

**COMPILATION PRÉLIMINAIRE DES DÉCISIONS RENDUES AU CANADA EN 2003 EN
MATIÈRE DE DROIT D'AUTEUR
A COMPILATION OF THE DECISIONS RENDERED IN CANADA WITH RESPECT TO
COPYRIGHT IN 2003**

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1. *Apotex Inc. v. AstraZeneca Canada Inc.* 23 CPR (4th) 371, (2003) FCJ 224, (2003) CarswellNat 325, 2003 FCT 149, also available at <http://www.canlii.org/ca/cas/fct/2003/2003fct149.html> and <http://decisions.fct-cf.gc.ca/fct/2003/2003fct149.html>, in French at <http://www.canlii.org/ca/jug/cfpi/2003/2003cfpi149.html> and <http://decisions.fct-cf.gc.ca/cf/2003/2003cfpi149.html> (FCTD; 2003-02-12); aff'd 25 CPR (4th) 142, (2003) FCJ 838, (2003) CarswellNat 1494, 226 DLR (4th) 422, 304 NR 247, (2003) NR TBE d JN 001, 2003 FCA 235, also available at <http://www.canlii.org/ca/cas/fca/2003/2003fca235.html> and <http://decisions.fct-cf.gc.ca/fct/2003/2003fca235.html>, in French at <http://www.canlii.org/ca/jug/caf/2003/2003caf235.html> and <http://decisions.fct-cf.gc.ca/cf/2003/2003caf235.html> (FCA; 2003-05-26); Motion for leave to appeal to the Supreme Court of Canada (2003) SCCA 362 (SCC).
2. *Arbique v Gabriele* JE 2003-297, (2003) JQ 85, REJB 2003-36930, <http://www.canlii.org/qc/jug/qcca/2003/2003qcca10041.html> and <http://www.jugements.qc.ca/> (QueCA; 2003-01-23).
3. *Atkinson & Yates Boatbuilders Ltd. v. Hanlon* 27 C.P.R. (4th) 195, (2003) NJ 186, (2003) Nfld & PEIR TBE d AU005, 229 Nfld & PEIR 181 (NFLDSC-TD; 2003-07-31).
4. *Best News Enterprises Corp. v. Tai Li Enterprises Ltd. (c.o.b. Popular Video)* (2003) CarswellBC 689, (2003) BCJ 686, 2003 BCSC 460, (2003) BCTC TBE d AP 104, (2003) BCTC 460 also available at <http://www.canlii.org/bc/cas/bcsc/2003/2003bcsc460.html> and at <http://www.courts.gov.bc.ca/jdb-txt/sc/03/04/2003BCSC0460.htm> (BCSC; 2003-03-26); leave to appeal refused (2003) CarswellBC 1618, (2003) BCAC Uned 161, 2003 BCCA 378 BCCA; 2003-05-30).

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48. *Yeager v. Canada (Correctional Service)* (2003) CarswellNat 101, (2003) CarswellNat 1146 (French), 299 NR 352, 223 DLR (4th) 234, (2003) 3 FC 107, 3 Admin LR (4th) 41, (2003) NR TBEed JA 041, also available at <http://reports.fja.gc.ca/fc/2003/pub/v3/2003fc31911.html> and in French at <http://recueil.cmf.gc.ca/cf/src/shtml/2003/pub/v3/2003cf31911.shtml>, 2003 FCA 30 (FCA; 2003-01-22); leave to appeal to the Supreme Court of Canada refused (2003) CarswellNat 2135, (2003) CarswellNat 2136(French) (SCC; 2003-07-17).

1. *Apotex Inc. v. AstraZeneca Canada Inc.* 23 CPR (4th) 371, (2003) FCJ 224, (2003) CarswellNat 325, 2003 FCT 149, also available at <http://www.canlii.org/ca/cas/fct/2003/2003fct149.html> and <http://decisions.fct-cf.gc.ca/fct/2003/2003fct149.html>, in French at <http://www.canlii.org/ca/jug/cfpi/2003/2003cfpi149.html> and <http://decisions.fct-cf.gc.ca/cf/2003/2003cfpi149.html> (FCTD; 2003-02-12); affd **25 CPR (4th) 142**, (2003) FCJ 838, (2003) CarswellNat 1494, 226 DLR (4th) 422, 304 NR 247, (2003) NR TBEEd JN 001, 2003 FCA 235, also available at <http://www.canlii.org/ca/cas/fca/2003/2003fca235.html> and <http://decisions.fct-cf.gc.ca/fct/2003/2003fca235.html>, in French at <http://www.canlii.org/ca/jug/cf/2003/2003caf235.html> and <http://decisions.fct-cf.gc.ca/cf/2003/2003caf235.html> (FCA; 2003-05-26); Motion for leave to appeal to the Supreme Court of Canada (2003) SCCA 362 Malone J.

AstraZeneca brought an action in the Ontario Superior Court of Justice against Apotex for infringement of copyright in two pharmaceutical monographs. Shortly after, Apotex commenced a Federal Court action seeking, inter alia, a declaration that no copyright subsisted in the monographs, and an order expunging registrations of the copyright.

The defendant in each proceeding moved for a stay of the opponent's respective action. AstraZeneca's motion in the Federal Court was heard first. The prothonotary ordered that the proceeding in the Federal Court be stayed until final disposition of the Ontario action. The prothonotary's decision was affirmed on appeal by a judge. The plaintiff further appealed this decision.

The plaintiff argued that the motions judge erred in law in staying the Federal Court action without having found that the Ontario Court was clearly the more appropriate forum for resolution of all the issues raised by the parties. Three factors were advanced by the plaintiff in support of this argument, as follows:

(1) Only the Federal Court could adjudicate on all of the issues, and in particular, grant declarations in rem regarding the ownership of copyright and the expungement of copyright registrations.

(2) The Federal Court was a more appropriate forum because only in the Federal Court would there be the automatic right to appeal all interlocutory orders.

(3) The defendant had not led any evidence or pointed to any benefit or advantage available to it in the Ontario action in order to displace the plaintiff's choice of forum.

Held, the appeal should be dismissed.

The forum non conveniens test was only to be used by the court in which the action was first commenced. That court must determine if it should stay the action started in its own court because there was a forum more appropriate than its own.

In this case, where the action was first commenced in the Ontario Court, this test would not entitle the Federal Court to determine that it was the more appropriate forum.

Apart from this test, AstraZeneca had a statutory right to bring its copyright action in Ontario on the basis of s. 37 of the Copyright Act, R.S.C. 1985, c. C-42, which gave the Federal Court concurrent jurisdiction with provincial superior courts in enforcing copyright infringement. That right had not been arbitrarily exercised by

it. The Ontario Court had jurisdiction over all parties which were Ontario based, as well as the subject matter of the case.

The plaintiff did not need an in rem remedy. If successful in the Ontario action, it could have the copyrights expunged by subsequently commencing an action in the Federal Court under s. 57(4)(b) of the Copyright Act.

Moreover, the defendant had given an undertaking that it would consent to the expungement of any registrations of copyright found by the Ontario Court to be invalid.

By commencing the Federal Court action, the plaintiff attempted artificially to tilt the forum non conveniens test in its favour. In the circumstances it was appropriate to give deference to the Ontario Court, where the action was first begun. The motions judge properly exercised her discretion under s. 50 of the Federal Court Act, R.S.C. 1985, c. F-7, to grant the stay of proceedings sought by the respondent.

2. *Arbique v Gabriele* (1998), JE 99-52, REJB 98-10034, (1998) CarswellQue 3833, (1998) AQ 3794 (QueSupCt; 1998-12-16); affd JE 2003-297, (2003) JQ 85, REJB 2003-36930, <http://www.canlii.org/qc/jug/qcca/2003/2003qcca10041.html> and <http://www.jugements.qc.ca/> (QueCA; 2003-01-23), the Court:

(5) CONSIDÉRANT que la preuve apportée, il est vrai tardivement au dossier, de la création indépendante de l'oeuvre des intimés tend également à démontrer l'absence de plagiat et à rendre plus probable la version des événements retenue par la première juge qui est celle des intimés;

(6) CONSIDÉRANT en outre que, même en écartant les pièces produites à cet égard, il existait une preuve nettement prépondérante de l'existence d'une création indépendante;

(7) CONSIDÉRANT que, tant devant la Cour supérieure que devant cette Cour, les appelantes n'ont pas réussi à décharger le fardeau de prépondérance de preuve qui était le leur;

3. *Atkinson & Yates Boatbuilders Ltd. v. Hanlon* **27 C.P.R. (4th) 195**, (2003) NJ 186, (2003) Nfld & PEIR TBed AU 005, 229 Nfld & PEIR 181 (NFLDSC-TD; 2003-07-31) Dymond J.

The plaintiff, a builder of boats for commercial and recreational use, commenced an action against the defendant for passing off at common law. The plaintiff alleged that the defendant had, knowingly and without consent, misappropriated the design of the hull of the plaintiff's boat, the hull being the feature distinguishing the plaintiff's boat from other boats.

An employee of the plaintiff created the design of the hull such that maximum amount of hull would come into contact with the surface of the water at midpoint in the boat back to the stern. The stern was made wider so as to give greater stability allowing use of a larger horsepower engine than could be used on round-bottomed boats. Line drawings were prepared by the designer and used to make a wooden plug and a mold. The class of boat was given the name "Ocean Fisher", with the added number 21, 18 or 16, signifying the length of the boat.

The "Ocean Fisher" boats were described in magazines, advertisements and brochures in the period 1993 to 2003. For seven years the plaintiff attended the Toronto International Boat Show to promote the Ocean Fisher boats to a national and international boating business.

The plaintiff called as an expert witness, a naval architect, who described the design of the hull as being the distinguishing feature of any boat. The hull determined the buoyancy, its stability in the water and its sea keeping. He described the development of the hull form as a complicated process involving shear lines to achieve a complex shape. His further evidence was that changes to the interior or minor changes to the hull should not be considered to change the boat.

In late 2001, the defendant reproduced a replica of the "Ocean Fisher 21" by flipping over one of the plaintiff's boats, owned by a third party, and using this vessel to create a mold, from which a hull identical with the hull of the "Ocean Fisher 21" was made in 2002. By the time of trial, the defendant had constructed three boats with hulls identical to the "Ocean Fisher 21".

In late 2002, through the word of others, the plaintiff became aware that a boat similar in design to the "Ocean Fisher 21" was being offered for sale. Evidence was given by Y., the president of the plaintiff, that when approached, the individual defendant H. readily admitted to copying the boat "Ocean Fisher", but asserted that this was an acceptable practice and there was nothing the plaintiff could do about it.

The defendant alleged that the plaintiff had copied the "Ocean Fisher 21" hull from a competitor in Ontario, but the defendant did not call any evidence to substantiate this allegation.

Held, judgment should be issued for the plaintiff.

Where evidence of the defendant, H., differed from the evidence of Y., the court accepted the evidence of Y. over the evidence of H.

The evidence of the witnesses for the plaintiff clearly established that the hull of the "Ocean Fisher 21" was sufficiently distinct so as to be recognizable as the plaintiff's boat. The hull was unique at the time it was designed and it became well known in the market.

The defendant never made it clear to anyone that the defendant's hull was the exact replica of the "Ocean Fisher 21" nor that the defendant had flipped an "Ocean Fisher" boat and copied the hull. The defendant intended to capitalize on the goodwill in the get-up associated with the interest in the design of the boat "Ocean Fisher 21" without having to expend expertise, know-how or capital to come up with a design of its own. Where there was intentional copying, it could be inferred that customers will be misled.

4. *Best News Enterprises Corp. v. Tai Li Enterprises Ltd. (c.o.b. Popular Video)* (2003) CarswellBC 689, (2003) BCJ 686, 2003 BCSC 460, (2003) BCTC TBE d AP 104, (2003) BCTC 460 also available at <http://www.canlii.org/bc/cas/bcsc/2003/2003bcsc460.html> and

at <http://www.courts.gov.bc.ca/jdb-txt/sc/03/04/2003BCSC0460.htm> (BCSC; 2003-03-26) **Joyce J.**; leave to appeal refused (2003) CarswellBC 1618, (2003) BCAC Uned 161, 2003 BCCA 378 BCCA; 2003-05-30) Lambert J.

(12) In dismissing the application the learned master said:

It is important to look at the proposed amendments themselves. The ones with respect to Ms. Wang start particularly at paragraph 7 and go through to paragraph 11. In each case, the allegations are against the defendants as existing with the inclusion of Ms. Wang but not separately. What I mean by that is that she is not named separately in paragraphs 7 through 11 of the proposed Amended Statement of Claim.

The allegations are against all of the defendant, and the evidence and the argument before me was that Ms. Wang should be added because she is, to all intents and purposes, the operation mind of the company. In addition, the allegations are that she was an employee of the company either paid full-time or part-time. There is no allegation that she did any act separate and apart from the company in any of the proposed amendments to the Statement of Claim.

(18) In my opinion, the master was correct in concluding that the law as stated above is applicable in the circumstances of this case. In my view, counsel for the plaintiff puts the matter too narrowly when he suggests that a distinction must be drawn between acts of negligence and the conduct alleged by Ms. Wang in this case. The master concluded that the allegations the plaintiff seeks to make against Ms. Wang did not exhibit a separate interest or identity. In my view, he was correct. Ms. Wang did not rent the videos; the company rented them.

5. *Bonds v. Suzuki Canada Inc.* **26 CPR (4th) 168**, (2003) CarswellNat 1380, (2003) FCJ 795, (2003) FTR Uned 332, 2003 FCT 611, also available at <http://www.canlii.org/ca/cas/fct/2003/2003fct611.html> and <http://decisions.fct-cf.gc.ca/fct/2003/2003fct611.html> (FC; 2003-05-15) Martineau J.

The plaintiff commenced an action for copyright infringement, breach of fiduciary duty and breach of contract arising out of the manufacture and sale of the Suzuki X90 vehicle and the publication of a photograph of the Suzuki X90 on a magazine cover. The plaintiff alleged that both the Suzuki X90 and the photograph were reproductions of drawings and/or watercolour paintings of the plaintiff's Slear vehicle. He had supplied the defendant Suzuki with copies of the drawings and watercolours along with the offer of a licence in return for royalties. The defendants brought motions for summary judgment asking that all claims against them be dismissed.

Held, the motions should be granted.

The onus on a motion for summary judgment rests on the responding party to show that there is a genuine issue for trial and on the moving party to establish the facts necessary to obtain summary judgment. Both parties must file their best evidence; summary judgment should not be denied at the mere suggestion that further evidence may be made available at trial. The court has a duty to take a hard look at the merits of an action at this preliminary stage.

There was no genuine issue for trial. With respect to copyright infringement, the correct approach is to compare the similarities of the two works. To constitute copying or a collaborative imitation, the improved work should bear such a degree of similarity as would lead a person to think the one was a copy or

reproduction of the other, having adopted its essential features and substance. Having regard to the evidence, this was clearly not the case. As for the magazine cover, the photograph was of the Suzuki X90 and therefore could not be a copy or imitation of the plaintiff's watercolours. Further, there were important dissimilarities between the magazine cover and the watercolours.

The plaintiff was not the artist and therefore could not claim to be the first owner of copyright in the watercolours. The evidence of an assignment to the plaintiff was not conclusive as it postdated the publishing of the magazine cover.

The evidence showed that the major characteristics of the design of the Slear vehicle were not original, novel or inventive, nor were they confidential or proprietary to the plaintiff. Further, copyright could not be asserted in the context of a useful article such as a vehicle.

The court has no jurisdiction to determine an issue purely and simply concerning a contract between two parties unless it is incidental to a claim within the court's jurisdiction. Having concluded that there was no genuine issue for trial in respect of copyright infringement, the allegations of breach of fiduciary duty and breach of contract on their own were not sustainable and could not be permitted to go to trial.

In the absence of clear proof showing reprehensible conduct on the part of the plaintiff and the absence of exceptional circumstances, the defendants' request for costs payable forthwith on a solicitor-and-client basis was dismissed. However, considering the volume and nature of the work involved, the costs awarded against the plaintiff should be assessed at the upper range of Column IV of Tariff B.

6. *Bonnette v. Entreprise Dominion Blue Line Inc.* (2003), JE 2003-584, (2003) CarswellQue 49, (2003) JQ 102, **REJB 2003-36898**, <http://www.jugements.qc.ca/cs/200301fr.html> (QueSupCt; 2003-01-22); Journet J.; in appeal 500-09-013141-031.

Les demandeurs requièrent l'émission d'une ordonnance d'injonction permanente à l'encontre des défendeurs. Ils prétendent que ces derniers ont violé leur droit d'auteur en mettant sur le marché un livre comptable copié sur le leur. Ils demandent également que les défendeurs soient condamnés à leur payer des dommages-intérêts totalisant plus de 1 000 000 \$. Se portant demandeurs reconventionnels, les défendeurs requièrent pour leur part que les demandeurs soient condamnés à leur payer des dommages-intérêts pour diffamation et des dommages exemplaires. Ils demandent aussi le remboursement de leurs honoraires extrajudiciaires.

Les demandeurs impriment et vendent, entre autres choses, des livres de comptabilité servant à préparer la paye d'employés. Ils plaident que les défendeurs ont violé leur droit d'auteur sur cette oeuvre en faisant imprimer des «livres de paye» qu'ils distribuent et vendent à leurs clients et au public en général.

Avant d'examiner les reproches formulés contre les défendeurs, il y a lieu d'examiner si le livre des demandeurs est une oeuvre susceptible de faire l'objet d'un droit d'auteur. Il ne fait aucun doute que ce livre entre dans la catégorie des «oeuvres littéraires», puisqu'il s'agit manifestement d'une «compilation» au sens de

la *Loi sur le droit d'auteur*. Par contre, on peut difficilement soutenir qu'il s'agit d'une oeuvre «originale». Le critère d'originalité requis par la Loi exige qu'une oeuvre soit le fait de son auteur. Ce qui importe plus que tout, c'est le choix et l'arrangement des éléments compris dans la compilation, et non les éléments en question. Malgré ce que prétendent les demandeurs, on ne peut considérer que leur «présentation en quatre sections» est originale. Cette présentation découle bien plus d'une méthode de travail dictée par les principes comptables généralement reconnus que d'un arrangement «original» nécessitant un minimum de talent, de jugement et de travail de la part de ses auteurs. Il s'ensuit qu'on ne peut considérer les livres de comptabilité des demandeurs comme des oeuvres susceptibles de faire l'objet d'un droit d'auteur.

Les demandeurs plaident que leur livre est néanmoins protégé par la *Loi sur le droit d'auteur*, puisqu'ils détiennent plusieurs certificats d'enregistrement le concernant. L'article 53 de la Loi édicte en effet que l'enregistrement d'une oeuvre constitue la preuve de l'existence du droit d'auteur et que la personne dont le nom figure à l'enregistrement en est le titulaire. Les demandeurs ont produit plusieurs certificats d'enregistrement, certes. Cependant, plusieurs d'entre eux n'ont aucun lien avec la présente affaire ou se rapportent à des oeuvres qui n'ont pas été produites. Quant à ceux qui restent, un examen détaillé révèle qu'ils ne sont pas valides. Ces certificats prétendent en effet protéger des oeuvres qui ne sont pas originales, puisque la preuve a révélé que les oeuvres en question étaient en fait des copies d'oeuvres appartenant à un certain Lefebvre et à la compagnie Paymatic. Or, non seulement ces derniers n'ont pas cédé leurs droits dans ces oeuvres aux demandeurs, mais ils les ont vendus à la défenderesse Dominion Blueline, qui est de ce fait devenue titulaire des droits d'auteur portant sur ces oeuvres.

Il est vrai que la Cour supérieure n'a pas le pouvoir de déclarer ces certificats d'enregistrement invalides. Seule la Cour fédérale a la compétence requise pour ce faire. Par contre, le présent tribunal peut très bien constater que ces certificats sont inopposables aux défendeurs. La présomption de titularité des droits peut en effet être annulée sans que le certificat d'enregistrement le soit. Étant donné les circonstances, on ne peut donc conclure que les défendeurs ont violé un quelconque droit d'auteur des demandeurs en imprimant, en distribuant et en vendant leur «livre de paye».

On ne peut davantage accepter la prétention des demandeurs suivant laquelle les défendeurs ont commis des gestes de concurrence déloyale à leur égard en s'appropriant leur marché après avoir reçu des informations confidentielles dans le cadre des négociations visant l'achat de la demanderesse Dean & Fils Inc. Le demandeur Bonnette a eu l'occasion de vendre son entreprise à Dominion Blueline. Il a cependant choisi de ne pas le faire. C'était son droit. Il ne peut toutefois empêcher un concurrent, en l'occurrence Dominion Blueline, de tenter de s'approprier une part de son marché. La concurrence alléguée par les demandeurs n'est pas déloyale; il s'agit d'une saine concurrence dans un marché où prévaut la règle de la libre concurrence. Par ailleurs, les renseignements qui ont été communiqués à Blue Line par Bonnette visaient uniquement la rentabilité de Dean & Fils. Si les défendeurs connaissent les parts de marché de cette entreprise, c'est grâce aux systèmes informatiques utilisés par les commerçants et les fabricants, et non en raison de renseignements que leur aurait communiqués Bonneville. Rien ne prouve que les défendeurs ont agi de mauvaise foi ou par

malice dans cette affaire. L'allégation de concurrence déloyale sera par conséquent rejetée.

En demande reconventionnelle, les défendeurs réclament des dommages-intérêts pour diffamation ainsi que des dommages exemplaires. Pourtant, ils n'ont aucunement prouvé leurs prétentions que la déclaration des demandeurs comportait des propos diffamatoires à leur endroit. Ils plaident aussi que les demandeurs ont abusé de leurs droits en intentant leurs procédures. Ils n'ont cependant pas démontré que tel était effectivement le cas. Outre qu'ils n'ont prouvé aucune malice ou mauvaise foi de la part des demandeurs, ils n'ont présenté aucune preuve de leurs dommages. Leur réclamation sera par conséquent rejetée. Il en sera de même de la réclamation concernant le remboursement des honoraires extrajudiciaires, cette demande n'étant pas justifiée ici.

7. *Buchwald c. 2640-7999 Québec inc.* (2003) CarswellQue 2115, (2003) JQ 13270, also available at <http://www.jugements.qc.ca> (QueSupCt; 2003-07-30) Mongeon J.

(115) Ce n'est que lorsque la cession sera complète et valide en vertu de l'article 13(4) que le cessionnaire sera investi du droit d'action pour violation de ce même droit.

8. *Chancellor Management Inc (cob Chancellor Homes) v Oasis Homes Ltd* (2002), (2002) CarswellAlta 714, 19 C.P.R. (4th) 480, (2002) AJ 702, 2002 ABQB 500, (2002) AR TBE d JN029, (2002-05-21) <http://1992134418:8080/ISYSquery/IRL12EDtmp/49/doc> (AltaQB) Fraser J; (2002), (2002) CarswellAlta 890, 2002 ABQB 500, (2002-07-05) (AltaQB-Costs); (2003) CarswellAlta 70, 2002 ABQB 500, (2003) 7 WWR 170, 14 Alta LR (4th) 125, (2003) AR TBE d FE 050, **333 AR 241** (AltaQB Second Addendum; 2003-01-17)

Chancellor Homes hired Haddon Design to design plans for a show home. Oasis Homes purchased a copy of the completed plans from Haddon and built a show home based on the plans. Chancellor sued Oasis and Haddon, alleging a breach of copyright and/or a breach of contract. Chancellor sought a declaration that it was the owner of the architectural work represented by the plans, an injunction to enjoin Oasis and Haddon from using or reproducing the plans, damages and other related relief. Haddon, counterclaimed, asserting that Chancellor had breached its contract or, alternatively, had breached Haddon's copyright by building an additional five homes based on the plans without compensating Haddon.

The Alberta Court of Queen's Bench, in a judgment reported at 316 A.R. 336, dismissed the action and allowed the counterclaim for breach of contract and copyright. The court ordered that Chancellor pay Haddon \$4,000 in damages based on the agreed upon stock plan fee of \$800. The parties made submissions on costs. Oasis and Haddon each sought double costs based on their respective pretrial offers of judgment (Alberta Rules of Court, rule 174(1)1.1).

The Alberta Court of Queen's Bench, in an addendum reported at 316 A.R. 336, paragraphs 73 to 101, concluded that neither rule 174(1)(b) nor rule 174(1)1.1 applied to Oasis's offer of judgment and directed that its costs be taxed under Column 3 of Schedule C of the Alberta Rules of Court. The court adjourned sine die Haddon's application for costs because judgment in the counterclaim had

not been finalized and there was a lack of evidence respecting the quantum of profits realized by Chancellor and the damages incurred by it.

The Alberta Court of Queen's Bench directed that the costs of the action payable to Haddon be taxed on Column 2 of Schedule C. Haddon was also entitled to double costs under rule 174(1).

9. *CMRRA/SODRAC Inc. Statement of Royalties, 2001-2004 (Musical Works on Commercial Radio) (Re)* **25 C.P.R. (4th) 228**, (2003) CBD 2, also available at <http://www.cb-cda.gc.ca/decisions/i28032003-b.pdf> (Copyright Board; 2003-03-28)

Two collective societies which administer the reproduction right in musical works filed with the Copyright Board separate proposed tariffs for the reproduction of such works by commercial radio stations, covering in one instance 2000 to 2005 and in other instance 2001 to 2005 pursuant to the general regime set out in ss. 70.1 et seq. of the Copyright Act, R.S.C. 1985, c. C-42. The societies subsequently requested the Board to approve a single joint tariff for 2001-2005 and created a corporation to administer the joint tariff to be certified.

The tariff structure sought by the collective societies was based on annual income and music use. Stations that used their repertoire for less than 20 per cent of air time, and any station that did not copy music into a hard drive, would pay 0.28 per cent on their first \$625,000, 0.56 per cent on the second \$625,000 and 0.84 per cent on all other income. The rates proposed for other stations was 0.65 per cent, 1.30 per cent and 1.95 per cent respectively. The societies used, as a starting point for their proposed tariff, agreements that one of the societies had reached with two television networks to reproduce its repertoire for use in television broadcasts.

