

**COMPILATION PRÉLIMINAIRE DES DÉCISIONS RENDUES AU CANADA EN 2001 EN  
MATIÈRE DE DROIT D'AUTEUR  
A COMPILATION OF THE DECISIONS RENDERED IN CANADA WITH RESPECT TO  
COPYRIGHT IN 2001**

by  
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**2946-1993 Québec inc. c. Sysbyte Telecom inc.**

(2001-05-02), J.E. 2001-1143, R.E.J.B. 2001-24940 (Cour supérieure )Juge Paul G. Chaput

*Résumé*

Requête en annulation d'une saisie avant jugement. Accueillie.

La demanderesse produit et met en marché des logiciels. L'un des défendeurs travaillait pour elle à titre de programmeur et son contrat de travail contenait des clauses de confidentialité. Les défendeurs sont les administrateurs de la compagnie défenderesse, qui annonce maintenant sur Internet un logiciel reprenant des données et des fonctions identiques à celles des logiciels de la demanderesse et contenant vraisemblablement les mêmes codes sources qui sont les formules secrètes de ses logiciels. Afin de protéger ses droits, la demanderesse a obtenu une injonction provisoire et un bref de saisie avant jugement des ordinateurs et de l'équipement informatique des défendeurs ainsi que de leurs comptes bancaires et de documents financiers. Les défendeurs demandent l'annulation de la saisie aux motifs qu'il n'y aurait pas de dette liquide et que la saisie ne vise que la préservation de la preuve.

*Décision*

En l'espèce, la créance dont il faut assurer le recouvrement, c'est le droit à la cessation de la violation du droit d'auteur de la demanderesse et, le cas échéant, les dommages-intérêts causés par cette violation. Ce qui est requis par l'article 735 du Code de procédure civile (C.P.C.), c'est qu'il existe une créance; celle-ci n'a pas à être liquide au moment de la saisie. Une créance dont la quotité sera ultérieurement déterminée suffit. Compte tenu des dispositions de la Loi sur le droit d'auteur, la demanderesse semble avoir le droit de saisir

avant jugement les codes sources en vertu de l'article 734 C.P.C. Il est impossible de saisir un programme informatique sans en même temps prendre possession des supports sur lesquels ce programme ou ses copies sont installés, imprimés, gravés ou reproduits de quelque manière. Ainsi, le disque rigide d'un ordinateur, les disquettes, les disques compacts ou autres supports informatiques destinés à la confection, à la copie, à la transmission ou à la reproduction d'un produit informatique peuvent être saisis, mais pas l'ordinateur lui-même, qui n'est que la machine ou l'instrument qui utilise les supports du produit informatique. De plus, pour pratiquer la saisie de produits informatiques sur les supports où ils se trouvent, il faut obtenir une autorisation d'un juge qui fixe les modalités et conditions de l'exécution de la saisie. En l'espèce, l'autorisation de saisir ne fait pas état de telles modalités. La saisie ne doit pas être annulée pour autant, mais son étendue doit être révisée. Comme ce sont ses codes sources que la demanderesse entend saisir, un technicien ou un expert en informatique est désigné pour les chercher dans les ordinateurs et autres accessoires, les reproduire sur un autre support informatique et les effacer ensuite des ordinateurs.

***Advanced Laser and Fusion Technology Inc. v. Guardian Insurance Co. of Canada***

(2001-08-07), (2001) O.T.C. TBE d. AU.044, (2001) **CarswellOnt** 2900, (2001) I.L.R. I-3985, 31 C.C.L.I. (3d) 307 (Court of Ontario, Superior Court of Justice) Chadwick, J.

Plaintiff was research and development technology company -- Plaintiff sponsored publication of scientific journal -- Defendant insurer sold plaintiff insurance policy that included advertising injury liability -- Individual brought action against plaintiff, journal and publisher for copyright infringement, unfair competition and unjust enrichment -- Plaintiff brought action against defendant to enforce duty to defend -- Defendant made motion for summary judgment and dismissal -- Motion dismissed -- Plaintiff was covered by advertising liability clause because purpose of sponsoring journal was to improve its profile in industry -- Exclusion clause not triggered, even though plaintiff was not in business of publishing.

(28) In *Canadian Universities Reciprocal Insurance Exchange v. Gan Canada Insurance Co.* 12 C.C.L.I. (3d) 18, Campbell J. interpreting whether the applicant had a duty to defend an action involving misappropriation of patent invention, Campbell J. followed a decision of the British Columbia Court of Appeal and concluded advertising injury would include copyright infringement. At page 26 he quotes as follows:

I accept the proposition that an action for copyright infringement may be covered by a commercial liability policy as an advertising injury.

Based on a review of the Statement of Claim and Statement of Defense in the underlying action in this case I am unable to find any "advertisement, publicity article, broadcast or telecast" arising out of the universities advertising activities in which the alleged infringement or misappropriations could be said to have taken place.

(29) In conclusion, I am satisfied the copyright infringement alleged by Santilli in the Florida action occurred "In the course of advertising" and as such is covered by Endorsement 1 in the Guardian policy.

***Application to vary NRCC Tariff 1.C (CBC-Radio) for 2001***

(2001-11-23), (2001) C.B.D. 8, <http://www.cb-cda.gc.ca/decisions/m23112001-b.pdf> (Copyright Board)

Pursuant to section 66.52 of the Copyright Act (the Act), the Board may, on application, vary a decision if, in the Board's opinion, there has been a material change in circumstances since the decision was made. The Act does not dictate how the Board should proceed in these matters. One way of doing so, which the Board adopts in this case, is to first examine whether any change that may have occurred is sufficiently "important" (to quote the French version of the relevant provision) to justify revisiting the issue.

(...)

Lastly, the finality of decisions has intrinsic value. Reopening this matter would generate uncertainty not only for CBC and NRCC, but also for all owners and users of copyrights. Under the circumstances, the otherwise significant sum of \$112,000 is not sufficiently "material" to justify reopening the file. In the Board's view, participants will be better served by concentrating their resources on developing the necessary data to test the Board's assumptions in the next proceedings.

***Beaver, Canada's History Magazine (Re The)***

(2001-01-12), (2001) CBD 3 (Copyright Board - Unlocatable Owner)

The reproduction of an image from a catalogue (1988) of a painting *Girl Ironing*, in no more than 45,000 copies.

***British Columbia Automobile Assn. v. O.P.E.I.U., Local 378***

(2001-01-26), 10 C.P.R. (4th) 423, (2001) CarswellBC 229, 85 B.C.L.R. (3d) 302, (2001) 3 W.W.R. 95, (2001) B.C.J. 151, 2001 BCSC 156, <http://www.courts.gov.bc.ca/jdb-txt/sc/01/01/2001bcsc0156.htm>, <http://www.canlii.org/bc/cas/bcsc/2001/2001bcsc156.html> (British Columbia Supreme Court) Sigurdson J.

The plaintiff national association provided services to the motoring public and to its member organizations including the plaintiff regional association. The plaintiffs owned certain registered trade-marks and certification marks including the marks BCAA, CAA and CAA Logo. The national association licensed the regional association to use its trade-marks. The defendant union was the union representing certain of the regional association's employees which, in January 1999, began a lawful strike against the regional association.

In 1997 the regional association developed a Web site, accessed under its domain names <bcaa.bc.ca>, <bcaa.com> and <bcaa.org>, which allowed people to, inter alia, apply for membership and subscribe for travel services. In March 1999 the defendant established a Web site, accessed under its domain names <bcaastonstrike.com> and <picketline.com>. The defendant had three different Web site designs. The first design, used from March 1999 to April 1999, included the structure, colour scheme and layout of the regional association's Web site, the placement of the CAA Logo, although inverted, the placement of the words BCAA ON-RAMP (although the word "on" was replaced with "off"), the format, layout and colour scheme of the materials within the frames of the Web site, meta tags which referred to the regional association by name and trade-mark, and the title "Greetings, BCAA is on strike". The second design, used from April 1999 to October 1999, differed from the first design in that the CAA Logo was removed, the trade-mark BCAA was placed in lower case and the title was repositioned so that it was not seen on a standard screen. The third design continued to reproduce a substantial part of the regional association's meta tags and could be accessed under the same domain names as the first two designs in addition to the domain name <bcaabacktowork.com>. Otherwise the third design differed from the previous two designs and from the regional association's Web site.

The plaintiffs commenced an action for passing off and depreciation of the value of goodwill in the plaintiffs' registered trade-marks with respect to each of the defendant's three Web site designs, and copyright infringement with respect to the defendant's first two Web site designs.

The defendant claimed legitimate reason to refer to the regional association in its domain names and meta tags, and fair dealing as a defence to the copyright claim. The parties furnished expert evidence relating to the similarities between the Web sites and the extent to which the elements of the Web sites were common to other sites.

Held, judgment should be granted to the plaintiffs with respect to their claim of copyright infringement for the defendant's first two Web site designs, and with respect to their claim of passing off for the defendant's first Web site design; otherwise the plaintiffs' claims should be dismissed.

#### *Passing Off -- The Defendant's Third Web site Design*

There are two broad categories of passing off, one in which the parties are competitors engaged in a common field of activity, the other in which the defendant creates a false impression that in some way its product or business is approved, (page425) authorized or endorsed by the plaintiff. The necessary components of an action for passing off are the existence of goodwill, deception of the public due to a misrepresentation, and actual or potential damage. The standard to measure passing off is that of the ordinary average customer.

The common law must be interpreted in a manner consistent with the Canadian Charter of Rights and Freedoms. A reasonable balance must therefore be struck between the legitimate protection of a party's intellectual property and a citizen's or union's right of expression when a Web site is used for expression in a labour relations dispute.

With respect to the defendant's third Web site design, the plaintiffs' claim was restricted to the use of the domain names and meta tags. The defendant's Web site did not misrepresent that it was a site of the plaintiffs or was endorsed by, affiliated with or connected to the plaintiffs. The fact that the Web site was not associated with the plaintiffs was readily apparent from looking at the site. The domain names used by the defendant were not identical to the plaintiffs' trade-marks. Similarly, the defendant's meta tags were not identical to those of the plaintiffs. It was significant that the defendant's Web site did not compete commercially with that of the regional association. The similarity of the domain names and Web sites is of less significance in a labour relations or consumer criticism situation, partly because there is far less likelihood of confusion. The defendant's use of the meta tags was not a misrepresentation. It was entitled to use the meta tags during its lawful strike to enable it to reach people attempting to find the regional association's site.

#### *Depreciation of the Value of Goodwill*

The claim for depreciating the value of the goodwill in the plaintiffs' registered trade-marks relates to s. 22 of the Trade-marks Act, R.S.C. 1985, c. T-13, and the defendant's use of the marks BCAA, CAA and CAA Logo in its Web site designs and meta tags and in the use of the mark BCAA as part of the defendant's domain names. To succeed in its claim the plaintiffs had to establish valid registered trade-marks, "use" of the registered trade-marks by the defendant as defined in the Act, and that such use would likely depreciate the goodwill attached to the trade-marks.

For there to be an offending use under s. 22 there must be a commercial use in association with wares or services. The defendant did not so use the plaintiffs' trade-marks in relation to its

Web site. The absence of an apparent commercial aspect to the defendant's Web site shows that the defendant was not using the trade-marks in association with services. The non-commercial provision of information is not a service contemplated by s. 4 of the Trade-marks Act.

The defendant was not attempting to persuade the public that any positive feeling towards the regional association should apply to it, but instead was attempting to persuade the public not to do business with the association. Any depreciation of goodwill resulted not from the use of the marks by the defendant but from the support of the public for the defendant's striking members. The defendant's use of the plaintiffs' trade-marks did not therefore depreciate the value of the goodwill in the marks. (page426)

#### *Copyright Infringement*

In order to establish the copyright claim the plaintiffs had to establish that the regional association's Web site was an original work, that the defendant had copied from the work and that a substantial portion of the work had been copied.

It was not seriously disputed that the graphic design of the regional association's Web site was not an original artistic work. The site was the result of a project developed over several months. Whether there was substantial copying was a question of quality more than a matter of quantity. In considering whether there was substantial copying, portions of the work not the subject of copyright must be excluded.

