



ROBIC + LAW
+ BUSINESS
+ SCIENCE
+ ART
SINCE 1892
LAWYERS, PATENT AND TRADEMARK AGENTS

AN OVERVIEW OF INTERNATIONAL JURISPRUDENCE ON EMBEDDED LINKING AND FRAMING AND RELATED UNFAIR-COMPETITION, PASSING-OFF AND TRADEMARK QUESTIONS CANADA

BOB H. SOTIRIADIS, MARCEL NAUD AND JASON MOSCOVICI*
ROBIC, LLP
LAWYERS, PATENT AND TRADE-MARK AGENTS

INTRODUCTION

The Internet has become one of the most important channels to distribute and share content of whatever nature – whether that is plain text, images, videos or music. From the beginning, the possibility to link to other sites made it easy for publishers to integrate third-party content in their own offering. Meanwhile, simple linking has been spiced up – framing and embedding are both technical solutions to make third-party content appear as an integral part of your own website. From a legal point of view, these techniques, which are typical for the reference-based use of today’s Internet, raise difficult questions in particular in the fields of copyright and unfair competition law.

In recent years, various national jurisdictions saw court decisions on individual legal aspects of linking, deep-linking (i.e. linking to a specific sub-page rather than to the homepage), framing and embedding. Despite the truly international nature of the Internet and the extensive harmonization of the law in the field of information technology, Europe has not yet seen binding rulings of the European Court of Justice in this field. Several cases are pending at the moment, but it would be surprising if decisions were made before 2015.

In this environment, it is crucial for publishers and content providers to know where the red lines are in individual jurisdictions – as what may be acceptable in Germany may already be inadmissible in the UK or France. Field Fisher Waterhouse, together with various contributors from our international network, have analysed the case law that is existing in this field of law, and prepared the following overview. We hope that this work will help you and your business in avoiding unnecessary risks when exploring the opportunities the Internet offers.

© CIPS, 2014.

* Lawyers with ROBIC, LLP, a multidisciplinary firm of lawyers, and patent and trade-mark agents, contributors to the Canadian section. Edited by Field Fisher Waterhouse and published in October 2013. The Introduction, the Executive summary and the questions are those of the publisher. Publication 062.067

ROBIC, LLP
www.robic.ca
info@robic.com

MONTREAL
1001 Square-Victoria - Bloc E - 8th Floor
Montreal, Quebec, Canada H2Z 2B7
Tel.: +1 514 987-6242 Fax: +1 514 845-7874

QUEBEC
2828 Laurier Boulevard, Tower 1, Suite 925
Quebec, Quebec, Canada G1V 0B9
Tel.: +1 418 653-1888 Fax.: +1 418 653-0006

EXECUTIVE SUMMARY

Even though the international case law picture is patchy and sometimes inconsistent, some guidelines deserve to be highlighted:

Simple linking is **admissible** in most jurisdictions under copyright and unfair-competition-law aspects. Some jurisdictions, however, see a potential copyright liability if the text of the link itself contains copyright-protected language. Deep-linking may also raise concerns in certain jurisdictions. In one jurisdiction (Netherlands) case law indicates that the fact that the material to which the link directed was not yet available to the public is decisive.

Embedding content from a third-party source is the most debated issue at the moment. The legal situation can be regarded as unclear with a strong tendency that embedding is regarded as a **copyright-relevant act** in most jurisdictions. Thus, the publication of embedded content requires a license of the rights owner of that content. There are two references pending at the European Court of Justice which may provide further clarification, but a binding judgment is unlikely to be due before 2015.

From an unfair-competition/passing-off angle, in most jurisdictions there is a **liability risk** under specific circumstances, e.g. if the link is presented in the form of a registered trademark and the use is unfair or detrimental to the trademark; or if a trademark contained in a link or embedded content creates confusion about the relationship between the two sites.

Initial Questions

1. Can it be a **copyright infringement** for a website or web application (the “Linking Site”) to provide a **simple link to another website** or web application containing legal content? I.e. the Linking Site refers the user directly to another website without any reproduction of copyright material on the server of the Linking Site.¹
2. Can it be a **copyright infringement** for the Linking Site to **embed the copyrighted material of a third party** on the Linking Site without authorisation? I.e. there is a link on the Linking Site which refers the user to legal data on the third party’s server. The Linking Site dynamically generates a web page or stream on the user’s PC within the context of the Linking Site. There is no redistribution

¹ Please consider the reproduction right (Article 2 of the Copyright Directive 2001/29/EC) and the rights to communicate to the public and make available to the public (Article 3 of the Copyright Directive).

or hosting of content via the Linking Site.² Does it make a difference if the user has to take action to see the content (e.g. a visual work may appear automatically but the user may need to click to download a sound recording)?

3. Are there any **trademark, unfair-competition or passing-off issues** if logos or brand names are used to identify the third-party goods and services? Does it make a difference if there is a clear notification that the Linking Site and the embedded/linked site are unconnected third parties?

² Please consider the reproduction right (Article 2 of the Copyright Directive) and the rights to communicate to the public and make available to the public (Article 3 of the Copyright Directive).