Radio stations had been copying musical works for over 40 years. Initially, records were copied onto cartridges to ensure better on-air sound quality. While the advent of compact discs eliminated the need to copy music for that reason, the stations continued to copy music for montages, compilations, mixes and medleys and to record and broadcast night-time programming. The stations benefited particularly from storage of musical works on a central server in terms of efficiency, control, quality, flexibility and cost. Radio stations also copied music so that it could be used in the event of equipment failure, and made backup copies on various media, including outside servers accessed over the Internet.

An association of broadcasters objected to the proposed tariffs and maintained its objection to the joint proposed tariff. The association requested that the royalty be capped at 0.32 per cent or 10 per cent of what radio stations paid the performing rights society for the right to broadcast its repertoire. The association argued that a rate equal to a small proportion of the performing right tariff would accurately reflect the relationship that ought to exist between the communication of music by radio and the reproduction of music for the purpose of facilitating that communication.

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

This proceeding was the first time the board had been called upon to certify a tariff in respect of the general regime under ss. 70.1 et seq. of the Act. The general

regime was enacted pursuant to the 1997 amendments to the Act to give collective societies the option of reaching agreements with individual users or filing a proposed tariff with the board. In one case, the board had dealt with the reproduction of musical works for broadcast on television under its arbitration power in fixing, under s. 70.2(1) of the Act, the terms and conditions of a licence between one of the collective societies and a television broadcaster. The agreements with the television networks were rejected as the starting point for the tariff because: (1) the use made of music by television was very different than the use made by radio; (2) television broadcasters had no choice but to reproduce music, while the reproduction of music by radio broadcasters was optional; and (3) the amounts payable by the television networks under the agreements were a relatively small percentage of their revenue. With respect to the latter, a person facing a relatively small mandatory payment was often willing to pay more to avoid protracted negotiations and uncertainty.

It was not possible to use an estimate of the economic value associated with reproduction as a basis for calculating the tariff because, although stations benefited from the reproduction of music, the magnitude of cost reductions and other benefits was not quantified.

In fixing a new tariff, the board tries to find proxies such as substitute prices or points of comparison. Where it is unable to find proxies, the board tends to identify a range within which to set the tariff. As there was no proxy for the proposed tariff, the proposal of the collective societies of 1.95 per cent and that of the association of 0.32 per cent established a useful range. The factors which had a bearing on where the tariff fell within the range were: (1) the reproduction right was a self-standing right separate from the communication right, and its existence favoured a royalty more than nominal, even though the use of the reproduction right in the course of broadcasting was secondary to the broadcasting; (2) the use of the reproduction right in new broadcasting technologies lowered costs, thereby entitling rights holders to a fair share of the efficiencies; and (3) the need for the licence to reproduce music was optional. In view of these factors, the base rate was set at one per cent, one-third of the royalties payable to the performing rights society, and within the range of ratios between the reproduction and communication rights in other countries.

In setting the tariff it was assumed that the collective societies represented 80 per cent of the repertoire. The base rate was further adjusted to require that stations that used musical works within the repertoire of the collective societies for less than 20 per cent of their programming paid approximately 44 per cent of other stations. This amount was also set for stations that did not use hard drives, and adjusted by thirds to reflect their income.

As a result, stations which reproduced works of the collective societies' repertoire for less than 20 per cent of their broadcast time, and stations that did not make or keep hard drive copies, pay 0.12 per cent on their first \$625,000 of gross annual income, 0.23 per cent on the second \$625,000 and 0.35 per cent on all other income. All other stations pay 0.27 per cent, 0.53 per cent and 0.8 per cent respectively.

The exception for ephemeral recordings contained in ss. 30.8 and 30.9 of the Act was not taken into consideration because the exception does not apply where there is a licence available from a collective society. Furthermore, there was no

indication that broadcasters were meeting the requirements of the Act for the exceptions to apply.

10. *Conexsys Systems Inc. v. Aime Star Marketing Inc.* (2003) JE 2003-1848, (2003) JQ 11296, (2003) CarswellNat 2003, **REJB 2003-46933**, also available at <http://www.canlii.org/qc/jug/qccs/2003/2003qccs14163.html> and <http://www.jugements.qc.ca> (QueSupCt; 2003-09-02) Trahan J.; in appeal 500-09-013821-038

La demanderesse (Conexsys) est une société spécialisée dans le développement et la vente de produits et services destinés aux gestionnaires d'événements. Son seul actionnaire et dirigeant est René d'Hollander. Ce dernier est le concepteur du système Conexsys, un outil informatique servant à la gestion d'événements (congrès, foires commerciales, expositions, etc.) qui a la particularité d'utiliser un système de codes à barres. Conexsys prétend que les défendeurs, c'est-à-dire les deux frères Starnino et leur compagnie, lui livrent une concurrence déloyale en distribuant une reproduction non autorisée de son système. Outre une injonction permanente enjoignant aux défendeurs de cesser leurs activités illicites, Conexsys demande au tribunal de les condamner solidairement à lui payer des dommages-intérêts totalisant plus de 1 000 000 \$.

Conexsys reproche tout d'abord aux défendeurs d'avoir, sans son autorisation, reproduit le système Conexsys et de vendre cette «reproduction» illégale au Québec et en Ontario. Les défendeurs contestent le bien-fondé de ces reproches. Dans un premier temps, ils remettent en question le droit de propriété que Conexsys prétend avoir sur ce système. Ils soutiennent ensuite que le système qu'ils ont mis au point (Scan-Ex) n'est pas une copie du système Conexsys et que, de toute façon, ce système ne peut bénéficier de la protection accordée par la *Loi sur le droit d'auteur*, puisqu'il n'est pas «original» au sens de cette loi.

Les défendeurs plaident que d'Hollander a tort d'affirmer être le seul concepteur du système Conexsys. Ils soutiennent avoir participé activement à l'élaboration et à la conception de ce système. La preuve a révélé que d'Hollander a effectivement consulté les frères Starnino, principalement Mario, à plusieurs reprises pendant la conception de son système. Cependant, c'est manifestement à titre de futurs distributeurs du système que ceux-ci ont été impliqués, et non à titre de «concepteurs». Leur aide a été très précieuse; d'Hollander l'a reconnu à maintes reprises. Leur implication, quelle qu'elle ait été réellement, n'a cependant pas été suffisante pour leur permettre d'invoquer un quelconque droit de propriété sur ce système. Qu'ils aient continué à s'impliquer activement dans le développement du système une fois celui-ci commercialisé, notamment en participant - sans être payés - aux premiers «shows» au cours desquels le système Conexsys a été utilisé et en faisant, au fil des ans, plusieurs suggestions afin de l'améliorer, ne change rien à cet état de fait. La participation des défendeurs aux premiers «shows» visait manifestement à leur permettre de se familiariser avec le système dont ils deviendraient sous peu les distributeurs au Québec. Il s'agissait d'une formation, rien de plus. Par ailleurs, si quelqu'un devait les payer pendant cette formation, c'est leur employeur, c'est-à-dire leur compagnie, et non Conexsys. Le fait d'avoir suggéré plusieurs améliorations ne leur confère aucun droit sur le système non plus. Il était normal que les défendeurs, en tant que distributeurs du système, fassent part à Conexsys des besoins et suggestions de leurs clients. Ce premier moyen sera donc rejeté.

Les défendeurs nient vigoureusement avoir copié le système Conexsys. Ils prétendent que leur système, bien que semblable au système Conexsys, n'en est pas moins très différent. Selon eux, les similarités qui existent entre le logiciel qu'ils ont mis au point et le logiciel du système Conexsys sont inévitables, puisque les deux sont destinés à un usage identique et visent à reproduire le «*real world environment*» dans lequel les systèmes opèrent. Le tribunal a bien examiné les rapports produits par les experts des parties. Il a aussi étudié la doctrine et la jurisprudence traitant de cette question. Il en a retenu ce qui suit. Du point de vue de la propriété intellectuelle, un logiciel est assimilé à une oeuvre littéraire. Cependant, il comporte aussi des aspects non littéraires qui peuvent également être protégés. L'aspect littéraire est constitué du code source et du code objet.

En l'espèce, personne ne prétend que les défendeurs ont copié le code source ou le code objet du système Conexsys. C'est plutôt sur les éléments non littéraires du logiciel, c'est-à-dire la méthodologie de programmation (généralement désignée par l'expression «structure, séquence et organisation») et l'interface usager, que porte le litige. Il n'existe que très peu de jurisprudence sur ce sujet et l'examen des quelques décisions rendues nous apprend peu de choses, si ce n'est que chaque cas est un cas d'espèce. Comme il s'agit d'un domaine très technique, le tribunal a porté une grande attention aux rapports et témoignages des experts des parties, qui ont expliqué, chacun à leur façon, toutes et chacune des similarités et des différences qui existent entre les deux logiciels.

Or, le tribunal est d'avis que tant la preuve de l'expert de la demanderesse que celle de l'expert des défendeurs démontrent que le logiciel Scan-Ex est une copie servile du logiciel Conexsys. S'il est vrai que le «*real world environment*» peut entraîner des ressemblances qui ne sont pas attribuables à une copie, il n'en demeure pas moins qu'il est impossible que deux programmeurs puissent développer des logiciels à ce point semblables sans qu'il y ait eu copie. Eisenschmid, qui a conçu le logiciel Scan-Ex, a convaincu le tribunal qu'il ne connaissait pas le système Conexsys. Il a cependant été démontré qu'il a conçu son logiciel en suivant les instructions très précises des frères Starnino qui, eux, connaissaient très bien le logiciel Conexsys. Le tribunal conclut donc que le logiciel Scan-Ex est une copie du logiciel Conexsys.

Les défendeurs plaident enfin que ce qu'on leur reproche d'avoir illégalement reproduit ne peut faire l'objet d'un droit d'auteur, puisqu'on n'y retrouve pas le critère d'originalité requis par la *Loi sur le droit d'auteur*. Là encore, ils ont tort. Il est vrai que la preuve a démontré que plusieurs des éléments qui ont été copiés sont reliés au «*real world environment*». Le tribunal est toutefois d'avis que le logiciel Conexsys doit être considéré comme un tout. N'est-ce pas le logiciel Conexsys dans son intégrité qui donne toutes ses qualités au système Conexsys? D'ailleurs, malgré ce que les défendeurs tentent de nous faire croire aujourd'hui, il est évident que ce système a complètement révolutionné le milieu de la gestion d'événements. Il y a donc lieu de décider qu'il y a en l'instance la créativité, l'originalité et l'effort intellectuel requis pour que le logiciel Conexsys puisse être protégé dans son intégralité par la *Loi sur le droit d'auteur*.

Cela établi, il y a maintenant lieu de voir si les défendeurs ont effectivement manqué à leur obligation de bonne foi et de loyauté en agissant comme ils l'ont fait. Avant d'examiner les actes reprochés aux défendeurs, il convient cependant de voir quelles sont les relations contractuelles entre les parties.

Aucun contrat écrit ne lie les parties. Par contre, il ressort clairement de la preuve que celles-ci étaient liées par un contrat de distribution commerciale ayant pour objet les produits et services de Conexsys, dont le fameux système Conexsys. La preuve prépondérante démontre par ailleurs que ce contrat a débuté en août 1993 et qu'il a pris fin en janvier 1998. M. d'Hollander plaide qu'il a confié aux défendeurs, à titre exclusif, la distribution de son système au Québec. Il affirme que ces derniers ne pouvaient par conséquent distribuer au Québec d'autres systèmes que le sien. Les défendeurs nient fortement cette assertion. Qu'en est-il? Le contrat de distribution, également appelé «contrat de concession commerciale», est un contrat innommé.

Ce sont donc les dispositions générales relatives aux obligations qui s'appliquent. Par ailleurs, même si le contrat a été conclu en 1993, ce sont les dispositions du *Code civil du Québec* qu'il faut appliquer. Selon l'article 1434 C.c.Q., le contrat valablement formé oblige ceux qui l'ont conclu non seulement pour ce qu'ils y ont exprimé, mais aussi pour tout ce qui en découle d'après sa nature et suivant les usages, l'équité ou la loi. Or, après avoir analysé la doctrine traitant du contrat de distribution et entendu les témoignages des parties et de leurs témoins respectifs, le tribunal en vient à la conclusion que le contrat intervenu entre les parties contenait implicitement une clause d'exclusivité. Les défendeurs se devaient donc de respecter leur engagement à cet égard. Le tribunal constate également que le contrat ne contenait aucune clause de non-concurrence. Cela ne veut toutefois pas dire que les défendeurs pouvaient livrer une concurrence déloyale à Conexsys. La loi oblige en effet les parties à un contrat à se conduire avec bonne foi et loyauté pendant toute la durée du contrat. Ne pas exercer ses obligations contractuelles de bonne foi est d'ailleurs considéré comme un abus de droit.

Cela dit, peut-on considérer que les défendeurs ont manqué à leur obligation de bonne foi et de loyauté? Après avoir attentivement étudié l'ensemble de la preuve, le tribunal est d'avis que oui. Les défendeurs ont soumis plusieurs éléments afin de démontrer leur bonne foi dans cette affaire. Ils voudraient tout d'abord que le tribunal reconnaisse qu'ils ont choisi le meilleur moment pour mettre fin à leur contrat de distribution. La preuve a cependant démontré que le délai qui s'est écoulé entre le moment où Mario Starnino a décidé de se dissocier du projet Conexsys et le moment où il a informé d'Hollander de sa décision (17 mois) a surtout servi à lui permettre de perfectionner son propre système. Ensuite, il a été prouvé que, malgré son engagement de continuer à respecter ses obligations contractuelles pendant une période de deux mois, Mario a tout de suite commencé à offrir à ses clients - les clients de Conexsys, en fait - son propre système. Il est d'ailleurs clair qu'il n'a jamais eu l'intention de respecter son engagement.

Bref, alors même qu'ils étaient liés par contrat à Conexsys, les frères Starnino ont conçu un système qui s'est avéré être une copie presque conforme du système Conexsys et ont distribué cette copie au Québec et en Ontario, et ce, à l'insu de Conexsys. On se demande où sont la bonne foi et la loyauté dans une telle façon d'agir. Il a aussi été prouvé que les défendeurs ont organisé un «show» à Toronto pendant cette période de deux mois. Ce n'était d'ailleurs pas la première fois qu'ils contrevenaient à leur clause d'exclusivité. La preuve a en effet révélé qu'ils avaient, en septembre 1997, été obligés de payer une amende pour avoir organisé un «show» à Ottawa. Quand on sait qu'un «show» s'organise plusieurs mois d'avance, on est en droit de présumer que les défendeurs ont commencé à

agir de façon déloyale plusieurs mois avant de mettre fin à leur contrat. Pour convaincre le tribunal qu'ils n'avaient pas été de mauvaise foi, les défendeurs lui ont expliqué les raisons pour lesquelles ils ont décidé de se dissocier de Conexsys et de créer leur propre système. Toutes leurs prétentions à cet égard se sont cependant révélées mal fondées. De toute façon, si les frères Starnino en avaient réellement «assez» de Conexsys et s'ils se sentaient si vulnérables, ils n'avaient qu'à cesser d'être ses distributeurs. Au lieu de cela, ils ont choisi de créer leur propre entreprise tout en continuant à «profiter» de Conexsys.

Il est vrai que cette dernière leur offrait un tremplin (*springboard*) unique pour développer leur système et recruter des clients. C'est d'ailleurs ce tremplin qui leur a permis de développer leur système aussi rapidement. Notre société reconnaît le droit de chacun de gagner sa vie dans le domaine de son choix; elle ne tolère toutefois pas la concurrence déloyale et la mauvaise foi. Le tribunal tient d'ailleurs à mentionner qu'il a été loin d'être impressionné par les frères Starnino, particulièrement Mario. Tellement de ses prétentions se sont révélées fausses, mal fondées ou nettement exagérées que le tribunal n'a pu accorder aucune crédibilité à son témoignage.

Conexsys demande au tribunal de rendre une ordonnance d'injonction enjoignant aux défendeurs de cesser leurs activités illégales. Il est cependant impossible de faire droit à cette demande. Comme on l'a vu, le contrat liant les parties ne contient aucune clause de non-concurrence. Conexsys ne peut donc empêcher les défendeurs de lui faire concurrence. Tout ce qu'elle peut faire, c'est leur réclamer des dommages-intérêts pour le préjudice que le non-respect de leurs obligations contractuelles lui a causé.

Ces derniers doivent par ailleurs être tenus solidairement responsables du préjudice causé. Il a en effet été démontré que d'Hollander n'aurait jamais confié la distribution de son système à Mario Starnino si son frère n'avait fait équipe avec lui. Mario lui-même a avoué qu'il ne se serait pas embarqué dans cette aventure sans son frère. Les deux formaient une équipe indissociable et c'est avec cette équipe *intuitu personnae* que d'Hollander a décidé de faire affaire. Pour ce qui est de la compagnie ASM, les frères Starnino ont mentionné l'avoir constituée dans le seul but de distribuer les produits et services Conexsys dans le territoire qui leur avait été alloué. Les tiers reconnaissent d'ailleurs ASM comme le distributeur exclusif de Conexsys au Québec.

Les défendeurs prétendent que la réclamation en dommages-intérêts de Conexsys est prescrite. Selon eux, même si Conexsys a entrepris son recours dès janvier 1998, ce n'est qu'en juillet 2000 qu'elle a réclaté pour la première fois des dommages-intérêts. Or, à ce moment, plus de trois ans s'étaient écoulés depuis la survenance des événements. Cette prétention est sans fondement. En ne contestant pas la demande d'amendement qu'a faite Conexsys en juillet 2000, les défendeurs ont tacitement renoncé à invoquer la prescription du recours. Par ailleurs, on ne peut accepter leur prétention que les dommages étaient connus de Conexsys dès 1995. Il est vrai que, à cette époque, Conexsys commençait à se douter sérieusement que quelque chose n'allait pas. Ce n'est cependant qu'une fois que l'expertise comptable qu'elle avait commandée a été produite que la demanderesse a su avec certitude quels dommages lui avaient été causés par les agissements des défendeurs. Avant ce moment, il ne lui servait à rien de réclamer quoi que ce soit; tout ce qu'elle pouvait faire, c'était de réserver ses droits jusqu'à ce qu'elle puisse agir.

En l'espèce, les dommages-intérêts réclamés prennent essentiellement la forme de redevances et d'intérêts. Il a en effet été prouvé que, entre le 1^{er} août 1993 et le 31 octobre 1997, les défendeurs ont sciemment omis de déclarer à Conexsys certains de leurs revenus afin d'avoir à lui payer moins de redevances. Conexsys réclame les redevances dont elle a ainsi été privée, qu'elle évalue à 341 587 \$. Comme elle aurait utilisé ces sommes pour rembourser progressivement ses emprunts bancaires, elle réclame également les intérêts qu'elle a dû payer sur sa marge de crédit, soit 69 837 \$. Elle demande aussi que les défendeurs soient condamnés à lui payer des redevances de l'ordre de 488 041 \$ pour avoir utilisé une copie non autorisée de son système entre le 1^{er} novembre 1997 et le 31 décembre 1999, ainsi que les intérêts sur cette somme, soit 26 955 \$. Elle demande enfin que les défendeurs soient condamnés à lui payer, à compter du 1^{er} janvier 2000, des redevances de 22 932 \$ par mois, avec des intérêts de 3 500 \$ par mois.

Étant donné la complexité du dossier, le tribunal a cru bon de nommer un expert comptable afin de procéder à l'analyse comptable des nombreux livres et documents que les défendeurs ont produits dans le but de contredire l'expertise comptable déposée par la demanderesse. Outre de permettre de faire la lumière sur bon nombre de questions controversées, cela a permis de corriger certains chiffres. Les redevances dues pour la période du 1^{er} août 1993 au 31 octobre 1997 sont fixées à 293 686 \$. Comme il a été prouvé que Conexsys aurait utilisé ces sommes pour réduire ses emprunts bancaires, les défendeurs seront également condamnés à lui rembourser des dommages-intérêts de 60 043 \$, lesquels représentent les intérêts qu'elle a été obligée de payer à sa banque et qu'elle n'aurait pas payés n'eût été des agissements frauduleux des défendeurs.

Quant aux redevances dues par suite de l'utilisation d'une reproduction non autorisée du logiciel Conexsys pour la période du 1^{er} novembre 1997 au 31 décembre 1999, elles sont fixées à 419 602 \$. Des intérêts de 23 175 \$ devront également être payés sur cette somme. Les redevances mensuelles dues à compter du 1^{er} janvier 2000 sont pour leur part fixées à 19 716 \$, plus intérêts. Cette dernière condamnation prendra fin lorsque l'utilisation d'une copie non autorisée du logiciel Conexsys cessera. Le tribunal tient également à préciser que les honoraires des experts de la demande, qui s'élèvent à 144 624 \$, devront être compris dans les dépens.

11. *Desputeaux c Éditions Chouette (1987) inc* (1997), (1997) AQ 716 (QueSupCt – Exception to dismiss); (2001), (2001) RJQ 945, JE 2001-920, (2001) CarswellQue 699, (2001) JQ 1510, 16 CPR (4th) 77, (2001) JQ 1510, (2001-04-18) <http://www.jugements.qc.ca/ca/200104fr.html> (QueCA); motion for leave to appeal to the Supreme Court of Canada granted (2002), (2001) CSCR 309 (SCC); revd 23 CPR (4th) 417, (2003) SCJ 15 (2003) CarswellQue 342, 223 DLR (4th) 407, 301 NR 220, REJB 2003-38952, 2003 SCC 17, also available at <http://www.canlii.org/ca/cas/scc/2003/2003scc17.html> and <http://www.lexum.umontreal.ca/csc-scc/en/rec/html/chouette.en.html> in French at <http://www.canlii.org/ca/jug/csc/2003/2003csc17.html> et <http://www.lexum.umontreal.ca/csc-scc/fr/rec/html/chouette.fr.html> (SCC; 2003-05-21) LeBel J.

D, L and C formed a partnership for the purpose of

D, L et C s'associent en vue de créer des livres pour enfants. L est

creating children's books. L was the manager and majority shareholder in C. D drew and L wrote the text for the first books in the Caillou series. Between 1989 and 1995, D and C entered into a number of contracts relating to the publication of illustrations of the Caillou character. D signed as author and L signed as publisher. In 1993, the parties signed a contract licensing the use of the Caillou character. D and L represented themselves in it as co-authors and assigned certain reproduction rights to C, excluding rights granted in the publishing contracts, for the entire world, with no stipulation of a term. The parties waived any claims based on their moral right in respect of Caillou. They also authorized C to grant sub-licences to third parties without their approval. A rider signed in 1994 provided that in the event that D produced illustrations to be used in one of the projects in which Caillou was to be used, she was to be paid a lump sum corresponding to the work required. In 1996, faced with difficulties in respect of the interpretation and application of the licence contract, C brought a motion to secure recognition of its reproduction rights. D brought a motion for declinatory exception seeking to have the parties referred to an arbitrator as provided in s. 37 of the *Act respecting the professional status of artists in the visual arts, arts and crafts and literature, and their contracts with promoters*. The Superior Court, finding that the existence of the contract was not in issue, and that there

dirigeante et actionnaire majoritaire de C. D dessine et L rédige les textes des premiers livres de la série Caillou. Entre 1989 et 1995, plusieurs contrats relatifs à la publication des illustrations du personnage Caillou interviennent entre D et C. D signe à titre d'auteur et L signe à titre d'éditrice. En 1993, les parties signent un contrat de licence d'exploitation du personnage Caillou. D et L s'y représentent comme coauteurs et cèdent à C, à l'exclusion des droits accordés dans les contrats d'édition, certains droits de reproduction pour le monde entier et sans aucune stipulation de durée. Les parties renoncent à exercer toute revendication fondée sur leur droit moral à l'égard de Caillou. Elles autorisent également C à concéder à des tiers des sous-licences sans leur approbation. Un avenant signé en 1994 stipule que dans l'éventualité où D réaliserait des illustrations destinées à l'un des projets d'utilisation de Caillou, un forfait correspondant au travail exigé lui serait payé. En 1996, confrontée à des difficultés d'interprétation et d'application du contrat de licence d'exploitation, C présente une requête pour faire reconnaître ses droits de reproduction. D lui oppose une requête en exception déclinatoire visant à renvoyer les parties devant un arbitre comme le prévoit l'art. 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 Cour supérieure, constatant que l'existence du contrat n'est pas en cause et qu'on n'y retrouve aucune allégation relative à sa validité, renvoie l'affaire à l'arbitrage. L'arbitre décide que son mandat

were no allegations in respect of its validity, referred the case to arbitration. The arbitrator decided that his mandate included interpreting all the contracts and the rider. In the arbitrator's view, Caillou was a work of joint authorship by D and L. With respect to the licence and the rider, the arbitrator concluded that C held the reproduction rights and that it alone was authorized to use Caillou in any form and on any medium, provided that a court agreed that the contracts were valid. The Superior Court dismissed D's motion for annulment of the arbitration award. The Court of Appeal reversed that judgment.

Held: The appeal should be allowed.

The arbitrator acted in accordance with his terms of reference and made no error such as would permit annulment of the arbitration award.

The parties to an arbitration agreement have virtually unfettered autonomy in identifying the disputes that may be the subject of the arbitration proceeding. Subject to the applicable statutory provisions, that agreement comprises the arbitrator's terms of reference and delineates the task he or she is to perform. In this case, however, the arbitrator's terms of reference were not defined by a single document. His task was delineated, and its content determined, by a judgment of the Superior Court, and by an exchange of correspondence between the

includ l'interprétation de tous les contrats et de l'avenant. Selon l'arbitre, Caillou est une oeuvre créée en collaboration par D et L. En ce qui concerne le contrat de licence et l'avenant, l'arbitre conclut que C détient les droits de reproduction et qu'elle seule est autorisée à utiliser Caillou sous toute forme et tout support, à la condition cependant qu'un tribunal judiciaire convienne de la validité des contrats. La Cour supérieure rejette la requête en annulation de la sentence arbitrale présentée par D. La Cour d'appel infirme ce jugement.