The defendant's first Web site design looked very similar to the regional association's Web site. Each had a white body, black header and blue margin on the left. The letters BCAA were in red under the CAA Logo, which was upside down on the defendant's Web site. The defendant intended its Web site to look similar, and the file names for the files responsible for the look, feel and artistic design of both sites were identical suggesting that the defendant copied the regional association's HTML code. On the evidence, the defendant had copied a substantial part of the regional association's Web site in creating its first Web site design. Although in its second Web site design the defendant removed the CAA Logo and placed the mark BCAA in lower case, the colour scheme, page layout and other aspects of the second design still showed substantial copying.

With respect to fair dealing, the defendant claimed that the copied elements were in part criticism and to a limited extent parody. The defendant's Web site contained no criticism of the regional association's Web site and did not, as required by s. 29.1 of the Copyright Act, R.S.C. 1985, c. C-42, mention the source and author of the regional association's Web site. The fair dealing defence did not apply and the first two designs of the defendant's Web site infringed copyright.

#### *Passing Off -- The Defendant's First and Second Web site Designs*

The plaintiffs' claim of passing off with respect to the defendant's first two Web site designs related to all aspects of the sites including the look of the sites, the domain names and the meta tags. Certain aspects of the first design demonstrated an intention to mislead the public looking for the regional association's site. The title "Greetings BCAA is on Strike" was inherently confusing. The first design was a misrepresentation and constituted passing off. The second design reduced the possibility of confusion through the removal of the CAA Logo, the change in the mark BCAA to lower case and the change in the location of the "Greetings" title. The second design of the defendant's Web site did not therefore constitute passing off.

#### *Remedies*



The plaintiffs did not prove, and the circumstances did not suggest, substantial damage. The plaintiffs had not shown that there was loss. Damages for passing off, however, are presumed.

The plaintiffs were entitled to nominal damages for infringement of copyright and passing off which was fixed at \$2500. (page427)

Since the first and second designs of the defendant's Web site were no longer used, an injunction and a declaration of infringement would not be appropriate. A declaration would not have any practical effect.

***Blok-Lok Ltd. v. Helifix Ltd.***

(2001-03-01), (2001) CarswellOnt 734, 2001 OTC Uned 630 (Court: Ontario Superior Court of Justice) Campbell J.

(413) So far as the brochures are concerned the 1996 brochure was heavily collaborative and there seemed in any event to be a practice of freely copying material from others in the preparation of such literature, such as the drill pictures copied from catalogues and the warranty language copied from the Durawall brochure. Blok-Lok freely used Helifix material and Helifix freely used Blok-Lok material. Even if there is arguably some breach of copyright the equities and the balance of convenience do not favour injunctive relief having regard to the history of the dealing between the parties.

***B & S Publications Inc. v. Max-Contacts Inc.***

(2001-01-16), 287 A.R. 201, (2001) CarswellAlta 69, (2001) A.R. TBEEd. FE.052, (2001) A.J. 143 (Alberta Court of Queen's Bench) Hutchinson J.

*Summary:*

The plaintiff sued the defendant alleging that the defendant infringed on the plaintiff's copyright in the publications: the Oil & Gas Index and Oil and Gas Field Guide by entering data taken from the Index and the Field Guide without the plaintiff's verbal or written permission into a retrieval system and publishing it in both electronic and printed format for profit.

The Alberta Court of Queen's Bench allowed the action and awarded the plaintiff, inter alia, a permanent injunction, \$20,000 for general damages and \$25,000 for exemplary damages.

The plaintiff sued the defendant alleging that the defendant infringed on the plaintiff's copyright in the publications: the Oil & Gas Index and Oil and Gas Field Guide - The Index listed explorers and producers engaged in the oil and gas industry in alphabetical order, in line format and included such information as private or public company, operator or non-operator, number of employees, associations, phone number, email address, street address, postal code, website address and fax number - The Guide listed company district field and gas plant offices with addresses including postal code, phone numbers, fax numbers and the names and occupations of various key personnel in each office - The Alberta Court of Queen's Bench held that a copyright subsisted in the publications - They were the product of the discretion, skill and labour of the author or authors involved in the creation of each of the publications through the selection and organization of the data incorporated into each publication resulting in an original creation.

The plaintiff sued the defendant alleging that the defendant infringed on the plaintiff's copyright in the publications: the Oil & Gas Index and Oil and Gas Field Guide - The Alberta Court of Queen's Bench allowed the action, finding that a substantial portion of the plaintiff's unique data material was taken and used by the defendant without the plaintiff's consent - The infringement was a calculated deliberate infringement - The court awarded the plaintiff, inter alia, a permanent injunction restraining the defendant from using past, present and future issues of the Index and Guide or data obtained therefrom through third parties, \$20,000 for general damages, \$25,000 for exemplary damages and solicitor and client costs.

### ***Constructeurs I & S inc. c. Camiré***

(2001-04-19), **J.E.** 2001-124, (2001) CarswellQue 1637, R.E.J.B. 2001-25222, (2001) J.Q. 2697 (Cour supérieure du Québec) Juge Hélène Poulin

#### *Résumé*

Action en réclamation de dommages-intérêts. Accueillie en partie (25 000 \$)

La demanderesse, qui exploite une entreprise de construction et de vente d'immeubles résidentiels, a fait produire des plans de maison par un architecte. Dans le cadre de son mandat, celui-ci a également préparé un document publicitaire regroupant les croquis de quelques modèles, dont le modèle «Michel-Ange». Le prototype de cette maison a été construit en 1995 et a servi de maison témoin ainsi que de bureau de vente jusqu'au 9 juin 1997. En 1995, les défendeurs ont visité cette maison témoin à au moins trois reprises. Ils ont également obtenu la liste des prix de constructions et le dépliant publicitaire. La demanderesse prétend que la maison qu'ils ont fait construire en 1997 est identique au modèle Michel-Ange. Comme ils n'ont jamais obtenu son autorisation préalable, la demanderesse leur réclame 25 000 \$ à titre de perte de profits résultant de cette contrefaçon, 38 658 \$ pour l'avantage qu'ils ont tiré de la violation de son droit d'auteur et 5 000 \$ à titre d'indemnité pour dommages exemplaires. Les défendeurs allèguent notamment qu'ils n'ont pas copié les plans ni reproduit le modèle Michel-Ange, lequel, au surplus, ne bénéficierait pas de la protection de la loi.

#### *Décision*

Selon la définition à la Loi sur le droit d'auteur, les plans sont une «oeuvre artistique» alors que les bâtiments ou les édifices constituent une «oeuvre architecturale». En l'espèce, la demanderesse reproche aux défendeurs d'avoir copié autant le bâtiment que les plans qui lui ont donné forme. L'originalité d'une oeuvre résulte d'un processus de création et s'apprécie en fonction de ses éléments distinctifs ainsi que de ses dimensions, qui produisent une image unique. La preuve a révélé que la demanderesse avait requis de son architecte qu'il prépare des plans permettant de créer un style de résidence dont l'aspect unique serait le reflet de la signature du promoteur. L'architecte a exprimé sa pensée et a investi son temps et sa réflexion dans la création des plans, dont il a mûri la conception pendant quelques mois. Les plans ont le caractère innovateur requis par la loi et sont le fruit d'un labeur et d'un effort personnels. Les défendeurs n'ont pas réussi à repousser la présomption créée par la loi et à démontrer que l'élaboration des plans n'avait exigé aucune habileté particulière, aucune réflexion et aucun effort de créativité. Par ailleurs, la demanderesse est titulaire des droits d'auteur de l'oeuvre artistique (les plans) ainsi que de l'oeuvre architecturale (la reproduction volumétrique) en vertu du contrat de cession des droits d'auteur signé en décembre 1997 et qui reprenait une entente verbale de 1994. Même si la loi prévoit que la cession n'est valable que si elle est écrite, la transmission peut être confirmée par un écrit ultérieur (Bradale Distribution Enterprises Inc. c. Safety First Inc.). La résidence des défendeurs n'est qu'une réplique, avec des variations non significatives, du concept architectural du modèle Michel-Ange. Les défendeurs ont accaparé des éléments du travail personnel de l'architecte et le fruit de sa recherche tout en tentant de masquer cet

emprunt illicite. Le titulaire du droit d'auteur a le droit d'être dédommagé dès que la contrefaçon est prouvée. En l'espèce, une somme de 25 000 \$ sera accordée à la demanderesse à cet égard. Il n'y a toutefois pas lieu de faire droit à la réclamation concernant l'avantage pécuniaire que les défendeurs auraient retiré en construisant une réplique de la maison témoin puisqu'on accorderait ainsi une double indemnité. En l'absence de preuve relativement à la mauvaise foi des défendeurs, la réclamation pour dommages exemplaires sera également rejetée.

***Corel Corp. v. Guardian Insurance Co. of Canada***

(2001-02-05), (2001) O.T.C. 70, (2001) O.T.C. TEd. FE.052, (2001) CarswellOnt 308, 26 C.C.L.I. (3d) 39, (2001) I.L.R. I-3948, (2001) O.J. 368 (Court of Ontario, Superior Court of Justice) Backhouse, J.

(17) The pivotal issue is whether the factual allegations made by Berkla in his Complaint, being properly construed, could possibly lead to a determination that the copyright infringement arose out of and in the course of advertising Corel's good, products or services. Berkla makes factual allegations that he has suffered damages as a result of Corel's "marketing" of and "displaying publicly" CorelDraw 8, on a continuous basis.

(19) It is alleged by Berkla that Corel's marketing and displaying of CorelDraw 8 contributed to or added to Berkla's copyright injuries. As such, the allegations involve a legal claim of copyright infringement arising out of and in the course of marketing (i.e. advertising) Corel's goods, products or services. These allegations, in my view, create a sufficient connection between Corel's alleged advertising conduct and Berkla's damages to meet the test of a mere possibility of coverage creating a duty to defend.

(22) It is submitted on behalf of Guardian that coverage is excluded under the endorsement excluding "advertising injury" arising out of breach of contract. Berkla did claim a breach of a nondisclosure agreement in addition to copyright infringement. However, in my view, copyright infringement does not arise out of a breach of contract. Copyright by its nature is in the public domain. The non-disclosure agreement specifically excluded information in the public domain. Accordingly, I find that the breach of contract exclusion does not apply to the claim of copyright infringement.

***DeMarchi v. Reel Records & Tapes Ltd.***

(2001-03-12, amended 2001-03-16), (2001) CarswellOnt 807, (2001) O.J. 846, 2001 OAC Uned 30, <http://www.canlii.org/on/cas/onca/2001/2001onca121.html> (Ontario Court of Appeal)

Intellectual property ---Copyright Remedies -- Accounting of profits --- Rock band entered into publishing agreement with R Ltd. -- Rock band performed and released song on album -- Rock band subsequently broke up -- R Ltd. assigned rights in agreement to B Ltd. -- Song was subsequently "discovered" in United States and reached number one on billboard charts -- Increased radio play of song resulted in new album sales, and requests to reproduce song on other records and have other artists record it -- Two band members brought action and B Ltd. brought application for declaratory relief and accounting and payment of publishing royalties -- Trial judge found that rock band members were entitled to 1/5 share of royalties under publishing agreement, ordered accounting, and directed reference for taking of accounts -- Trial judge received reference report and varied judgment -- Trial judge found that mechanical royalties were to be included and public performance royalties were to be excluded from calculation of co-publishing revenues -- B Ltd. appealed inclusion of mechanical royalties and rock band members cross-appealed exclusion of public

performance revenues -- Appeal dismissed and cross appeal allowed -- Both mechanical and public performance royalties were to be included -- In context of entire publishing agreement, nothing inconsistent about inclusion of public performance royalties for purposes of calculating net income -- Interpretation which viewed publishing agreement as including performance revenues was consistent with prior conduct of R Ltd..

