 1:

The affidavits should contain the personal knowledge of the affiant as to the nature and extent of the problem as it relates to the Plaintiff. It is, after all, the plaintiff's valuable property which it is sought to protect. If the officers of the plaintiff are not in a position to testify from their own personal knowledge as to the nature and extent of the problem, doubts are raised as to the need for the remedy. While counsel who habitually practice in this area no doubt acquire expertise and insight into the practices of counterfeiters, the unusually heavy reliance upon information provided by counsel which one often sees in these matters creates a risk of putting counsel's credibility in issue. This detracts from the independence which the Court is entitled to expect from counsel appearing before it.

[42] Counsel cannot avoid the issue by putting their opinions in the mouth of another witness speaking on information and belief (*Citifinancial Services of Canada v. 1472354 Ontario Inc.*, 2003 Carswell Ont. 507 at para 4).

[43] Rule 82 of this Court precludes Counsel from arguing a matter in which Counsel's own affidavit is in evidence. The Rule has been relaxed but only in respect of non-controversial matters. The Rule remains clear as stated by Pelletier J.A. in *Belmonte v. Syndicat des débardeurs*, 2004 FCA 141 at para 4:

4 The rule is clear and based on a consistent principle of professional ethics: counsel should not be the subject of the litigation himself. This rule is well known and must be observed for the protection of clients, if not of counsel himself. The Court finds that counsel's affidavit is inadmissible for purposes of the motion for an extension of time.

[44] I rule that paragraphs 48 and 49 of the Chadha affidavit to be inadmissible. Even if admissible I would give it no weight as nowhere is it provided as to how Mr. Lipkus may have known about or gained expertise in such matters.

[45] The final paragraph of this Chadha affidavit, paragraph 50 is simply a conclusion based on the previous paragraphs. I give it no weight.

[46] Thus the Plaintiffs have led no probative evidence that the defendants would be likely to hide or destroy relevant documents or things.

[47] Turning to other evidence presented on the *ex parte* application, it consists of the affidavits of three private investigators, Trehan, Parish and Archibald, who visited several shops (only vaguely identified) and purchased unauthorized copies of “3 Idiots” recordings. Nowhere is it alleged that the shopkeepers were likely to hide or destroy such copies or other relevant materials.

[48] In fact the Plaintiffs’ evidence is to the contrary. The affidavit of Parish states that he delivered a “cease and desist” letter (Exhibit A to his affidavit sworn January 19, 2010) to a number of parties. His later affidavit identifies such parties so as to include many of the Affected Defendants. That letter, although not drafted with the skill of one practicing in the copyright area, requests that the recipient immediately cease selling “3 Idiots” unauthorized copies and preserve copies and relevant materials. In other words *notice had already been given* to many of the Affected Defendants as well as others.

[49] The evidence presented on the review indicates that after execution of the Order some of the Affected Defendants had unauthorized copies of “3 Idiots” for sale, others did not. There is *no evidence that after the notice*, any relevant copies of material had been hidden or destroyed.

[50] The Plaintiffs’ evidence in this respect, particularly since it is directed to a state of mind or propensity to hide or destroy relevant documents and materials is woefully inadequate. At best it is careless, inadequate and a slipshod attempt to secure an Order whose real purpose is, and I am quoting a word used by the Plaintiffs’ Counsel in argument before me, to “target” small shopkeepers. I view this as an abuse of the process of this Court. At worst it was an attempt to induce this Court to issue an Order for which there was no foundation.

4. Have the Plaintiffs provided a proper basis for a “John Doe” proceeding?

[51] The “rolling” Anton Piller Order was granted in an action commenced by filing a Statement of Claim which does not name any particular defendant. They are identified in the style of cause as follows:

JOHN DOE AND JANE DOE AND OTHER PERSONS, NAMES
UNKNOWN,
WHO DEAL IN COUNTERFEIT VIDEO RECORDINGS,
AND OTHER PERSONS LISTED IN SCHEDULE "A" TO THE
STATEMENT OF CLAIM

[52] Schedule “A” as it appears in the Statement of Claim as filed is simply a blank form, presumably to be filled in later with the names of persons identified and added pursuant to a

subsequent Court Order. As such the Statement of Claim follows an established practice developed in this Court for actions of this kind.