Arrêt : Le pourvoi est accueilli.

L'arbitre a agi conformément à sa mission et n'a commis aucune erreur qui donne ouverture à l'annulation de la sentence arbitrale.

Les parties à une convention d'arbitrage jouissent d'une autonomie quasi illimitée pour identifier les différends qui pourront faire l'objet de la procédure d'arbitrage. Sous réserve des dispositions législatives pertinentes, cette convention constitue l'acte de mission de l'arbitre et définit le cadre fondamental de son intervention. Toutefois, dans le présent litige, la mission arbitrale n'est pas définie par un document unique. Son cadre et son contenu ont été établis par un jugement de la Cour supérieure, ainsi que par un échange de lettres entre les parties et l'arbitre. Le premier

parties and the arbitrator. The Superior Court's first judgment limited the arbitrator's jurisdiction by removing any consideration of the problems relating to the validity of the agreements from him. That restriction necessarily included any issues of nullity based on compliance by the agreements with the mandatory formalities imposed by ss. 31 and 34 of the *Act respecting the professional status of artists in the visual arts, arts and crafts and literature, and their contracts with promoters*. The arbitrator therefore had to proceed on the basis that this problem was not before him. With respect to the question of copyright, and ownership of that copyright, in order to understand the scope of the arbitrator's mandate, a purely textual analysis of the communications between the parties is not sufficient. In addition to what is expressly set out in the arbitration agreement, the arbitrator's mandate includes everything that is closely connected with that agreement. Here, from a liberal interpretation of the arbitration agreement, based on identification of its objectives, it can be concluded that the question of co-authorship was intrinsically related to the other questions raised by the arbitration agreement.

Section 37 of the *Copyright Act* does not prevent an arbitrator from ruling on the question of copyright. The provision has two objectives: to affirm the jurisdiction that the provincial courts, as a rule, have in respect of private law

jugement de la Cour supérieure a limité la compétence de l'arbitre en lui retirant l'examen des problèmes de validité des ententes intervenues. Cette restriction incluait nécessairement les moyens de nullité fondés sur la conformité des conventions aux formalités impératives imposées par les art. 31 et 34 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*. L'arbitre devait donc tenir pour acquis qu'il n'était pas saisi de ce problème. En ce qui concerne la question du droit d'auteur et de sa titularité, pour comprendre la portée du mandat de l'arbitre, il ne suffit pas de se livrer à une analyse purement textuelle des communications entre les parties. En plus de ce qui est expressément énoncé à la convention d'arbitrage, le mandat de l'arbitre s'étend à tout ce qui entretient des rapports étroits avec la convention. En l'espèce, une interprétation libérale de la convention d'arbitrage, fondée sur la recherche de ses objectifs, permet de conclure que la question des coauteurs était intrinsèquement liée à la détermination des autres questions soulevées par la convention d'arbitrage.

L'article 37 de la *Loi sur le droit d'auteur* n'empêche pas un arbitre de statuer sur la question des droits d'auteur. Cette disposition vise deux objectifs : affirmer la compétence de principe des tribunaux provinciaux dans les litiges de

matters concerning copyright and to avoid fragmentation of trials concerning copyright that might result from the division of jurisdiction *ratione materiae* between the federal and provincial courts in this field. It is not intended to exclude arbitration. It merely identifies the court which, within the judicial system, will have jurisdiction to hear cases involving a particular subject matter. By assigning shared jurisdiction *ratione materiae* in respect of copyright to the Federal Court and provincial courts, s. 37 is sufficiently general to include arbitration procedures created by a provincial statute.

The arbitration award is not contrary to public order. In interpreting and applying the concept of public order in the realm of consensual arbitration in Quebec, it is necessary to have regard to the legislative policy that accepts this form of dispute resolution and even seeks to promote its expansion. Except in certain fundamental matters referred to in art. 2639 C.C.Q., an arbitrator may dispose of questions relating to rules of public order, since they may be the subject matter of the arbitration agreement. Public order arises primarily when the validity of an arbitration award must be determined. Under art. 946.5 C.C.P., the court must examine the award as a whole to determine the nature of the result. It must determine whether the decision itself, in its disposition of the case, violates statutory provisions or

droit privé concernant les droits d'auteur et éviter la fragmentation des procès concernant les droits d'auteur en raison du partage des compétences matérielles entre les tribunaux fédéraux et provinciaux dans ce domaine. Elle n'entend pas exclure la procédure arbitrale. Elle ne fait qu'identifier le tribunal qui, au sein de l'organisation judiciaire, aura compétence pour entendre des litiges concernant une matière particulière. En partageant la compétence matérielle sur les droits d'auteur entre la Cour fédérale et les tribunaux provinciaux, l'art. 37 demeure suffisamment général pour inclure les procédures arbitrales créées par une loi provinciale.

La sentence arbitrale n'est pas contraire à l'ordre public. L'interprétation et l'application de la notion d'ordre public dans le domaine de l'arbitrage conventionnel au Québec doivent prendre en compte la politique législative qui accepte cette forme de règlement des différends et qui entend même en favoriser le développement. Sauf dans quelques matières fondamentales mentionnées à l'art. 2639 C.c.Q., l'arbitre peut statuer sur des règles d'ordre public, puisqu'elles peuvent faire l'objet de la convention d'arbitrage. L'ordre public intervient principalement lorsqu'il s'agit d'apprécier la validité de la sentence arbitrale. En vertu de l'art. 946.5 C.p.c., le tribunal doit examiner la sentence dans son ensemble afin d'apprécier son résultat. Il doit rechercher si la décision elle-même, dans son dispositif, contrevient à des dispositions législatives ou à des principes qui relèvent de l'ordre

principles that are matters of public order. An error in interpreting a mandatory statutory provision would not provide a basis for annulling the award as a violation of public order, unless the outcome of the arbitration was in conflict with the relevant fundamental principles of public order. Here, the Court of Appeal erred in holding that cases involving ownership of copyright may not be submitted to arbitration, because they must be treated in the same manner as questions of public order, relating to the status of persons and rights of personality. In the context of Canadian copyright legislation, although the work is a "manifestation of the personality of the author", this issue is very far removed from questions relating to the status and capacity of persons and to family matters, within the meaning of art. 2639 C.C.Q. The *Copyright Act* is primarily concerned with the economic management of copyright, and does not prohibit artists from entering into transactions involving their copyright, or even from earning revenue from the exercise of the moral rights that are part of it. In addition, s. 37 of the *Act respecting the professional status of artists in the visual arts, arts and crafts and literature, and their contracts with promoters* recognizes the legitimacy of transactions involving copyright, and the validity of using arbitration to resolve disputes arising in respect of such transactions.

The Court of Appeal also erred

public. Une erreur d'interprétation d'une disposition législative à caractère impératif ne permettrait pas l'annulation de la sentence pour violation de l'ordre public, à moins que le résultat de l'arbitrage se révèle inconciliable avec les principes fondamentaux pertinents de l'ordre public. En l'espèce, la Cour d'appel a commis une erreur en décidant que les litiges concernant la paternité des droits d'auteur ne peuvent être soumis à l'arbitrage parce qu'ils doivent être assimilés à des questions d'ordre public, tenant à l'état des personnes et aux droits de la personnalité. Dans le cadre de la législation canadienne sur le droit d'auteur, bien que l'oeuvre constitue une «manifestation de la personnalité de l'auteur», on se trouve fort loin des questions relatives à l'état et à la capacité des personnes et aux matières familiales au sens de l'art. 2639 C.c.Q. Visant d'abord l'aménagement économique du droit d'auteur, la *Loi sur le droit d'auteur* n'interdit pas aux artistes de transiger sur leur droit d'auteur ni même de monnayer l'exercice des droits moraux qui en font partie. Par ailleurs, l'art. 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* du Québec reconnaît la légitimité des transactions sur le droit d'auteur et la validité du recours à l'arbitrage pour régler les différends survenus à leur sujet.

La Cour d'appel a également

in stating that the fact that a decision in respect of copyright may be set up against the entire world, and accordingly the nature of its effects on third parties, is a bar to the arbitration proceeding. The *Code of Civil Procedure* does not consider the effect of an arbitration award on third parties to be a ground on which it may be annulled or its homologation refused. The arbitrator ruled as to the ownership of the copyright in order to decide as to the rights and obligations of the parties to the contract. The arbitral decision is authority between the parties, but is not binding on third parties.

Finally, by adopting a standard of review based on simple review of any error of law made in considering a matter of public order, the Court of Appeal applied an approach that runs counter to the fundamental principle of the autonomy of arbitration and extends judicial intervention at the point of homologation or an application for annulment of the arbitration award well beyond the cases provided for in the *Code of Civil Procedure*. Public order will of course always be relevant, but solely in terms of the determination of the overall outcome of the arbitration proceeding.

D has not established a violation of the rules of natural justice during the arbitration proceeding.

commis une erreur en mentionnant que l'opposabilité d'une décision en matière de droit d'auteur à l'égard de tous et, par conséquent, la nature de ses effets sur les tiers font obstacle à la procédure arbitrale. Le *Code de procédure civile* ne considère pas l'effet d'une sentence arbitrale sur les tiers comme un motif permettant de l'annuler ou d'en refuser l'homologation. L'arbitre s'est prononcé sur la titularité des droits d'auteur afin de départager les droits et obligations des parties au contrat. Cette décision arbitrale fait autorité entre les parties mais ne lie pas les tiers.

Enfin, en adoptant une norme de révision fondée sur le contrôle pur et simple de toute erreur de droit commise à l'examen d'une question d'ordre public, la Cour d'appel a appliqué une approche qui porte atteinte au principe fondamental de l'autonomie de l'arbitrage et qui étend l'intervention judiciaire au moment de l'homologation ou de la demande d'annulation de la sentence arbitrale bien au-delà des cas prévus par le *Code de procédure civile*. L'ordre public reste certes pertinent, mais uniquement au niveau de l'appréciation du résultat global de la procédure arbitrale.

D n'a pas établi une violation des règles de justice naturelle pendant la procédure arbitrale

12. *Distant Radio and Television Signals Tariff, 2001-2003 (Re)* **25 CPR (4th) 253**, (2003) CarswellNat 2503, also available at <http://www.cb-cda.gc.ca/decisions/r21032003-b.pdf> (Copyright Board; 2003-03-21)

BY THE BOARD:-- On March 31, 2000, the Border Broadcasters' Collective (BBC), the Canadian Broadcasters Rights Agency (CBRA), the Canadian Retransmission Collective (CRC), the Canadian Retransmission Right Association (CRRA), the Copyright Collective of Canada (CCC), the Major League Baseball Collective of Canada (MLB), FWS Joint Sports Claimants (FWS) and the Society of Composers, Authors and Music Publishers of Canada (SOCAN) filed joint statements of proposed royalties for the retransmission of distant radio and television signals for the years 2001 to 2003. These statements were published in the Canada Gazette on July 1, 2000 (vol. 134, no. 27, Supplement).

Objections were received from 2000051 Ontario Inc. (JumpTV) and Bell ExpressVu. JumpTV withdrew its objection on October 10, 2001. The purpose of Bell ExpressVu's objection was solely to seek a francophone market discount for direct-to-home satellite retransmitters in the event that the Definition of Local Signal and Distant Signal Regulations, SOR/89-254, were to be amended during the relevant period. There has been no indication to date that such an amendment may be forthcoming. In all other respects, Canadian retransmitters reached an agreement with the collectives which was tabled with the Board on March 26, 2001.

A ninth society, the Canadian Screenwriters Collection Society, filed a statement for distant television signals for 2002 and 2003 but withdrew it on July 8, 2002, upon reaching an agreement with CRC, CBRA and CRRA for the representation of the Society's works.

As no objection or issue remains in these proceedings, the Board hereby certifies the final distant radio and television retransmission tariffs for the years 2001 to 2003.

The wording of the tariffs is similar to that of the Television Retransmission Tariff 1998-2000 and the Radio Retransmission Tariff 1998-2000, in all but three respects, for reasons explained in the Board's decision of December 21, 2001 for issuing interim tariffs. Some changes are made so as to account for the Canadian Radio-television and Telecommunications Commission (CRTC) Exemption Order for Small Cable Undertakings (CRTC Broadcasting Public Notice 2001-121, Appendix 1). The definition of Low Power Television Station ("LPTV") is amended to take into account a change in the relevant rules. At the request of the collective societies, the royalty shares of two of them were adjusted.

On March 13, 2003, the Canadian Cable Television Association (CCTA) requested that the Board postpone the certification of the tariffs pending the adoption by the CRTC of regulatory amendments allowing it to implement a regional system of licensing for broadcast distribution undertakings (BDUs) (see CRTC Broadcasting Public Notice 2002-81). Other retransmitters concurred with CCTA, while the collectives asked that the tariffs be certified as soon as possible.

Under the CRTC's proposed regional system of licensing, a person would be issued a single licence for all BDUs it owns within a region. The substantive obligations of each BDU within each licensed area would remain the same.

The Board sees no reason to delay the certification of the tariffs any further. Royalties are calculated using the number of premises served in each licensed area. Nothing in the CRTC's proposed system appears to have an impact on this.

Consequently, CCTA's apprehension that collectives may attempt to assess royalties based on the number of premises served by a single owner in all its licensed areas within a region seems unfounded.

The Board clearly is of the view at this time that the CRTC's regional approach to licensing should have no effect whatsoever on a retransmitter's financial obligations under the tariffs. Were CCTA's apprehension to materialize, this may well constitute a material change in circumstances which justifies reopening the tariffs.

13. *Dolmage v Erkisne* **23 CPR (4th) 495**, (2003) CarswellOnt 161, (2003) OJ 161, (2003) OTC TBEd JA 088, (2003) OTC 38, <http://www.canlii.org/on/cas/onsc/2003/2003onsc10067.html> (Ont SupCt; 2003-01-24) Searle D.J.

While participating in a workshop conducted by the defendant university's business school, the plaintiff had written a case study that described an actual business problem (the "case study"). The workshop was conducted from April 19 to April 23, 1993. At the time he wrote the case study, the plaintiff was a professor in the education faculty at the defendant university. The case study was streamlined for publication and later advertised by the university and the business school. The university had sold more than 3,500 copies of the case study. Although originally identified as the author of the case study, the attribution of the plaintiff was eroded over time by the identification of the two individual defendants, who were professors at the business school, as co-authors.

On April 12, 2001, the plaintiff commenced an action for copyright infringement and infringement of his moral rights. The plaintiff sought declaratory and injunctive relief along with damages, an accounting of profits and punitive damages.

Held, judgment should be granted for the plaintiff for infringement of moral rights.

Jurisdiction

Notwithstanding the concurrent jurisdiction of the provincial courts under s. 37 of the Copyright Act, R.S.C. 1985, c. C-42, and the equitable remedies provided under that Act, ss. 96(3) and 97 of the Courts of Justice Act, R.S.O. 1990, c. C.43, provide that only the Ontario Court of Appeal and the Superior Court of Justice, exclusive of Small Claims Court, may grant equitable relief. Accordingly, the Small Claims Court had no jurisdiction to grant either the declaratory or injunctive relief sought by the plaintiff.

Subsistence of Copyright

The case study was a literary work reduced to writing. It originated with the plaintiff who was a Canadian citizen and a resident of Canada. Accordingly, copyright subsisted in the case study.

Authorship

Although not defined in the Copyright Act, the author is the individual who actually makes the work. Someone who comments, edits or suggests changes to a work is not necessarily a co-author. The test for joint authorship requires a putative joint author to contribute original expression, and not merely ideas, to the creation of the work. The contribution must be significant or substantial, as well as original. The plaintiff was the sole author of the case study. Neither of the

individual defendants had contributed enough to the case study to establish joint authorship.

Limitation Periods

Section 41(1) of the Copyright Act provides for a three-year limitation period in which to bring an action for copyright and moral rights infringement. The limitation period begins from the date when the plaintiff knew, or could reasonably have been expected to know, of the infringement. Where the plaintiff did not know and could not reasonably have been expected to know of the infringement, the action must be commenced within three years from when the plaintiff actually knew, or could have been expected to know, of the infringement.

The evidence was overwhelming that the plaintiff had known of the alleged copyright infringement since shortly after he wrote the case study. Accordingly, the remedies for alleged copyright infringement were available only for infringing acts occurring after April 12, 1998.

The plaintiff's moral rights claim involved only the right to be associated with the case study by name. As the plaintiff could not have reasonably been expected to know how his authorship of the case study had been presented in the university's advertisements and catalogues, with the exception of a 1993 flyer which had come to his attention, s. 41(1) of the Copyright Act did not apply to the plaintiff's claim for infringement of his right of association.

Employment and Academic Association

Section 13(3) of the Copyright Act provides that an employer will be the first owner of copyright in works created by employees unless there is an agreement to the contrary. There was no written agreement between the plaintiff and the university with respect to ownership of copyright. Implied agreements, however, may be given effect. The academic exception to ensure academic freedom was pervasive in the university community. The exception had been thoroughly understood and accepted for a very long time including the 80 years that the Copyright Act has been in force. Academic exception was an implied "agreement to the contrary" within the meaning of s. 13(3) of the Act. Accordingly, unless the plaintiff had assigned his copyright, he was the owner of copyright in the case study.

Assignment of Copyright

The defendants had been unable to produce any document assigning the plaintiff's copyright to the university. However, such a document was not necessarily required if the subsequent behaviour of the parties was consistent with its existence.

Although he had no recollection of doing so, the plaintiff had been required to fill out a draft release at the beginning of the workshop. However, the draft release did not qualify as an assignment in writing because it was obtained before the case study was completed and it had not been signed by the plaintiff. The plaintiff was also required to sign a covering letter and a final form of release that accompanied the final version of the case study. The draft release, the covering letter and the final release all stated that copyright was to be owned by the university.

The court was of the opinion that when plaintiff had signed the covering letter enclosing the final form of release, he had granted a valid form of assignment. The subsequent behaviour of the parties was utterly consistent with there having been an assignment of copyright.

Infringement of Moral Rights

Section 14.1 of the Copyright Act entitled the plaintiff to be associated with his work as author. By substituting the words "prepared by" for "written by" in the published versions of the case study, the defendants had associated the plaintiff with his work as something less than an author and without his consent. As the defendants had not shown any practical reason why it had been necessary to downgrade the writer to preparer, they had infringed the plaintiff's right to be associated with his work.

With respect to the advertising of the case study in catalogues, as what had been reproduced was not a substantial part of the case study, the plaintiff's moral rights had not been infringed by listing the individual defendants ahead of the plaintiff.

Copyright Damages

As the plaintiff was not the owner of copyright in the case study, there was no copyright infringement and consequently no damages.

Moral Rights Damages

Section 34(1) of the Copyright Act sets out the remedies for infringement of moral rights. Although the list of remedies is the same as for copyright infringement, the person whose copyright is infringed is "entitled to all remedies" but the court "may" award such remedies for infringement of moral rights. An award of an accounting of profits is unlikely as the infringer generally does not profit from such infringement. There was no evidence that the diminishing role of the plaintiff as author produced gains for the defendants.

Damages for non-attribution may be big or small. Substantial damages may be awarded for distress and the loss of opportunity to include the endorsement in a resumé. Accordingly, it was appropriate to review the history of the plaintiff's level of shock, anger and distress. The evidence showed that much of the plaintiff's animus was personal and predated the infringements.

It was also appropriate to examine the defendants' attitudes to the plaintiff's complaints. All or most of the telephone responses from the individual defendants were consistent with the belief that the plaintiff had been credited as writer. It was probable that the copy of the case study referred to by these individuals was an earlier version. The publisher was unmindful of the plaintiff's rights in using "prepared" and was careless in its various listings and catalogues. Nevertheless, as there was no malice or targeting of the plaintiff, punitive damages were out of the question. The plaintiff was awarded damages at \$3,000 for indignation and diminution of reputation.

14. *Drapeau c Carbone* 14 (2000), (2000) RJQ 1525, REJB 2000-1776, JE 2000-1115, (2000) CarswellQue 643, (2000) JQ 1171 (Que Sup Ct; 2000-04-05); *affd sub nomine Drapeau v Girard* JE 2003-19, (2003) RJQ, (2003) JQ 1304, **REJB 2003-47685**, (2003) RJQ 2532 also

available at <http://www.canlii.org/qc/jug/qcca/2003/2003qcca10379.html> and at <http://www.jugements.qc.ca/> (QueCA; 2003-09-19)

L'appelant (Drapeau) n'a pas réussi à convaincre le tribunal que le juge de première instance avait commis une erreur en décidant qu'il n'avait pas collaboré à la création du spectacle intitulé «Le Dortoir». Il est vrai que Drapeau a composé une grande partie de la musique originale qui accompagne cette oeuvre théâtrale. Sa contribution n'a cependant pas atteint une importance telle qu'elle aurait fait de lui un coauteur de l'oeuvre. L'article 2 de la *Loi sur le droit d'auteur* définit ainsi l'oeuvre créée en collaboration: «Oeuvre exécutée par la collaboration de deux ou plusieurs auteurs, et dans laquelle la part créée par l'un n'est pas distincte de celle créée par l'autre ou les autres». Si on interprète cette définition de façon restrictive, il est évident que le spectacle litigieux n'est pas «une oeuvre créée en collaboration».

La musique composée par Drapeau possède en effet une existence autonome de celle du spectacle auquel elle se greffe. La part de création de Drapeau est donc distincte de celle de l'intimé Maheu, qui a créé le spectacle. Une interprétation large et libérale de la définition nous amène au même résultat. Considérer l'indivisibilité de l'oeuvre d'un point de vue intellectuel, par opposition à un point de vue matériel ou purement factuel, suppose en effet une concertation, c'est-à-dire une volonté de la part des auteurs des diverses parties de l'oeuvre d'en faire une oeuvre unique malgré la pluralité de leurs apports respectifs.

Or, en l'espèce, la preuve démontre que Maheu s'est en tout temps comporté comme l'unique maître d'oeuvre de la pièce. Par ailleurs, avant d'intenter la présente action en novembre 1993, Drapeau n'avait jamais prétendu être le coauteur de l'oeuvre, bien au contraire. En avril 1989, il a déposé auprès de l'Association des compositeurs, auteurs et éditeurs du Canada une déclaration de nouvelles oeuvres qui portait uniquement sur ses compositions musicales utilisées dans l'oeuvre «Le Dortoir». En septembre 1989, il a signé avec l'intimée Carbone 14 une convention d'utilisation de droits d'auteur pour la musique qu'il avait composée. Enfin, en avril 1993, il a déposé une déclaration à l'égard de ses compositions auprès de la Société de reproduction des auteurs, compositeurs et éditeurs du Canada. Encore une fois, il n'a jamais été question du spectacle comme tel. C'est en s'appuyant sur ce comportement des parties de même que sur leurs témoignages respectifs et sur la preuve documentaire présentée au procès que le juge de première instance a tiré ses conclusions. Or, le tribunal est d'avis qu'il n'a commis aucune erreur manifeste et dominante dans son appréciation de la preuve.

15. *Figley v Loran* (2002) CarswellSask 838 (Sask ProvCt; 2002-07-29); rev'd (2003) CarswellSask 136, **(2003) SJ 143**, (2003) SaskR Uned 48, <http://www.canlii.org/sk/cas/skqb/2003/2003skqb89.html>, 2003 SKBD 89 (Sak QB); 2003-02-25) Klebuc J.

This was an appeal by Figley from a small claims court judgment dismissing his claim. The action was by Figley against Loran for infringement of copyright. At trial Figley asserted a copyright in a literary work known as the "League Rules - Saskatoon Rotisserie Hockey League" and statistical tables associated with the Rules. The trial judge found that it had not been shown on a balance of probabilities that Loran reproduced Figley's work in any material form but

considered only the Rules and not the tables. The tables used by Loran were identical to those created by Figley.

HELD: Appeal allowed and the matter returned to a judge to determine the outstanding issues.

The trial judge properly applied the law to the facts as he found them relating to Figley's League Rules - Saskatoon Rotisserie Hockey League. However, if the League Rules included the statistical tables, there was some evidence upon which a properly instructed jury could have found that it constituted a literary work and that Figley held a copyright which was breached by its reproduction. The learned trial judge failed to address this matter. The judgment under appeal was not fully supported by the evidence or by the law because it failed to adequately address Figley's claim for an infringement of his alleged copyright in the tables.

16. *Foliot Inc. v. Heartwood Manufacturing Ltd.* **28 CPR (4th) 302**, (2003) CarswellNat 1166 (French), (2003) CarswellNat 2620, (2003) FCJ 651, (2003) FTR Uned 290, 2003 FCT 505, also available at <http://www.canlii.org/ca/cas/fct/2003/2003fct505.html> and <http://decisions.fct-cf.gc.ca/fct/2003/2003fct505.html>, in French at <http://www.canlii.org/ca/jug/cfpi/2003/2003cfpi505.html> and <http://decisions.fct-cf.gc.ca/cf/2003/2003cfpi505.html> (FCTD; 2003-05-24) Noël J.

The plaintiff had commenced an action for copyright infringement. The plaintiff claimed copyright in both the plans and the three-dimensional reproduction of a captain's bed. The plaintiff brought a motion for an interlocutory injunction seeking to restrain the defendants from reproducing or authorizing the reproduction of its captain's bed.

Held, the motion should be dismissed.

The plaintiff's argument that its bed constituted an artistic work and the defendants' argument that the bed was not an artistic work under the Copyright Act, R.S.C. 1985, c. C-42 or, was excluded from protection by s. 64.1(1) of the Act, demonstrated that there were serious issues for trial.

For there to be irreparable harm, the harm must be identifiable and not quantifiable. The plaintiff's evidence of irreparable harm did not provide any facts in support of the alleged harm. Further, the offending bed had been produced only as a prototype and the parties had agreed that beds actually installed at the defendant college did not infringe. The harm was quantifiable and both defendants were solvent. Accordingly, the plaintiff had not shown that it would suffer irreparable harm.

