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Dynamic Site Blocking North and South of the Border

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July 28, 2022

The Federal Court of Canada and a New York Court Grant Injunctions to Block Unauthorized Streaming Websites

On May 27, 2022, the Federal Court of Canada released *Rogers Media Inc. v John Doe 1*, 2022 FC 775 (*Rogers Media*), in which the Federal Court granted the first-ever dynamic site-blocking injunction in Canada. In *Rogers Media*, the plaintiff media companies sought an interlocutory injunction requiring the third-party respondents—certain Internet service providers that provide the vast majority of access to the Internet in Canada—to block IP addresses that host copyright-infringing pirate broadcasts of live NHL hockey games. In issuing the dynamic site-blocking order, which requires the ISPs to block infringing sites in "real time" as they are identified during the course of a game, the Federal Court built upon recent appellate precedent that confirmed that static site-blocking orders against enumerated websites are available in copyright infringement cases in Canada.

The *Rogers Media* decision came on the heels of similar injunctions in the United States. On April 26, 2022, the U.S. District Court for the Southern District of New York issued three default judgments and permanent injunction orders against several unknown defendants for copyright infringement in *United King Film Distribution Ltd et al v Does 1-10 d/b/a Israel.tv*,[1] *United King Film Distribution Ltd et al v Does 1-10 d/b/a Israeli-tv.com*,[2] and *United King Film Distribution Ltd et al v Does 1-10 d/b/a Sdarot.com*.[3] In all three cases, the unknown defendants had infringed copyright by streaming the plaintiffs' content, broadcasting channels, and television services without authorization. The New York court issued permanent injunction orders requiring all ISPs in the US to block access to the defendants' websites and requiring all third parties to cease providing services of any kind, including web hosting and financial services, used in connection with the defendants' operations.

Together, these cases represent a significant development in the range and scope of remedies available to copyright owners to combat online piracy in Canada and the US.

Rogers Media

Background

The plaintiffs in *Rogers Media* were Canadian media companies that own and operate television stations and online subscription services in Canada. Collectively, those companies hold the copyright for the live broadcasts of all NHL games in Canada, including the exclusive right to communicate those games to the public through television broadcast and online streaming. The plaintiffs commenced an action against certain unknown defendants whom they alleged were infringing their copyright by arranging for and facilitating the streaming of unauthorized copies of the NHL broadcasts to viewers in Canada. When the piracy continued despite the plaintiffs' efforts, they sought a novel dynamic site-blocking order against the respondent ISPs to cut off access to the infringing material.

A few years earlier, in *Bell Media Inc. v GoldTV.Biz*, 2019 FC 1432, the Federal Court issued the first site-blocking order in Canada. In that case, the court granted a mandatory interlocutory injunction that required certain ISPs to block access to specified websites that offered unauthorized subscription services to programming over the Internet. *GoldTV* was upheld by the Federal Court of Appeal in *Teksavvy Solutions Inc. v Bell Media Inc.*, 2021 FCA 100, with leave to appeal to the Supreme Court of Canada denied.[4] Cassels represented a coalition of music industry associations in the *Teksavvy* appeal and commented on that decision when it was released last year.

The plaintiffs in *Rogers Media* argued that the type of static site-blocking order issued in *GoldTV*, which listed specific websites subject to the order and provided that new websites could only be added by further order, would be ineffective under the circumstances. As they pointed out, new measures adopted by the defendants to defeat traditional site-blocking mechanisms, including moving the infringing content from site to site during the course of a single game, made it impractical for the plaintiffs to obtain court approval before each new infringing site could be blocked. They argued that a dynamic site-blocking order, enabling websites to be blocked in "real time", was necessary to keep up with the evolution of online copyright piracy.

Several of the respondent ISPs—who, as the court repeatedly emphasized, were innocent of any wrongdoing in the case at hand—opposed the plaintiffs' requested order. They argued, among other things, that compliance would saddle them with undue risks, practical difficulties, and significant costs, including the potential costs of upgrading their network infrastructure.[5]

The Decision

In determining whether to grant the injunction, the Federal Court first held that there was no question that the defendants were infringing the plaintiffs' copyright in the NHL broadcasts, in an ongoing and flagrant fashion, by unlawfully distributing the broadcasts to individuals in Canada.

