

COPYRIGHT INFRINGEMENT AND FUNCTIONAL OBJECTS: EFFECTS OF NEW SECTIONS 64 AND 64.1 OF THE COPYRIGHT ACT ON INTERLOCUTORY INJUNCTION PROCEEDINGS

Bob H. Sotiriadis*

LEGER ROBIC RICHARD, Lawyers
ROBIC, Patent & Trademark Agents
Centre CDP Capital
1001 Square-Victoria - Bloc E – 8th Floor
Montreal, Quebec, Canada H2Z 2B7
Tel.: (514) 987 6242 - Fax: (514) 845 7874
www.robic.ca - info@robic.com

Introduction. In this essay, we shall discuss the practical application of new sections 64 and 64.1 of the *Copyright Act*.¹ These sections of the 1988 Act were Parliament's response to what was seen as an unsettling evolution of Canadian and even British jurisprudence on the question of copyright and infringement of copyright with respect to the utilitarian features of useful articles. The changes were intended to settle *inter alia* the question of copyright infringement by reverse engineering.

These amendments will play an extremely important role in the outcome of applications for interlocutory injunctions in the copyright field. It is no secret that copyright registration is easily obtained under Canadian legislation, especially when compared with the difficulty of obtaining other intellectual property protection whether it be for a patent, an industrial design or a trade mark. There are no formalities foreseen for the obtaining of copyright protection under the *Copyright Act*. The named author to an application is not even obliged to provide evidence of the work to be protected. In fact, copyright protection exists by the mere fact of creation. Despite this, the legislation grants the owner of a copyright a *prima facie* monopoly which lasts much longer than that granted by the other intellectual property protection laws: an extraordinary period equal to the life of the author plus 50 years.

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Lawyer, Bob H. Sotiriadis is a senior partner in the lawfirm LEGER ROBIC RICHARD,g.p. and in the patent and trademark agency firm ROBIC, g.p. Published at (1990), 7 Business & the Law 13-16. Publication 116.001.

¹We shall refer to the Copyright Act as "the 1988 Act", since sections 64 and 64.1 thereof were introduced in the *Copyright Amendment Act* (S.C. 1988, c. 15, s. II). The latter Act amended the 1921 version of the *Copyright Act* (1970, c. C-30). Sections 64 and 64.1 were originally introduced as sections 46 and 46.1 respectively of the 1988 Act, but further additions to it required a change in numbering.

Effect of Copyright Registration. Section 53(2) of the 1988 Act, as in the previous copyright legislation, declares that a certificate of registration of copyright is *prima facie* evidence that copyright subsists in the work mentioned therein. Therefore, not only is it rather simple to obtain copyright protection in an undisclosed work, but the certificate so obtained also serves as *prima facie* evidence in a drastic exceptional recourse which is often decided on just that: *prima facie* evidence. We are referring, of course, to the recourse for an order of an interlocutory injunction.

Plans, Designs, and Functional Objects. Even before the proclamation of the 1988 Act, Canadian lawyers had been able to convince the courts that the copyright subsisting in a plan or drawing could be infringed without the necessity of actually copying the said plan or drawing even if the plan or drawing depicted a functional or utilitarian object. In effect, the courts found that when a party copied the actual three-dimensional object through reverse engineering, it amounted to the copying of the plans or the drawings from which such three-dimensional objects stemmed, resulting in the infringement of the copyright of the author in the said plans or drawings. The combined effect of the previously mentioned trend in the jurisprudence and the relative ease with which a certificate of copyright relating to plans, drawings or functional objects may be obtained, made the application for an interlocutory injunction an all the more formidable means of enjoining a competitor from carrying on his trade.

Often these plans, drawings, or functional objects relate to industrial or manufactured products. It is ironic that a right not entitled "industrial design" or "patent", but moreover "copyright" with its intellectual or literary connotation, has become used as a weapon to limit competition in industry with respect to such functional objects as ship's hulls,² a mold for a Frisbee,³ pump couplers⁴ and automobile mufflers.⁵

Interlocutory Injunctions. The application of sections 64 and 64.1 of the 1988 Act become crucial to the position of any defendant to an application for interlocutory injunction when the copyright alleged relates to any article defined in the above-mentioned sections. Given the actual tendency of the

²*Bayliner Marine Corp. v. Doral Boats Ltd.* (1985), 5 C.P.R. (3d) 289 (Fed. T.D.) in first instance, and (1986), 10 C.P.R. (3d) 289 (Fed. C.A.), on appeal.