17. *Fraser Health Authority v. Hospital Employees' Union* **25 CPR (4th) 172**, (2003) CarswellBC 1251, 226 DLR (4th) 563, (2003) BCJ 1192, (2003) BCTC TBE d JN 064, (2003) BCTC 807, 2003 BCSC 807, also available at <http://www.canlii.org/bc/cas/bcsc/2003/2003bcsc807.html> and <http://www.courts.gov.bc.ca/Jdb-txt/SC/03/08/2003BCSC0807.htm> (BCSC; 2003-05-23) Ross J.

The plaintiff was a regional health board responsible for providing health care and related services. The plaintiff decided to contract out its security services, an activity permitted by provincial legislation, and developed a request for proposal

("RFP") for security services which it released to six prospective bidders under a process governed by procedures set down by a provincial government body. The plaintiff received five bids in response to the RFP. An employee of the plaintiff prepared a confidential memorandum evaluating the bids, which was typed into a secured drive in his assistant's computer and to which the employee attached appendices detailing financial and costing information extracted from the bids. The memorandum was to be the subject of an in-camera meeting of the plaintiff's board.

The defendant was a union representing health care workers, including the security personnel employed by the plaintiff. The defendant strongly opposed the outsourcing of security services, asserting safety concerns and concerns over the terms and conditions of employment of its members that would be offered by the successful bidder to the RFP.

The defendant secured a copy of the plaintiff's memorandum including appendices, and included a reference to the documents through a hyperlink on its Web site. The Web site made reference to the documents as a "leaked document" and a "secret report".

The plaintiff commenced an action for copyright infringement and breach of confidence and secured an ex parte order requiring the defendant to remove the documents from its Web site, to deliver up all copies of the documents and to refrain from, inter alia, publishing, reproducing, disclosing or using the documents. The defendant moved to set aside the ex parte order.

Held, the motion should be dismissed and the order should remain in effect until trial or further order of the court.

The test for granting an injunction is: (a) a serious issue to be tried; (b) the existence of irreparable harm to the applicant if the injunction is not granted; and (c) the balance of convenience favouring granting the relief sought.

With respect to a serious issue in the claim for copyright infringement, there was little doubt that the plaintiff was the owner of any copyright in the documents as they were prepared by its employees acting in the course of their employment. A work must be original as a precondition to the subsistence of copyright. For a compilation to be original, there must be evidence of skill, judgment or labour in the overall selection or arrangement of the elements. The plaintiff had established a serious issue to be tried and indeed a strong prima facie case for copyright infringement.

To sustain a claim of breach of confidence, it must be demonstrated that: (a) the information has the necessary quality of confidence about it; (b) the information was imparted in circumstances importing an obligation of confidence; and (c) there must be a misuse of that information to the detriment of the confider. The tort of breach of confidence will also apply to third party recipients of confidential information. The documents at issue were confidential, the plaintiff had not authorized their disclosure, and in referring to them as secret and leaked, the defendant was aware of their nature. The plaintiff had a strong prima facie case with respect to breach of confidence.

With respect to irreparable harm, the publication of the documents would cause harm to the plaintiff and to the integrity of the tender process, which could not be measured or quantified in damages. With respect to balance of convenience, it was the defendant who acted to affect the status quo by knowingly obtaining the confidential information and disclosing it. The plaintiff had a very strong prima facie case. The public interest did not favour disclosure of the documents, having regard to the nature of the issue of contracting out, the nature of the documents, and the fact that the defendant was still able to continue to object to the contracting out without recourse to the documents.

The defendant argued that, because an injunction would restrict its freedom of expression, no injunction to restrain disclosure of confidential documents should be granted unless it was manifest that the defendant had no defence to the claim. The case was not however a case of pure speech. The documents related to the commercial purpose and activities of the plaintiff, and the defendant's interest in the documents was at least in part commercial in nature. The test proposed by the defendant was not appropriate to the circumstances.

A term was added to the interim injunction that it was to remain in effect until the trial of the action or further order of the court.

18. *Gianni Versace S.p.A. v. 1154979 Ontario Ltd.* **28 CPR (4th) 217**, (2003) CarswellNat 2578, (2003) FCJ 1282, 2003 FC 1015, also available at <http://www.canlii.org/ca/cas/fc/2003/2003fc1015.html> and <http://decisions.fct-cf.gc.ca/fct/2003/2003fc1015.html>, in French at <http://decisions.fct-cf.gc.ca/cf/2003/2003cf1015.html> and <http://www.canlii.org/ca/jug/cfpi/2003/2003cf1015.html> (FC; 2003-08-29) Lafrenière, Prothonotary

The police had executed a warrant to search at the business premises of the corporate defendant as part of a criminal investigation and seized counterfeit jackets bearing the plaintiffs' trade-marks, as well as certain documents. Criminal charges had been laid and were subsequently withdrawn. The plaintiffs had commenced an action for trade-mark infringement alleging that the defendants infringed the plaintiffs' rights by selling and offering for sale counterfeit leather jackets. The relief sought by the plaintiffs in the action included an order authorizing the destruction of the goods in issue. The goods had remained in custody of the police. The plaintiffs brought a motion for an order under Rule 377 of the Federal Court Rules, 1998, SOR/98-106, for the preservation of the goods and documents seized by the police and an order authorizing the plaintiffs to inspect the goods.

Held, the motion should be granted.

On a motion under Rule 377 for custody or preservation of property, when Rule 377 is read in conjunction with the provisions of the Trade-marks Act, R.S.C. 1985, c. T-13, it is not necessary for the party seeking the order to meet the tripartite test applicable to interlocutory injunctions.

However, the tripartite test was met in this case. First, the plaintiffs established a prima facie case of trade-mark infringement. Second, it is not necessary for a plaintiff to establish irreparable harm where there has been blatant copying. However, in this case the damages suffered by the plaintiffs would be practically

impossible to calculate and the damage to reputation and goodwill would be irreversible. In addition, the corporate defendant would likely cease operation if it was unable to sell the merchandise that was the subject of the action and the plaintiffs would not be able to recover damages from the defendants if awarded. Third, the balance of convenience was in favour of the plaintiffs.

The defendants were critical of the plaintiffs' conduct in allegedly instigating the investigation and criminal proceedings. Such allegations of misconduct, even if true, were not relevant.

19. *Global Internet Management Ltd. v. McLeod* (2003) CarswellBC 996, 2003 BCSC 652, also available at <http://www.canlii.org/bc/cas/bcsc/2003/2003bcsc652.html> and at <http://www.courts.gov.bc.ca/jdb-txt/sc/03/06/2003bcsc0652.htm> (BCSC; 2003-04-25); additional reasons at (2003) CarswellBC 1526, (2003) BCTC TBEEd MY 020, (2003) BCTC 652, <http://www.canlii.org/bc/cas/bcsc/2003/2003bcsc972.html> and at <http://www.courts.gov.bc.ca/jdb-txt/sc/03/09/2003bcsc0972.htm> (BCSC; 2003-06-20) Ballance J.; leave to appeal and stay granted (2003) CarswellBC 1640, <http://www.courts.gov.bc.ca/jdb-txt/ca/03/03/2003bccca0398.htm>, available at at <http://www.courts.gov.bc.ca/jdb-txt/ca/03/03/2003bccca0398.htm> (BCCA; 2003-07-03)

ADDITIONAL REASONS. Plaintiffs applied successfully for interim injunction enjoining defendants from operating online Internet secure prepaid payment card services -- Court modified terms in order for sake of clarification.

6. For sake of clarity, I have reproduced below paragraph 99 of my reasons for judgment incorporating the above-noted additions:

(99) In order to ensure that the injunction is given meaningful force, it is my view that it ought to be granted against each and all of the defendants. I order that an injunction be granted until the disposition of the trial, restraining and enjoining the defendants and each of them whether acting by their directors, officers, servants, agents or otherwise from developing, marketing, advertising, promoting, selling, implementing or otherwise carrying on business or operating a website on the internet in any manner whatsoever connected with the provision to any person, institution, corporation or other entity, including without limitation to any school or school district, of on- line internet secure pre-paid payment card services which are the same or substantially similar in nature or function to the on-line internet secure pre- paid payment services provided by Global or its licensees, or soliciting customers who have or may deal with Global or its licensees in relation to such services." (additions underlined)

LEAVE TO APPEAL. Plaintiffs obtained interlocutory injunction enjoining defendants from operating online Internet secure prepaid payment card service -- Defendants applied for leave to appeal -- Application granted -- Issue defendants propose to raise on appeal was of great significance to action -- Defendants made out arguable case that terms of injunction were overly broad.

15. The key to this application is whether the applicants have made out an arguable appeal. In my view, they have, particularly with respect to their contention that the terms of the trial judge's interlocutory injunction are overly broad. In accordance with the practice of this Court on granting leave to appeal, I will not comment further on the grounds of appeal put forward.

20. *Interbox Promotion Corp. c. 9012-4314 Québec Inc.* (2003) CarswellNat 3347, (2003) FTR TBE d NO 012, 2003 CF 1254, also available at <http://www.canlii.org/ca/jug/cfpi/2003/2003cf1254.html> and <http://decisions.fct-cf.gc.ca/cf/2003/2003cf1254.html> (FC; 2003-10-27) Martineau J.

(16) Il est nécessaire de préciser que la Loi confère des droits distincts au titulaire du droit d'auteur sur l'oeuvre, d'une part, et au radiodiffuseur à l'égard du signal de communication qu'il émet, d'autre part.

(18) L'article 21 de la Loi confère au radiodiffuseur un droit d'auteur sur son signal de communication, à savoir sur la compilation de toutes les émissions, messages publicitaires et autres contenus qui constituent le signal transmis par le radiodiffuseur. Force est de constater que le droit d'auteur du radiodiffuseur sur le signal de communication est plus restreint que le droit d'auteur sur l'oeuvre défini à l'article 3 de la Loi.

(75) En l'espèce, la demanderesse a investi temps et efforts afin de protéger son droit. Ici, la violation du droit d'auteur de la demanderesse est flagrante. En raison notamment du fait que la demanderesse, les services concernés ainsi que les distributeurs affiliés ont informé au préalable les contrevenants éventuels à l'effet que ceux-ci courraient le risque d'être poursuivis (voir les divers communiqués produits à la pièce P-1), des dommages-intérêts exemplaires sont appropriés dans les circonstances. Autrement, d'autres établissements pourraient être incités à opter pour le même genre de comportement afin d'éviter de payer les redevances exigibles.

(76) Quel devrait être le montant de ces dommages exemplaires?

(77) La Cour note à cet égard que la violation a été limitée dans le temps et qu'il n'y a aucune preuve au dossier de violations répétées de la part des défenderesses. En conséquence, la Cour estime qu'un montant nominal de 500,00 \$ à titre de dommages-intérêts exemplaires, payable par chacune des autres défenderesses, permettra d'atteindre l'objectif dissuasif souhaité dans les circonstances.

21. *Ital-Press Ltd v Sicoli* (1995), (1995) FCJ 1553 (FCTD-Interlocutory Injunction); (1993), 73 CPR (3d) 449, 112 FTR 204 (FCTD- Contempt); (1996), 118 FTR 299, (1996) CarswellNat 1263 (FCTD-Contempt); (1999), 86 CPR (3d) 129, (1999) 3 FC D-42, (1999) FCJ 837, (1999) FTR TBE d JN113, 170 FTR 66, (1999) CarswellNat 1071, <http://www.canlii.org/ca/cas/fct/1999/1999fct10662.html>, <http://decisions.fct-cf.gc.ca/fct/1999/t-2908-94.html> and <http://reports.fja.gc.ca/fc/src/shtml/1999/fic/v3/1999fc24666.shtml> (summary), in French at <http://www.canlii.org/ca/jug/cfpi/2001/2001cfpi10007.html>, <http://decisions.fct-cf.gc.ca/cf/1999/t-2908-94.html>, and <http://reports.fja.gc.ca/cf/src/shtml/1999/fic/v3/1999cf24666.shtml> (summary) (FCTD-Merits; 1999-05-31); (2003) CarswellNat 2941, 2003 FC 110, (2003) CarswellNat 4048 (in French), <http://www.canlii.org/ca/cas/fct/2003/2003fc1106.html> and <http://decisions.fct-cf.gc.ca/fct/2003/2003fc1106.html>, in French at <http://decisions.fct-cf.gc.ca/cf/2003/2003cf1106.html> (FCTD-Discovery; 2003-09-27) Hugessen J.

8. Apart from being wholly unacceptable as argument rather than evidence, this last passage of the defendant's affidavit makes it clear that what he is really

objecting to with regard to both the documents and the answers furnished by the plaintiff is that the latter is unable to provide detailed documents showing his revenues and expenditures and as a result is proposing an unconventional, and in defendant's view, illegal method of proving his damages. I have no comment on the defendant's legal position which will have to be determined by the judge at trial. I do say, however, that the present motion is not the proper forum for that determination. A party's obligation to produce documents does not extend to documents which are not (or no longer) in his possession or control, no matter how useful they may be to his or his opponent's case. Likewise, a party's obligation to answer relevant questions does not require him to do the impossible and give information which he does not have. A party being examined for discovery has the duty to inform himself of relevant facts within his knowledge but if he cannot swear to such facts, as in this case because of the records containing them having been lost or destroyed, that is an end of the matter and the case must go to trial on such secondary evidence as the Court is prepared to accept. The result will no doubt be more unfortunate for one party than the other but will depend on the quality and admissibility of the secondary evidence which will be made at trial.

9. To put the matter another way, on the plaintiff's own showing, it is clear that he will have considerable difficulty in proving the amount of his loss. It is possible that he will fail to do so, in which case he will lose. But that is no reason to non-suit him at this stage. Likewise, the defendant's task in contesting the amount of damages will also be more difficult but that does not entitle him to force the plaintiff to invent facts and figures out of thin air. In the end, both parties and the judge will have to deal with the case as it is and do the best they can with what they have got.

22. *J-Sons Inc v NM Paterson & Sons Ltd* (1999), (1999) MJ 147 (1999) ManR Uned 44 (ManCQB); *affd* (1999), (1999) MJ 217, (1999) ManR Uned 53 (ManCA); (2003) CarswellMan 350, (2003) MJ 311, (2003) ManR(2d) TBE d SE 002, **178 Man R (2d) 167**, 2003 MBQB 1999, also available at <http://www.canlii.org/mb/cas/mbq/b/2003/2003mbq/b199.html> (ManQB; 2003-08-27) Scurfield J.

A Master of the Manitoba Court of Queen's Bench, in a decision not reported in this series of reports, ordered the plaintiff to produce certain documents to the defendant. The plaintiff appealed.

The Manitoba Court of Queen's Bench allowed the appeal.

Discovery - What documents must be produced - Documents relating to matters in issue - A Master ordered the plaintiff to produce documents to the defendant - The plaintiff appealed - The plaintiff had originally planned on using the documents to prove damages - However, the plaintiff changed its strategy, and prior to the appeal, stipulated that it did not intend to rely on those documents at trial - The Manitoba Court of Queen's Bench allowed the appeal - The court applied the relevance test - Since the plaintiff had officially withdrawn that theory of damages, the defendant was not entitled to disclosure of those particular.

Judgments and orders - Consent orders - Appeals - The plaintiff signed a consent order made by a Master - Paragraph 1(c) of the order authorized a wide production of documents - The plaintiff appealed the consent order claiming that

it did not consent to paragraph 1(c) or at least did not intend to consent - The Manitoba Court of Queen's Bench allowed the appeal - The court held that a consent order was in effect a contract and could be set aside on any ground that would invalidate a contract - Here, the order could be set aside on the basis that there was no meeting of the minds - However, the court preferred to set aside the consent order pursuant to Queen's Bench Rule 59.06 on the basis that it contained an error .

(5) Having said that, the plaintiff recognized that this approach to proving damages was neither practical nor persuasive. Prior to this appeal, the plaintiff stipulated that it does not intend to rely on this report (an expert's report during a pre-trial conference that claimed damages based on a 10-year review of its entire international business operation) at the trial of this action. It has undertaken to restrict its attempt to prove damages by reference to the financial information related to those nine projects that utilized a design similar to the one in which it claims a copyright. Frankly, this is a much more logical approach. The plaintiff operates both in the United States and Canada. Projects built using different designs in another country have little or no relevance to proving damages in this case.

(6) For all of these reasons, and because the defendant could not articulate before me any reason for requiring the vast amount of financial disclosure that it was seeking other than to counter a theory of damages that has been formally withdrawn, I have decided that the defendant is not entitled at this time to the disclosure that it demands. Based on the relevance test, I have no hesitation in determining that the financial disclosure ought to be limited to the nine projects which used the design that is the subject matter of this litigation.

23. *Kraft Canada Inc. v. Euro Excellence Inc.* **25 CPR (4th) 224**, (2003) FCJ 66, (2003) ACF 66, (2003) CarswellNat 104, (2003) CarswellNat 1417 (French), (2003) FTR Uned 37, 2003 FCT 46, also available at <http://www.canlii.org/ca/cas/fct/2003/2003fct46.html> and <http://decisions.fct-cf.gc.ca/fct/2003/2003fct46.html>, in French at <http://www.canlii.org/ca/jug/cfpi/2003/2003cfpi46.html> and <http://decisions.fct-cf.gc.ca/cf/2003/2003cfpi46.html> (FCTD; 2003-01-20) Morneau, p.

Pursuant to Rules 300 et seq. of the Federal Court Rules, 1998, SOR/98-106, and s. 34(4)(a) of the Copyright Act, R.S.C. 1985, c. C-42, the plaintiffs had brought an application for copyright infringement. The defendant brought a motion for an order dismissing the application, requiring the plaintiffs to proceed by way of an action, and providing that any hearing be conducted in Montreal.

Held, the motion should be dismissed.

Although the plaintiffs had raised a question of competition law which could not be considered in the context of copyright infringement, it would be open to the defendant to argue any distortion of copyright infringement as alleged by the plaintiffs. Section 34(4)(a) of the Copyright Act clearly provides for the right to proceed by way of application. It was up to the defendant to persuade the court to exercise its discretion under s. 34(6) and direct that the matter proceed as an action. The defendant had not submitted evidence to permit the court to conclude that the facts in support of the plaintiffs' application could not be satisfactorily established or weighed through affidavit evidence. Apart from theoretical arguments to the contrary, the essential procedural requirements

would be available to the defendant, as would all legitimate arguments or grounds for defence.

As there was no evidence on the point, and the argument related only to the defendant's interests, the hearings could not be ordered to be held in Montreal. The plaintiffs were free to plead in the language of their choice, and it appeared that the defendant did not object to the parties approaching the court through, inter alia, written applications.

24. *Lapierre-Desmarais v Edimag inc* (1998), REJB 98-5104, JE 98-713, (1998) CarswellQue 1281, (1988) CarswellQue 258, (1998) AQ 536 (QueCt – CivDiv); affd. **26 CPR (4th) 295**, JE 2003-766, (2003) CarswellNat 510, (2003) JQ 3067, (2003) CarswellQue 510, **REJB 2003-39567**, <http://www.jugements.qc.ca/ca/200304fr.html> (QueCA; 2003-04-03)

In 1953, following a severe accident, a singer decided to re-launch her career. To that end, she required promotional photographs. The singer approached the plaintiff, a professional photographer, and inquired as to the rate for his services. The photographer quoted a price based upon the number and format of the photographs that the singer purchased. Once the agreement was concluded, after reviewing various contact sheets the singer selected a number of photographs and paid for them in accordance with the rates agreed upon. The photographer developed the photographs selected by the singer from the contact sheets using the negatives which were filed and stored by the photographer.

In 1990 the defendant published an authorized biography of the singer which included three of the photographs taken by the photographer for which the defendant had secured the permission of the singer. The plaintiff, the spouse of the photographer, and heir to his estate, commenced an action for infringement of copyright in the photographs.

En 1953, Alys Robi a décidé de relancer sa carrière de chanteuse. Elle a alors communiqué avec un photographe professionnel (ci-après: Gaby) afin d'obtenir quelques photographies devant servir à des fins promotionnelles. Robi s'est alors engagée envers Gaby à se soumettre à une séance de photographie et à acheter quelques photos qu'elle choisirait à partir des épreuves que celui-ci lui soumettrait après avoir développé les négatifs, ce qu'elle a d'ailleurs fait.

En 1990, une biographie autorisée d'Alys Robi a été publiée. Trois des photos prises par Gaby et achetées par Robi se retrouvent dans cette biographie. En 1996, l'épouse et héritière de Gaby, qui est décédée en 1991, a intenté une action en dommages-intérêts contre la maison d'édition qui a publié la biographie (Édimag), alléguant que celle-ci avait violé ses droits d'auteur en reproduisant illégalement les photos en question. La juge de première instance a rejeté l'action, d'où le présent pourvoi.

The plaintiff alleged that, as there was no specific order for the negatives from which the photographs were made for valuable consideration, the exception contained in s. 13(2) of the Copyright Act, R.S.C. 1985, c. C-42, did not apply and the copyright was therefore owned by the photographer's estate. The trial judge held that the singer was the owner of copyright in the photographs and dismissed the plaintiff's action. The plaintiff appealed.

Held, the appeal should be dismissed.

Section 10(2) of the Act as it read at the applicable time and s. 13(1) of the current Act establish a special rule for the ownership of copyright in the case of photography. The owner of the original negative, contact sheet or plate is deemed to be the author of the photographic work and the first owner of copyright. This special rule is an exception to the general rule that the author of a work is the first owner of copyright. The special rule in the case of photography is subject to the exception set out in s. 13(2). Section 13(2) provides that: "in the case of . . . (a) photograph . . . the plate or other original was ordered by some other person and was made for valuable consideration . . . in pursuance of that order . . . the person by whom the plate or other original was ordered shall be the first owner of the copyright".

Under U.K. copyright legislation of 1862, 1911 and

Jugé: Le pourvoi est rejeté

Le litige pose la délicate question de savoir qui possède les droits d'auteur sur les photographies reproduites dans la biographie. L'appelante soutient que la *Loi sur le droit d'auteur* (LDA) confère à l'auteur du cliché initial ou de la planche, terme qui inclut le négatif d'une photographie, le droit d'auteur sur cette oeuvre. Comme son époux est l'auteur des négatifs des photos, ce serait donc lui le titulaire des droits. Édimag et Robi prétendent de leur côté que, les conditions d'application de l'exception formulée à l'article 13(2) LDA étant remplies, c'est plutôt Robi qui est titulaire des droits. Celle-ci pouvait donc en autoriser la reproduction.

Il est vrai que les articles 10(2) et 13(1) LDA énoncent que le propriétaire du cliché initial ou de la planche est considéré comme l'auteur de l'oeuvre photographique et, partant, comme le premier titulaire du droit d'auteur sur cette oeuvre. Par contre, cette règle est immédiatement suivie d'une exception qui stipule que, indépendamment de la propriété

1956 the British courts have relied on the sole criterion of the person who for valuable consideration ordered a photograph for determining the ownership of copyright in the photograph. No particular importance was attached to the express order of the negative. Canadian copyright legislation is a virtual carbon copy of the English legislation of 1911.

With respect to photography, Parliament has created a legal fiction which provides that the first holder of copyright is the owner of the original plate. The implied policy objective behind the exception to this rule contained in s. 13(2) is to protect the right of the person photographed to his or her image. For s. 13(2) to apply, the order must be placed prior to production of the original negative, contact sheet or plate and the production work must be carried out for valuable consideration. The arrangement between the parties does not require the express order of a plate. Any such requirement would go against the known customs of the trade.

The singer ordered photographs from the photographer prior to production pursuant to an arrangement whereby the singer agreed to pay for photographs at a settled price. The singer was therefore the owner of copyright in the photographs. It was not useful or relevant to decide the separate issue of the ownership of the negatives.

du cliché initial ou de la planche, celui qui l'a commandé contre rémunération est, à moins d'avis contraire, le premier titulaire du droit d'auteur sur cette oeuvre.

L'appelante plaide que cette exception ne peut s'appliquer en l'espèce, les conditions qui y sont énumérées n'ayant pas été remplies. Elle prétend en effet que Robi n'a payé aucune rémunération à son époux pour les clichés initiaux ou les planches. Tout ce qu'elle a payé, ce sont les photos qui ont été développées à partir des négatifs qu'elle avait choisis. Or, prétend l'appelante, une photographie n'est en fait qu'une «reproduction» d'un négatif. Elle soutient qu'on ne peut considérer que Robi a «commandé contre rémunération» le cliché initial de l'oeuvre ou la planche dont parle l'article 13(2) LDA, puisqu'elle n'a payé ni pour la session de photographie ni pour les négatifs des photos. Comme on le verra ci-après, ce raisonnement est mal fondé.

Étant donné que notre *Loi sur le droit d'auteur* s'inspire très fortement de la législation anglaise sur le droit d'auteur, il peut être utile de consulter la législation et la jurisprudence britanniques. Notre Cour suprême a d'ailleurs recommandé il y a quelques mois à peine qu'on harmonise notre interprétation de la Loi avec «celle adoptée par d'autres ressorts guidés par une philosophie analogue à celle du Canada».

Or, une analyse du droit britannique et de la doctrine canadienne traitant de ce droit nous apprend que, en Angleterre, on a longtemps considéré que la titularité du droit d'auteur en matière de photographie dépendait d'un seul et unique

critère: la commande. En effet, la seule question qu'on doit se poser pour décider qui est le titulaire du droit d'auteur sur l'oeuvre photographique est la suivante: Qui a commandé l'oeuvre en question? Si c'est le photographe qui a pris l'initiative de prendre les photos et qu'il a lui-même assumé le risque financier qui y est associé, ce sera lui le titulaire du droit. Par contre, si c'est le client qui a passé la commande et qui a versé une rémunération au photographe pour ce faire, ce sera plutôt lui le titulaire du droit.