[53] The Statement of Claim, as filed January 20, 2010, refers to the Defendants only in the following way:

5. The Defendants, John Doe and Jane Doe are persons whose names and identities are presently unknown to the Plaintiffs, who deal in Counterfeit Video Recordings.

[54] This allegation, having regard to the evidence before the Court, is untrue. As of January 20, 2010 a number of persons and corporations said to deal in Counterfeit Videos were in fact known to the Plaintiffs. The affidavits of Trehan and Parish speak of a number of retailers whose identity they were “specifically not disclosing” at that time. Later affidavits of those persons disclose that visits were made to those premises late in December and very early in January. The affidavit of Archibald discloses specific street addresses of premises he visited. The later affidavits of these persons reveal that further information by way of corporate searches and the like, if required, was readily available.

[55] While the identity of all persons possibly dealing with Counterfeit Videos was not known, a great many persons were and could be identified. Mason J. of the Alberta Court of Queen’s Bench addressed the “John Doe” situation in *Brochner v. MacDonald* (1987), 56 Alta. L.R. (2d) 72, 22 C.P.C. (2d) 4 and wrote:

The replacement of John Doe as a Defendant by Dr. Anderson is permissible only in the case of misnomer as that principle has been defined at law. This is not a case of misnomer.

The traditional procedure of suing John Doe as the unknown or unidentified person in a cause of action has long been accepted by the courts of this province as it has by the courts in other provinces of Canada where the person is real and is alleged to be part of the incident or transaction giving rise to the claim. A brief history of this traditional procedure is provided by Mr. Justice Bull of the British Columbia Court of Appeal in the case of Jackson v. Bubela 29 D.L.R. (3d) 500 at 502. See also Golden Eagle Liberia Limited and Westchester Marine Shipping Co. v. International Organization of Masters, Mates and Pilots, Marine Division, International Longshoremen's Association A.F.L.-C.I.O. et al (1974) 5 W.W.R. p. 49 and Dukoff et al v. Toronto General Hospital et al 54 O.R. (2d) p. 58 at 61 and following.

An examination of the Statement of Claim reveals no action pleaded against a real person whose identity is or was for good reason unknown or unavailable to the Plaintiff. While the Statement of Claim names John Doe as a Defendant, he is not mentioned in any of the allegations set out in the Statement of Claim.

At its best reading, the Statement of Claim refers only to the Defendant Dr. Malcolm MacDonald and the Defendant Hospital. Allegations of negligence and failure to use reasonable care are made only against those two named Defendants.

The Plaintiff has, in paragraph 17 of the Statement of Claim, purported to reserve a right to add further particulars of negligence against "the said Defendants" in the following terms:

"17. The Plaintiff states that he is unable to give at this stage further particulars of negligence on the part of the Defendants, as the same are solely within the knowledge of the said Defendants and the Plaintiff reserves the right to add such further particulars of negligence as may be necessary."

I am of the opinion that this reservation cannot possibly be used to bootstrap Dr. Anderson into the proceedings after the expiration of the limitation period as the real John Doe in these proceedings. The long established rule with respect to misnomer is stated in Davies v. Elsby Brothers Ltd. (1960) 3 All E.R. 672. That case states that the proper test to be applied in cases of determining

whether or not there has been a misnomer is to ask the question - would a reasonable person reading the document understand that he is the person referred to therein but wrongly named or named under a pseudonym? If so, it is a matter of misnomer and the court will permit amendment of the pleadings in order to properly identify the party. If such is not the case, the rule is that it is not a case of misnomer but simply an attempt to introduce a new party by way of addition or substitution.

[56] The fact that a number of defendants were known before the action was commenced and before the *ex parte* Order was sought, coupled with the fact that those persons had already been put on notice is yet another reason why this action and the resulting “rolling” Anton Piller Order is inappropriate.

5. Have the interests of justice been brought into disrepute?

[57] From what has already been written it is clear that there was no proper foundation for the Anton Piller Order and that such an Order was inappropriate. The evidence was, in many respects, as discussed, careless, inadequate or misleading. The real purpose appears to have been to obtain an Order that would allow the Plaintiffs, through solicitors and other agents, to “target” certain persons selling what are described as “Counterfeit” Videos. In this case simply small shopkeepers.