³*Wham O. Manufacturing Co. v. Lincoln Industries Ltd.* (1985), R.P.C. 127 (C.A. New Zealand).

⁴*Spiro-Flex Industries Ltd. v. Progressive Sealing Inc.* (1986), 13 C.P.R. (3d) 311 (B.C.S.C.).

⁵*British Leyland Motor Corp. Ltd. v. Armstrong Patents Co. Ltd.* (1986), 12 F.S.R. 221.

courts to apply the less stringent "arguable case"⁶ test to such applications, it is obvious that more and more defendants to such applications will invoke these sections when applicable, in order to avoid a condemnation which often terminates the case and removes one of the parties from the market.

These new sections are also important since in an application for an interlocutory injunction, it is one thing to prove *prima facie* that a copyright subsists in a work, however, it is another to demonstrate that such right has indeed been infringed.

Even if the arguable case test is invoked by the plaintiff to an application for an interlocutory injunction, the court will still be obliged to determine whether the applicant's substantive right is clear. It shall be required, therefore, to find that copyright subsists in a work forming the object of the proceedings, and that such copyright has been infringed. It is, after all, the infringing activity which, in theory, gives rise to such proceedings. The sanction sought relates to this element of the substantive right alleged by the applicant.

Sections 64 and 64.1 of the 1988 Act have as their very purpose the exclusion of certain acts from the notion of infringement. This being so, these sections may and ought to be invoked once it is established that the article protected by copyright, and which forms the object of the application for an interlocutory injunction, falls within the purview of the various definitions found in section 64(1) of the 1988 Act.

Analysis. Sections 64 and 64.1 of the 1988 Act read as follows:

64.(1) In this section and section 64.1,

"article" means any thing that is made by hand, tool or machine;

"design" means features of shape, configuration, pattern or ornament and any combination of those features that, in a finished article, appeal to and are judged solely by the eye;

"useful article" means an article that has a utilitarian function and includes a model of any such article;

"utilitarian function", in respect of an article, means a function other than merely serving as a substrate or carrier for artistic or literary matter.

⁶*American Cyanamid CQ v. Ethicon* (1975), A.C. 396 (H.L.) and, in Canada: *Turbo Resources Ltd. v. Petro Canada Inc.* (1988), 17 F.T.R. 28 (Fed. T.D).

(2) Where copyright subsists in a design applied to a useful article or in an artistic work from which the design is derived and, by or under the authority of any person who owns the copyright in Canada or who owns the copyright elsewhere,

- (a) the article is reproduced in a quantity of more than fifty, or
- (b) where the article is a plate, engraving or cast, the article is used for producing more than fifty useful articles,

it shall not thereafter be an infringement of the copyright or the moral rights for anyone

(c) to reproduce the design of the article or a design not differing substantially from the design of the article by

- (i) making the article, or
- (ii) making a drawing or other reproduction in any material form of the article, or

(d) to do with an article, drawing or reproduction that is made as described in paragraph (c) anything that the owner of the copyright has the sole right to do with the design or artistic work in which the copyright subsists.

(3) Subsection (2) does not apply in respect of the copyright or the moral rights in an artistic work in so far as the work is used as or for

- (a) a graphic or photographic representation that is applied to the face of an article;
- (b) a trade mark or a representation thereof or a label;

(c) material that has a woven or knitted pattern or that is suitable for piece goods or surface coverings or for making wearing apparel;

(d) an architectural work of art that is a building or a model of a building;

(e) a representation of a real or fictitious being, event or place that is applied to an article as a feature of shape, configuration, pattern or ornament;

(f) articles that are sold as a set, unless more than fifty sets are made; or

(g) such other work or article as may be prescribed by regulation of the Governor in Council.