On constate donc qu'il n'est aucunement question de la «planche» ayant servi à réaliser l'oeuvre, en l'occurrence les négatifs à partir desquels les photos ont été développées. C'est que le législateur tient pour acquis que le client qui commande une photographie ne conçoit pas qu'il commande en fait un négatif. Même si celui-ci utilise le mot «photo», c'est en fait une planche, c'est-à-dire un négatif, qu'il commande au photographe. On ne peut en effet tenir rigueur au client d'ignorer les différentes étapes de la fabrication de photographies et l'obliger à utiliser les termes exacts de la Loi. Il faut donc considérer que, lorsqu'il commande une photo, le client commande en fait une «planche» au sens de la Loi. Il est par conséquent inapproprié d'utiliser l'approche textuelle proposée par l'appelante pour interpréter les articles pertinents.

Il est vrai que les Britanniques ont rompu avec ce principe particulier en 1988. Le Canada n'a toutefois pas choisi de les suivre dans cette voie. En matière d'oeuvres photographiques, le législateur canadien continue en effet de faire une distinction entre la

propriété de la planche, ou le négatif, et la propriété du droit d'auteur sur cette planche. Ainsi, même si la Loi édicte que le premier titulaire du droit d'auteur est le propriétaire de la planche (critère relié au droit de propriété), la titularité du droit passera, par une fiction juridique créée par l'article 13(2) LDA, à celui qui a commandé contre rémunération cette planche (critère relié à la commande). Bref, ce qui importe avant tout, ce n'est pas le créateur de l'oeuvre (l'auteur de l'oeuvre), mais celui qui l'a commandée contre rémunération avant qu'elle ne soit fabriquée (l'auteur de la commande). En l'espèce, il a été prouvé que c'est Robi qui a pris l'initiative de la séance de photographie. C'est elle qui a contacté Gaby et qui lui a demandé de lui faire des photos. Gaby n'a pris aucun risque financier non plus, puisqu'il n'a commencé son travail qu'après avoir reçu la commande de Robi ainsi que son engagement d'acquiescer des photos au prix convenu. Il ne fait par conséquent aucun doute que l'exception de l'article 13(2) LDA s'applique ici. Ainsi, même si l'appelante est actuellement en possession des négatifs des photos reproduites dans la biographie, elle n'a pas pour autant la possession des droits d'auteur sur ces négatifs

25. *Malo v Laoun* (2000), (2000) RJQ 458, (2000) RRA 204 (rés), JE 2000-273, (2000) CarswellQue 16, (2000) JQ 7, REJB 2000-15944 (QueSupCt; 2000-01-12); affd. (2003) RJQ 381, REJB 2003-36925, DCQI 2003-128, (2003) JQ 80, **REJB 2003-36925**, also available at <http://www.canlii.org/qc/jug/qcca/2003/2003qcca10040.html> and at <http://www.jugements.qc.ca/> (QueCA; 2003-01-23) Dussault J.

Il est faux de dire que le consentement donné par la comédienne à la captation et à l'usage de son image par Silhouette entraînait nécessairement son acquiescement à toute utilisation de cette image par les distributeurs de la société. Les tribunaux ont toujours condamné l'utilisation de l'image d'une personne à une fin autre que celle visée par le consentement, sauf lorsque cela s'en infère clairement. Par ailleurs, la bonne foi ne peut en aucun cas servir de substitut au consentement. Ainsi, c'est à bon droit que la juge de première instance a conclu que la photographie de la comédienne ne pouvait, sans le

consentement exprès de cette dernière, être publiée dans l'annuaire. D'autre part, il est certain que la comédienne n'a pu céder son droit d'autorisation à la publication à Silhouette. Le droit à l'image est en effet considéré comme incessible en droit civil québécois.

L'exploitation commerciale ou publicitaire de l'image d'une personne, indépendamment du fait que cette dernière soit célèbre ou inconnue, est susceptible de causer à la victime un préjudice matériel. Il ne fait aucun doute en l'espèce que la simple publication de la photographie de la comédienne sans autorisation a engagé la responsabilité de l'opticien. Le fait que ce dernier devait approuver la publicité avant sa publication ne change absolument rien à la situation. Cela n'aurait certes pas fait en sorte qu'il aurait cherché à obtenir le consentement de l'intimée avant de donner son approbation. Il semble que le mécontentement de l'appelant, après qu'il ait eu vu la publicité, portait d'ailleurs sur d'autres considérations.

Sur le plan des dommages, il semble que la juge de première instance ait confondu la faute avec le dommage. L'usurpation de l'identité artistique ne constitue pas un chef de dommages, mais bien la faute elle-même. Selon la Cour suprême, la violation de la vie privée, dont le droit à l'image est une composante, engendre, soit un préjudice patrimonial, soit un préjudice extrapatrimonial, parfois les deux. En l'espèce, la comédienne s'est vue accorder une somme de 10 000 \$ à titre de cachet pour l'utilisation sans droit de sa photographie. Il ne fait aucun doute que la réutilisation de son image, pour autant que la comédienne y consente, aurait effectivement nécessité la signature d'un second contrat. Quant à l'impact sur la carrière de l'intimée, il faut dire dans un premier temps qu'il ne semble pas que cette dernière ait subi, à la suite de la publication sans autorisation de sa photographie, la perte d'un contrat ou, encore, une diminution de cachet. En fait, cette carrière s'avère être même plutôt en progression depuis un certain temps. Dans un second temps cependant, il ne fait aucun doute que, en raison de l'utilisation que l'appelant a fait de la photographie de l'intimée, les autres détaillants de lunettes ne voudront sûrement pas pour un certain temps associer la comédienne à leur commerce. Or, cette perte de chance probable, sur laquelle la juge de première instance ne s'est pas arrêtée, justifie à elle seule une compensation de 15 000 \$ vu les contrats qui furent offerts à l'intimée par Place-Vertu et Volkswagen.

Il est difficile de dire si, en accordant des dommages sous la rubrique distincte «usurpation de l'identité artistique», la juge de première instance entendait compenser l'intimée pour un préjudice patrimonial ou pour un préjudice extrapatrimonial ou, encore, en partie pour l'un et en partie pour l'autre. Chose certaine, pour reconnaître à l'intimée des dommages découlant de l'usurpation de son identité artistique, la juge n'avait pas à conclure que le droit à l'image bénéficie d'un statut juridique qui lui est propre, pouvant parfois, dans le cas d'une artiste connue, être autonome du droit à la vie privée. La définition que retient la Cour suprême du Canada du droit à la vie privée dans l'arrêt *Aubry* paraît suffisamment large pour couvrir la situation. Les motifs pour lesquels un artiste connu peut vouloir protéger son image, commerciaux ou autres, ne justifient certainement pas qu'on reconnaisse au droit à l'image un statut juridique propre, autonome du droit à la vie privée, ni qu'en contrepartie, on nie que sa violation puisse alors porter atteinte au droit à la vie privée. Après tout, le droit à l'image est une composante du droit à la vie privée énoncé à l'article 5 de la *Charte des droits et libertés de la personne*. Ainsi, si la première juge entendait,

sous la rubrique «usurpation de l'identité artistique» compenser l'intimée pour certains dommages extrapatrimoniaux, elle aurait dû les inclure dans l'indemnité à titre de préjudice moral afin de fixer une indemnité totale pour les dommages extrapatrimoniaux et ainsi éviter le chevauchement de dommages. La juge ne l'ayant pas fait, et le montant de 5 000 \$ accordé à titre de préjudice moral ne faisant l'objet, ni de l'appel, ni d'un appel incident, il ne s'avère donc aucunement nécessaire de déterminer si le statut de l'intimée aurait pu ou non justifier un montant en dommages plus élevé.

26. *Michaud v Turgeon* (1997), JE 97-278 (QueSupCt-Intervention); revd (1997), JE 97-1142, (1997) CarswellQue 439, (1997) AQ 1573 (QueCA); (1998), REJB 98-6545, JE 98-1035, (1998) CarswellQue 2074, (1998) CarswellQue 418, (1998) AQ 822 (QueSupCt-Merits); affd. JE 2003-1299, (2003) JQ 7722, (2003) CarswellQue 1553, **REJB 2003-43940**, also available at <http://www.canlii.org/qc/jug/qcca/2003/2003qcca10270.html> and <http://www.jugements.qc.ca> (QueCA; 2003-05-15) Dussault J.

L'appelant (Turgeon) est un auteur et un historien réputé. En 1993, il a été approché par un éditeur (Lefebvre) pour écrire la biographie de Paul-Hervé Desrosiers, le fondateur de l'entreprise Val Royal, aujourd'hui connue sous le nom de Réno-Dépôt. Ce sont les héritiers de Desrosiers, les frères Michaud, qui avaient donné à Lefebvre le mandat de leur trouver un auteur. Afin de sceller l'accord intervenu entre les parties, un protocole d'entente a été signé par Turgeon et Lefebvre, ce dernier agissant au nom des héritiers. En échange d'une certaine somme, Turgeon devait écrire le manuscrit et le remettre à Lefebvre pour fins de publication. L'argent a été versé et le manuscrit a été écrit. Par contre, les héritiers l'ont jugé inacceptable et ont refusé de le publier. Turgeon a donc décidé de faire lui-même publier le manuscrit. Les héritiers ont aussitôt demandé au tribunal de rendre une ordonnance d'injonction interdisant à Turgeon de produire, reproduire, publier, distribuer, vendre ou mettre en vente le manuscrit ou tout autre manuscrit ou document portant sur la vie de Desrosiers ou contenant des renseignements obtenus des héritiers ou des personnes désignées par eux. C'est le jugement ayant fait droit à cette demande d'injonction qui fait l'objet du présent appel.

Turgeon fait valoir deux grands arguments au soutien de son appel. Dans un premier temps, il plaide que le juge de première instance a erré en concluant que les héritiers Michaud détenaient le droit exclusif de refuser toute publication du manuscrit. Selon lui, les documents signés par les parties montrent clairement qu'il est le seul titulaire des droits d'auteur sur le manuscrit, y compris du droit de publier l'oeuvre. Le tribunal n'est cependant pas de cet avis. Au soutien de sa prétention, Turgeon soutient d'abord que le protocole d'entente qu'il a signé ne peut constituer une commande, et conséquemment, une cession de droits. Ce postulat est cependant erroné. Un contrat de commande n'entraîne pas automatiquement le transfert des droits d'auteur. Ce type de contrat est essentiellement un contrat d'entreprise au sens de l'article 2098 C.c.Q. et, hormis les cas d'exception prévus à l'article 13 de la *Loi sur le droit d'auteur* (LDA), la remise au client de l'ouvrage intellectuel n'entraîne nullement le transfert des droits d'auteur sur cet ouvrage à moins d'une stipulation écrite en ce sens. Ensuite, quand bien même son argument que le protocole d'entente ne peut être assimilé à un contrat de commande pouvait servir à déterminer s'il y a eu cession des droits d'auteur ou non, il ne serait pas déterminant puisque, pour déterminer s'il y a eu ou non une cession, il faut examiner l'ensemble des clauses, et non pas une seule. Or, l'examen des autres clauses du protocole tend à démontrer que

c'est bien une cession que les parties souhaitaient. Turgeon prétend que les 33 000 \$ qui lui ont été remis par les héritiers constituaient une avance pour la rédaction du manuscrit, ce qui démontre qu'il devait conserver ses droits sur l'oeuvre. La preuve révèle plutôt qu'il s'agissait d'une somme forfaitaire visant à la fois le travail de rédaction et les redevances payables au titulaire des droits d'auteur. Enfin, si la prétention de Turgeon qu'il se réservait tous les droits d'auteur sur le manuscrit était fondée, pourquoi alors a-t-il convenu d'une réserve de ces droits uniquement pour les produits dérivés? Cela s'explique facilement: par la clause accordant à Lefebvre le droit de ne pas publier le manuscrit, Turgeon a cédé son droit de publier ce manuscrit. Ce droit ne pouvait donc faire l'objet d'une réserve en sa faveur.

Pour soutenir sa prétention qu'il est le seul titulaire des droits d'auteur sur le manuscrit, Turgeon s'appuie également sur le contrat d'édition qu'il a signé peu de temps après le protocole d'entente. Selon lui, ce contrat démontre bien qu'il n'a jamais cédé ses droits dans l'oeuvre aux héritiers, puisqu'on y mentionne expressément, d'une part, que ce contrat remplace et met fin à toute entente antérieure et, d'autre part, que Turgeon cède ses droits d'auteur dans le manuscrit à la maison d'édition signataire (Sogides). La preuve démontre pourtant clairement que le contrat d'édition n'a pas rendu caduc le protocole d'entente. La disposition invoquée par Turgeon est manifestement une clause type qui n'a ici aucune incidence, puisqu'il est évident que les parties n'entendaient pas écarter le protocole et rendre caduque la cession de droit qu'il constatait. Quant à la clause suivant laquelle Turgeon cède ses droits à Sogides, elle ne peut être interprétée de façon isolée. Comme le contrat d'édition est sans l'ombre d'un doute un complément au protocole, il s'ensuit que le transfert de droits dont traite cette clause est nécessairement conditionnel à ce que les héritiers autorisent la publication du manuscrit.

Turgeon soutient ensuite que la réserve de publication contenue dans le protocole d'entente ne constitue pas une cession valide de son droit de publier l'oeuvre. Il prétend que, pour être valide, une cession doit nécessairement être faite en termes exprès. Il a tort. Cette condition n'est aucunement prévue par l'article 13(4) LDA. Tout ce que la loi exige, c'est que la cession soit constatée par écrit et qu'elle soit signée par le titulaire du droit cédé. D'autre part, tant la doctrine que la jurisprudence reconnaissent qu'une telle cession n'a pas à être explicite pour être valide. Le protocole a pour objet une oeuvre protégée par la *Loi sur le droit d'auteur*, certes. Il demeure néanmoins soumis au droit civil québécois, lequel exige qu'on recherche, dans un tel cas, la commune intention des parties. En l'espèce, la commune intention des parties est claire; celles-ci désiraient procéder à une cession de droit. La clause réservant à Lefebvre le droit de ne pas publier l'ouvrage constitue donc une cession valide, au sens de la *Loi sur le droit d'auteur*, du droit exclusif de Turgeon de publier le manuscrit.

Turgeon prétend que, à tout événement, cette cession ne peut être considérée comme une cession valide au sens 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*. Cependant, comme l'a mentionné le juge de première instance, cette loi ne trouve aucune application en l'espèce, Lefebvre n'étant manifestement pas un diffuseur. Quant à la prétention que seule une atteinte à la vie privée ou à la réputation des héritiers aurait pu justifier le prononcé d'une ordonnance d'injonction, elle ne peut davantage être acceptée. L'injonction pouvait très bien se fonder uniquement sur le protocole, puisque celui-ci impose à Turgeon une

obligation de ne pas publier le manuscrit qui est le corollaire du droit exclusif de publier cédé aux héritiers. L'article 1601 C.c.Q., qui permet à un créancier de demander que le débiteur soit forcé d'exécuter en nature son obligation, pouvait donc être utilisé par les héritiers afin d'interdire à Turgeon de publier le manuscrit. Finalement, on ne peut accepter la prétention que Sogides a fait défaut de respecter son obligation de publier le manuscrit, ce qui a eu comme conséquence de permettre à Turgeon de le faire publier par une autre maison d'édition. Pour accepter la prétention que Sogides était soumise à une obligation de publier le manuscrit, il faudrait faire abstraction du protocole et passer outre au droit exclusif de publier qu'il confère aux héritiers. Bref, la preuve démontre clairement que, par le protocole, Turgeon a cédé aux héritiers son droit exclusif de publier l'oeuvre au sens de la *Loi sur le droit d'auteur*. C'est donc à bon droit que le juge de première instance a conclu que les héritiers détenaient le droit exclusif de publier ou non le manuscrit, et conséquemment, de refuser toute publication de celui-ci.

Turgeon plaide dans un deuxième temps que le juge a erré en concluant que le protocole d'entente lui imposait un devoir de confidentialité à l'égard des renseignements obtenus des héritiers ou de personnes désignées par eux. Encore une fois, il a tort. L'esprit du protocole révèle très clairement une obligation implicite de confidentialité dans l'éventualité où les héritiers interdiraient la publication du manuscrit. Le protocole est en effet structuré de façon telle qu'il permet aux héritiers de conserver en tout temps le plein contrôle sur l'information qui pourrait être diffusée au public. Cette partie de l'ordonnance est donc également valide. Par ailleurs, il importe de souligner que seuls les renseignements que Turgeon a obtenus des héritiers ou des personnes que ces derniers lui ont désignées sont visés par l'obligation de confidentialité. Celui-ci peut donc disposer librement des renseignements qu'il a obtenus par ses propres moyens, renseignements qui appartiennent au domaine public.

27. *Montague Industries Inc. v Dingwell's Machinery and Supply Limited* (2003) FCJ 1807, (2003) FTR Uned 858, 2003 FC 1415 (FC; 2003-12-03).

This is a motion for an Order setting aside or varying the Order of Prothonotary M. Tabib dated November 3rd, 2003 pursuant to Rule 51, 399(2) of the Rules of the Federal Court ("the Rules") which Order reads as follows:

1. The Plaintiff shall, no later than 30 days from the date of this order, serve on the Defendant:

a) A copy of each and every drawing, costing book, mill report book, bill of material, machine record, instruction manual and catalogue in respect of which the Plaintiff alleges that the Defendant has infringed copyright.

b) Particulars identifying each work in respect of which the Plaintiff alleges that the Defendant has infringed copyright, the date of making the work, the name of each author, the citizenship or residency of each author at the date of making the work, the name of the employer by which each alleged author was employed at the date of making of the works, and the year of death of any author that died more than fifty years before the commencement of the proceedings.

c) For each work, particulars identifying the nature of the acts by which the Defendant is alleged by the Plaintiff to have infringed copyright, specifically, whether the Defendant made two-dimensional, or three-dimensional copies and whether said copies were made from two-dimensional, or three-dimensional works.

28. *Poirier v Construction Joma inc.* JE 2003-1094, (2003) JQ 5044, **REJB 2003-41293**, (2003) CarswellQue 1267, <http://www.canlii.org/qc/jug/qccs/2003/2003qccs12204.html> and <http://www.jugements.qc.ca/> (QueSupCt; 2003-06-05) Mayrand J.

RESPONSABILITÉ DU FAIT PERSONNEL; entrepreneur retenu pour construire la maison des demandeurs conformément aux plans exclusivement conçus pour eux par leur concepteur architectural;

FAUTE; omission de respecter l'engagement verbal d'originalité et d'exclusivité des plans; contrefaçon; absence de bonne foi;

PRÉJUDICE; PRÉJUDICE MATÉRIEL; dédommagement de 4 000 \$, soit l'équivalent du prix des esquisses et du plan d'exécution préparés par le concepteur architectural; remboursement des frais d'expertise; impossibilité de déterminer la profit réalisé par l'entrepreneur; absence de preuve d'une diminution de la valeur marchande de la résidence; absence de preuve d'un lien entre la vente de la maison et la déception des demandeurs;

PRÉJUDICE MORAL; indemnité de 4 000 \$ pour troubles et inconvénients;

DOMMAGES EXEMPLAIRES; droit à l'exclusivité ou à l'originalité de sa résidence n'étant protégé ni par la *Charte des droits et libertés de la personne* ni par la *Charte canadienne des droits et libertés*; violation ni intentionnelle ni malicieuse;

PROPRIÉTÉ INTELLECTUELLE; DROIT D'AUTEUR; OEUVRES ARTISTIQUES; plans de maisons; CONDITIONS NÉCESSAIRES RELATIVES À LA PROTECTION; ORIGINALITÉ; critère de l'originalité de l'oeuvre rempli;

VIOLATION DES DROITS DU TITULAIRE; CONTREFAÇON; copie des plans en plusieurs exemplaires; tentative de déguisement de la contrefaçon;

RECOURS; INJONCTION PERMANENTE; aspect mandatoire de l'injonction n'ayant plus sa raison d'être; demandeurs possédant, à titre de constructeurs de la résidence, un droit d'auteur protégé sur le bâtiment comme oeuvre architecturale

(20) La preuve par les plans, les photos nous ont convaincus que le défendeur a copié les plans des demandeurs même s'il a cherché à déguiser sa contrefaçon.

29. *Private Copying 2003-2004, Tariff of Levies to be Collected by CPCC (Re)* **28 CPR (4th) 417**, <http://www.cb-cda.gc.ca/decisions/c12122003-b.pdf> (Copyright Board; 2003-12-12)

The collective society filed with the Copyright Board a statement of proposed levies for private copying of sound recordings embodying performances of musical works for the years 2003 and 2004. The proposed tariff increased the amount payable as certified by the board for the prior term and extended the

tariff to cover items not previously subject to a tariff, namely blank DVDs and various formats of removable and non-removable memory used in MP3 players and similar devices. Over 1,500 objections or comments on the proposed levies were filed with the board.

One of the features of the levy as administered by the collective was the collectives' zero-rating program. This program, developed and administered voluntarily by the collective, enabled a limited number of organizations made eligible by the collective to purchase certain media levy-free from specified suppliers. Under this program various organizations, such as educational institutions and religious organizations, were invited by the collective to apply for a certificate to allow them to purchase the media levy-free subject to certain restrictions and auditing by the collective. Shortly before the hearing of the objections to the proposed tariff, the collective announced amendments to its zero-rating program to extend the program to include CD-Rs and CD-RWs, to extend the program to any organization and to charge an annual registration fee.

The objectors included an alliance of manufacturers and importers of storage media and a coalition of retailers. The alliance focused its objection on the scope and quantum of the levy and the collective's zero-rating program. The retailers alleged that the private copying regime was constitutionally invalid being ultra vires Parliament or an improperly enacted tax, objected to the scope of the tariff and the manner in which the tariff was calculated, and opposed the zero-rating program. Others objected to or commented upon the administration and application of the zero-rating program and breadth of the application of the tariff.

Three recurrent themes arose on zero-rating. First, objectors submitted that a voluntary exemption designed and administered by the beneficiary of the levy was inappropriate. Second, the objectors submitted that zero-rating was not authorized by statute and created market distortions. Third, rights-holders submitted that it might be considered unfair for certain non-copiers to pay the levy, that the board had no control over, or power, to stop zero-rating, and that the board should account for the zero-rating after it has occurred by raising the levy rates as against those to which they applied.

The evidence adduced before the board showed a continuing shift in the types of media used for private copying particularly CDs and MP3 players as new technology emerged. Devices intended for use to record and play music included products with no internal memory and only slots that accepted removable memory, and products which incorporated non-removable internal memory. The latter comprised two general types, products which incorporated spinning hard disk devices having a capacity from 65 to 225 Gbs and products having solid state memory having a capacity between 32 and 128 Mbs.

The evidence also showed that the Internet had become the dominant source of private copies accounting for slightly under one-half of all copies made. Music downloads were usually acquired through peer-to-peer networks, legitimate distribution services and authorized free download samples. There was also conflicting evidence over the proportion of the market for blank media which was accounted for by individual consumers. The collective claimed that 70.8

percent of all blank CDs were purchased by individuals while the alliance maintained that the percentage was no higher than 45 percent.

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

Per Gomery J., Chair, S. Charron and B. Doucet concurring:

The Legality of Making Private Copies

The private copying regime comprises Part VIII of the Copyright Act, R.S.C. 1985, c. C-42. It was set up as a practical response to the fact that copyright owners were unable to prevent or license private copying. The regime creates an exception for the making of private copies of sound recordings embodying performances of musical works onto audio recording media. The regime also imposes a levy on those who manufacture in Canada or import into Canada blank audio recording media in accordance with a tariff certified by the board.

The private copy exception only applies when the copy is made for the private use of the person making it. Making or distributing a copy to a friend is, however, an infringement. The regime does not address the source of the recording copied. There is no requirement that the source be a non-infringing copy. To qualify as an audio recording medium subject to a tariff, the medium must be ordinarily used by individuals for recording music. If the board determines that the medium is not so ordinarily used, it is removed from the ambit of the exemption and therefore making a private copy onto such a medium would infringe copyright.

The Zero-Rating Program

The private copying regime is universal. With only one exception relating to sales to societies representing the perceptually disabled, by statute, every manufacture in Canada or importation into Canada for the purpose of trade gives rise to liability to pay regardless of the identity of the purchaser or the medium's ultimate use. Since the Act does not provide a means to accommodate non-copiers, the collective submitted that Parliament must have intended that the collective insulate such persons through zero-rating. However, because there is no legislative guidance to the contrary, there is no legal authority delegated from Parliament for the board to exempt those liable under the Act. There was therefore no legal basis for the zero-rating program. The program was illegal.

The Constitutionality of the Private Copying Regime

The private copying regime depends on the reproduction right and the inability of rights-holders to enforce it in the context of mass infringement. The effect of the regime is that rights-holders are compensated and private copying is legal. Part VIII of the Act is a valid exercise by Parliament of its jurisdiction over copyright.

The Private Copying Levy as a Tax

The private copying levy is a regulatory charge and not a tax. There is a sufficient nexus to render the levy a regulatory charge rather than a tax. The levies are not imposed by a public body and the levies are not imposed for a public purpose.

Definition of Audio Recording Medium

By s. 79 of the Act, an audio recording medium is only subject to a levy if it is ordinarily used by individual consumers to reproduce sound recordings. The phrase "ordinarily used" is not purely quantitative. There are a number of factors which will determine whether a medium is ordinarily used by individual consumers to reproduce sound recordings. Among these are the apparent purpose of the medium as evidenced from its invention, design and promotion and its actual use by consumers in copying sound recording in contrast with other media.

A further aspect of the definition of audio recording medium is the form of the medium. The plain and obvious meaning of the clause "regardless of its material form" as part of the definition is s. 79 of the Act rules out that the levy was only intended to apply to removable media. A medium incorporated into a device remains a medium.

Media to Which the Levy Applies

Most participants conceded that audio cassettes were properly subject to the levy.

As CD-Rs and CD-RWs were the overwhelmingly dominant media used by individuals to copy music, this media was leviable regardless of memory capacity.

On the other hand, although some evidence showed that blank DVDs were sometimes promoted, in part, for music use, the evidence showed that they were for different uses than blank CDs being almost exclusively used for recording video. DVDs did not qualify for the levy because at that time they were not ordinarily used by individual consumers to copy music.