The court also found that the plaintiffs would suffer irreparable harm if the injunction was not granted. While the damages resulting from the defendants' unauthorized streaming were primarily financial, and ordinarily such damages cannot amount to irreparable harm because they can be recovered after trial, the court cited

GoldTV and *Teksavvy* for the proposition that irreparable harm can be established in the context of ongoing copyright infringement by defendants who are anonymous and making clear efforts to remain so and thereby avoid liability. The court also inferred that unlawful streaming contributed to consumers' decisions to cancel their subscriptions with authorized services, or not to sign up in the first place, and that copyright piracy also harms the Canadian broadcasting system generally.

As in *GoldTV*, in considering the balance of convenience, the court considered the factors set out in *Cartier International AG v British Sky Broadcasting Ltd*.,[6] a United Kingdom case, to assess whether a site-blocking order is appropriate and proportional in the circumstances. The *Cartier* factors involve an analysis of the proposed order's necessity, effectiveness, dissuasiveness, complexity and cost, barriers to legitimate use or trade, fairness, substitutability, and safeguards.

In this case, the court determined that the balance of convenience weighed in favour of issuing the injunction. It was satisfied that each of the respondent ISPs had the technical capability to engage in dynamic IP address site-blocking, and that the order could be tailored to reflect their legitimate rights and interests and minimize the burden imposed upon them. The court also emphasized that, by the time the order was implemented, the NHL playoffs would have already begun. That would substantially reduce the overall burden on the respondent ISPs and mean that the order would be in place for a limited duration and a finite number of games.

The Terms of the Order

The dynamic site-blocking order issued by the Federal Court includes the following key terms:

- The plaintiffs will collectively appoint a single agent responsible for notifying the respondent ISPs of the infringing websites to be blocked during the window of a live NHL game and unblocked following that window.
- The ISPs will block or attempt to block access to each of the IP addresses identified by the plaintiffs or their agent.
- The ISPs may use either manual or automated IP address blocking, or an alternative or equivalent technical means, provided that they have given the plaintiffs notice of the alternative or equivalent means.
- The ISPs must use reasonable efforts, subject to the limits of their networks and resources, to disable access to the IP addresses "as soon as practicable,"—that is, within 30 minutes of the start of the live game window and at least every hour after that until the end of the window.
- The ISPs have no obligation to verify whether the IP addresses identified by the agent have been correctly identified.
- The ISPs must comply with the order immediately, if possible, or take steps to begin complying with the order within seven days. An ISP that is unable to fully comply with the order within 15 days must notify the plaintiffs.

- An ISP will not be in breach of the order if it temporarily suspends compliance in certain enumerated circumstances, such as to respond to an actual or potential security threat, provided that the ISP gives the plaintiffs notice and the suspension lasts no longer than reasonably necessary.
- ISPs must provide affected customers with information about the order and the agent's contact information for complaints.
- The plaintiffs must retain an independent expert who will prepare two confidential reports and one public report assessing the effectiveness of the order.
- The defendants, or any other third party who claims to be affected by the order (including any Internet service customer of the affected ISPs), may bring a motion to seek a variance of the order to the extent that it affects their ability to access or distribute non-infringing content.
- The plaintiffs must indemnify the ISPs for the reasonable marginal costs of implementing the order up to a maximum of $50,000.
- The order will terminate at the end of the 2021-2022 NHL season.

The respondent ISPs in *Rogers Media* do not appear to have filed an appeal.

The United King Films Cases

Background

The plaintiffs in the *United King Films* proceedings are a group of movie, television, sports, and news content producers and providers that provide copyrighted programming to hundreds of thousands of subscribers throughout Israel, both by cable and satellite broadcasting and through their own online platforms. They own valid US copyright registrations in at least 51 original works and either own or have exclusive rights in at least 273 other works that, while unregistered, are nevertheless subject to copyright protection under the US *Copyright Act*.

In late January, the plaintiffs brought copyright infringement proceedings against the unknown defendants, who are the owners and operators of the websites, services, and applications located at or linking to the domains Israel.tv, Israreli-tv.com, and Sdarot.tv and other domain names. Through their websites, the defendants re-broadcasted and streamed the plaintiffs' original content, broadcasting channels, and television services without authorization.

The U.S. District Court for the Southern District of New York issued default judgment against the unknown defendants in all three proceedings. None of the defendants had filed a response to the complaints or otherwise participated in the actions. In fact, the court noted that they had gone to great lengths to conceal themselves and their unlawful proceeds from the plaintiffs and the court, including by using multiple false identities and addresses and purposely-deceptive contact information for their websites.

The default judgments were awarded against the defendants for direct, vicarious, and contributory copyright infringement because their websites re-broadcasted and streamed, in the US, Hebrew-language content owned by the plaintiffs or exclusively licensed to them for broadcast in Israel. The judgments were also awarded against the defendants for violating the anti-circumvention provisions of the *Digital Millennium Copyright Act* by permitting end-users to bypass the plaintiffs' encryption measures.