Corporations --- Contracts by corporations -- General principles -- Personal liability of agent -- On contracts --- Rock band entered into publishing agreement with R Ltd. -- Rock band performed and released song on album -- Rock band subsequently broke up -- R Ltd. assigned rights in agreement to B Ltd. -- Song was subsequently "discovered" in United States and reached number one on billboard charts -- Increased radio play of song resulted in new album sales, and requests to reproduce song on other records and have other artists record it -- Two band members brought action and B Ltd. brought application for declaratory relief and accounting and payment of publishing royalties -- Trial judge found that company and its director personally were jointly and severally liable for amount of judgment and costs of proceedings -- Director appealed -- Appeal allowed -- No basis for judgment of personal liability against director -- Publishing agreement was owned by B Ltd. and not by director personally -- Publishing agreement specified obligations of B Ltd. and not of director personally -- Director was directing mind of B Ltd., at all material time acted on behalf of company not on own behalf and there was not sufficient justification to pierce corporate veil

***Desputeaux c. Éditions Chouette (1987) inc.***

(2001-04-18), (2001) R.J.Q. 945, **J.E.** 2001-920, R.E.J.B. 2001-23667, (2001) J.Q. 1510 , (2001) CarswellQue 299, <http://www.jugements.qc.ca/ca/200104fr.html> (Cour d'appel du Québec); requête pour autorisation de pourvoi à la Cour suprême accueillie, 2001-11-08), (2001) CarswellQue 2452 (English), (2001) CarswellQue 2453, (2001) C.S.C.R. 309 (French) (Cour suprême du Canada).

*Résumé*

Appel d'un jugement de la Cour supérieure ayant rejeté une requête en annulation d'une sentence arbitrale. Accueilli.

En 1988, l'appelante s'est associée à l'intimée L'Heureux pour la création de livres pour enfants ayant comme personnage principal un garçonnet nommé Caillou. L'appelante illustre les livres tandis que L'Heureux écrit les textes. En octobre 1996, la co-intimée Éditions Chouette (1987) inc. a présenté une requête pour jugement déclaratoire visant à faire déclarer les droits lui résultant de la convention de licence d'exploitation que l'appelante et L'Heureux lui avaient accordée à titre de coauteurs le 1er septembre 1993. Invoquant les dispositions de l'article 37 de la Loi sur le statut professionnel des artistes des arts visuels, des métiers d'art et de la littérature et sur leurs contrats avec les diffuseurs (la loi), l'appelante a réclamé que le litige soit soumis à l'arbitrage. L'arbitre a été d'avis que les contrats d'édition conclus antérieurement à la licence d'exploitation ne traduisaient pas la réalité puisque l'appelante y était désignée comme auteure et L'Heureux comme éditeur alors qu'elles avaient toutes les deux participé à la création du personnage de Caillou de manière indissociable. L'arbitre a conclu que la licence d'exploitation comportait tous les droits nécessaires à l'exploitation commerciale de Caillou dans le monde entier et qu'il ne subsistait plus d'autres droits patrimoniaux. En l'absence de stipulation quant à sa durée, il a estimé qu'elle arriverait à échéance 50 ans après le décès du dernier coauteur. L'appelante a prétendu que l'arbitre avait excédé ses pouvoirs en se prononçant sur la propriété et le respect des droits d'auteur alors que seuls les tribunaux judiciaires possèdent cette compétence (art. 37 de la loi). Au surplus, il aurait violé les principes de justice naturelle en tranchant la question relative au statut de coauteur de L'Heureux en l'absence de toute preuve à cet égard et il aurait

commis une erreur de droit manifestement déraisonnable en omettant d'appliquer certaines dispositions impératives de la loi. Le juge de première instance a rejeté toutes ces prétentions, d'où le présent appel.

#### *Décision*

La demande d'annulation de la sentence arbitrale est le seul recours disponible à l'appelante. Les motifs d'intervention sont limités à ceux qui sont énoncés aux articles 946.4 et 946.5 du Code de procédure civile (C.P.C.). En tenant compte des faits exposés à l'arbitre par l'appelante, on peut difficilement conclure que la sentence arbitrale porte sur un différend qui n'était pas prévu de manière expresse dans la convention d'arbitrage. Toutefois, la décision de l'arbitre va au-delà de la stricte interprétation des conventions des parties. En décidant du statut juridique de l'appelante et de L'Heureux à l'égard du personnage de Caillou, l'arbitre s'est arrogé une compétence qu'il n'avait pas. En effet, on ne peut soumettre à l'arbitrage un différend portant sur l'état et la capacité des personnes ou sur les autres questions qui intéressent l'ordre public (art. 946.5 C.P.C. et 2639 du Code civil du Québec). Le droit d'auteur tient du droit de la personnalité en plus d'avoir des aspects pécuniaires. Le chapitre de la Loi sur le droit d'auteur traitant des droits moraux (art. 14.1 et 14.2) protège l'aspect éminemment personnel du droit d'auteur et il ne reconnaît à ce titre que le droit à l'intégrité de l'oeuvre et le droit à sa paternité. En l'espèce, il n'est pas nécessaire de décider si la considération du droit à la paternité de l'oeuvre pourrait suffire à exclure la compétence de l'arbitre étant donné que la sentence doit être déclarée nulle en raison de l'article 37 de la loi. En effet, la paternité du droit d'auteur, tout comme les litiges portant sur l'étendue et la validité de ce droit, doit être soumis exclusivement aux tribunaux judiciaires parce que les décisions qui en découlent sont opposables à tous et sont de l'essence même des décisions judiciaires. Le fait que l'appelante et L'Heureux se soient reconnues comme des coauteures dans des conventions écrites permettait à l'arbitre de tenir compte de cet élément. Toutefois, il ne pouvait, sans outrepasser sa compétence, s'en servir pour déclarer qu'elles étaient assurément coauteures d'une oeuvre créée en collaboration au sens de la Loi sur le droit d'auteur. Comme aucune preuve n'a été faite devant l'arbitre quant à l'oeuvre en litige et à la participation respective des parties, il ne pouvait rattacher la question de la qualification de l'oeuvre au cadre restreint de l'interprétation des contrats faisant l'objet de la convention d'arbitrage. Au surplus, il n'a pas reconnu que certaines mentions imposées par la loi ne figuraient pas à la convention de licence d'exploitation, notamment en ce qui concerne l'étendue des concessions des droits exclusifs, la durée des contrats et la fréquence des redditions de compte. Par conséquent, la sentence arbitrale aurait également pu être annulée en vertu des articles 31 et 34 de la loi.

#### ***Editors' Assn. of Canada Certification Application (Re)***

*Editors' Assn. of Canada Certification Application (Re)* (2001-02-28), 12 **C.P.R.** (4th) 62, [http://capprt-tcrpap.ic.gc.ca/decisions/decisiontribunal/decisiontribunal30/decision\\_33.html](http://capprt-tcrpap.ic.gc.ca/decisions/decisiontribunal/decisiontribunal30/decision_33.html) (English), [http://capprt-tcrpap.ic.gc.ca/decisions/decisiontribunal/decisiontribunal30/decision\\_33\\_f.html](http://capprt-tcrpap.ic.gc.ca/decisions/decisiontribunal/decisiontribunal30/decision_33_f.html) (French) (Canadian Artists and Producers Professional Relations Tribunal).

An association of editors applied to the tribunal pursuant to s. 25 of the Status of the Artist Act, S.C. 1992, c. 33, for certification to represent a sector composed of editors. After amendment the association defined the sector as being composed of professional freelance editors who prepare compilations or collective works and works of joint authorship but excluding authors covered by certifications granted by the tribunal to four artists' associations.

The four artists' associations and a newspaper association intervened in the editors' association's application. The editors' association furnished evidence of different types of editing which are divided into the following groups: (1) developmental editing (writer and editor jointly evolving a concept or story idea); (2) structural and substantive editing (includes reorganizing, rewriting, writing transitions and summaries, and suggesting structural changes); (3) line editing (line-by-line editing including making comments, queries and suggestions to the writer); and (4) copy editing (reviewing a manuscript for spelling, grammar, consistency and format). (page63)

The editors' association was composed of voting and associate members and provided various services to its members including a variety of seminars.

The application raised the following four issues: (1) whether editors are artists within the meaning of the Status of the Artist Act; (2) the suitability of the sector proposed by the editors' association; (3) whether the editors' association was representative of artists in that sector; and (4) whether the bylaws of the association complied with s. 23 of the Act.

Held, editors who are authors of original compilations or collective works or who are authors of works of joint authorship should be declared artists within the meaning of the Status of the Artist Act, and the application should otherwise be stayed to permit the editors' association to amend its bylaws.

With respect to the first issue, for editors to fall within the category of artists referred to in s. 6(2)(b)(i) of the Act, they must be "authors" within the meaning of the Copyright Act, R.S.C. 1985, c. C-42. The meaning of "author" in the Copyright Act requires originality. The preparation of indexes, glossaries, tables of content, bibliographies and compilations of works of others may fall within the meaning of compilation if they meet the test of originality. With the exception of compilations of data, originality merely requires the expenditure of labour, skill and judgment. Some but not all of the work of editors will meet the test for authorship of a compilation or collective work. Developmental editing and substantive and structural editing involve a significant contribution of original expression, whereas copy editing does not. Line editing falls on the spectrum between copy editing and substantive editing. Accordingly, editors who collaborate with other authors and make significant and original contributions are joint authors and therefore "artists" within the meaning of s. 6(2)(b)(i) of the Status of the Artist Act.

With respect to the second and third issues, as there were common interests among freelance editors and as they were not represented by any other artists' associations, they were a sector suitable for bargaining and the editors' association was the organization most representative of them.

With respect to the fourth issue, as the bylaws of the editors' association did not provide for a ratification vote on scale agreements or a right to access copies of its financial statements, the bylaws did not meet the requirements of s. 23(1) of the Act. The editors' association undertook to amend its bylaws. The application was therefore stayed pending receipt of proof that the required changes had been made to the bylaws.

***Editors' Assn. of Canada Certification Application (Re)***

(2001-09-27), 15 C.P.R. (4th) 339, [http://capprt-tcrpap.ic.gc.ca/decisions/decisiontribunal/decisiontribunal30/decision\\_36.html](http://capprt-tcrpap.ic.gc.ca/decisions/decisiontribunal/decisiontribunal30/decision_36.html) (English), <http://capprt->

[tcrpap.ic.gc.ca/decisions/decisiontribunal/decisiontribunal30/decision\\_36\\_f.html](http://tcrpap.ic.gc.ca/decisions/decisiontribunal/decisiontribunal30/decision_36_f.html) (French), 2001 CAPPRT 036 (Canadian Artists and Producers Professional Relations Tribunal – Final).

The tribunal had issued an interim decision on an application for certification of the editors' association under the Status of the Artist Act, S.C. 1992, c. 33. In its interim decision ("the Order"), the tribunal had concluded that freelance editors were artists within the meaning of the Act, suitable for bargaining, and that the editors' association was the organization most representative of the artists. The tribunal had defined the sector for bargaining in a way that excluded other authors covered by certifications granted to other organizations. The tribunal had stayed the application because the bylaws of the editors' association did not meet the requirements of the Act.  
(page340)

The editors' association subsequently applied to inform the tribunal that it had amended its bylaws to accord with the requirements of the Act. Prior to being so informed, three organizations had filed an application for reconsideration of the Order. The reconsideration applications were seized by a different panel of the tribunal. That panel decided to adjourn the proceedings pending issuance by the original panel of its final decision in the editors' association application.

The original panel moved to amend the Order on its own motion to exclude from the Order authors covered by certifications granted to two of the organizations that sought reconsideration of the Order.

Held, the editors' association's application for certification should no longer be stayed and the Order should be amended.

Section 20 of the Act provides that the tribunal may amend any order made by it and may rehear any application before making a decision. The tribunal may exercise such power on its own motion.

The bylaws of the editors' association complied with the requirements of the Act and therefore its application for certification was no longer stayed. The Order was amended in accordance with the tribunal's motion.