With respect to removable memory capable for use with MP3 players and similar devices, there was a lack of evidence demonstrating which formats were capable of use with which media. There was insufficient evidence to establish that removable memory was ordinarily used by consumers to copy music and therefore such media did not qualify under the Act.

On the other hand, media embedded into certain devices may be ordinarily used by individual consumers to copy music. The collective sought to confine the levy to such media intended for use primarily to record and play music. The board did not, however, have jurisdiction to include this second standard into the definition of audio recording medium.

A large number of devices such as telephones and digital cameras did not qualify as audio recording media. In contrast, non-removable solid state and hard disk memory incorporated into digital audio recorders did qualify. A digital audio recorder was a device designed, manufactured and advertised for the purpose of copying sound recordings.

Many digital devices had multi-functionality featuring games, calendars and other auxiliary features. These devices were in a grey area although for the period of the tariff certified, only a small portion would be at the margin of being a digital audio recorder or another device.

There was significant ambiguity for memory in personal computers. The evidence showed that such memory was being used by consumers to copy music. The proposed levies did not, however, include memory in personal computers.

The Valuation Model

The collective's proposed levies were based on a model which attempted to capture the value of each copy of a sound recording and establish a fixed rate for each unit of the media. As an alternative, the alliance and the retailers proposed a rate set as a proportion of the sale price of the media. This latter model was rejected as the value of the underlying intellectual property did not fluctuate with the change of price of the blank media.

The valuation model was based on estimated remuneration received by rights-holders from the sale of a pre-recorded CD, radio air play and record sales data discounted to reflect the fact that consumers would pay less for a private copy than an original published copy. Transactions in which the right to make private copies had been acquired were disregarded because there was no convincing evidence on how extensive these transactions were.

The Levy Rates

There was no convincing reason to change the levy rate for audio cassettes. The rate was therefore set at 29(CENTS) for each audio cassette of 40 minutes or more in length.

The proportion of purchases of CD-Rs and CD-RWs by individual consumers was not as high as the collective asserted and there was ambiguity to identify the correct figure. Given the uncertainties raised by the evidence, it was not possible to update the valuation model to set new rates for CD-Rs and CD-RWs. Therefore the rate remained at 21(CENTS) for each.

As there was little specific evidence regarding CD-R audio, CD-RW audio and MiniDiscs, the status quo of 77(CENTS) each was maintained.

Because there was a large storage range for non-removable memory in digital audio recorders, a tiered rate structure was required. The levy was set at \$2 for each recorder that could record no more than 1 Gb of data, \$15 for each recorder that could record from 1 Gb to no more than 10 Gbs of data and \$25 for each recorder that could record more than 10 Gbs of data. These rates were set having regard to the desire not to impede the development of the market for these devices in Canada and to keep the levy as simple as possible. Too high a levy would avoid a greater incentive for the development of grey and black markets for such devices and would represent a financial burden too important for consumers.

The levy was apportioned with collective societies representing eligible authors entitled to 66 percent of the levy, eligible performers to 18.9 percent and eligible makers of sound recordings to 15.1 percent.

Per S.J. Callary, Vice-chair, dissenting:

The uncertainties raised by the evidence and other market and policy considerations did not prohibit setting new rates by updating the valuation model.

The levy rate should have been set as follows: 28(CENTS) for audio cassettes, 29(CENTS) for CD-Rs, 21(CENTS) for CD-RWs and 72(CENTS) for CD-Rs audio, CD-

RWs audio and MiniDiscs. The appropriate rate for non-removable memory in digital audio recorders was that set by the majority.

With respect to the zero-rating program, Parliament must have intended that the private copying regime be workable and fair in achieving its underlying goals. Setting a rate on the assumption that all purchasers of blank media would pay it and with the collective only collecting from a percentage of such purchasers would result in unfairly undercompensating rights-holders for the expropriation of their rights. A tariff that did not take into account zero-rating would not be fair. Accounting for zero-rated sales increased the burden of payment on those most likely to engage in private copying.

30. *Remington v. Ford of Canada* (2003) CarswellAlta 1318, (2003) AR TBEEd OC 013, 2003 ABPC 157, also available at <http://www.albertacourts.ab.ca/jdb/1998-2003/pc/Civil/2003abpc0157.pdf> (AltaProvCt; 2003-09-02) LeGrandeur J.

(74) With respect to Metro's exposure to liability through tort principles, it is clear that Metro had no input with respect to the makeup of the Owner's Guide or with respect to the publication of the Owner's Guide. Indeed, the copyright in that regard rests with Ford. The guide is Ford's representation, not Metro's. At worst, again, Metro was only Ford's agent in delivering the Owner's Guide to the Plaintiff. That does not make the representations Metro's representations.

31. *Ritchie v. Sawmill Creek Golf & Country Club Ltd* **27 CPR (4th) 220**, (2003) CarswellOnt 3055, (2003) OJ 3144, (2003) OTC TBEEd AU 023, (2003) OTC 736, also available at <http://www.canlii.org/on/cas/onsc/2003/2003onsc11160.html> (OntSupCt; 2003-05-16); Ducharme J. (2003) CarswellOnt 3058, (2003) OJ 3139 (OntSupCt-Costs; 2003-07-28)

The plaintiff, an entrepreneur, had an interest in photography. He took a number of photographs of the corporate defendant's golf course and developed some ideas for promoting and marketing the golf club using his photographs. In about June 1999 the plaintiff met with the individual defendant, the president of the corporate defendant, and offered him an album containing many of his photographs of the golf course. The plaintiff told the individual: "These are for you. Do with them as you like."

Following the meeting the plaintiff wrote the individual defendant on a number of occasions proposing a substantial overhaul of the corporate defendant's Web site and brochures. The defendant rejected all of the proposals with the exception of a modest project to upgrade the Web site. In addition, in September 1999 the individual defendant hired the plaintiff to photograph a wedding at the golf club and paid the agreed upon hourly rate plus certain disbursements. For both the Web site upgrade and the wedding photographs the plaintiff invoiced for his fees through a corporation for which he was the sole owner and directing mind.

The corporate defendant used nine of the photographs from the plaintiff's album in advertising materials in six discrete instances and made five poster-sized enlargements of photographs in the album. The plaintiff made demands against the defendant for infringement of copyright and moral rights and caused the RCMP to conduct investigations in respect of the infringement. After being visited by the RCMP the defendant removed the plaintiff's name from the corporate defendant's Web site and locked the plaintiff out of the site.

The plaintiff commenced an action for infringement of copyright in the photographs in the album and in the wedding photographs and for moral right infringement with respect to the enlargement of his photographs and deletion of his name from the corporate defendant's Web site. The defendant counterclaimed for a declaration of ownership of copyright in the photographs and claimed delivery up of all copies of the photographs in the plaintiff's possession or under his control.

Held, the action should be dismissed and the defendant should be entitled to judgment on the counterclaim. The defendant asserted that the plaintiff made the album of photographs as an employee or owner of his personal corporation and claimed that the corporation was the first owner of copyright in view of s. 13(3) of the Copyright Act, R.S.C. 1985, c. C-42. Section 13(3) is, however, subject to agreement to the contrary as to the ownership of copyright. Because the corporation was the plaintiff's corporation and the plaintiff was its directing mind, the agreement to the contrary was inferred and the plaintiff was the first owner of copyright.

With respect to the wedding photographs, as they had been ordered by the corporate defendant through the individual defendant and as consideration had been paid, by reason of s. 13(2) of the Act, the corporate defendant was the first owner of copyright.

With respect to the album photographs, the plaintiff made a gift of the album. He could not subsequently create a retroactive infringement by purporting to rescind the permission granted for the use of the photographs at the time of the gift. The gift constituted an irrevocable licence from which the plaintiff could not resile.

In the event that infringement of copyright had been found, the plaintiff's claim to statutory damages would have been reduced to \$200 for each photograph used in the advertising materials and the five photograph enlargements. The photographs were unremarkable in design and execution and were processed at a department store rather than a private studio.

With respect to the claim to infringement of the moral right of integrity, the enlargements were not so markedly different in quality from the plaintiff's prints to damage his honour or reputation. With respect to the claim for infringement of the moral right of attribution, s. 14.1(1) provides for this right only where reasonable in the circumstances. It was not reasonable for the plaintiff's name to appear on the Web site after the plaintiff had involved the RCMP and alleged theft of his copyright.

The plaintiff's action was dismissed. The defendant was entitled to judgment on the counterclaim concerning ownership of copyright in the photographs and an order requiring the plaintiff to deliver up all copies of the photographs in his possession or under his control.

32. *Society of Composers, Authors and Music Publishers of Canada v Landmark Cinemas of Canada Ltd* (1992), (1993) 1 FCD-18, 60 FTR 161, 45 CPR (3d) 346, (1992) CarswellNat 707, (1992) FCJ 1034, <http://reports.fja.gc.ca/cgi-bin/sino/disp.pl/fc/1993/fic/v1/1993fca0674.html> (summary), in French at

<http://recueil.cmf.gc.ca/cgi-bin/sino/disp.pl/cf/1993/fic/v1/1993cfa0674.html> (summary) (FCTD-Pleadings; 1992-11-13); (1999), (1999) CarswellNat 1292, (1999) FCJ 1026, (1999) FTR Uned 481, <http://www.fja.gc.ca/fc/1999/ori/1999fc24866.html> (FCTD prot – discovery; 1999-06-25); (2000), 9 CPR (4th) 353, (2000) CarswellNat 2371, (2000) FCJ 1626, (2000) FTR TBEEd OC180, <http://www.fja.gc.ca/fc/2000/ori/2000fc27511.html>, <http://reports.fja.gc.ca/cgi-bin/sino/disp.pl/fc/2001/fic/v1/2001fc27511.html> (summary), in French at <http://recueil.cmf.gc.ca/cgi-bin/sino/disp.pl/cf/2001/fic/v1/2001cf27511.html> (FCTD-Disqualification; 2000-10-02); (2001) FCJ 843 (FCTD-Summary Judgment; 2001-05-31); (2002) CarswellNat 4443 (FCTD-Proto.; 2002-07-11); affd **25 CPR (4th) 496**, (2003) CarswellNat 1617 (French), (2003) CarswellNat 1282, (2003) FCJ 584, (2003) FTR Uned 522, 2003 FCT 425, also available at <http://www.canlii.org/ca/cas/fct/2003/2003fct425.html> and <http://decisions.fct-cf.gc.ca/fct/2003/2003fct425.html>, in French at <http://www.canlii.org/ca/jug/cfpi/2003/2003cfpi425.html> and <http://decisions.fct-cf.gc.ca/cf/2003/2003cfpi425.html> (FCTD-Practice Amendment; 2003-04-10) Heneghan J.

The plaintiff sued the defendant, alleging infringement of copyright by allowing unauthorized performances of musical works in motion pictures shown in the defendant's theatres. While initially confirming that it operated theatres and exhibited motion pictures, the defendant reversed its position, claiming that it neither operated motion picture theatres nor exhibited motion pictures at any time in the past. It alleged that the infringing acts were carried out by others. As a consequence, the plaintiff served a notice of motion seeking the addition of parties as new defendants and amendments to its statement of claim.

The prothonotary issued an order setting a hearing date and time limits for filing and serving relevant materials. When the matter came on for hearing and submissions were received, the prothonotary issued a further order adjourning the motion and issuing a direction to the plaintiff concerning the sufficiency of its evidence in support of its motion. The defendant sought reconsideration of this order without success. The prothonotary granted the plaintiff's motion to add the additional defendants and to amend its statement of claim.

The new defendants appealed the prothonotary's order to a judge, arguing that the prothonotary unfairly and improperly adjourned the hearing on her own motion, and erred by issuing directions to the plaintiff to file further materials to overcome deficiencies in the plaintiff's case. They submitted that, if the plaintiff's materials were insufficient, the motion should have been dismissed. Moreover, the prothonotary erred by allowing the plaintiff to make amendments of a substantive nature. They viewed the effect of the amendments as doing away with the limitation period granted by s. 41 of the Copyright Act, R.S.C. 1985, c. C-42.

The plaintiff submitted that the prothonotary properly exercised her discretion in granting the motion to join the new defendants, acting under Rule 104 of the Federal Court Rules, 1998, SOR/ 98-106. She did not act unfairly in adjourning the hearing nor in issuing directions to the plaintiff. No defendant appealed the order and by filing their defences, the new defendants attorned to the jurisdiction of the court.

The plaintiff further submitted that the prothonotary's order was made as part of case management and as such, considerable deference should be accorded to it. The new parties should be added to ensure that all matters in dispute could be

completely determined and bound by the court's decision. The court needed only to be satisfied that the additions were not completely spurious and that any inconvenience caused was justified.

In addition, the plaintiff submitted that any argument concerning loss of a limitation period should be a matter for trial and raised as a defence at trial. The claim was based on a continuing infringement of copyright.

Held, the appeal should be dismissed.

Standard of Review

The order of a prothonotary ought not to be disturbed on appeal unless it was clearly wrong in the sense that the exercise of discretion was based upon a wrong principle or misapprehension of the facts, or where the order raised a question vital to the final issue in the case. Where the decision under appeal was made by a prothonotary in the context of case management, a high level of deference should be accorded to the prothonotary's finding.

Authority to Add Parties and Amend Pleadings

The joinder of parties and amendment of pleadings did not raise a question vital to the final disposition of the case. All parties necessary for the complete and effective determination of an action should be before the court, and be subject to the decision. The prothonotary was vested with discretion in determining whether to add the new parties, and she correctly applied the proper principles to the motion before her. Once the new parties were added, the prothonotary had authority to grant leave to the plaintiff to amend its pleading under Rule 104(2) of the Federal Court Rules, 1998.

Effect on Limitation Period

The new defendants were not deprived of reliance on a limitation defence by reason of the amendments of pleadings. The limitation defence should be considered in the context of the whole action and following the testing of evidence at trial.

33. *Society of Composers, Authors and Music Publishers of Canada v. 960122 Ontario Ltd., c.o.b. as Blue Mountain Gateway Tavern* 21 CPR (4th) 240, 2002 CarswellNat 2512, 225 FTR 235, 2002 CarswellNat 3414 (French) 2002 FCT 985, also available at <http://www.canlii.org/ca/cas/fct/2002/2002fct985.html> and <http://decisions.fct-cf.gc.ca/fct/2002/2002fct985.html> in French at <http://www.canlii.org/ca/jug/cfpi/2002/2002cfpi985.html> and <http://decisions.fct-cf.gc.ca/cf/2002/2002cfpi985.html> (FCTD; 2002-09-19); revd **26 CPR (4th) 161**, (2003) NR TBE d JN 038, (2003) CarswellNat 1782, (2003) CarswellNat 2655 (French), 307 NR 390, 2003 FCA 256, also available at <http://www.canlii.org/ca/cas/fca/2003/2003fca292.htm> and <http://decisions.fct-cf.gc.ca/fct/2003/2003fca292.html>, in French at <http://www.canlii.org/ca/jug/caf/2003/2003caf292.html> and <http://decisions.fct-cf.gc.ca/cf/2003/2003caf292.html> (FCA; 2003-06-05) Sexton J.; (2003) CarswellNat 2141, 2003 FCA 292, (2003) CarswellNat 2655 (French), 2003 CAF 292, (2003-06-30; FCA - Ex parte Reference Reconsideration)

The court ordered a default judgment in favour of the plaintiff in an action for copyright infringement and that upon ex parte application, the plaintiff would be entitled to a reference to determine damages, profits, prejudgment interest and costs. Subsequently the court granted the plaintiff's application, and ordered that

the reference proceed on an ex parte basis. A prothonotary who was appointed as referee ordered that the defendants be served with a copy of his order setting a date for the reference, along with any affidavit evidence the plaintiff intended to rely on at the hearing of the reference. The plaintiff appealed, asserting that the requirement to give the defendants notice of the reference varied the order of the judge who had ordered the reference to proceed on an ex parte basis. The appeal was dismissed. The plaintiff appealed further.

Held, the appeal should be allowed.

There is no section in the Federal Court Act, R.S.C. 1985, c. F-7, or in the Federal Court Rules, 1998, SOR/98-106, directed to appeals from interlocutory orders of a referee. Rule 4 states that the court may provide for any procedural matter not provided for in the rules, by analogy, or by reference to the rules. Rule 159(1) gives to a referee the same power and authority in matters of practice and procedure as a judge. Appeals do lie from interlocutory judgments of the Trial Division, pursuant to s. 27(1)(c) of the Act and interlocutory orders of prothonotaries pursuant to Rule 51(1). By analogy, interlocutory orders of referees may be appealed.

The conduct of a reference is governed by the order or judgment which set up the reference. In conducting the reference, the referee must follow the precise wording of the order or judgment granting that reference. Consequently, the referee has no power, generally speaking, to vary the terms of a reference.

The court pursuant to Rule 399(1) can set aside or vary an ex parte order if the party against whom the order is made applies to the court and discloses a prima facie case why the order should not have been made. The defendants had not made any such motion in this case, nor did there appear to be any basis upon which such a motion could have been made.

The words ex parte refer to a proceeding granted at the instance of and for the benefit of one party only, without notice to, or contestation by, any person adversely affected. The referee lacked the jurisdiction to require the plaintiff to give the defendants notice of the reference, which effectively varied the order that had entitled the plaintiff to proceed to the reference on an ex parte basis.

34. *Society of Composers, Authors and Music Publishers of Canada v. Barrymore's Inc.* **24 C.P.R. (4th) 351**, 228 FTR 89, (2003) CarswellNat 1314 (French), (2003) CarswellNat 542, 2003 FCT 114, also available at <http://www.canlii.org/ca/cas/fct/2003/2003fct114.html> and <http://decisions.fct-cf.gc.ca/fct/2003/2003fct114.html>, in French at <http://www.canlii.org/ca/jug/cfpi/2003/2003cfpi114.html>, and <http://decisions.fct-cf.gc.ca/cf/2003/2003cfpi114.html> (FCTD; 2003-01-31) O'Keefe J.

The plaintiff was a copyright collective for the public performance of musical works. It was the owner of the exclusive right of public performance in the musical works at issue. The corporate defendant carried on the business of a concert hall wherein it presented to the public performances of musical works at live performances. The individual defendants, Lanctot and Haslam, were directors and shareholders of the corporate defendant.

The corporate defendant presented four types of performances at its concert hall. These were: (1) concerts arranged by the corporate defendant for which the defendant paid the performers and collected money at the door ("the

Barrymore's shows"); (2) concerts where an outside promoter arranged for the performances, paid the performers and collected money at the door; (3) concerts where an individual performer performed and collected money at the door; and (4) concerts where a promoter company run and operated by Haslam arranged for the performances, paid the performers and collected money at the door.

The plaintiff moved for summary judgment against the defendants for copyright infringement claiming, *inter alia*, a declaration of infringement, damages, profits and a reference to determine the amount of damages and profits. Haslam consented to judgment against him. The corporate defendant admitted responsibility for the payment of royalty fees at Barrymore's Shows. The corporate defendant and Lanctot claimed that royalties had already been paid for certain of the performances.

Held, the motion should be granted with respect to the Barrymore's shows but otherwise should be dismissed. Any reference to determine the quantum of royalty fees for the Barrymore's Shows should take place after delivery of the decision at trial. Summary judgment may be allowed in cases which ought not proceed to trial because there is no genuine issue to be tried. Summary judgment cannot be granted if the necessary facts cannot be found.

The degree of control exercised by the defendants over the contested performances could not be determined from the evidence. In addition, the exact relationship among the defendants and therefore the identity of which defendants were liable could not be determined on the evidence on the motion. There was therefore a genuine issue for trial.

Two further issues also had to be determined at trial, namely the personal liability, if any, of Lanctot and whether royalties had to be submitted to the plaintiff from the performers in respect of the contested performances.

In view of the corporate defendant's admission, summary judgment was ordered against the corporate defendant in respect of the Barrymore's shows. Any reference for the quantum of royalty fees was not to take place until after delivery of the decision at trial.

35. *Sogides Itée c. Cardwell* REJB 2003-48224 (QueCA; 2003-09-29)

L'appel porte sur un jugement de la Cour supérieure qui a annulé une saisie avant jugement en raison de l'insuffisance des allégations des *affidavits* en vertu desquels le bref a été délivré. La saisie, qui visait tous les exemplaires d'une biographie intitulée «L'Ascension», a été pratiquée en vertu des articles 38(1) de la *Loi sur le droit d'auteur* (LDA) et 734(1) et (5) C.p.c. La maison d'édition appelante (Sogides) prétend essentiellement que la juge de première instance a erré en concluant à l'insuffisance des allégations.

Les règles permettant d'apprécier le caractère suffisant ou non d'un *affidavit* déposé au soutien d'une saisie avant jugement ont récemment été réaffirmées dans l'affaire *Tremblay*. Il a alors été rappelé que le juge saisi d'une requête en annulation doit considérer l'ensemble des documents auxquels l'*affidavit* fait référence et éviter d'entrer dans la discussion de la valeur probante de chaque document soumis. Il a de plus été rappelé que la «suffisance» de l'*affidavit* devait

être étudiée uniquement à la lumière des faits contenus dans cet *affidavit* et de leur rapport logique avec le droit à la saisie avant jugement, et non en le soumettant à la contradiction que peut soulever une requête en rejet pour fausseté des allégations. En l'espèce, la juge a correctement énoncé les règles qu'elle devait suivre. La conclusion à laquelle elle est arrivée est cependant erronée. Selon elle, pour que la saisie puisse être maintenue, il aurait fallu que Sogides la convainque que le livre L'Ascension est, du moins *prima facie*, une contrefaçon de l'oeuvre que Cardwell lui a cédée en 1997, ce qui n'a pas été fait. Manifestement, la juge a accordé trop d'importance à la jaquette du livre et pas assez aux allégations de l'*affidavit* de Cardwell. Il est en effet évident, à la lecture de cet *affidavit*, que Cardwell n'a écrit qu'une seule biographie de Raymond Malenfant. Au stade de l'examen du caractère suffisant d'un *affidavit*, il ne suffit pas que l'éditeur accusé de contrefaçon ait ajouté le nom d'un auteur additionnel à la jaquette de l'oeuvre dont on demande la saisie avant jugement ou qu'il en ait changé le titre pour que la saisie soit nécessairement vouée à l'échec. Selon le tribunal, l'intérêt de la justice requiert ici qu'une décision définitive sur la requête en annulation de la saisie soit rendue uniquement lorsque le débat contradictoire sur le second volet de la requête, soit la fausseté des *affidavits*, aura été fait. Le présent pourvoi sera par conséquent accueilli, le jugement de première instance, cassé, et le dossier retourné à la Cour supérieure afin qu'il soit procédé sur la fausseté des allégations des *affidavits*.

36. *Statement of Royalties to be Collected by Socan and by NRCC for Pay Audio Services (1997 to 2002 for Socan and 1998 to 2002 for NRCC)* (2002), 19 CPR (4th) 67, (2002) CBD 1, (2002-03-15) <http://www.cb-cda.gc.ca/decisions/m15032002-b.pdf> (CopBd); application for judicial review dismissed **26 CPR (4th) 257**, 229 DLR (4th) 205, (2003) FCJ 1094, (2003) ACJ 1094, (2003) CarswellNat 3243 (French), (2003) CarswellNat 2137, 229 DLR (4th) 205, 2003 FCA 302 (FCA; 2003-07-10) Evans J.

The collective societies NRCC and SOCAN filed separate proposed tariffs respecting the royalties payable by providers of digital pay audio services for the communication to the public of recorded music by telecommunication. The Copyright Board held a joint hearing on the proposed tariffs over the objection of the parties and certified a single tariff for royalties which allocated one-half to authors of music represented by SOCAN and the other half to the performers and makers of sound recordings represented by NRCC. In making this allocation the board adopted the mode of allocation from its prior decision in respect of the broadcast of recorded music by commercial radio stations which had resulted in each of the authors and the performers and makers receiving 50 per cent of the royalties.

NRCC applied for judicial review of the board's decision on two principal grounds. First, NRCC alleged that the board erred in law in making the allocation between the authors and the performers and makers by overlooking the fact that each of the performers and makers have separate rights to remuneration. Secondly, NRCC alleged that the board erred in law in certifying a joint tariff when two separate proposed tariffs were filed. NRCC did not challenge the total amount of royalties payable to the two groups.

Held, the application should be dismissed.

A review of the board's prior decisions disclosed that the board was not of the view that s. 19(1) of the Copyright Act, R.S.C. 1985, c. C-42, created a single right

to remuneration for performers and makers of sound recordings. The board did not therefore err in applying its prior decision.

In addition, the board did not err in ignoring NRCC's extensive evidence of the relative contributions of authors, performers and makers to the value of music communicated to the public by telecommunication. The board simply did not accept that evidence but preferred to base its allocation of royalties on its prior decision.

To determine whether the board erred in converting two separate proposed tariffs into a single tariff it was necessary to address three questions. These were mootness, the standard of review and the purpose of the Copyright Act.

The respondent cable television association argued that, as the period for the certified tariff had expired, the issue of a single tariff was moot and should not be addressed. The court does, however, have a discretion to decide a moot issue when it would be in the interests of justice and would make appropriate use of judicial resources. There was a continuing adversarial relationship between NRCC and the cable television association with respect to new tariffs to be proposed and approved from time to time. Since the issue of a single tariff was likely to resurface, it was an efficient use of judicial resources to decide the issue in this case.

To determine the standard of review, it was necessary to apply a pragmatic and functional analysis. This required a consideration of access to the court, the relative expertise of the board and the issue in dispute, and the purpose of the Copyright Act.

The Act contains neither a right of appeal from the board nor a preclusive clause. The access to the court was therefore a neutral factor on the standard of review.

In determining the terms and conditions attached to royalties the board has a broad discretion and has developed an expertise to balance the competing interests of copyright holders, service providers and the public. In contrast, the courts have no front-line experience in economic regulation and lack an understanding of the technical complexity and polycentric aspects of the regulatory context in which the board operates. Although the decision of the board would likely have precedential significance, it was on a question that a court would not have to decide. Furthermore, the board's power to grant a remedy is unfamiliar in litigation before courts. The board was therefore in a better position than the courts to determine whether its powers included the certification of a single tariff. The relative expertise of the board, often described as the single most important factor, indicated that the court should exercise considerable restraint in reviewing the board's decision to certify a single tariff.