(4) Subsections (2) and (3) apply only in respect of designs created after the coming into force of this subsection, and section 46 of this Act and the Industrial Design Act, as they read immediately before the coming into force of this subsection, as well as the rules made under

them, continue to apply in respect of designs created before that coming into force.

64.1 (1) The following acts do not constitute an infringement of the copyright or moral rights in a work:

(a) applying to a useful article features that are dictated solely by a utilitarian function of the article;

(b) by reference solely to a useful article, making a drawing or other reproduction in any material form of any features of the article that are dictated solely by a utilitarian function of the article;

(c) doing with a useful article having only features described in paragraph (a) or doing with a drawing or reproduction that is made as described in paragraph (b) anything that the owner of the copyright has the sole right to do with the work; or

(d) using any method or principle of manufacture or construction.

(2) Nothing in subsection (1) affects the copyright or the moral rights in a record, perforated roll, cinematograph film or other contrivance by means of which a work may be mechanically reproduced, performed or delivered.

The said sections received royal assent on June 8, 1988. Section 64, paragraphs 2 and 3, apply to designs created after that date. Section 64.1, however, is declaratory in nature. It was the legislator's way of stating what the law on the questions raised therein had always been or ought to have been. It is for this reason that section 64.1 was given retroactive application.

The key words found in the two sections discussed in the present essay, are of course "article", "design", "useful article" and "utilitarian function". Once any or a combination of these definitions become relevant to the subject matter of the copyright argued by the plaintiff in a proceeding for the interlocutory injunction, the defendant will have the advantage of avoiding condemnation by demonstrating that sections 64(2), 64(3) or 64.1(1), are applicable to its case.

Application of New Sections. The first thing the defendant must establish is that section 64(3) is not applicable to the copyright under scrutiny by the court. Once it is established that section 64(3) is not applicable, then the defendant is free to attempt to demonstrate that the conditions foreseen by section 64(2) are applicable to its case by demonstrating, firstly, that the copyright which forms the object of the litigation subsists in a design applied to a useful article, or in an artistic work from which the design is derived.

The defendant will then have to demonstrate that the articles are reproduced in a quantity of more than 50, or where the article is a plate, engraving or cast, that the article is used for producing more than 50 useful articles. As stated previously, an "article" is anything made by hand, tool or machine for the purposes of the section. The next step in the application of section 64(2) would be to demonstrate that the "reproduction" referred-to in subsections 2(a) and 2(b) of section 64 are in fact carried out by the owner of the copyright, or under his or her authority.

Once the above-mentioned conditions have been met, subsection 2(d) of section 64 of the 1988 Act allows for the reproduction of the design of the article or anything similar thereto through the actual making of the article, or the making of a drawing or other reproduction in any material form of the article, and substantially to do anything that the owner of the copyright had the sole right to do with the design or artistic work in which the copyright subsists.

Section 64.1(1), removes the possibility of a finding of infringement of copyright or moral rights, when one copies purely utilitarian features of an article. It also allows a person to make drawings of utilitarian features of an article. Section 64.1 confirms that no protection is granted by the 1988 Act with respect to features applied to a useful article, and which are dictated solely by a utilitarian function of the article, nor with respect to the method or principle of manufacture or construction of the article.

Conclusion. Sections 64 and 64.1 of the 1988 Act should affect the outcome of a number of applications for interlocutory injunctions. These sections form the test by which the plaintiff's substantive rights will be evaluated, *prima facie*, when the application concerns any work referred to directly or indirectly by the definitions found in section 64(1) of the 1988 Act. The modifications curtail the scope of protection afforded by copyright in the industrial domain and indirectly respond to Lord Scarman's comments in the *Leyland Motor Corp.* case, previously cited.⁷

⁷*Supra*, note 5, page 227: "But further it would be helpful if the current review of the law could lead to incorporating in the *Copyright Act* the principle latent in our law but not fully discussed or expressed until the present case that the manufacturer of an article such as a motor vehicle or other "consumer durable" cannot by the exercise of Copyright preclude the user of the article from access to a free market for spares necessary to maintain it in good working order."

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