OVERVIEW

	1. Can linking constitute copyright infringement?	2. Can embedding constitute copyright infringement?	3. Can using logos or brand names cause IP-law issues?
CANADA	<p>No. the act of providing a simple link to copyright protected content, found on another website, does not constitute copyright infringement. (For example, providing a link to a photograph accessible via a photographer's website)</p> <p>The general consensus regarding simple hyperlinking is that the owner of the copyright protected work has given an implied consent to the communication of the work through the posting of this work on a website.</p>	<p>No. for simple embedding of copyright protected material but analysis remains fact based as there may be terms of service agreements prohibiting the use of embedded links or framing. It does not make a difference if the user has to take an action to see the content.</p>	<p>N/a. Fact-specific If logos or brand names are used to identify third party goods and services, there could be trademark infringement, unfair competition or passing off issues related to linking or embedding, the outcome of which will depend on the application of the underlying basic principles to a given factual situation.</p>

Canada

1. Can linking constitute copyright infringement?

No.

Relevant case law: *Warman and National Post v Fournier* 2012 FC 803.

As per the teachings of the Supreme Court of Canada, more specifically in *Crookes v. Newton*, the Internet cannot function as intended without links, which are at the core of how the Internet operates.

Generally speaking, a link can be considered as a footnote, or simply a reference pointing users to other sources of information. Therefore, a simple hyperlink does not, in and of itself, communicate a copyright protected work to the public, nor does it reproduce such a work.

As such, the act of providing a simple link to copyright protected content, found on another website, does not constitute copyright infringement. (For example, providing a link to a photograph accessible via a photographer's website)

The general consensus regarding simple hyperlinking is that the owner of the copyright protected work has given an implied consent to the communication of the work through the posting of this work on a website.

Furthermore, with regards to hyperlinking in the context of defamation but nevertheless relevant to the present discussion, the Supreme Court of Canada has specified that:

"Hyperlinks thus share the same relationship with the content to which they refer as do references. Both communicate that something exists, but do not, by themselves, communicate its content."

2. Can embedding constitute copyright infringement?

No for simple embedding of copyright protected material but analysis remains fact based as there may be terms of service agreements prohibiting the use of embedded links or framing. It does not make a difference if the user has to take an action to see the content.

Relevant Case Law: *Century 21 Canada Ltd. Partnership v. Rogers Communications*, 2011 BCSC 1196

In the absence of a consistent case law on the subject, the general principles taught by the Court with regards to linking apply to embedding and by proxy, framing. As such, it would generally not be considered copyright infringement to “embed” copyright protected material insofar as the copyright holder has made such content available online and the medium chosen to make available this work does not prohibit embedding or framing in its terms of service.

However, if embedding or “framing” is specifically prohibited under a “browse wrap” or “click wrap” type terms of use agreement, and that this agreement is found to be valid, any framing or embedding could be contrary to these terms of use and therefore constitute breach of contract and ultimately copyright infringement.

Furthermore, the type, format and extent of embedding/framing at issue will need to be studied. The selected material that is embedded or framed may be considered a derivative work under Canadian copyright Law and moral rights issues would therefore become relevant if the work is modified in any way through such framing/embedding (ex: if only certain parts of the work are embedded).

3. Can using logos or brand names cause IP-law issues?

Fact Based.

Relevant Case Law: *Imax Corp. v. Showmax, Inc.*, 2000 CanLII 14748 (FC)

Findings: The plaintiff argued that the arrangement of framing and linking caused the viewer to be likely to infer that Imax was responsible for, or was connected with Showmax, for the purposes of the proposed large-format Showmax theatre. The court was satisfied that inferences can be drawn from the evidence so as to conclude that it is reasonable for the plaintiff to allege the existence of confusion. For the purpose of showing a serious issue and irreparable harm, the Court considered the evidence of confusion clear and sufficient to support an inference of loss of "name" goodwill and reputation. The application for an interlocutory injunction was allowed.

If logos or brand names are used to identify third party goods and services, there could be trade-mark infringement, unfair competition or passing off issues related to linking or embedding, the outcome of which will depend on the application of the underlying basic principles to a given situation.

Linking or embedding may constitute trade-mark infringement in situations where it implies the use of a trade-mark registered by another person that create confusion as to the source of wares or services or that is likely to have the effect of depreciating the value of the goodwill attaching thereto. It may constitute unfair competition or passing off where it amounts to a manner to direct public attention to someone's wares, services or business in such a way as to be likely to cause confusion with the wares, services or business of another.

If there is a clear notification that the linking site and "embedded"/ linked site are unconnected third parties, it could be considered a relevant fact but it not necessarily determinative of the outcome.



ROBIC, LLP
www.robic.ca
info@robic.com

MONTREAL
1001 Square-Victoria - Bloc E - 8th Floor
Montreal, Quebec, Canada H2Z 2B7
Tel.: +1 514 987-6242 Fax: +1 514 845-7874

QUEBEC
2828 Laurier Boulevard, Tower 1, Suite 925
Quebec, Quebec, Canada G1V 0B9
Tel.: +1 418 653-1888 Fax.: +1 418 653-0006