The purpose of the Copyright Act is to ensure that the creators of literary, musical and other works are compensated for others' use of them. The scheme of the collective administration of various copyrights in a work is intended to minimize the costs of enforcement. In view of the wide discretion of the board to certify tariffs including to take into account such factors as it considers appropriate, a review of a board's decision to certify a single tariff on a standard of correctness would be incompatible with the purposes of the statutory regime.

Although courts are reluctant to select the patent unreasonableness standard of review, it was appropriate for this case in view of the broad discretion of the board to balance the various interests and the remedial or procedural power of the board which is integral to a complex regulatory scheme.

NRCC had to establish that it was obvious that the board's decision lacked any rational basis. It failed to do so for three reasons. First, it was not immediately apparent from the statutory language that certifying a single tariff was not within the board's broad discretion to make such alterations to the royalties and terms and conditions related thereto as the board considers necessary. The second reason for the single tariff, to lighten the administrative burdens of service providers, was rationally related to the board's regulatory function of balancing interests. Third, there was no startling inroad into highly prized private legal rights since the board's power over the amount and allocation of royalties is far more important than an ancillary power with respect to the form of the tariff certified.

37. *Statement of royalties to be collected by SODRAC for the Reproduction of Musical Works by Community Radio Stations in 2001, 2002, 2003, 2004 and 2005*: <http://www.cb-cda.gc.ca/decisions/i09052003-b.pdf> (Copyright Board; 2003-05-09)

Pursuant to subsection 70.13(1) of the *Copyright Act*, SODRAC filed on March 26, 1999 its proposed Tariff No. 3 for the reproduction of musical works in Canada by a radio station other than *Radio-Canada* and the Canadian Broadcasting Corporation for the years 2000 to 2002. The proposed tariff, published in the *Canada Gazette* on May 29, 1999, included two components. Tariff 3.A related to royalties to be paid by commercial radio stations, and Tariff 3.B to royalties to be paid by non-commercial radio stations.

Se prévalant du paragraphe 70.13(1) de la *Loi sur le droit d'auteur*, la SODRAC déposait, le 26 mars 1999, son projet de tarif n° 3 pour la reproduction au Canada d'œuvres musicales par une station de radio autre que Radio-Canada et la *Canadian Broadcasting Corporation* pour les années 2000 à 2002. Ce projet de tarif, publié dans la *Gazette du Canada* le 29 mai 1999, avait deux composantes. Le tarif 3.A traitait des redevances à être payées par les stations de radio commerciales et le tarif 3.B, par les stations de radio non commerciales.

(...)

The tariff certified by the Board applies to all community radio stations other than those operating in the English language, irrespective of whether or not they are members of the ARCQ or the ARCC. The two associations represent the vast majority of community stations. Stations that are not members of either association did not object to either proposal filed by SODRAC.

Le tarif que la Commission homologue s'applique à l'ensemble des stations de radio communautaires autres que celles opérant en langue anglaise, qu'elles soient ou non membres de l'ARCQ et de l'ARCC. D'une part, les deux associations représentent la très grande majorité des stations communautaires. D'autre part, les stations qui n'en sont pas membres ne se sont opposées à ni l'un, ni l'autre des projets de la SODRAC.

38. *Sterling v. Sullivan* **231 DLR (4th) 344**, 28 CPR (4th) 90, (2003) CarswellSask 543, (2003) SJ 531, (2003) SaskR TBE d AU 022, 236 Sask R 148, 2003 SKQB 359, also available at <http://www.canlii.org/sk/cas/skqb/2003/2003skqb357.html> (SaskQB; 2003-08-12)

The plaintiffs and P. were accused of sexual assault and were acquitted. The plaintiffs brought an action for malicious prosecution against several defendants. Three of the defendants had been examined for discovery in an action by P., which had settled. The three defendants applied for an order that the transcripts of their examinations for discovery in P.'s action be made available to the parties in the present action. P. was opposed to the order, but none of the other parties to the present action was opposed.

Held, the application should be granted.

The transcripts of the examinations for discovery in P.'s action were subject to an implied undertaking that they would not be used for a collateral or ulterior purpose, but the court had jurisdiction to waive the undertaking in appropriate circumstances. The main reasons for the implied undertaking rule were to preserve the privacy of the deponent and to encourage the deponent to be open and frank in answering questions. The application was brought on behalf of three defendants who were examined for discovery and who were prepared to forgo their privacy. They already knew what was disclosed at their examination for discovery in P.'s action, and it was unreasonable to expect that they would eliminate all the information from their minds. P.'s claim differed from the plaintiff's claim only in particulars. The issues in both actions were the same. The order sought might facilitate preparation for examination for discovery of the three defendants and perhaps the other defendants as well.

P. argued that he had copyright in the transcripts of examination for discovery. Examinations for discovery and the resulting transcripts were part of the court's proceeding and no copyright attached to them.

39. *Stewart House Publishing Inc. (Re)* **24 CPR (4th) 488**, (2003) CarswellOnt 1086, 39 CBR (4th) 307, (2003) OJ 1136, (2003) OTC Uned 234, also available at <http://www.canlii.org/on/cas/onsc/2003/2003onsc10425.html> (OntSupCt; 2003-03-01) Farley J.; affd **24 CPR (4th) 494**, (2003) CarswellOnt 1430, 43 C.B.R. (4th) 142 (OntCA; 2003-04-04) McMurtry J.

Ontario Superior Court

The trustee in bankruptcy of a publishing and book distribution company brought a motion for approval of, inter alia, a liquidation proposal agreement. Under this agreement assets including books were to be liquidated. The supplier of the books opposed the motion in respect of the liquidation of books it had supplied to the bankrupt and sought delivery up of the books. The supplier and the bankrupt had been parties to an agreement under which the supplier had reserved title to and property in the books until paid for in full (the "supplier's agreement"). Further, on termination of the supplier's agreement, the supplier was entitled, at its option, to enter the bankrupt's premises and remove all stock.

Held, the motion should be granted.

The interest in the books provided for under the supplier's agreement was in substance a secured interest, but the supplier's security registration was subsequent and subordinate to that of the bank.

Trade-mark Infringement

The books at issue had been put into the course of trade by the supplier for the purpose of sale by the bankrupt, with the supplier allowing its trade-mark to be associated with the books. Given the provisions of s. 8 of the Trade-marks Act, R.S.C. 1985, c. T-13, the supplier was deemed to have warranted to the person to whom the property or possession in the books was transferred that the trade-mark could be lawfully used in connection with the books. Accordingly, there was no basis for relief under the Trade-marks Act.

Copyright Infringement

The books at issue were not infringing copies and, therefore, s. 38 of the Copyright Act, R.S.C. 1985, c. C-42, did not apply. Although it was possible to impose restrictive conditions on the sale of such books, the supplier had not done so under the supplier's agreement. The right to enter the bankrupt's premises and remove all stock was in pith and substance a realization of the supplier's security, but that security interest was subordinate to the other security interests.

The trustee was entitled to proceed with the sale as requested. The proceeds would stand in the place of any of the goods sold and parties having a security interest in such goods would continue to make a claim against the proceeds.

Ontario Court of Appeal

The appellant Egmont suggests that it has copyright and trade-mark rights in the books and therefore is entitled to an order preventing the trustee from selling them and is entitled to recover those books from the Interim Receiver.

The short answer is that the Copyright Act, R.S.C. 1985, c. C-42, has no application in this case as there has been no infringement of its provisions. There has been no reproduction or publication of Egmont books that would infringe copyright. Therefore there is no issue of constitutional paramountcy and the Personal Property Security Act, R.S.O. 1990, c. P.10, applies. Consequently, the respondent is entitled to sell the books pursuant to Farley J.'s order approving the liquidation plan. The Appeal is therefore dismissed. There will be no costs related to the motion extending the time for the filing of the Appeal. The respondent liquidator is entitled to its costs fixed in the amount of \$8,000.

40. *Syspro Software Ltd. v. Canada* (2003) CarswellNat 2209, **(2003) DTC 931**, (2003) 4 CTC 3001, (2003) TCJ 405, 2003 TCC 498 (TCC; 2003-07-15) Garon J.

A non-resident corporation, Encore, owned a copyright in computer software known as 'IMPACT Encore' (the 'software'). The software was a literary work as that term is used in subparagraph 212(1)(d)(vi) of the Act. In an agreement entered into on June 1, 1996 (the 'agreement'), Encore granted the corporate taxpayer's predecessor a licence to reproduce and distribute the software, and provided the taxpayer with a master copy suitable for reproduction of multiple copies for use in its distribution and sub-licensing arrangements. The taxpayer agreed to pay Encore royalties in respect of each software licence agreement entered into by it or by its sub-distributors. The Minister proposed to reassess the taxpayer for its 1996 -- 2000 taxation years on the basis that the royalties paid to Encore were subject to tax under Part XIII of the Act.

The parties agreed that the following question of law should be put before the Tax Court of Canada: 'Are royalties paid by the Appellant to Encore in accordance with the Agreement royalties or similar payments in respect of a copyright in respect of the reproduction of a literary work within the meaning of (sub) paragraph 212(1)(d)(vi) of the Act?'

The taxpayer's argument was that subparagraph 212(1)(d)(vi) of the Act exempted from tax, royalties paid under the agreement, since those royalties related to, and were connected with, the reproduction of the software and that the right to reproduce includes the attendant right to distribute, as no business would pay for the right to reproduce without the right to distribute, or for the right to distribute without the ability to access copies.

The Minister argued that a broad reading of the revised exemption from Part XIII tax would be contrary to the expressed intention of Parliament to restrict the ambit of the exemption in subparagraph 212(1)(d)(vi) of the Act, and that the royalties paid by the taxpayer in respect of each software licence entered into by the taxpayer constituted royalties paid in respect of the use of the software, and not royalties in respect of the reproduction of the software.

Held: The question of law should be answered in the affirmative.

The agreement gave the taxpayer the right to distribute the software and to make copies (subject to certain limitations). The language in subparagraph 212(1)(d)(vi) of the Act clearly comprehended or included the right to reproduce the software that was granted to the taxpayer by the agreement. It was precisely for this right that the taxpayer paid the royalties to Encore. Those royalties were exempt from Part XIII tax, since they constituted 'a royalty or similar payment on or in respect of a copyright in respect of the production or reproduction' of a literary work, as that expression is used in the exclusionary provisions of subparagraph 212(1)(d)(vi).

41. *The Canadian Real Estate Association/L'Association Canadienne d'immeuble c. Sutton (Québec) Real Estate Services Inc.* JE 2003-1044, (2003) JQ 3606, (2003) CarswellQue 682, **REJB** **2003-40471**, also available at <http://www.canlii.org/qc/jug/qccs/2003/2003qccs11838.html> and <http://www.jugements.qc.ca> (QueSupCt; 2003-04-10) Julien J.

MOTS CLÉS - PROPRIÉTÉ INTELLECTUELLE; DROIT D'AUTEUR; OEUVRES SUSCEPTIBLES DE FAIRE L'OBJET D'UN DROIT D'AUTEUR; OEUVRES LITTÉRAIRES; COMPILATIONS; site Internet répertorient des inscriptions d'immeubles à vendre ou à acheter; site créé et géré par l'Association canadienne d'immeuble (CREA); inscriptions provenant des diverses chambres immobilières canadiennes; inscriptions transmises aux chambres immobilières par les agents d'immeubles ou leur maison de courtage;

VIOLATION DES DROITS DU TITULAIRE; VIOLATION DIRECTE; REPRODUCTION; PUBLICATION; utilisation non autorisée du site; reproduction et utilisation des inscriptions compilées sur le site à des fins commerciales; preuve que Sutton (Québec) Real Estate Services a mis au point une technologie lui permettant de télécharger dans son propre site Internet les inscriptions compilées sur le site de la CREA; modification du contenu des fiches descriptives accompagnant les inscriptions strictement défendue; preuve que les fiches descriptives des inscriptions téléchargées par Sutton sont modifiées avant d'être affichées sur son site; noms de l'«agent inscripteur» et de sa maison de courtage enlevés et remplacés par celui d'un agent d'immeubles travaillant pour Sutton;

OBLIGATIONS; CONTRAT; allégation que Sutton viole la convention d'utilisation du site Internet de la CREA en agissant comme elle le fait;

RECOURS CIVILS; INJONCTION INTERLOCUTOIRE; rappel des critères devant guider les tribunaux lors d'une demande d'injonction interlocutoire;

APPARENCE DE DROIT; DROIT DE PROPRIÉTÉ; droit de propriété de la CREA sur les informations compilées sur son site Internet paraissant clair à ce stade-ci des

procédures; site créé et géré par la CREA en collaboration avec les diverses chambres immobilières canadiennes et les courtiers et agents immobiliers canadiens; page d'accueil du site identifiant la CREA comme la titulaire des droits sur les inscriptions compilées sur son site; droits détenus en collaboration avec la chambre immobilière ayant communiqué les inscriptions ainsi qu'avec l'agent immobilier et la maison de courtage qui ont procédé à l'inscription; impossibilité d'accepter la prétention de Sutton que ses agents sont titulaires des droits reliés au contenu de toutes les fiches descriptives compilées sur le site de la CREA; courtiers d'immeubles uniquement titulaires des inscriptions qui émanent d'eux ou de leurs agents et non de toutes les inscriptions apparaissant sur le site;

FORMATION DU CONTRAT; CONSENTEMENT; ÉCHANGE; prétention de Sutton qu'elle n'est pas liée par la convention d'utilisation apparaissant sur la page d'accueil du site de la CREA; prétention de Sutton qu'elle n'a jamais accepté les conditions d'utilisation imposées par la CREA; preuve que les utilisateurs du site du CREA peuvent naviguer sur son site sans lire la convention d'utilisation; site non muni d'une icône «/ agree» ou d'une icône semblable; prétention du CREA que le téléchargement des fiches descriptives par un utilisateur confirme son acceptation des conditions d'utilisation du site; questions devant faire l'objet d'une étude au fond; tribunal limité à ce stade-ci des procédures à vérifier si le recours de la CREA a une chance raisonnable de succès; preuve permettant de conclure à l'existence d'un droit apparent à l'ordonnance sollicitée;

PRÉPONDÉRANCE DES INCONVÉNIENTS; prépondérance des inconvénients favorisant nettement la CREA; risque que l'intégrité du site de la CREA soit mise en péril si Sutton continue son utilisation; risque que les objectifs visés par la CREA soient dénaturés; risque que les autres courtiers et agents immobiliers cessent de transmettre leurs fiches d'inscription; risque que les diverses chambres immobilières refusent de communiquer les fiches d'inscription de leurs membres à la CREA;

PRÉJUDICE SÉRIEUX OU IRRÉPARABLE; risque qu'un préjudice sérieux ou irréparable soit causé à la CREA; perte de confiance et désaffection des courtiers et agents immobiliers;

URGENCE; preuve d'une situation d'urgence; délais écoulés depuis le début des activités reprochées ne pouvant être qualifiés de déraisonnables; impossibilité de reprocher à la CREA d'avoir d'abord tenté de convaincre Sutton de cesser ses activités avant de saisir les tribunaux du litige; recours intenté dès que la CREA a compris que sa démarche n'aurait jamais les résultats escomptés; tentative parallèle de la CREA de contrer la technologie utilisée par Sutton en modifiant son système contournée par Sutton

42. *Tikam Publishing Inc. (c.o.b. Owl Publishing) v. Westervelt College Inc.* (2003) OJ 1608 (OntSupCt; 2003-04-28) Flinn J.

26. It is quite clear from s. 35 of the statute (*supra*) that the proof of profits is not the onus of the plaintiff. As set forth in subsection 2, the plaintiff is required to prove only the receipts or revenues derived from the infringement and then the onus shifts to the defendant who "shall be required to prove every element of cost that the defendant claims".

27. The defendant disputes the calculations of the plaintiff of profits derived from the infringement and, claims that other costs are incremental and should be deducted from the revenues derived from the infringement.

37. Section 35 of the Copyright Act, (*supra*) seems to make it quite clear that it is "such part of the profits that the infringer has made from the infringement" as the court considers just. In a case such as this we are concerned with some courses in some programs using infringing material. This is not a case when the continuance of the two programs is dependant on the infringing material. In fact, both programs continued without that material. Therefore, we cannot say that any of the overhead costs proposed as deductions by Mr. Barran "would go away". (...)

38 In trying to calculate the accounting of profit, the court is aware of the fact that educating students is much more than providing the students with text books. While the plaintiffs' textbooks are indeed a very integral part of the courses as they were offered during the period in question, some consideration must be given to the part they played in the courses. The court noted that the price paid for books, the property of the plaintiff, was only a small portion of the total cost of the books as charged to the students by the college.

43. *Tommy Hilfiger Licencing Inc. v. International Clothiers Inc.* (2003) CarswellNat 2907, (2003) FTR TBEEd SE 042, 2003 FC 1087, also available at <http://decisions.fct-cf.gc.ca/fct/2003/2003fc1087.html> and at <http://www.canlii.org/ca/cas/fct/2003/2003fc1087.html>, in French at <http://decisions.fct-cf.gc.ca/cf/2003/2003cf1087.html> and at <http://www.canlii.org/ca/jug/cfpi/2003/2003cf1087.html> (FC; 2003-09-19) MacKay J.

The plaintiffs sued the defendant for passing off its products for those of the plaintiffs, trademark infringement and copyright infringement. The defendant counterclaimed.

The Federal Court allowed the action, and dismissed the counterclaim.

Infringement of copyright - Acts constituting an infringement - Copying or using signs, designs, logos, etc. - The plaintiffs, two wholly owned subsidiaries of Tommy Hilfiger USA, registered a copyright in 1995 for a Crest Design for use in association with men's clothing - In November 1994, the defendant purchased men's shirts with an embroidered crest on the front chest for sale in their retail stores - The defendant had the crest replaced with a crest similar to the plaintiff's crest - The defendant sold the shirts and continued to do so even after the plaintiff filed an action in copyright infringement - The defendant argued that they did not have knowledge of the copyright and that there was no evidence that Tommy Hilfiger was the author of the copyright - The Federal Court held that when the plaintiffs filed their action, the defendant had notice of the copyright - Further, the ownership of the copyright was not affected by lack of evidence of authorship.

Trademarks - Infringement - Use - General - The plaintiffs registered a trademark in 1994 for a Crest Design for use in association with men's clothing - In November 1994, the defendant purchased men's shirts with an embroidered crest on the front chest for sale in their retail stores - The defendant had the crest replaced with one similar to the plaintiff's crest and sold the shirts - The plaintiff filed an action for trademark infringement under s. 20 of the Trade-marks Act - The Federal

Court held that the defendant did not use the crest as a trademark to distinguish its products from other products - However, if the court had found that the defendant had used the crest as a trademark, it would have found that the use of the crest created the likelihood of confusion in the mind of the consumer.

Trademarks - Unfair competition - Passing off - The plaintiffs registered a trademark in 1994 for a Crest Design for use in association with men's clothing - In November 1994, the defendant purchased men's shirts with an embroidered crest on the front chest for sale in their retail stores - The defendant had the crest replaced with a crest similar to the plaintiff's crest and sold the shirts - The plaintiff filed an action for trademark infringement under s. 7(b) of the Trade-marks Act, arguing that the defendant was passing off its products as the plaintiff's products - The Federal Court agreed - The court held that the plaintiffs had established a reputation for their various trademarks - Further, the use of a similar crest by the defendant was likely to cause confusion in the mind of the consumer who was aware of the plaintiff's crest design.

(55) Pursuant to s-s 3(1) of the *Copyright Act*, R.S.c. 1985, c. C-42, as amended, the plaintiffs' claim the sole right to produce or reproduce their Crest Design, the artistic work registered and certified under registration No. 448012. In accord with paragraph 34.1(1)(a), copyright is presumed to exist in the work, and the originality of the work, an essential element of copyright, is also presumed to exist (see *Blue Crest Music Inc. v. Canusa Records Inc.* (1975) 17 C.P.R. (2d) 149 at 155 (S.C.C.)). Copyright may subsist in trade-mark logos. (...)

44. *Video Box Enterprises Inc. v. Yang* (2003) CarswellNat 3084, (2003) FCJ 1460, (2003) FTR Uned 679, 2003 FC 1149, also available at <http://www.canlii.org/ca/cas/fc/2003/2003fc1149.html> (FC; 2003-10-06) Blais J.; (2003) CarswellNat 2475, 2003 FC 1257 (FC-Representation; 2003-10-28)

1. This is a motion by the plaintiffs for a review of the execution of the order of the Honourable Mr. Justice O'Keefe dated May 28, 2003; and a motion by the defendants for an order to quash the order of Justice O'Keefe on the fact that the plaintiff would not be a registered exclusive licensee in Canada because there is no certificate of registration of licence.

14. I have examined the contracts between the parties referred to by the defendant.

15. It is difficult at this stage to determine the validity of those contracts, but nevertheless, their existence are *prima facie* evidence in favour of the plaintiffs.

16. The defendant also stated that he was not infringing the rights of the plaintiffs, given that some programs used by the defendant were downloaded from internet and that did not infringe the plaintiffs' rights. Moreover, according to the defendant, some of the evidence provided to Justice O'Keefe to obtain the Anton Piller order was illegally obtained by the plaintiffs.

17. At this stage, I am faced with the contradictory testimonies of those who participated in the search and seizure on August 8, 2003 at the defendant's premises and the defendant himself, Mr. Wei Bin Yang

18. I have considered the evidence submitted by the plaintiffs, and I have reviewed the execution of the order made by the Honourable Mr. Justice O'Keefe on May 28, 2003. I have no hesitation in maintaining the order that the property removed following the search and seizure carried out on August 8, 2003 continue to be detained by the supervising solicitor until further order of this Court.

45. *VS Visual Statement Inc. v. Insurance Corp. of British Columbia* 2002 BCSC 1377, also available at <http://www.canlii.org/bc/cas/bcsc/2002/2002bcsc1377.html> and at <http://www.courts.gov.bc.ca/jdb-txt/sc/02/13/2002bcsc1377.htm> (BCSC-Summary reasons; 2002-12-16); (2003) CarswellBC 1541, 2003 BCSC 789, (2003) BCTC 789 also available at <http://www.canlii.org/bc/cas/bcsc/2003/2003bcsc789.html> and at <http://www.courts.gov.bc.ca/jdb-txt/sc/03/07/2003bcsc0789.htm> (BCSC; 2003-05-21) Crawford J.; (2003) CarswellBC 2648, (2003) BCTC Uned 794, 2003 BCSC 1610, also available at <http://www.canlii.org/bc/cas/bcsc/2003/2003bcsc1610.html> and at <http://www.courts.gov.bc.ca/jdb-txt/sc/03/16/2003bcsc1610.htm> (BCSC-Costs; 2003-10-23) Crawford J.

Fraud and misrepresentation --- Negligent misrepresentation (Hedley Byrne principle) -- Detrimental reliance

Plaintiff spent several years developing insurance claims adjusting software for desktop computers which it attempted to sell to defendant -- Defendant undertook successful pilot project and program went forward with recommendation to purchase -- Plaintiff's software proved not to be compatible with defendant's mainframe computer -- Defendant was also in process of developing own similar product in-house; however defendant assured plaintiff that it was not developing own product -- Issue became political hot potato and plaintiff's software was formally evaluated -- Evaluation found software lacking because defendant's requirements differed from desktop environment in which software had been developed -- Plaintiff brought action for breach of copyright, breach of confidence, and negligent mis-statement -- Action allowed on basis of negligent mis-statement -- Defendant had assured plaintiff that defendant was not developing similar product -- Plaintiff relied on those assurances and there was damage or detriment to it.

Fraud and misrepresentation --- Remedies -- Damages -- Assessment of damages -- Negligent misrepresentation

Plaintiff spent several years developing insurance claims adjusting software for desktop computers which it attempted to sell to defendant -- Defendant undertook successful pilot project and program went forward with recommendation to purchase -- Plaintiff's software proved not to be compatible with defendant's mainframe computer -- Defendant was also in process of developing own similar product in-house; however defendant assured plaintiff that it was not developing own product -- Issue became political hot potato and plaintiff's software was formally evaluated -- Evaluation found software lacking because defendant's requirements differed from desktop environment in which software had been developed -- Plaintiff brought action for breach of copyright, breach of confidence, and negligent mis-statement -- Action allowed on basis of negligent mis-statement -- Plaintiff was entitled to recompense for its efforts -- Value of plaintiff's efforts were not lost for obtained value of user improvements through defendant's testing of plaintiff's product -- Plaintiff entitled to damages in recompense for effort they would not have made had they known defendant was developing similar product -- General damages set at \$250,000.

Fraud and misrepresentation --- Negligent misrepresentation (Hedley Byrne principle) -- Detrimental reliance

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189. This potentially would have been one of the most interesting aspects of such a case. The lengthy and detailed consideration of such matters is illustrated in Parrett, J.'s decision in *Prism Hospital Software Inc. v. Hospital Medical Records Institute* (1991), 62 B.C.L.R. (2d) 393 (B.C. S.C.).

190. But the hurdles are now set high for those advancing a claim for breach of copyright in software programming: see the Ontario judgment of Leary, J. in *Delrina Corp. v. Triolet Systems Inc.* (1993), 47 C.P.R. (3d) 1 (Ont. Gen. Div.), and affirmed on appeal, 2002 (2002), 17 C.P.R. (4th) 289 (Ont. C.A.), where the Court took the three step process of abstraction, filtration, and comparison to distinguish the idea from its expression, in determining what parts of the software program were subject to copyright.

191. In this case, VS did not provide the evidence to make such a claim. It would appear Mr. Schneider used different programming language and different tools in "writing" ICBC's prototype software. But much of the idea that had been carried into expression by VS, both before and after January 1998, was the development of the graphical user interface, which only comes from the grind of turning the idea into software, testing it out on users, and rewriting and testing and rewriting... as happened at Kamloops Claims Centre in early 1999. However, on the evidence before me I cannot see any basis for breach of copyright.