SUMMARY AND REMEDIES

[58] In summary, having reviewed the *ex parte* Anton Piller Order, it cannot stand and must be set aside. There is insufficient evidence as to “serious damage” and no proper proof that the defendants would be likely to hide or destroy relevant documents or things. Further, since many potential defendants were known prior to the institution of the action, there was improper use of the

“John Doe” process as well as a deliberate misleading statement made in paragraph 5 of the Statement of Claim.

[59] The Anton Piller Order in respect of the Affected Defendants must be set aside. Further, because of the misuse of the “John Doe” process the action against the Affected Defendants must be dismissed. This does not mean that a new action, specifically naming one or more of such Defendants could not be instituted, it can, however it would be improper to use the fruits of an improper Anton Piller Order to base such an action. Other evidence, if available, must be used.

[60] The *Copyright Act supra* is among the most generous of any intellectual property statute in Canada or elsewhere in providing for rights and remedies. Copyright subsists without the necessity for registration and is presumed in the absence of evidence to the contrary. Registration is cheap and easy and provides presumptive evidence as to copyright subsistence and ownership. Proceedings can be quickly brought as an application rather than an action. Damages can either be proved or an election to take statutory damages made. An injunction can extend to works not specifically put in issue. Allegedly infringing works can be taken into interim and final custody. An Anton Piller Order must be considered as an exceptional remedy to be used with caution and respect. It should not be considered as routine where so many other remedies and procedures are available.

[61] Given the manner in which the *ex parte* Order was obtained, including the insufficient, careless and misleading evidence as already discussed, it is appropriate to award the Affected Defendants their reasonable costs on a full indemnity basis.

ORDER

FOR THE REASONS PROVIDED HEREIN:

THE COURT ORDERS THAT:

1. The Anton Piller Order granted January 26, 2010 herein is hereby set aside as against the following named Defendants, hereinafter the Affected Defendants:
 - 1557768 Ontario Inc. o/a Golumbia Video
 - Arangesan Paramsothy
 - 1691731 Ontario Inc. o/a Bollywood 4 U
 - Abulsama Jibhai
 - 2148409 Ontario Inc. o/a Video Station
 - Kulwant Kaur Singh
 - 215151872 Ontario Inc. o/a Singh Video Station
 - Mohan Singh
 - 2031221 Ontario Inc. o/a Old Karachi Bazar
 - Royal Paan Inc.
 - Neerad Upadhyay
 - Anmol Records Inc.
 - Rajesh Syal
 - 2122308 Ontario Inc. o/a Albion Audio & Video
 - Kulbir Singh Mokha

2. This action as against the Affected Defendants is dismissed without prejudice to the right of the Plaintiffs to bring a further action based on evidence of alleged infringement other than the evidence of alleged infringement presented herein in respect of the original Anton Piller Order or the review thereof;

3. The Affected Defendants are entitled to their reasonable costs on a full indemnity basis;

4. Tayyabi Huma shall not be a named Defendant in this action and any proceedings as may involve her herein are dismissed. She represents herself and cannot recover a lawyer's costs but is entitled to recover her out-of-pocket disbursements. If she chooses not to tax such disbursements I award her the sum of \$250.00.

"Roger T. Hughes"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-91-10

STYLE OF CAUSE: VINOD CHOPRA FILMS PRIVATE LIMITED AND
RELIANCE MEDIAWORKS (USA) INC. v.
JOHN DOE AND JANE DOE AND OTHER
PERSONS, NAMES UNKNOWN, WHO DEAL IN
COUNTERFEIT VIDEO RECORDINGS, AND OTHER
PERSONS LISTED IN SCHEDULE "A" TO THE
STATEMENT OF CLAIM

PLACE OF HEARING: Toronto, Ontario

DATE OF HEARING: April 7, 2010

**REASONS FOR ORDER
AND ORDER:** HUGHES J.

DATED: April 12, 2010

APPEARANCES:

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Thomas M. Slahta

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Kevin D. Toyne

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1691731 Ontario Inc. o/a Bollywood 4 U
Abulsama Jibhai
2148409 Ontario Inc. o/a Video Station
Kulwant Kaur Singh
215151872 Ontario Inc. o/a Singh
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Mohan Singh

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