The court awarded statutory damages in the amount of $150,000 for each of the plaintiffs' 51 registered copyrights for a total of $7.65 million (as well as pre- and post-judgment interest) in each proceeding.

The Permanent Injunction Orders

While the damages awarded are not insignificant, the most striking aspect of the decisions is the court's sweeping five-pronged permanent injunction order against the following parties:

- **The defendants:** The court permanently enjoined and restrained the defendants from streaming, distributing, broadcasting, or making available to the public, in the US, any of the content produced, owned, or distributed by the plaintiffs on their respective channels or websites; directly or indirectly infringing any of the plaintiffs' exclusive rights in their content, including by streaming it; and operating or hosting the offending websites, whether at any domain address currently known or any other address used by the defendants in the future.
- **ISPs:** The court ordered that *all* ISPs providing services in the US, including the 96 ISPs listed in an exhibit to each order, must block access to the defendants' websites, at any domain address currently known or used by the defendants in the future, by any technological means available to them and divert users to a landing page that provides notice of the applicable order.
- **Third party services generally:** The court permanently enjoined third parties providing services used in connection with the defendants' operations—including ISPs, web hosting providers, VPN service providers, banks or other financial institutions, and others—from providing services to the defendants' websites or to any of the defendants in connection with their infringing activities.
- **Registrars and registries:** The court ordered that all domain names associated with the defendants' websites, and any other websites used by them in the future for the same or similar purposes, be transferred to the plaintiffs.
- **Monetary account holders:** The court ordered that, if the plaintiffs discover any financial accounts belonging to or controlled by any defendant before they have fully recovered the amounts owed to them, they may serve the relevant order on the party holding those accounts (whether a bank, PayPal, or merchant account provider), who must then locate and restrain them and transfer all monies in the restrained accounts to the plaintiffs within 30 days.

Comparing Rogers Media and United King Films and Looking Forward

There are striking differences in both the scope and the impact of the orders issued in *Rogers Media* and in

United King Films.

The order in *Rogers Media* only affects Canadian ISPs. By contrast, the orders in *United King Films* target a much wider range of third parties who were also in a position to assist in the enforcement of the default judgment against the unknown defendants. That includes US ISPs, registrars and registries, monetary account holders, and numerous third party service providers (such as banks, PayPal, advertising service providers, and even web designers).

Further, the dynamic site-blocking order in *Rogers Media* is highly tailored and intended to be minimally burdensome on the Canadian ISPs. Given the subject matter in issue—the broadcast of live NHL games—the order was only in effect during what remained of the 2021-2022 NHL season and only required the Canadian ISPs to block websites streaming infringing broadcasts of the live NHL games during the game windows, with the websites to be unblocked following the end of each window. In contrast, the orders in *United King Films* required all US ISPs to block all of the infringing websites, as well as any other websites later used by the defendants for the same or similar purposes, and required that the domain names associated with all such websites be transferred to the plaintiffs, among other relief.

The *Rogers Media* and *United King Films* orders appear to be the first of their kind in Canada and the US, respectively. They represent significant developments in relation to the tools available to copyright owners to combat mass infringement of copyright on the Internet in their respective jurisdictions. While the *Rogers Media* order does not appear to be under appeal, the independent auditor's report regarding the effectiveness of the order, which the plaintiffs are required to file, may provide additional guidance for stakeholders in future cases. Recently, the plaintiffs in *United King Films* brought a motion for contempt against Cloudflare, Inc. for allegedly failing to comply with the orders by providing the defendants with domain name and content delivery network services. It appears that the *United King Films* saga is far from over.

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[1] 1:21-CV-11024.

[2] 1:21-CV-11025.

[3] 1:21-CV-11026.

[4] *Teksavvy Solutions Inc. v Bell Media Inc., et al*, 2022 CanLII 21665.

[5] Some of the respondent ISPs, who are affiliates or wholly-owned subsidiaries of the plaintiffs, indicated their consent to the order sought by the plaintiffs. However, those ISPs still needed a court order to undertake the site-blocking. Section 36 of the *Telecommunications Act*, SC 1993, c 38 requires ISPs to obtain the approval of the Canadian Radio-television and Telecommunications Commission (CRTC) before taking steps to "control the content or influence the meaning or purpose of telecommunications carried by it for the public." Without CRTC approval or a court order, blocking the offending sites might have contravened that provision.

[6] [2016] EWCA Civ 658.

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