46. *WCC Containers Sales Ltd. v. Haul-All Equipment Ltd.* *(1993), 50 CPR (3d) 368, (1993) FCJ 818 (FCTD); Unreported decision rendered by Tremblay-Lamer J., docket T-1385-97 (FCTD-Practice; 1997-09-15); affd., (1998) FCJ 914, (1998) ACF 914, 1998 NR Uned 135, (1998) CarswellNat 1244, <http://www.cmf.gc.ca/fr/cf/1998/orig/html/1998fca22765.o.fr.html> (FCA; 1998-06-23); **28 CPR (4th) 175**, (2003) CarswellNat 2669, (2003) FTR TBEed SE 018, 2003 FC 962, also available at <http://www.canlii.org/ca/cas/fct/2003/2003fc962.html> and at <http://decisions.fct-cf.gc.ca/fct/2003/2003fc962.html> (FC; 2003-08-26) Kelen J.; in appeal A-429-03).

The respondent was the owner of the registration for the distinguishing guise Slope Bin Container & Design. The mark was in the shape of the respondent's refuse container that was an animal-proof garbage can for national parks and other areas with wildlife. The refuse container had been the subject of an industrial design registration. The respondent had filed an application to register the container as a distinguishing guise after the industrial design registration had expired.

The applicant was the manufacturer of refuse containers that were almost identical in design to those of the respondent. Although it had provided the lowest bid in a number of requests for tenders, the tenders had been awarded to the respondent because of its distinguishing guise registration. The applicant applied for an order expunging the respondent's registration.

Held, the application should be allowed.

False statement of use

A registration based on an application containing a false statement of use will be held invalid and void ab initio if: (a) the application contained a fraudulent misrepresentation; or (b) the application included material false statements of use that are fundamental to the registration. In the second circumstance, neither fraud nor intent to deceive is a necessary element.

The respondent's statement in its application that it had used the mark since at least as early as November 1983 (although it was not incorporated until January 1985) was an innocent mistake and not a wilful misrepresentation. Further, the error was not fundamental to the registration of the mark. The fact that the application was only supported by 10 years, as opposed to 12 years, of exclusive use by the respondent would not have prevented registration of the mark.

Distinctiveness

A distinguishing guise is registrable only if it has become distinctive through use as of the date of filing. There was ample evidence showing that the mark has been used prior to the filing date. Further, the fact that the respondent had added certain ornamental and functional features to its container did not negate the distinctiveness of the mark as the message given to the public had remained clear. Finally, there was no evidence to support the allegation that the mark was no longer distinctive as of the date of the commencement of the proceedings.

Functionality

While a distinguishing guise may possess functional elements, a mark that goes beyond distinguishing the wares of its owner to the functional structure of the wares transgresses the legitimate boundaries of a trade-mark. To determine whether a mark transgresses that boundary, a court must decide whether the design is primarily functional or whether its functionality is secondary to the role it plays as a distinguishing guise.

The applicant had made out a prima facie case that the purpose of the sloped design was primarily functional. The respondent did not rebut the applicant's evidence or present any probative or reliable evidence that the design was not primarily dictated by functionality. Accordingly, the registration was invalid and subject to expungement on the basis of functionality.

Limitation on development of an art or industry

Section 13(1)(b) of the Trade-marks Act, R.S.C. 1985, c. T-13, provides that a distinguishing guise is registrable only if its exclusive use is not likely unreasonably to limit the development of any industry or art. Section 13(3) of the Act provides that a registration may be expunged on this basis.

The evidence had established unequivocally that the requests for tender had specified the respondent's design for a functional purpose, not an aesthetic purpose, and the respondent had used its registration to limit development of the art or industry. Accordingly, the registration was subject to expungement for unreasonably limiting the development of the art or industry.

Breach of implied promise under Industrial Design Act, R.S.C. 1985, c. I-9

Industrial design protection and trade-mark protection are not mutually exclusive. If a design can fit within the constraints of the Trade-marks Act then it is entitled to registration notwithstanding that it may have been the subject of an industrial design registration.

47. *Williams v. Douglas* (2003) CarswellOnt 2327, 34 CPC (5th) 109 (OntSupCt-discovery; 2003-05-10) Haberman, master; (2003) CarswellOnt 2839, (2003) OJ 3008 (OntSupCt-Security for Costs; 2003-07-02)

Intellectual property -- Copyright -- Practice and procedure -- Discovery -- Discovery of documents -- Privileged documents

Plaintiff songwriters brought action against D and G for infringement of copyright in song -- D and G assigned their rights to record companies DS and W respectively -- D counterclaimed against W, and W counterclaimed against DS -- Plaintiffs reached confidential settlement with D and DS -- Plaintiffs abandoned claim of authorship and agreed to be witnesses for D and DS -- DS provided W with some of schedules to minutes of settlement but refused to provide minutes or remaining schedules -- W brought motion for production of documents refused -- Motion granted -- Settlement had semblance of relevance to ownership of rights in song and their value -- Settlement was relevant to credibility as it reflected radical change of parties' positions -- Fairness required disclosure as DS was accusing W of deceptive practices -- Settlement was similar to Mary Carter agreement -- DS could not fairly disclose parts of agreement and not whole -- Even if privilege applied to settlement involving third party, disclosure was warranted by relevance exception.

48. *Yeager v. Canada (Correctional Service)*
<http://www.canlii.org/ca/cas/fct/2000/2000fct10373.html> and http://decisions.fct-cf.gc.ca/fct/2000/t-549-98_1.html, in French at <http://www.canlii.org/ca/jug/cfpi/2000/2000cfpi10373.html> and http://decisions.fct-cf.gc.ca/cf/2000/t-549-98_1.html (FCTD-Practice; 2000-04-20); (2001) CarswellNat 856, 2001 FCT 434, 204 FTR 297, (2001) FCJ 687, also available at <http://www.canlii.org/ca/cas/fct/2001/2001fct434.html> and at <http://decisions.fct-cf.gc.ca/fct/2001/2001fct434.html>, in French at <http://www.canlii.org/ca/jug/cfpi/2001/2001cfpi434.html> and at <http://decisions.fct-cf.gc.ca/cf/2001/2001cfpi434.html> (FCTD; 2001-05-03); rev'd in part (2003) CarswellNat 101, (2003) CarswellNat 1146 (French), 299 NR 352, 223 DLR (4th) 234, (2003) 3 FC 107, 3

Admin LR (4th) 41, (2003) NR TBE d JA 041, 2003 FCA 30, also available at <http://reports.fja.gc.ca/fc/2003/pub/v3/2003fc31911.html> and in French at <http://recueil.cmf.gc.ca/cf/src/shtml/2003/pub/v3/2003cf31911.shtml> (FCA; 2003-01-22) Isaac J.; leave to appeal to the Supreme Court of Canada refused (2003) CarswellNat 2135, (2003) CarswellNat 2136(French) (SCC; 2003-07-17)

This was an appeal and cross-appeal from the order of a Motions Judge upon respondent's application for judicial review of a decision made by the Correctional Service of Canada (CSC) and the Commissioner of Corrections.

Il s'agissait d'un appel et d'un appel incident formés contre l'ordonnance d'un juge des requêtes qui avait statué sur la demande de contrôle judiciaire d'une décision prise par le Service correctionnel du Canada (le SCC) et le Commissaire du Service correctionnel.

The Research Branch of CSC conducts statistical research in the corrections field. It is granted access to classified databases maintained by such agencies as the RCMP, Canadian Police Information Centre and the National Parole Board. These databases contain sensitive information on victims and offenders. Access thereto is restricted to those with enhanced security clearance. The CSC accesses this information online using electronic links to the agencies' computer networks. Matthew Yeager, the respondent, is a criminologist and a critic of the Canadian penal system as well as the policies that underlie the system. Yeager requested that appellants furnish certain information related to this research: data, a code book needed to interpret the data and software enabling use of the data on a personal computer. The data was the CSC release cohort used to recalibrate the General Statistical Indicator of Recidivism (with personal identifiers deleted). The code book used to define and identify the variables and a copy of the Offender Intake Assessment software were also requested. The evidence was that the requested data did not

La Direction générale de la recherche du SCC mène des recherches statistiques intéressant le système correctionnel. Elle peut accéder aux bases de données classifiées d'autres organismes, par exemple la GRC, le Centre d'information de la police canadienne et la Commission nationale des libérations conditionnelles. Ces bases de données contiennent des renseignements sensibles sur les victimes et les délinquants. Seuls les employés ayant subi une vérification approfondie de fiabilité peuvent y accéder. Le SCC obtient lesdits renseignements par voie électronique en se branchant sur les réseaux informatiques des organismes susmentionnés. Matthew Yeager, l'intimé, est un criminologue et un critique du système pénal canadien, ainsi que des lignes de conduite propres à ce système. Il avait demandé aux appelants de lui communiquer certains renseignements liés à ces recherches: des données, un cahier de codes servant à interpréter les données, et un logiciel permettant d'utiliser les données sur un ordinateur personnel. Les données étaient les données sur la cohorte des détenus élargis qui étaient utilisées pour recalibrer l'information statistique

exist but could be recreated. This would involve doing the research project all over again and would require the dedication of considerable resources and expertise over an extended period of time. Additional effort would be required to purge the data of all personal identifiers. As to the request for a code book, such had not been prepared for the data requested. The software requested by respondent exists in a format for use on a mainframe computer system rather than on a personal computer (p.c.). This software was a massive repository of text files, the development of which had been a multi-million dollar project. Appellants rejected all of Yeager's requests, taking the position that there was no statutory requirement to create records that do not exist. Following an unsuccessful complaint to the Information Commissioner, respondent applied to the Trial Division for judicial review.

The Motions Judge held in Yeager's favour, concluding that CSC had failed to discharge the burden of establishing that production of the data and code book would unreasonably interfere with its operations. The Judge did conclude that the software does not exist in p.c. format and that, in any event, it is

générale sur la récidive (avec suppression des identificateurs personnels). Étaient également demandés le cahier de codes utilisé pour définir et repérer les variables, ainsi qu'une copie du logiciel d'évaluation initiale des délinquants. Selon la preuve, les données demandées n'existaient pas, mais pouvaient être reconstituées. Il eût fallu pour cela recommencer intégralement le projet de recherche, ce qui eût nécessité des ressources considérables, ainsi que du temps et des connaissances techniques. Un effort additionnel aurait été requis pour expurger les données par suppression de tous les identificateurs personnels. S'agissant de la demande relative à un cahier de codes, un tel cahier n'avait pas été préparé pour les données demandées. Le logiciel demandé par l'intimé existait en une forme permettant son utilisation dans un système informatique central, non sur un ordinateur personnel. Ce logiciel était un dépôt colossal de fichiers-textes, dont le développement avait été un travail de plusieurs millions de dollars. Les appelants ont refusé toutes les demandes de l'intimé, en affirmant que la Loi ne les obligeait pas à constituer des documents qui n'existent pas. Après s'être plaint en vain auprès du Commissaire à l'information, l'intimé s'est adressé à la Section de première instance pour obtenir un contrôle judiciaire.

Le juge des requêtes a statué en faveur de M. Yeager, en concluant que le SCC n'avait pas réussi à prouver que la production des données et du cahier de codes entraverait de façon sérieuse son fonctionnement. Selon le juge des requêtes cependant, le logiciel n'existait pas en une

not a "record" as defined by the *Access to Information Act*.

It was only when the reasons for judgment of this Court were being prepared that it was noticed that the order issued by the Motions Judge failed to deal with all of the issues covered in her reasons for order. A further hearing was accordingly held at which submissions were received from counsel as to how best to proceed. Counsel accepted the Court's suggestion that respondent move before the Motions Judge, under paragraph 397(1)(a) of the *Federal Court Rules, 1998*, for reconsideration of the order as not in accord with the reasons, and that pleadings in the appeal be amended accordingly. This was done and the Court concluded that the cross-appeal had been properly constituted.

The Court was, for the first time, required by this appeal to interpret subsection 4(3) of the *Access to Information Act* and section 3 of the *Access to Information Regulations* in determining whether computer software is a "record" and whether appellants have to create and furnish records that do not exist.

Held (Malone J.A. dissenting in part), the appeal should be allowed, the cross-appeal dismissed but respondent should be awarded costs both here and below.

Per Isaac J.A. (Stone J.A.

forme permettant son utilisation sur un ordinateur personnel et, en tout état de cause, il ne s'agissait pas d'un «document» au sens de la *Loi sur l'accès à l'information*.

Ce n'est que lorsque les motifs de la Section d'appel étaient en cours de rédaction que l'on s'est rendu compte que l'ordonnance rendue par le juge des requêtes ne disposait pas de tous les points traités dans les motifs du juge des requêtes. Une nouvelle audience a donc eu lieu, au cours de laquelle les avocats ont déposé des conclusions sur la meilleure manière de s'y prendre. Les avocats ont souscrit à l'idée de la Cour, qui proposait que l'intimé prie le juge des requêtes, en application de l'alinéa 397(1)a) des *Règles de la Cour fédérale (1998)*, d'examiner de nouveau l'ordonnance pour défaut de concordance avec les motifs exposés, et que les actes de procédure déposés dans l'appel soient modifiés en conséquence. Cela fut fait, et la Cour a conclu que l'appel incident avait été valablement constitué.

L'appel obligeait la Cour à interpréter pour la première fois le paragraphe 4(3) de la *Loi sur l'accès à l'information* et l'article 3 du *Règlement sur l'accès à l'information*, pour savoir si un logiciel d'ordinateur est un «document» et si les appelants doivent constituer des documents qui n'existent pas et les communiquer.

Arrêt (dissidence partielle du juge Malone, J.C.A.): L'appel est accueilli, l'appel incident est rejeté, mais les dépens sont adjugés à l'intimé, dans la présente instance et dans les instances antérieures.

Le juge Isaac, J.C.A. (le juge Stone,

concurring): Following the teaching of the Supreme Court of Canada in *Dagg v. Canada (Minister of Finance)*, the issue for resolution herein was whether each of the data, code book and software is a "record" under CSC's control. Under the definition of "record" found in section 3 of the Act, the data and code book would be a "record", but neither exists. The data requested would have to be recreated and modified and a code book prepared. While the software does exist, it is less clear whether it is a "record".

Under subsection 4(3), "any record . . . that does not exist but can, subject to such limitations as may be prescribed by regulation, be produced from a machine readable record under the control of a government institution . . . shall be deemed to be a record". Appellants' argument was that this statutory provision should not be interpreted as requiring the creation of something that does not exist in any form. They insist that there is no obligation to create a record that does not already exist in machine readable form. That interpretation is in stark contrast with the wording of the provision, contrary to the principles of statutory construction and went against the overarching purpose of the access to information legislation. Subsection 4(3), which applies where a record "does not exist", does not contain a clause "other than in machine readable form" or words to that effect. Since subsection 4(1) contemplates that a machine readable record must be supplied, subsection 4(3)

J.C.A., étant d'accord): À la suite des enseignements de la Cour suprême du Canada dans l'arrêt *Dagg c. Canada (Ministre des Finances)*, le point à résoudre dans la présente affaire était de savoir si les données, le cahier de codes et le logiciel constituent des «documents» relevant du SCC. Selon la définition de «document», à l'article 3 de la Loi, les données et le cahier de codes constitueraient des «documents», mais ni les données ni le cahier n'existent. Il faudrait que les données demandées soient reconstituées et modifiées, et il faudrait qu'un cahier de codes soit rédigé. Quant au logiciel, il existe, mais il n'est pas certain qu'il soit un «document».

Selon le paragraphe 4(3), «les documents qu'il est possible de préparer à partir d'un document informatisé relevant d'une institution fédérale sont eux-mêmes considérés comme relevant de celle-ci, même s'ils n'existent pas en tant que tels au moment où ils font l'objet d'une demande de communication». Selon les appelants, cette disposition ne les obligeait pas à créer des éléments qui n'existaient sous aucune forme. Ils insistent pour dire qu'ils ne sont pas tenus de créer un document à moins que ce document n'existe déjà en version informatisée. Cette interprétation contraste vivement avec le texte de cette disposition, d'une manière qui ne s'accorde pas avec les principes reconnus d'interprétation législative ni avec l'objet général de la législation sur l'accès à l'information. Le paragraphe 4(3), qui s'applique lorsqu'un document «n'existe pas», ne parle pas d'un document qui n'existe pas «si ce n'est en version informatisée», ni n'emploie de mots ayant le même effet. Puisque le paragraphe 4(1) prévoit qu'un enregistrement informatisé doit être

would be devoid of meaning if interpreted as suggested by appellants. The principles of statutory construction offended by appellants' interpretation include: the "plausible meaning rule", the "presumption of linguistic competence" and the "rule against tautology". In enacting subsection 4(3) Parliament must have contemplated two different records: a new and distinct record must be produced from an existing machine readable record. Respondent's access request is for the very reasons contemplated by the Supreme Court in *Dagg*: to participate in and ensure the accountability of Canadian government research and to analyse the Canadian penal system.

It remained, however, to determine the meaning of the phrase "from a machine readable record". The answer to that was contextual and fact-specific. Whether a record is producible "from" a machine readable record depends upon several factors, including the amount of independent composition in comparison with purely mechanical editing.

There are, however, limitations on the obligation on government institutions to produce otherwise non-existent records. Subsection 4(3) states that non-existent records have to be produced only where capable of production "using computer hardware and software and technical expertise normally used

communiqué, le paragraphe 4(3) serait dépourvu de toute signification s'il était interprété comme le proposent les appelants. L'interprétation proposée par les appelants est contraire aux principes d'interprétation législative, à savoir le «principe du sens le plus vraisemblable», la «présomption de l'harmonie linguistique» et le «principe de non-tautologie». Lorsqu'il a édicté le paragraphe 4(3), le législateur devait avoir à l'esprit deux types de documents: un document nouveau et distinct doit être préparé à partir d'un document informatisé existant. La demande d'accès de l'intimé s'accorde avec les raisons elles-mêmes envisagées par la Cour suprême dans l'arrêt *Dagg*: participer aux activités de recherche et d'analyse du gouvernement canadien concernant le système pénal canadien, et faire en sorte qu'il soit rendu compte de telles activités à la population.

Il restait cependant à déterminer le sens de l'expression «à partir d'un document informatisé». La réponse à cette question était contextuelle et tributaire des faits. La question de savoir si un document peut effectivement être préparé «à partir» d'un document informatisé dépend de plusieurs facteurs, notamment de la quantité requise de composition indépendante, par opposition à une mise en forme purement mécanique.

Il y a cependant des limites à l'obligation des institutions fédérales de produire des documents par ailleurs inexistants. Le paragraphe 4(3) précise que des documents inexistants doivent être préparés uniquement s'ils peuvent l'être avec le matériel, le logiciel et les compétences techniques dont dispose normalement l'institution

by the government institution". Then, under section 3 of the Regulations, a non-existent record "need not be produced where the production thereof would unreasonably interfere with the operation of the institution". The Motions Judge ordered provision of the data and code book having found that appellants had adduced no evidence of unreasonable interference. In so concluding, the Judge below ignored significant evidence in the record. On the evidence, it had to be concluded that compliance with respondent's request would constitute unreasonable interference with appellants' operations. In particular, the Motions Judge wrote that she had "no idea whether it has a large staff and a complex computer system . . . (or) a small staff and limited computer capacity". There was, in fact, testimony that CSC had many databases, 1200 workers and many researchers. There was on the record an abundance of information regarding CSC's computer and human resources. Nor did the evidence support the Motion Judge's comment that she had been given no indication as to whether any important or urgent matters were being researched. Rather than examining all the evidence presented, the Motions Judge was extremely selective in the evidence she considered. In addition, the Judge placed too high a burden upon appellants to justify their refusal. The Supreme Court judgment in *Reza v. Canada* was authority for the proposition that, where a motions judge has failed to give sufficient weight to all relevant considerations, an appellate

fédérale. Ainsi, selon l'article 3 du Règlement, la préparation d'un document qui n'existe pas comme tel n'est pas obligatoire lorsque cette préparation entraverait de façon sérieuse le fonctionnement de l'institution concernée. Le juge des requêtes avait ordonné aux appelants de communiquer à l'intimé un exemplaire des données et un cahier de codes parce que, selon elle, ils n'avaient pas prouvé que la demande entraverait de façon sérieuse leur fonctionnement. En concluant de la sorte, le juge des requêtes ignorait d'importants éléments de preuve présents dans le dossier. Au vu de la preuve, le juge des requêtes se devait de conclure que faire droit à la demande de l'intimé constituerait une entrave sérieuse au fonctionnement des appelants. Plus précisément, le juge des requêtes avait écrit qu'elle «ignorait si la Direction générale de la recherche du SCC compte un personnel important ou si elle dispose d'un système informatique complexe. . . ou encore si elle travaille avec un personnel et une capacité informatique limitée». Il y avait en réalité des témoignages attestant que le SCC avait de nombreuses bases de données, 1 200 employés et de nombreux chercheurs. Un examen minutieux du dossier révélait qu'il existait en réalité une foule d'informations sur les ressources informatiques et humaines du SCC. La preuve n'autorisait pas non plus l'observation du juge des requêtes selon laquelle on ne lui avait pas fourni d'indices permettant de savoir si des recherches sur des questions importantes ou urgentes étaient menées. Au lieu de passer en revue toute la preuve produite, le juge des requêtes a été extrêmement sélective dans la preuve dont elle a tenu compte. Le juge des requêtes a également

court is entitled to intervene.

exagéré l'obligation qu'avaient les appelants de justifier leur refus. Selon l'arrêt rendu par la Cour suprême dans l'affaire *Reza c. Canada*, lorsqu'un juge des requêtes n'a pas accordé un poids suffisant à tous les facteurs pertinents, une juridiction d'appel est fondée à intervenir.

Appellants failed in their attempt to distinguish between the data and the code book: the difference between the two was merely one of degree. Production of a code book would require somewhat more time and effort, but would nevertheless be prepared "from" the underlying machine readable record. This greater effort does, of course, impact upon the issue of unreasonable interference with the appellants' operations. Again, the evidence did demonstrate that producing a code book would unreasonably interfere with appellants' operations.

Les appelants n'ont pas réussi à faire une distinction entre les données et le cahier de codes: la différence entre les deux est simplement une différence de degré. La préparation d'un cahier de codes nécessiterait un investissement un peu plus élevé en temps et en travail, mais se ferait néanmoins «à partir» d'un document informatisé. Ce surcroît de temps et de travail influe naturellement sur la question de savoir si cela entravera de façon sérieuse le fonctionnement des appelants. Encore une fois, la preuve montrait que la préparation d'un cahier de codes entraverait de façon sérieuse le fonctionnement des appelants.

As for the cross-appeal, respondent's argument was that the Motions Judge erred in assuming he had to have the software in p.c. useable format. That submission was not without merit and the essential question was as to whether the mainframe computer software is an existing "record" within Act, section 3. The Motions Judge did not err in concluding that the software was not a "record". Software is used to generate, view or edit a record; it is not a record itself software is not analogous to any of the items listed in section 3. Furthermore, the software is not "under the control of a government institution"--it is under an external developer's control, appellants

Quant à l'appel incident, l'argument de l'intimé était que le juge des requêtes avait présumé à tort qu'il voulait nécessairement le logiciel en une forme pouvant être utilisée sur un ordinateur personnel. Cet argument de l'intimé n'était pas sans fondement, et la question essentielle était de savoir si le logiciel adapté à un ordinateur central constitue un «document» existant au sens de l'article 3 de la Loi. Le juge des requêtes n'a pas erré lorsqu'elle a conclu que le logiciel n'était pas un «document». Un logiciel est un élément utilisé pour générer, visionner ou corriger un document, par opposition au document lui-même. Le logiciel n'est pas apparenté à l'un quelconque des éléments énumérés dans l'article 3. Par

being mere licensees.

As held by the Motions Judge, there was here no infringement of respondent's Charter right to freedom of expression.

Turning to the matter of costs, the Motions Judge made no order as to costs, in that "success was evenly divided". The appeal and cross-appeal, however, required this Court to, for the first time, consider Act, subsection 4(3) and Regulations, section 3. Under section 53 of the Act, the Court may award costs to applicant, even if unsuccessful, if of opinion that the review application has raised an important new principle in relation to the Act. The issues raised herein do involve important new principles and respondent should be awarded his costs throughout on a party-and-party basis.

Per Malone J.A. (dissenting in part): A lump sum award under subsection 400(4) of the *Federal Court Rules, 1998* would best reflect Parliament's intention that respondent be awarded his reasonable costs rather than party-and-party costs under the Tariff. A lump sum of \$20,000 should be here awarded.

ailleurs, le logiciel ne «relève pas d'une institution fédérale». Il relève du concepteur externe, les appelants étant de simples licenciés.

Comme l'a indiqué le juge des requêtes, il n'y a pas eu ici négation du droit fondamental de l'intimé à la liberté d'expression.

Passant à la question des dépens, le juge des requêtes n'a pas adjugé de dépens, «chacune des parties ayant obtenu gain de cause dans la même mesure». Toutefois, l'appel et l'appel incident obligeaient la Cour, pour la première fois, à considérer le paragraphe 4(3) de la Loi et l'article 3 du Règlement. Selon l'article 53 de la Loi, la Cour peut accorder les dépens à l'auteur du recours, même s'il a été débouté, dans la mesure où la Cour est d'avis que la demande de contrôle a soulevé un principe important et nouveau se rapportant à la Loi. Les points soulevés en l'espèce font effectivement intervenir un principe important et nouveau, et l'intimé devrait avoir droit à ses dépens partie-partie, dans la présente instance et dans les instances inférieures.

Le juge Malone, J.C.A. (dissidence partielle): Une somme forfaitaire adjugée selon la règle 400(4) des *Règles de la Cour fédérale (1998)* rendrait mieux compte de l'intention véritable du législateur, et l'intimé devrait obtenir ses dépens raisonnables plutôt que la somme qui résulterait de l'adjudication de dépens entre parties selon le tarif. Une somme forfaitaire de 20 000 \$ devrait ici être accordée.