### ***FWS Joint Sports Claimants v. Border***

(2001-11-06), (2001) N.R. TBEEd. NO.048, (2001) F.C.J. 1657, 2001 FCA 336 (Federal Court of Appeal)

(1) FWS Sports Claimants Inc. ("FWS") is the collective society that represents four professional sports leagues, the NFL, CFL, NHL and NBA, and administers their copyright in the live broadcasting of their games. FWS is dissatisfied with the share of the royalties payable for the retransmission of distant broadcast signals, typically by cable television companies, that the Copyright Board has allocated to FWS' members.

(2) FWS argues that the basis on which the Board allocated the royalties significantly underestimated the value of sports to the cable companies' ability to attract and retain subscribers.

(5) We have no difficulty with the legal proposition that viewing copyright material is not an infringing activity, but that retransmission is. However, FWS' argument is based on an erroneous premise, namely, that when the Board stated that " ... it is the subscribers who `use'

the cable services ...", it meant that the subscribers were using the copyright material in breach of FWS' copyright.

(6) It seems to us unlikely that, given the experience with copyright law that the Board has acquired in the context of setting and allocating royalties, it would have made such an elementary legal blunder. In our opinion, the passage from the Board's reasons quoted above is better understood as meaning that, since subscribers are the ultimate consumers of the programmes, their viewing preferences, as measured by the number of hours that they spend watching programmes belonging to the various collectives, are the appropriate criterion of the value of those programmes to cable companies.

(7) In a variation of the "user argument", FWS also submitted that the Board's reasons indicated that it had allocated royalties on cumulative viewing data because it had taken the position that the allocation should reflect the value of programmes to subscribers, not to the cable companies. This "stunning reversal" of the position that the Board had taken in its 1990 decision on the same subject was an error of law, both because the Act did not permit it, and, if it did, the Board was under a legal obligation to provide a fuller justification for its U-turn than its reasons contained.

(8) We cannot accept this argument. We agree with the respondents that the Board did not depart from its 1990 position, namely that the ultimate basis of the allocation of royalties was the value of programmes to the cable companies. In the decision under review, the Board was simply making it clear that, in the absence of a free market in retransmission rights, the number of hours that subscribers spent watching particular kinds of programming was the most reliable criterion for determining their value to cable companies' ability to attract and retain customers.

(10) In our opinion, the key to what the Board meant here is to be found later in the same paragraph when it set out the three principles on which the Board had proceeded; taken together, these principles constitute the Board's conclusion that the value of sports programmes to broadcasters is not a good proxy for the value of the cable companies' retransmission rights in those particular programmes. Thus, while broadcasters may be willing to pay copyright owners a high price for permission to broadcast professional sports events, because of the amount of advertising revenue that they could generate, it does not follow that the inclusion of sports programmes as one component of a broadcast signal carried by a cable company is a similarly powerful inducement to subscribers to purchase a package of programmes. The Board did not reject FWS' evidence, but its approach to ascertaining the value to the cable companies of programmes owned by particular collectives.

(12) We are not persuaded that the Board's allocation of the royalties among the various claimants should be reviewed on a different standard from that applied to setting royalties. Both involve the exercise of a broad statutory discretion, policy elements, the use of economic and statistical data, and an understanding of the cable industry and the related technology. Further, while copyright owners may have a similar interest vis-à-vis retransmitters, they have competing interests when it comes to the allocation among them of the total award of royalties. Hence, in assessing the relative merits of the various copyright owners, the Board is engaged in a polycentric exercise in that, since the share of the royalties allocated to one owner has an impact on the share available to others, the Board's assessments involve weighing the claimants' relative merits.



(2001-07-17), 14 **C.P.R.** (4th) 67, (2001) FTR Uned 510, (2001) F.C.J. 1165, 2001 FCT 799 (Federal Court, Trial Division) Hugessen J.  
(Notice of appeal was filed on July 27, 2001 (Court File No. A-445-01).)

The plaintiff, a US trade-mark lawyer, had written and published articles on trade-mark law and created an Internet site containing a compilation of links to other sites relating to trade-marks. The defendant created an Internet site that contained two of the plaintiff's articles and a link to other sites. The plaintiff commenced an action for copyright infringement claiming that the defendant's site contained an invitation to a person visiting the site to obtain unauthorized access to, and copies of, the articles and that the defendant's site reproduced a substantial part of the plaintiff's compilation of links. The plaintiff moved for summary judgment.

Held, the motion should be dismissed.

There was at least a possible contradiction in the plaintiff's evidence regarding consent given to the defendant to use the plaintiff's compilation of links.

A compilation of publicly available materials is bound to have a high degree of identity with any other compilation of the same material. There was however no expert evidence showing that the defendant's compilation was necessarily based on the plaintiff's compilation, that the plaintiff's compilation was original or that the defendant had copied the originality.

The plaintiff conceded that for every document published on the Internet there is an implied licence to reproduce or copy to the extent necessary to take communication and make personal use. There was however no evidence that the defendant ever did more than what it was impliedly authorized to do.

The motion was therefore dismissed.

***Masterfile Corp. v. World Internet Corp.***

(2001-12-20), (2001) F.C.J. 1928, 2001 FCT 1416 (Federal Court of Canada - Trial Division) Simpson J.

(1) This application is for summary judgment against 17 respondents and for default judgment against four defendants for their alleged breach of the Applicant's copyright in one hundred forty-nine images copied in the design of the respondents' websites.

(40) Issue 1. Based on this provision (of the contract), I accept Respondents' Counsel's submission that Masterfile's deemed assignments are not valid under Canadian law. Although section 13(4) of the Act gives copyright owners considerable flexibility in the assignment of their rights, it does not contemplate assignments that may take effect at a future date. Assignments can be limited in a variety of ways but, in my view, some certainty is required. At a minimum, an assignment must actually exist and must be signed.

(41) Finally, I should note that both provision 3.05(d) of the Fourth Contract and provision 4.5 of the Fifth Contract specifically refer to the possibility of an express written assignment in the event of future litigation. No such assignments have been taken from any of the artists in this case.

(42) Having concluded that Masterfile has neither an exclusive licence nor an assignment of copyright for the images at issue in this case, it is my further conclusion that Masterfile has no

standing to prosecute this action. Accordingly, this motion for summary judgment will be dismissed.

(45) Issue 2. With regard to the applicability of the presumption of copyright under section 34.1(2) of the Act, I would have concluded that the Copyright Notice found on Masterfile's CD-ROM did not entitle it to the benefit of the presumption because the artists' names were not shown. Further, I would have disagreed with the applicant's submission that section 34.1(1)(a) of the Act applies. In my view, once copyright is challenged in the absence of registration, as was the case here, the requirements of section 34.1(2) of the Act must be satisfied.

(47) Issue 4. In my view, the respondents used Masterfile's images in a format different from the one in which they were offered for sale. Masterfile and the artists it represented were offering to sell only high quality distinctive images. They should not be penalized because the respondents illegally used versions of lesser quality. As well, the respondents would have been ordered to reimburse Masterfile according to its tariff. In view of their infringement, the respondents are not now entitled to the benefit of negotiated prices that they might have obtained had they sought licences to use the images.

***Microsoft Corp. v. 1222010 Ontario Inc.***

(2001-04-05), (2001) F.T.R. Uned. 145, (2001) F.C.J. 509, 2001 FCT 299 (Federal Court of Canada, Trial Division) Giles, Associate Senior Prothonotary

The motion before me seeks answers to questions refused on discovery. (...) The action deals with alleged copyright infringement by copying the plaintiff's copyright material into computers which were then sold.

(12) The defendant having indicated that a computer would possibly have been loaded with plaintiff's software by an employee other than a technical person was unable to tell the date of manufacture of one of the computers in question. It follows that any employee might be a witness as to loading. The plaintiff asked for the names and addresses and dates of employment of all employees of Systems. Such employees being potential witnesses the names should be given. Question 490 is ordered answered.

(15) Question 677 seek the names of competitors who have complained of the defendant's pricing or copying practices. Such complainants might be in a position to give evidence of further instances of the type of act described in the amended statement of claim. The defendant would have me classify such a question as the commencement of a fishing expedition. A fishing expedition is one in which a party seeks evidence of facts of which it had no previous knowledge. Here the plaintiff has knowledge of certain instances of selling of computers with the plaintiff's unlicensed software installed on their hardware.

(16) It is my view that seeking further instances of that type of infringement is not a fishing expedition. Seeking other types of infringement would be fishing. It is my view that question 677 is too broad and seeks evidence way beyond other instances of the same type of infringement. It is therefore the first step in a fishing expedition and does not have to be answered.

***Northwest Territories v. Sirius Diamonds Ltd.***

(2001-06-26), 13 C.P.R. (4th) 486, (2001) F.T.R. TBEEd. JL.030, (2001) F.C.J. 1042, 2001 FCT 702, summary at <http://www.fja.gc.ca/fc/2001/fic/v4/2001fc29052.html> (English)

<http://www.cmf.gc.ca/cf/2001/fic/v4/2001cf29052.html> (French) (Federal Court, Trial Division) Hansen J.

In 1991 significant diamond reserves were discovered in the territories. The territorial government viewed the discovery as an opportunity to provide an economic stimulus to the territorial economy in diamond cutting and polishing industries. One of the initiatives undertaken by the government was a diamond monitoring and certification program in which it sought to differentiate territorial diamonds from diamonds from other countries sold to fund violent wars.

The territorial government adopted various depictions of polar bears in association with its government services, tourist promotions and diamonds. The government registered copyright in these depictions, registered the depictions as trade-marks and sought to protect such depictions as official marks pursuant to s. 9(1)(n)(iii) of the Trade-marks Act, R.S.C. 1985, c. T-13, and as common law trade-marks. The official marks included the mark NORTHWEST TERRITORIES & Polar Bear Design for which public notice was given in August 1991.

In 1998 the defendants entered into negotiations with the territorial government to participate in its diamond certification program. While in negotiations the defendants developed their own diamond authentication program and adopted trade-marks depicting a representation of a polar bear. One of the defendants filed applications for registration of such trade-marks. The territorial government objected to the defendants' program and trade-marks, and the relations between the parties deteriorated, although the negotiations did not break off until July 2000. After the government's initial objection, the defendants discontinued use of one of their marks.

The territorial government moved for an interlocutory injunction in an action for copyright, trade-mark and official mark infringement and passing off with respect to the defendants' use of a representation of a polar bear in association with diamonds. In its application for an interlocutory injunction the territorial government alleged that it did not need to establish irreparable harm or a favourable balance of convenience if it established a prima facie case of blatant copying of the government's copyright works, a prima facie case of trade-mark infringement, or at all, in relation to its official marks. The defendants alleged that the government's application would be determinative of its action and that, therefore, the government had to establish a strong prima facie case, as an exception to a serious issue to be tried, irreparable harm and a favourable balance of convenience.

Held, the motion should be dismissed.

As the defendants had failed to adduce evidence showing that the grant of an interlocutory injunction would have the effect of deciding the main action, the exception to the plaintiff merely establishing a serious issue to be tried did not apply.

In support of its allegation that it need not establish irreparable harm in its case for copyright and trade-mark infringement, the territorial government relied on jurisprudence which preceded the decision of the Supreme Court of Canada in the RJR-MacDonald case and the Federal Court of Appeal in the Centre Ice case. (page488)

Although subsequent jurisprudence left open the possibility of granting an interlocutory injunction in the absence of irreparable harm in certain circumstances, there was nothing in the evidence in this case to warrant such an approach.

With respect to the government's official marks, the only official mark which predated the defendants' adoption and use of their marks was the mark NORTHWEST TERRITORIES & Polar Bear Design. The test for infringement of an official mark is not one of confusion but of resemblance. The marks differed significantly in important features such that the defendants' marks could not be said to resemble the government's official mark. Accordingly, it was necessary to consider the government's claims under s. 9 of the Trade-marks Act pursuant to the RJR-MacDonald tripartite test.

Under the tripartite test, the territorial government had raised a serious issue in respect of all of its claims.

