How to force Google to globally de-index the websites of a distributor of counterfeit products? A Canadian example shows it can be done.

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On June 28, 2017, the Supreme Court of Canada, in a majority decision (7 out of 9 judges) ruled that Google Inc. ("Google") can be ordered, by an injunction, pending a trial, as a non-party to the litigation, to globally “de-index” results on its search engine of all the websites of the defendant company that, in breach of court orders, is unlawfully selling products that include the intellectual property of the plaintiff company.

In arriving at this decision, the Court determined that it would be just and equitable to grant such an injunction given all the circumstances, in particular since Google, while not being responsible for the harm suffered by the plaintiff, played a key role in allowing this harm to occur.

Considering the conditions that had to be met in order to conclude that this injunction against Google was necessary, it seems unlikely that this precedent would have a significant ripple effect by which Google would frequently be judicially obliged to de-index websites selling products or services that infringe on the rights of a business that manufactures products or carries out competing services.

At the root of this discord is Equustek Solutions Inc. ("Equustek"), a manufacturer of networking devices, deceived by "Datalink" (a distributor that identifies itself as Datalink Technology Gateways Inc.). In re-labeling an Equustek product to pass it off as its own and gaining trade secrets from Equustek against its will to make a competing product, Datalink drastically cut into Equustek’s earnings. Subsequently Datalink, after being ordered to change its websites before the trial to avoid infringing on Equustek's rights, abandoned its defence in the British Columbia provincial court, but continued selling the counterfeit product via the websites of numerous shell companies in various countries.

Not knowing where Datalink was operating from now on, and unable to have Datalink's websites removed by its hosting service providers, Equustek then asked Google to de-index Datalink's websites. Google refused to do so without a court order banning Datalink from Internet activity. Equustek then obtained such an order, with Google’s consent.

However, given that Datalink's sales of the impugned product were primarily to buyers outside of Canada, Equustek noted that the approach taken by Google -- to de-index

specific web pages (rather than entire websites) solely based on the results of searches conducted on its Canadian site, google.ca -- did not have the necessary protective effect.

As a result, Equustek turned to the Supreme Court of British Columbia to require Google to remove all parts of Datalink's websites from its search results everywhere in the world, which Google contested (without, however, denying that it had inadvertently facilitated the harm done via its search engine and that irreparable harm would be caused to Equustek if this injunction were not granted).

Like the trial judge and the Court of Appeal before it, the Supreme Court of Canada considered that the injunction against Google had to be granted, even taking into account that Google was a third party in relation to the underlying action and that the injunction against Google produced effects outside of Canada.

To justify this position, the Court first argued that a decision of this kind requires a high degree of deference to the lower court. Second, it stated that, contrary to Google's claim, third parties must be able to be treated as subject to an injunction against a party in a dispute, because when they contravene it, they obstruct the course of justice.

Moreover, considering that Datalink could not operate a business on the Internet in a commercially viable manner without Google, the injunction must have effects not only in Canada, but everywhere that Google operates, in this case worldwide, so that Google must cease, to a sufficient degree, from facilitating Datalink's violation of court orders (intended to prevent Equustek from suffering irreparable harm).

In addition, as Google acknowledged that it regularly de-indexed websites in other circumstances (such as child pornography or hate speech sites), the fact of also de-indexing Datalink's websites constituted a significantly lesser disadvantage than what Equustek would suffer if such a de-indexing were not ordered. In this case, concerns regarding the principle of international comity between States and freedom of expression were considered somewhat theoretical and having little weight, given the context of the case.

In short, since this injunction was the only way to preserve the very existence of Equustek until the dispute with Datalink was settled, the injunction sought was considered appropriate under the circumstances.

Since Google is now attempting to remove the US territory from this injunction by going to a California court, it remains to be seen to what extent the full effect of this injunction imposed by our Canadian courts can subsist.

Reference: Google Inc. v. Equustek Solutions Inc., 2017 CSC 34 (CanLII), http://canlii.ca/t/h4jg2