With respect to irreparable harm, the territorial government had the burden of proof of showing that it would suffer irreparable harm with evidence that was clear and not speculative. The government alleged harm to the interest of the public in the development of a secondary diamond industry and to the goodwill and reputation associated with the government and its marks. The potential harm to the public interest was claimed to be irreparable in nature. The government had not, however, provided evidence that harm to the public interest would occur if the requested injunction was declined. With respect to goodwill and reputation, the government's claim of a false governmental authentication described wrongful act allegedly committed, not conduct supporting irreparable harm. Regarding loss of credibility, there was no clear evidence of consumers, retailers, distributors or the diamond industry generally. As to loss of control over goodwill and exclusive use of the government's marks, the government asked that irreparable harm be inferred. Such an inference was, however, an improper logical leap.

Concerning the balance of convenience, the significant public interest in the success of the diamond industry caused the balance of convenience to weigh in the government's favour.

As the territorial government failed to establish irreparable harm, the motion for an interlocutory injunction was dismissed.

***Oakley Inc. v. Shoppers Drug Mart Inc.***

(2001-03-22), (2001) F.T.R. TBEEd. AP.032; (2001) F.C.J. 415, (2001) A.C.F. 415, 2001 FCT 226, <http://www.canlii.org/ca/cas/fc/2001/2001fct223.html> (*sub nomine Time Warner Entertainment Co. v. Doe*, 2001 FCT 223) (Federal Court of Canada, Trial Division) Blanchard, J.

(T)he defendant presented a motion for an order to strike portions of the amended statement of claim or in the alternative an order for particulars of various portions of the amended statement of claim. Further, the defendant requested an extension of time to deliver its statement of defence.

(17) Hence, the Copyright Act does provide for an accounting of profits as a remedy, but not for an accounting of income. The Act, pursuant to subsection 35(2) clearly establishes the process that governs accounting of profits.

(32) On the matter of ownership of Copyright, counsel for the defendant argues that this Court should order that the plaintiffs provide particulars of how title moved from the original author to the plaintiffs, produce any assignment documents in respect of the copyright and provide particulars of the date on which the alleged artistic work was created.

(33) The production of a certificate of copyright registration (see footnote 12) creates a rebuttable presumption of title and ownership. Absent any evidence to the contrary, the chain of title may well be irrelevant.

***Pierrot Concerts (Re)***

(2001-01-25), (2001) CBD 5 (Copyright Board - Unlocatable Owner)

The use and mechanical reproduction of a poem *A Bunch of Rowan* (1948), in no more than 1,200 copies.

***Private Copying 2001-2002, Tariff of Levies to be Collected by CPCC (Re)***

(2001-01-22), 10 C.P.R. (4th) 289, <http://www.cb-cda.gc.ca/decisions/c22012001reasons-b.pdf> (Copyright Board)

The collective society filed a proposed private copying tariff pursuant to s. 83 of the Copyright Act, R.S.C. 1985, c. C-42, for the years 2001 and 2002. The tariff set out the proposed levy for manufacturers and importers of blank audio recording media to be paid for the benefit of eligible authors, performers and producers in respect of sound recordings of musical works. The objector objected to the proposed tariff and participated in proceedings before the board.

The collective society sought an increase in the private copying tariff over the tariff certified by the board in its first decision dealing with private copying. The objector objected to the increase sought. The collective society submitted that a zero-rating scheme adopted by the society for audio cassettes acquired for professional or institutional purposes should be taken into account in fixing the amount of the levy for such cassettes.

Held, a tariff should be certified in accordance with the terms and conditions fixed by the board.

The private copying regime is universal in that all importers and manufacturers of blank audio recording media pay the levy. The fact that certain of the media are not exclusively used to copy sound recordings of musical works is taken into account in fixing the amount of the levy. Two principles which underlie the regime are, first, that the regime legalizes copying for the private use of the person making the copy. It does not legalize copying for a third party. Secondly, it is not a requirement that the source or target medium be lawfully owned.

The evidence showed that since the board's first decision there had been an evolution in the market and practice with respect to private copying of sound recordings of musical works. The evolving market for recording media in effect required the fixing of the amount of the levy as a matter of guesswork. Data available on the downloading of music from the Internet was too uncertain to be (page 290) considered in fixing the amount of the levy, although it could become of central concern in future tariff applications.

The current tariff structure was adopted with a proxy for the amount of the tariff being the typical remuneration received by eligible rights-holders in respect of pre-recorded CDs. This amount was adjusted by various factors, including a factor reflecting that private copying was a secondary market for sound recordings of musical works.

With respect to audio cassettes, it was permissible to take the zero-rating scheme into account by excluding zero-rated cassettes for the calculation of the levy. Taking the scheme

into account reflected a market reality and did not in itself create an exception to the private copying regime. Furthermore, a tariff that failed to take the scheme into account would not have been fair. Finally, excluding the zero-rated media would have ensured that the tariff targeted those more likely to engage in private copying.

The levy was fixed at \$0.29 for audio cassettes, \$0.21 for CD-Rs and CD-RWs, and \$0.77 for CD-R Audio, CD-RW Audio and MiniDiscs. The levy was therefore anticipated to raise approximately \$26.9 million for 2001.

***Programmation Gagnon inc. c. Formules d'affaires C.C.L. inc .***

(2001-05-14), (2001) R.J.Q. 1509, **J.E.** 2001-1323, (2001) CarswellQue 1773, R.E.J.B. 2001-25399, (2001) J.Q. 2468 (Cour supérieure du Québec) Juge Jacques Viens  
Appel (C.A.Q. 200-09-003664-015).

*Résumé*

Action en injonction permanente et en réclamation de dommages-intérêts. Rejetée.

La demanderesse exploite une entreprise de conception de logiciels et de commercialisation de solutions informatiques intégrées aux municipalités alors que la défenderesse, une entreprise d'imprimerie, est surtout spécialisée dans l'impression de formulaires et de documents municipaux. Comme la demanderesse ne faisait pas imprimer de formulaires contenant les données insérées par les municipalités dans son logiciel, celles-ci ont demandé à d'autres entreprises de concevoir des formulaires compatibles avec le logiciel. Aidée de son équipe d'infographistes, la défenderesse a conçu, imprimé et vendu des formulaires comme l'«Avis d'évaluation foncière et compte de taxes» à partir d'une sortie d'imprimante que lui ont remise ses clientes. Or, en février 1997, la demanderesse a enregistré un droit d'auteur sur cet «Avis d'évaluation foncière et compte de taxes», dont la première publication remonte au 21 novembre 1994. Elle reproche à la défenderesse d'avoir contrefait pendant plusieurs années cette oeuvre littéraire et de l'avoir offerte en vente. Elle réclame des dommages-intérêts de 1 211 056 \$ de même qu'une ordonnance d'injonction permanente pour faire cesser cette contrefaçon. La défenderesse allègue qu'il ne s'agit pas d'oeuvres protégées par la loi et, subsidiairement, qu'il n'y a pas eu contrefaçon.

*Décision*

Le formulaire «Avis d'évaluation foncière et compte de taxes» conçu, produit et distribué par la demanderesse est une oeuvre littéraire protégée au sens de la Loi sur le droit d'auteur. Le droit d'auteur qui y est rattaché comporte le droit exclusif de produire et de reproduire la totalité ou une partie importante de l'oeuvre de même que le droit exclusif d'en autoriser la reproduction. Par ailleurs, l'oeuvre en question est une oeuvre originale au sens de la loi, même si presque toutes les informations contenues aux formulaires proviennent des dispositions législatives applicables, et plus particulièrement du Règlement sur la forme ou le contenu minimal de divers documents relatifs à la fiscalité municipale et ses amendements, et sont largement inspirées des modèles proposés par le ministère des Affaires municipales. Toutefois, un effort créateur est requis lorsqu'il s'agit d'agencer dans le formulaire les cases, les colonnes et les tableaux qui doivent s'y trouver. En l'espèce, ce que le droit d'auteur protège, ce n'est pas l'idée mais la présentation de l'idée, la façon dont l'information est disposée sur le formulaire. La conception d'un tel formulaire nécessite la connaissance des informations qu'il doit contenir en vertu de la loi et des règlements pertinents, mais aussi celle des exigences particulières des municipalités afin d'en faire un outil qui atteint les objectifs visés. La création d'un tel formulaire nécessite des connaissances, des efforts, de l'habileté, du temps, de la réflexion, du jugement et de l'imagination. Par contre, les formulaires «Avis d'évaluation foncière et compte de taxes» conçus par la défenderesse ne constituent pas

des contrefaçons des formulaires de la demanderesse au sens de la loi. En effet, la simple apparence de similitude des produits ne permet pas de conclure que la défenderesse a plagié les formulaires conçus et réalisés par la demanderesse. En effet, une infographiste de la défenderesse ayant une vaste expérience dans la production de formulaires pour le domaine municipal a démontré qu'elle pouvait, à partir d'une sortie d'imprimante, produire un formulaire compatible avec le logiciel distribué par la demanderesse sans se livrer à une simple copie de ses formulaires compte tenu de toutes les autres données accumulées au fil des années et des prescriptions qu'elle peut retrouver dans les lois municipales et les règlements y afférents. Il y a donc lieu de rejeter l'action.

***Richardson (Re Abigail)***

(2001-02-05), (2001) CBD 6 (Copyright Board - Unlocatable Owner)

Communication to the public by telecommunication of the musical adaptation for choir of Kathryn Munro's poems *Now Winter comes, Noel, At Christmaside* (1938) and the musical adaptation for tenor and piano of Kathryn Munro's poems *Ghosts, The Deserted House and Dusk* (1930) as well as the public performance and the reprography of copies to support such performance.

***Richardson (Re Abigail)***

(2001-01-15), (2001) CBD 4 (Copyright Board - Unlocatable Owner)

The musical adaptation for choir of Kathryn Munro's poems *Now Winter comes, Noel, At Christmaside* (1938) and the musical adaptation for tenor and piano of Kathryn Munro's poems *Ghosts, The Deserted House and Dusk* (1930) as well as the public performance and the reprography of copies to support such performance.

***Robertson v. Thomson Corp.***

(2001-10-03), 15 **C.P.R.** (4<sup>th</sup>) 147, (2001) O.T.C. TBEEd. OC.012, (2001) CarswellOnt 3467, (2001) O.J. 3868 (Court of Ontario, Superior Court of Justice) Cumming, J.

In a class proceeding the plaintiff, a freelance writer, claimed infringement of copyright in literary works published by the defendants in a national newspaper. The plaintiff alleged that the defendants infringed her copyright by making the works available to the public through various electronic media.

The defendants and their predecessors published the newspaper in Canada since 1844. Commencing in 1945 the newspaper was made available in other forms of media, first in microfilm and subsequently in microfiche, in on-line electronic databases and on CD-ROMs.

The plaintiff contributed two works which were published in the newspaper in 1995. The first work was an excerpt from a book written by the plaintiff in respect of which her publisher, by written agreement, authorized the publication of the excerpt "for one time usage". The agreement made no reference to electronic rights. The second work was a book review in respect of which the plaintiff permitted publication in the newspaper by oral arrangement, the usual arrangement for freelancer transactions at the time. The plaintiff also asserted a claim to copyright infringement on behalf of an employee of the defendants for the inclusion of his newspaper articles in the defendants' electronic databases. In 1996 the freelancers were required to enter into written agreements which provided for the perpetual inclusion of their articles in the defendants' database and other electronic products.

The defendants claimed ownership of copyright in the newsprint editions of the newspaper as a collective work, that the originality inherent in the collective work remained in the electronic database, that there was a one-time use of an article because an electronic search retrieved the article from the single newsprint publication encoded in the electronic database, and that therefore there was no infringement of copyright in the article. The defendants also relied on defences of, *inter alia*, implied terms in its contracts with the plaintiff and an implied licence. In the alternative, the defendants relied on defences of, *inter alia*, consent, acquiescence and waiver. (page149)

The plaintiff conceded that microfiche storage was a permissible exploitation of the defendants' copyright in the collective work and moved for summary judgment.

Held, the motion should be dismissed.

The plaintiff's claim on behalf of the employee of the defendants was based on the reservation in s. 13(3) of the Copyright Act, R.S.C. 1985, c. C-42, to employees of the right to restrain the publication of their newspaper articles otherwise than as part of a newspaper, magazine or similar periodical. If the employees seek to restrain the defendants' from including their works in the electronic database, they must do so personally. The plaintiff had no standing to assert claims on behalf of the employee.

The entire edition of the newspaper was reproduced on microfilm and microfiche. The defendants were entitled to put the entire edition on microfilm and microfiche because of their ownership of copyright in the newspaper as a collective work. The electronic database of the newspaper did not, however, contain the entirety of each day's newsprint edition in that advertisements and other information from the newsprint edition were not included.

The defendants' right to reproduce the newspaper in any material form included the right to archive the work electronically and to make the archive available electronically so long as it was the full electronic edition that was made available. The on-line database and CD-ROMs were systems of retrieving individual, stand-alone articles. The reproduction of the plaintiff's works through such electronic media constituted a reproduction of her individual works in which she alone held copyright. The articles were reproduced beyond the context of any collective work of the defendants.

An established trade or business usage or custom may be incorporated into a contract. The custom must however be well-known and acquiesced to by those in the trade such that it may be presumed to form a term of the contract. In addition, a licence can be implied to use a copyrighted work. The defendants' alleged a licence for a continuing right in perpetuity to reproduce the plaintiff's articles through electronic on-line databases.

The court may grant summary judgment under rule 20.04(2) of the Rules of Civil Procedure, R.R.O. 1990, Reg. 194, only where there is no genuine issue for trial. The motions judge must not resolve issues of credibility or draw inferences from conflicting evidence. The defendants' asserted defences of implied terms, implied licence, consent and acquiescence and waiver were based upon claimed facts on which there was conflicting evidence. There was dispute over the custom and practice governing agreements with the defendants and freelancers. Although the plaintiff knew of the existence of the various databases, she was not aware that her articles were included in the database until 1996. This fact alone did not, however, provide a complete answer to whether there had been consent or acquiescence. There was therefore a genuine issue for trial with respect to the defendants' asserted defences. (page150)



**Roycroft (Re Eileen)**

(2001-01-12), (2001) CBD 2 (Copyright Board - Unlocatable Owner)

The reproduction on CD-ROMs of musical works *The Storm* (1935), *Laughing Water* (1904), *Edelweiss Glide* (s.d.), *Royal March* (s.d.), *The Whip-Poor-Will's Song* (s.d.), in no more than 500 copies.

**Setym International inc. c. Belout**

(2001-08-23), (2001) CarswellQue 2657, (2001) J.Q. 3819, D.T.E. 2001T-980 (Cour supérieure du Québec) juge André Wery; J.C.S.

99 Le droit d'auteur est un droit de propriété dans une « oeuvre ».

100 Pour qu'une personne puisse prétendre détenir un droit d'auteur, il faut, d'abord et avant tout, une « oeuvre ».

101 Ce ne sont pas les idées qui peuvent faire l'objet d'un droit d'auteur, mais seulement l'expression originale de celles-ci.

102 L'originalité dont il est ici question n'a rien à voir avec l'innovation ou la découverte, il suffit que l'oeuvre se distingue substantiellement d'une oeuvre préexistante. Cela est facile à comprendre: on ne peut véritablement se prétendre l'auteur d'une oeuvre si on ne fait que s'approprier le travail d'un autre. « L'auteur (...) c'est celui qui fournit l'effort personnel, celui qui s'exprime »

103 En matière de droit d'auteur, *oeuvre* ne veut pas dire *chef d'oeuvre*. Néanmoins, quels que soient sa forme, son contenu ou sa qualité, seule une oeuvre qui le mérite pourra faire l'objet d'un droit d'auteur. Il faut donc un minimum de travail, de jugement, d'effort intellectuel, une certaine habileté et une certaine originalité de la part d'une personne pour que le résultat de ce travail soit protégé par la *Loi*. En bref, un des buts de la *Loi* est de « protéger et de récompenser les efforts intellectuels des auteurs pendant un certain temps ».

106 C'est ainsi que la jurisprudence a reconnu comme « oeuvres littéraires » au sens de la *Loi*, des formulaires, des manuels d'opération et des formules de contrat, des lettres, des questionnaires d'examen et des schémas.

107 Ainsi, bien que pour une oeuvre à caractère littéraire, on n'exigera pas que le mérite littéraire soit d'un haut degré, il faudra néanmoins que l'oeuvre soit le résultat du temps et des efforts de son auteur et que le produit final présente une certaine originalité. Un auteur ne peut, en effet, prétendre s'approprier la « peinture des choses vécues ».

108 La *Loi* ne définit pas ce qu'est l'originalité. Par conséquent, conclure à l'originalité d'un document est une question de fait laissée à la discrétion du Tribunal.

109 La jurisprudence a toutefois identifié certains critères qui facilitent l'appréciation de ce qui est original. Ainsi s'agit-il du travail personnel de l'auteur. Le travail de création a-t-il exigé un « certain effort intellectuel » et personnel. L'auteur a-t-il fait preuve de goût, de jugement, d'imagination, d'ingéniosité, d'habileté. A-t-il utilisé ses connaissances, a-t-il mis un certain temps à la réflexion et la création du document. Somme toute, l'auteur que protège la *Loi* « est celui qui consacre des énergies intellectuelles à la mesure de la nature et du contenu de

l'oeuvre ». « (A)ucune qualité esthétique, artistique ou littéraire n'est requise ». « Il n'y a pas lieu de se demander si le public bénéficie de l'apport de l'auteur, ni si l'oeuvre contient des informations qui ne sont pas encore disponibles au public ».

110 C'est essentiellement pour toutes ces raisons que plus un auteur s'inspirera de sources et d'idées communes à un secteur d'activités, plus il risque de ne pas faire preuve d'originalité et moins il pourra prétendre à la protection de la *Loi* pour le fruit de son travail.

111 Lorsqu'il y a une oeuvre au sens de la *Loi*, celui qui s'en prétend l'auteur bénéficie alors d'une présomption de propriété du droit d'auteur qu'il revendique.

112 Le principal attribut du droit d'auteur est le droit exclusif de publier, reproduire ou copier une oeuvre ou une partie de celle-ci ou de permettre à une autre personne de le faire.

160 Selon la jurisprudence, pour qu'il y ait contrefaçon, « il faut un rapport entre l'oeuvre originale et la copie, en ce sens qu'on doit pouvoir établir que l'oeuvre originale est la source même de la copie (...) »

161 L'avocat de Belout plaide que les ressemblances que l'on constate entre le matériel promotionnel de Setym et celui utilisé par Gestion MDS pour son séminaire de décembre 1997 ne sont que le fruit d'un hasard normal pour des personnes qui oeuvrent dans le même domaine spécialisé et qui utilisent le même jargon technique. Le champ de la protection accordée par la *Loi* devrait donc être forcément limité.

162 Le Tribunal estime, à l'instar de la juge Duval-Hesler au moment de l'interlocutoire, que l'explication du hasard à l'égard des ressemblances et des similitudes n'est pas probable dans les circonstances. D'abord, parce que les éléments semblables sont trop variés et trop nombreux. En effet, ce n'est pas seulement le vocabulaire qui est souvent le même, mais aussi les idées, la facture et l'ordre de leur présentation. Ensuite, parce que même si on retenait que toutes ses similitudes dans les documents n'étaient que pures coïncidences entre elles, celles-ci se seraient produites dans un contexte factuel qui les rendent plus qu'improbables.

173 Mais voilà, il est clair que ce n'est pas ce qui est arrivé. Il est évident que pour de tels spécialistes, un dépliant publicitaire décrivant quelques cours n'avait que peu de valeur. Ce n'est évidemment pas l'équivalent d'un texte de cours, d'un article ou encore d'un ouvrage. C'est peut-être pour cette raison, que le professeur Belout n'a pas cru ou n'a pas su qu'il ne pouvait *s'inspirer* autant des documents de Setym. Le temps pressait, on était rendu en septembre, la période de l'année la plus intense à l'Université, et il fallait poster au plus tôt le matériel aux clients si on voulait pouvoir tenir un séminaire en décembre. On a pensé pouvoir prendre ce *raccourci* avec du matériel non académique de peu de valeur aux yeux du professeur Belout. Mais, le Tribunal estime que la *Loi* ne le permettait pas.

174 En effet, « (l)e caractère original d'une oeuvre ne s'étudie pas (...) pas à la lumière d'un critère unique et objectif. Plus globalement, le caractère original d'une oeuvre s'apprécie en prenant en considération le type d'oeuvre et le processus ayant conduit à sa création ». Or, comme l'ont reconnu nos tribunaux, une oeuvre est originale « lorsqu'elle est notamment le fruit d'un travail de conception par des modifications apportées à l'oeuvre au fil des ans »

***Shareline Systems Ltd. v. N.B.***

(2001-03-07), 235 N.B.R.(2d) 162, 35 R.N.-B.(2e) 162; 607 A.P.R. 162, (2001) N.B.R.(2d) TBE d. AP.002, (2001) **CarwellNB** 109, 11 C.P.C. (5th) 38, (2001) N.B.J. 106, 2001 NBCA 29 (New Brunswick Court of Appeal)

The plaintiff computer company contracted with the province to develop and install a computer system for a division of the province's department of education, including a software program. Relations between the parties deteriorated. The computer company claimed that the province continued to use the software without executing an agreement as to terms, and that the province allowed unauthorized use of the software. The computer company brought an action for damages for infringement of copyright. The province brought a motion for summary judgment dismissing the action, pursuant to R. 22.02(3) of the *Rules of Court*, which was granted, in part, based on affidavit evidence. The second paragraph of the motions judge's order allowed the computer company to examine the province and to apply for leave to amend the statement of claim afterwards. The computer company appealed.

Held: The appeal was allowed in part.

Per Drapeau J.A. (Robertson J.A. concurring): The province's main defence to the claim of copyright infringement was that it had ceased to use the software program in August 1999. The province relied upon an affidavit of the executive director of the educational division in question. The motions judge reached his decision based on admissible evidence, specifically, the uncontradicted statements of fact in the affidavit. The affidavit submitted by the computer company did not contradict the province's evidence. The computer company could not reasonably hope to successfully resist the province's motion by relying exclusively on the contested and unsubstantiated allegations of fact contained in the statement of claim. The computer company did not impugn the executive director's credibility at the hearing. There was no genuine issue for trial in respect of the claim of copyright infringement. The second paragraph of the motions judge's order was incompatible with summary judgment and was struck out.

Per Rice J.A. (dissenting): The affidavit relied upon by the province asserted that a report by an independent auditor confirmed that no infringement had occurred. The author of the report did not file an affidavit. The content of the report was not admissible. The motions judge erred in law in deciding that the conclusion reached in the report was properly before the court as being in the personal knowledge of the executive director. In granting the computer company the right to apply to reintroduce the claim, it was apparent that the motions judge was not satisfied that the claim was without merit. The proceedings should not be reduced to a trial by affidavits. The computer company was denied the opportunity to directly challenge the findings of the author of the investigation referred to in the executive director's affidavit. The appeal should be allowed and the summary judgment should be set aside.

***SOCAN Tariff 17.A (Pay, Specialty and Other Services by Broadcasting Distribution Undertakings - Television) for the years 1996 to 2000***

(2001-02-16), 15 C.P.R. (4th) 370, (2001) C.B.D. 1, <http://www.cb-cda.gc.ca/decisions/m16022001-b.pdf> (Copyright Board)

The collective society applied for the certification of tariff 17.A for the communication to the public by telecommunication of musical works by specialty and pay television services. The tariff applied to the years 1996 through 2000 inclusive. Several parties objected to the proposed tariff. The parties reached an agreement on a number of the issues raised by the

tariff. Only pay television services, cable television interests, direct broadcasting satellite ("DBS") operators and certain specialty television services took active part in the proceedings.

In 1996 the board issued its first decision regarding specialty and pay television services for the years 1990 to 1995 inclusive. The decision provided for a royalty to be paid by the transmitter equal to 2.1 per cent of subscription revenues for non-portfolio services (pay television and American specialty). Subsequent to 1996 the parties reached agreement on the collection of the royalties and their apportionment among transmitters and services. The consideration of the proposed tariff for the years 1996 to 2000 inclusive was put on hold pending the negotiations which resulted in the agreement. In the interim, the situation as it stood at the time of the 1996 decision had changed dramatically. The number of signals covered by the tariff and the revenues generated had more than doubled, the audience share had increased by more than half, the board had reduced the royalty rate for tariff 2.A payable in 1997 by commercial television stations from 2.1 per cent to 1.8 per cent, and the number of DBS subscribers had increased from a few thousand to over one million.

The parties had agreed to maintain the current formula for Canadian specialty services, to maintain the royalty payable in 1996 for non-portfolio services and that the board need only address the amount of royalties payable for non-portfolio (page 371) services for the years 1997 to 2000 inclusive. The issue that remained was whether the reduction which conventional stations enjoyed pursuant to the decision in tariff 2.A should be reflected in tariff 17.A.

The parties agreed that there was no change in the use of music by non-portfolio services.

Held, the tariff should be certified in accordance with the terms fixed by the board.

The certified tariff reflected the terms of the agreement reached by the parties with respect to the services that formed part of the portfolio. In view of the reasons underlying the decision regarding non-portfolio services, the participants might consider adopting over the short or medium term a tariff for portfolio services based on the tariff applicable to non-portfolio services.

The tariff for conventional television broadcasters and specialty services should not create a competitive imbalance between the two players. The best way to achieve competitive balance was to ensure that a single price applied equally to the entire commercial television industry -- conventional or other. The best way to promote consistency would be to merge the tariffs. The decision was a step in that direction.

Although differences existed between conventional television and specialty and pay television services, convergence factors were clearly predominant. All programming undertakings operated in the same environment. Setting a different price for any specific sector would necessarily lead to a market imbalance.

A tariff was certified at the negotiated rate of 2.1 per cent for 1996 and at 1.8 per cent for the years 1997 to 2000 inclusive.

***SOCAN Statements of Royalties, 1998-2002 (Tariffs 4.A, 4.B.1, 4.B.3, 5.B -- Concerts) (Re)***  
(2001-06-15), 13 C.P.R. (4th) 45, (2001) C.B.D. 7, <http://www.cb-cda.gc.ca/decisions/m15062001-b.pdf> (Copyright Board)

The collective society filed a proposed statement of royalties for the public performance of musical works at concerts for the years 1998 to 2002. The association objected to certain

paragraphs in the proposed statement relating to an increase in the tariff. The collective society sought an increase in the tariff of 20 per cent over 5 years for popular and classical music and for presenters whose licences applied to an entire season.

Held, the tariff should be certified in accordance with the terms fixed by the board.

The proceedings highlighted a confusion between the aesthetic value of the music performed and the economic contribution of the music to a concert as a product. The aesthetic value was only a secondary factor in determining the amount that a presenter is prepared to pay. Certain of the factors tended to justify an increase in the tariff whereas others tended to promote a degree of stability. The fact that the market had absorbed a large increase in ticket price showed that demand for concert tickets was somewhat inelastic.

The record in the proceedings and a comparison with the collective society's other tariffs justified the increase requested to 3 per cent of box office receipts for popular concerts, to 1.56 per cent of box office receipts for classical concerts and to .96 per cent of a season's receipts for a season licence.

The board also outlined the kind of evidence that it would like addressed, and which might influence, its next decision. (page46)

***Société des Loteries du Québec v. Club Lotto International C.L.I. Inc.***

(2001-01-25), 13 **C.P.R.** (4th) 315, (2001) F.T.R. TBE. FE.081, (2001) F.C.J. 94, (2001) A.C.F. 94, <http://www.cmf.gc.ca/cf/2001/ori/2001cf28116.html>, <http://www.canlii.org/ca/jug/cf/2001/2001cf28116.html> (Federal Court, Trial Division) Blais J.

The plaintiff first introduced the lottery LOTTO 6/49 in June 1992. It has been highly successful with cumulative sales of over seven and a half billion dollars. The plaintiff owned three official marks, the mark 6/49 and two design marks including the expression "LOTTO 6/49". The plaintiff alleged that its tickets, group agreements and combination tables were the subject of copyrights.

The defendant is a customer of the plaintiff. It buys from an authorized dealer of the plaintiff combination tickets which produce 84 combinations of six numbers. It uses these tickets in promoting buyers clubs, which it suggests as a way of maximizing chances of winning. The plaintiff considered such a statement to be one tending to suggest that the winning numbers could be manipulated and regarded such statements as false and misleading, tending to discredit the plaintiff's products and business.

In its advertising and packaging of tickets, the defendant used the words "6/49" and "Lotto 6/49" in combination with the word "Canadian" and reproduced in its advertising, without permission, all or a substantial part of the plaintiff's ticket. It also reproduced the plaintiff's combination table and a substantial part of its group agreements, all without authorization.

The plaintiff brought an action for a permanent injunction to prevent further use of its marks in advertising or other material and the withdrawal from use of any (page316) advertising or documentary material reproducing the plaintiff's materials or its trade-marks.

Held, a permanent injunction should be granted against the defendant.

*Official Marks*

It was clearly shown that the plaintiff's official marks were used or displayed in the performance or advertising of the defendant's services either as trade-marks or otherwise. The defendant had adopted, as trade-marks or otherwise, marks so nearly resembling the official marks as to be likely to be mistaken for those marks.

#### *Section 7 Claims*

While the defendant suggested to possible customers that by use of its statistical software, they would have a greater chance of winning with selected future tickets bearing numbers which had come up most frequently in the past, this did not amount to a false or misleading statement, under s. 7(a) of the Act, tending to discredit the business of the plaintiff.

The evidence did not clearly establish that the defendant's conduct offended either s. 7(b) or 7(d)(i) of the Act.

#### *Copyright*

It was admitted by the defendant that in its advertising, it copied the LOTTO 6/49 tickets of the plaintiff and that it reproduced, almost in full, a part of the table appearing on the plaintiff's combination ticket. The defendant also admitted that the plaintiff was owner of copyright in both subject matters. The defendant's group agreement was only a disguised imitation of the plaintiff's group agreement. The copying was done without right or authorization. Each of these acts infringed the plaintiff's copyrights.

#### ***Société Radio-Canada c. Amberola Les disques, s.e.n.c.***

(2001-08-09), **J.E.** 2001-1737, REJB 2001-26392 (Cour supérieure du Québec) Juge Carol Cohen

#### *Résumé*

Requête en injonction interlocutoire et action en injonction permanente et en dommages exemplaires (25 000 \$). Accueillies.

De 1995 à 1998, l'intimé Duchesne a eu accès aux archives de la requérante en vue de produire une série de disques. Il a occupé un bureau dans les locaux de celle-ci, et, grâce à la relation de confiance qu'ils avaient développée, il a pu emprunter des archives cinq rubans sonores comprenant du matériel sur la chanteuse Édith Piaf (Piaf). La description du matériel figure sur les fiches d'emprunt que Duchesne a signées. Le ruban no 631011-2 contient l'émission *Le bel âge* diffusée en octobre 1963 lors du décès de Piaf ainsi qu'une entrevue réalisée le 7 septembre 1948, lors de la visite de Piaf à Montréal pour un concert au Monument national. Il est admis que cette dernière n'est venue à Montréal qu'à cette seule occasion avec les Compagnons de la chanson. En janvier 1999, l'intimée Amberola, dont Duchesne est l'un des associés, a produit un disque de Piaf qui contient en grande partie le contenu des rubans empruntés, mais sans les renseignements relatifs à la requérante. L'entrevue est créditée au poste de radio CKAC. Invoquant la violation de son droit d'auteur et de son droit de propriété sur les rubans prêtés, la requérante réclame des injonctions interlocutoire et permanente ainsi que des dommages exemplaires. Les intimés soutiennent qu'il n'existe pas de preuve suffisante pour conclure que le contenu du disque provient des bandes maîtresses de la requérante. Ils nient la contravention au droit d'auteur puisque le contenu proviendrait d'un concert donné en 1948 qui a été diffusé et dont le contenu fait partie du domaine public. Duchesne prétend avoir utilisé des rubans obtenus d'un dénommé Mainville.

#### *Décision*

L'écoute de l'acétate original de l'entrevue et du disque en litige permet de constater qu'il s'agit de la même entrevue sans les mentions du nom de la requérante, laissant croire qu'il ne

s'agit pas d'une entrevue de celle-ci. La même conclusion s'impose quant aux chansons. Elles sont issues du concert de 1948 enregistré par la requérante. Le Catalogue 1998 de Fonovox, qui précise le contenu du disque, fait référence aux archives de la requérante. Il se peut que Mainville ait, lui aussi, capté sur rubans les émissions de 1948 ou de 1963, mais cela ne change rien au fait que Duchesne a eu la possession des rubans de la requérante et qu'après la rupture de leur relation d'affaires il a produit un disque en partie identique au contenu de ces rubans, qu'il n'a d'ailleurs jamais remis à la requérante. La production, la confection et la reproduction du disque en litige ont été faites en partie illégalement à l'aide d'enregistrements appartenant à la requérante.

Les droits d'auteurs subsistent dans des oeuvres préparées et produites en 1963 par la requérante. Or, le disque en litige est en partie une copie de l'émission de 1963, et ce, sans l'autorisation de l'auteur, ce qui contrevient aux dispositions des articles 2 et 27 de la Loi sur le droit d'auteur. La protection de ces droits expire seulement à la fin de la cinquantième année qui suit leur fixation. La requérante détient toujours des droits d'auteur sur l'émission de 1963 et non seulement sur les rubans. La production, la confection et la reproduction du disque constituent une violation des droits d'auteur de celle-ci. La requérante est propriétaire de tout exemplaire du disque ainsi que de tout matériel ayant servi ou étant destiné à la confection d'exemplaires du disque. Les intimés devront donc cesser de produire, confectionner ou reproduire le disque, s'abstenir de se départir ou de détruire le matériel relatif à cette production, s'abstenir de faire de la publicité au sujet du disque ainsi que de sa mise en marché. De plus, ils devront remettre à la requérante tout exemplaire du disque et tout le matériel ayant servi à sa confection et à sa production. Compte tenu de la gravité du geste, soit la contrefaçon et l'utilisation de la propriété de la requérante, et du fait qu'aucune indemnité compensatoire n'a été demandée, il est approprié de condamner solidairement les sociétés Amberola et Duchesne à des dommages exemplaires de 25 000 \$.

***Society of Composers, Authors and Music Publishers of Canada v. Canadian Assn. Of Internet Providers***

(2001-02-05), 10 **C.P.R.** (4th) 417, (2001) F.C.J. 166, (2001) CarswellNat 206, 2001 FCA 4, <http://www.canlii.org/ca/cas/fc/2001/2001fc28204.html> (Federal Court of Appeal)

The applicant applied for judicial review of a decision of the Copyright Board relating to a statement of proposed royalties with respect to the communication of musical works over the Internet. The applicant named as respondents the moving parties, entities who could be liable for such royalties, and two entities who had been granted leave to intervene in the proceedings before the board (the "interveners").

Each of the interveners filed a notice of appearance pursuant to Rule 305 of the Federal Court Rules, 1998, SOR/98-106, stating its intention to oppose the application for judicial review and filed a record in which it supported the applicant's position. The moving parties brought a motion to strike the record of each intervener.

Held, the motion should be granted.

One of the purposes of the Federal Court Rules, 1998 was to codify the rules that govern applications for judicial review. Rule 305 was intended to play a pivotal role in a judicial review application in allowing the court and the parties to know at an early stage which of the named respondents would truly oppose the application.

The interveners do not truly oppose the applicant's application. Instead, they advance different arguments with a view to persuading the court to allow the application but for

different reasons. The records of the interveners were therefore not properly filed and should be struck, but without prejudice to the rights of either of the interveners to seek leave to intervene in the applicant's judicial review application.

***Society of Composers, Authors and Music Publishers of Canada v. Canadian Assn. Of Internet Providers***

(2001), 10 C.P.R. (4th) 417, 267 N.R. 82, (2001) N.R. TBEEd. FE.054, 2001 FCA 4, <http://www.canlii.org/ca/cas/fc/2001/2001fc28204.html> (Federal Court of Appeal)

The applicant applied for judicial review of a decision of the Copyright Board relating to a statement of proposed royalties with respect to the communication of musical works over the Internet. The applicant named as respondents the moving parties, entities who could be liable for such royalties, and two entities who had been granted leave to intervene in the proceedings before the board (the "interveners").

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Held, the motion should be granted.

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***Society of Composers, Authors and Music Publishers of Canada v. Landmark Cinemas of Canada Ltd.***

(2001-05-30), (2001) F.C.J. 843, (2001) F.T.R. Uned. 352, 2001 FCT 534, <http://www.canlii.org/ca/jug/cf/2001/2001cfpi534.html> (French ) (Federal Court of Canada, Trial Division) Hugessen, J.

(1) This is a motion for summary judgment brought by the defendant Landmark Cinemas seeking the dismissal of the action brought against it by the plaintiff, commonly known as SOCAN which is a performing right society. The action alleges copyright infringement in certain musical works in which SOCAN holds the rights, musical works copyright in which is alleged to have been infringed during the performance by the defendant of certain motion pictures in theaters in Western Canada.

(5) Now, it may be that when this action goes to trial, the trier of fact will decide that the facts as mentioned in Mr. McIntosh's affidavit in support of this motion are indeed true. But that is a serious issue for trial and I am unable, sitting on a motion for summary judgment to make any such finding on the affidavit of Mr. McIntosh who is the only witness who has affirmed in support of the motion and whose credibility is, as I say, very much in doubt.



***Volkswagen Canada Inc. v. Access International Automotive Ltd.***

(2001-03-21), (2001) N.R. TBEEd. AP.053, (2001) 3 F.C. 311, (2001) F.C.J. 446, 2001 FCA 79, <http://www.fja.gc.ca/fc/2001/pub/v3/2001fc28480.html> (English), <http://www.cmf.gc.ca/cf/2001/pub/v3/2001cf28480.html> (French) (Federal Court of Appeal)

Volkswagen Canada Inc. sued Access International Automotive Ltd., claiming copyright infringement. Volkswagen Canada moved to strike out certain paragraphs of the statement of defence and counterclaim filed by Access International. A Prothonotary of the Federal Court of Canada, Trial Division, in a decision reported at 174 F.T.R. 161, allowed the motion. Access International appealed. The Federal Court of Canada, Trial Division, in a decision reported at 171 F.T.R. 311, dismissed the appeal. Access International appealed. The Federal Court of Appeal dismissed the appeal.

A plaintiff in a copyright infringement action moved to strike paragraphs from the statement of defence and counterclaim that related to s. 32 of the Competition Act - Section 32 authorized the Federal Court to grant a remedy for certain uses of a copyright if that use unduly lessened or prevented competition - The Federal Court of Appeal affirmed that the paragraphs should be struck from the counterclaim where the defendant had not satisfied the statutory preconditions for claiming a remedy for a s. 32 breach - However, the court refused to strike the paragraphs from the statement of defence - The plaintiff had claimed equitable relief and the failure to satisfy the statutory preconditions did not bar the defence of unclean hands - The defendant sought to argue that the assignment of the copyrights in question to the plaintiff came within s. 32(1) because it unduly limited or prevented competition - It was arguable that a sufficient relationship existed between the copyright and the unclean hands defence to deny an equitable remedy.

***Walt Disney Co. v. Jane Doe***

(2001-01-11), 11 C.P.R. (4th) 69, (2001) F.C.J. 26 (*sub nomine Nike Canada Ltd. v. Jane Doe*), 199 F.T.R. 55, (2001) F.T.R. TBEEd. FE.020 (*sub nomine Viacom Ha! Holding Co. v. Doe*) <http://www.canlii.org/ca/cas/fc/2001/2001fc28048.html> (Federal Court, Trial Division) Pelletier J.

In separate actions relating to the alleged distribution and sale of counterfeit goods, the plaintiffs obtained a "rolling" Anton Piller order and executed the order against the defendants. On a motion to review the order, the defendants raised objections relating to the conditions for the issuance of the order, whether there was evidence sufficient to justify the execution of the order, the manner in which the order had been executed and whether the order offended the Canadian Charter of Rights and Freedoms. The motions judge dismissed the objections and granted the review order. The defendants then filed statements of defence and counterclaims. In the counterclaims, they sought damages from the plaintiffs alleging that their goods had been wrongly seized and taking issue with the manner in which the seizures had been conducted. The plaintiffs brought a motion to strike the counterclaims on the grounds that they were frivolous and vexatious or that they were an abuse of process, as the issues raised had been previously decided on the review motion. The plaintiffs relied on the doctrines of res judicata and issue estoppel.

Held, the motion should be allowed.

It was not a matter of res judicata or issue estoppel but rather the jurisdiction of the court. The court had jurisdiction to issue the Anton Piller order and to assess damages upon proof of

counterfeiting pursuant to s. 53.2 of the Trade-marks Act, (page70) R.S.C. 1985, c. T-13. However, there was no legislation allowing the court to adjudicate on a claim of wrongful or improper seizure and award damages on such a claim even though it arose in the context of a claim which was within the court's jurisdiction. If the seizures were found to be wrongful after trial, the defendants could call upon the plaintiffs' undertaking as to damages given as a condition of obtaining the Anton Piller order.

***Weetman (c.o.b. Beta Digital Mapping) v. Baldwin***

(2001-10-03), (2001) B.C.J. 2358, (2001) CarswellBC 2499, 2001 BCPC 292 (British Columbia Provincial Court - Small Claims Division) Romilly Prov. Ct. J.

(44) Canadian law sets out in the Copyright Act that "maps" are included in the definition of "artistic work" and is therefore copyrightable. It strikes me that its mere inclusion suggests that anyone who prepares a map which is not copied from another map, even if identical to another map, has a prima facie right to a copyright for that map, and the sole right to produce or reproduce that map or any substantial part of it in any material form whatever. It follows that it is an infringement of that copyright for any person to produce or reproduce that map or any substantial part of it in any material form without the consent of the owner of that copyright.

(45) The state of Canadian law on the subject is that it is not open for someone to argue that trails, roads and other features detailed with a precision and an accuracy not previously attained by other mapmakers of the region in question, which was facilitated by a particular process pioneered by a mapmaker, become a compilation of facts to which everyone can copy and or/ use without the consent of the mapmaker because it has somehow been placed in the "public domain" or to enunciate the American position set out by P. Goldstein (supra) that "it is a central principle of copyright law that facts should be free for all to use, and thus should not be constrained by copyright; to give copyright to one author's disclosure of facts would require other authors to rediscover those facts on their own, a wasteful effort that will produce neither new knowledge nor new art."

(46) With the greatest respect to P. Goldstein (*Copyright - Principles Law and Practice* (Little Brown and Co, 1989)), it strikes me that the Canadian position remains that an author's disclosure of facts which contain a certain level of creativity can certainly be used by another providing the consent of that author is obtained.

(47) Further on the evidence, I find that the Claimant has even demonstrated that his map met the criteria set out in the American case of *Mason v. Montgomery Data Inc.* (967 F. 2d 135 (5th Cir. 1992)), a case with facts very similar to the case at bar, in that his map contained differences which were "the natural result of (his) selection of sources, interpretation of those sources, and skill and judgment in depicting the information." Further as was set out in that case I find that the Claimant has demonstrated in preparing his map that "the choices he made in selecting sources and his transformation of those choices into lines on a map demonstrated sufficient originality to pass the requirement of Feist.", and further that the Claimant's map also deserved copyright protection as "pictorial and graphic works of authorship."

(48) I find that the Claimant pioneered a process whereby he combined aerial photos digitally with trim data sets obtained from the British Columbia government by employing specially created software and achieving an accuracy of location and measurement on his map which had not been achieved by previously existing maps of the area. I find that it is this originality and creativity that the Defendant sought to copy and that the evidence suggests

that he copied at least six features from the Claimant's map, even to the extent of copying a deliberately mislabeled name deliberately placed on the map to trap infringers, and that he employed these features in his own map without the consent of the owner of the copyright and to the detriment of the copyright owner's interests.

(49) I accept the Claimant's testimony that it was impossible for the Defendant to map the trails with any precision on his map because he did not possess the orthophotos which were obtained as a result of the specialized map software employed by the Claimant, and further that the only viable source for the Defendant's map was a map with a similar scale as the Claimant's, and there were none in existence.

(50) There is no doubt that the Defendant employed other sources to create his map but on his own admission he referred to the Claimant's map when producing all of the disputed features and could not have mapped those features accurately if he had not referred to the Claimant's map. He denied tracing from the map but admitted that he would look at the Claimant's map "with his eye and then draw it (the feature) in" which in my opinion may fall short of tracing, but certainly amounts to copying. As a matter of fact, the Defendant's response to the Claimant's question why he did not request his permission was that he did not think it was necessary to get permission for information taken from maps - which he feels was the American position that he was entitled

(53) I therefore find that the Defendant has infringed the Claimant's copyright to his map and is entitled to damages calculated in accordance with the guidelines set out in the Slumber-Magic case (supra). The evidence suggests that the Defendant earned \$11,631.25 profit after expenses were deducted during the period of time he placed the illegally copied map on the market in competition with the Claimant's map and to the detriment of the Claimant's interests. The Claimant has abandoned the excess over \$10,000.00 to bring the matter within the jurisdiction of this Court. Needless to say the Claimant continues to suffer loss as long as the Defendant's map remains on the market. However it is not within the jurisdiction of this Court to grant injunctions in this regard.

***Yeager v. Canada (Correctional Service)***

(2001-05-30), (2001) F.C.J. 687, (2001) CarswellNat 856, 2001 FCT 434, <http://www.canlii.org/ca/cas/fc/2001/2001fct434.html> (Federal Court of Canada - Trial Division) Simpson J.

This application is for judicial review of a decision of the Correctional Service of Canada (CSC) found in a letter to the Applicant dated April 10, 1997 in which it denied his requests for access to information (inter alia, a copy of the Offender Intake Assessment software (current version in operation), which includes the: Custody Rating Scale (CRS), the GSIR, and the Community Risk/Needs Management Scale, among other features. These items will be described collectively as the "Software").

(18) was referred to no cases which directly address the issue of whether software is producible in response to a request under section 4 of the Act. However, it seems to me that two questions must be answered in order to decide the issue. The threshold question is whether the software exists and if not whether it must be created, given the parameters set out in section 4(3) of the Act and section 3 of the Regulations. If the Software exists or must be created, it must then be decided whether it is a record under the Act.

(24) Based on Mr. Motiuk's evidence, I am persuaded that the Software does not exist in a format which he could use on his personal computer. As well, the evidence is clear that Mr.

Motiuk is not normally engaged writing software. This work is normally done by outside consultants. Further, there is no suggestion in the material that the work needed to break up the OMS software into distinct modules suitable for use on a personal computer as requested by the Applicant, is within the normal expertise of the CSC. Accordingly, it is my view that, even if the Software was a record, it would not be producible under section 4(3) of the Act.

(25) I have also concluded that software is not a record. (...)

(26) The question, based on this definition, is whether software should be included in the catch-all phrase "any other documentary material". (...)

(28) In my view, software is not analogous to any of the items in the definition and therefore falls outside the definition. The definition of record in the Act in the computer context is limited to the data and the disk. Thus, in proper cases, data on a disk must be supplied under the Act. However, Parliament has not, in my view, said that software must be supplied and, given the complex copyright issues which would arise if the Act covered software, I would expect software expressly to be listed if it had been Parliament's intention to have it accessible under the Act. I have concluded that it is the party who requests access to data in machine readable form who must secure the software and hardware needed to view and analyse the data. Accordingly, no order will be made with respect to the Software.

**ROBIC** + LAW  
+ BUSINESS  
+ SCIENCE  
+ ART

**ROBIC** + DROIT  
+ AFFAIRES  
+ SCIENCES  
+ ARTS

