

**COMPILATION PRÉLIMINAIRE DES DÉCISIONS RENDUES AU CANADA EN 1999 EN
MATIÈRE DE DROIT D'AUTEUR
A COMPILATION OF THE DECISIONS RENDERED IN CANADA WITH RESPECT TO
COPYRIGHT IN 1999**

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01 Adobe Systems Incorporated v KLJ Computer Solutions Incorporated (1999), (1999) FCJ 649, (1999) 3 FC 621, 1 CPR (4th) 177, 166 FTR 184 (FCTD – Anton Piller), Richard J.

FAITS

Il s'agit d'une requête pour que soit réexaminé le bien-fondé d'une ordonnance *ex parte* Anton Piller, conformément à ladite ordonnance, et qu'elle soit annulée, et pour que soient octroyés des dommages-intérêts et les dépens sur une base avocat-client. Les demanderessees détiennent des droits d'auteur sur une grande variété de programmes informatiques qu'utilisent des entreprises du monde entier. La présente requête est présentée au nom de McArthur Thompson, une petite entreprise respectée qui s'occupe de publicité et de relations publiques. En décembre 1997, les demanderessees ont demandé une injonction provisoire empêchant les défenderesses de porter atteinte aux droits d'auteur des demanderessees sur leurs programmes informatiques et une ordonnance Anton Piller portant sur les locaux commerciaux des défenderesses, dans lesquels se trouvaient des copies non autorisées de programmes informatiques, ainsi que des preuves stockées sur des ordinateurs ou des équipements informatiques. Pour obtenir l'ordonnance, les demanderessees s'étaient reposées sur un affidavit attesté sous serment par un informateur, Andrew G. Younger, ainsi que sur d'autres affidavits. En exécutant l'ordonnance, des représentants des demanderessees ont cherché des documents pouvant se rapporter à la violation des droits d'auteur des demanderessees, n'emportant que des photocopies. Ils ont aussi exécuté un programme de vérification informatique sur chacun des ordinateurs qui se trouvaient dans les locaux des défenderesses afin de préparer un enregistrement des programmes informatiques se trouvant sur chaque ordinateur et de stocker cet enregistrement sur une disquette qu'ils ont ensuite emportée. McArthur Thompson a admis plus tard qu'à la suite de l'exécution de l'ordonnance Anton Piller, elle a acheté des licences se rapportant aux copies des logiciels des demanderessees qu'elle souhaitait utiliser, et que toutes les autres copies non autorisées de logiciels ont été supprimées de ses ordinateurs, malgré l'existence d'une ordonnance judiciaire lui interdisant de le faire.

La requérante affirme que l'ordonnance Anton Piller est nulle de nullité absolue étant donné que les trois conditions essentielles pour qu'une ordonnance de ce genre puisse être rendue n'ont pas été remplies; les demanderessees n'ont pas fait une divulgation fidèle et complète de tous les faits importants concernant la requête (c'est-à-dire la réputation et l'intégrité de la défenderesse) et ne se sont pas enquis de la crédibilité de leur unique informateur, qui, a-t-on appris, prenait des médicaments pour un trouble mental au moment où il a signé l'affidavit. Les demanderessees affirment que le piratage de logiciels est un problème de taille pour elles. Environ 42 % de toutes les copies de logiciels d'ordinateur au Canada sont faites sans autorisation. Cette piraterie est préjudiciable aux titulaires de droits d'auteur et aux consommateurs. Il s'agit de savoir si, au vu de l'ensemble des preuves et des arguments présentés par les parties, l'ordonnance demandée est justifiée.

DÉCISION

Jugement: la requête doit être rejetée.

L'ordonnance Anton Piller vise à conserver un bien à l'égard duquel il existe de forts éléments de preuve *prima facie* établissant qu'il s'agit d'articles enfreignant le droit d'auteur, la marque de commerce ou d'autres droits du demandeur. Elle est rendue *ex parte*, si bien que le défendeur doit ignorer qu'une demande a été déposée ou que l'injonction a été rendue, de sorte qu'il n'aura pas l'occasion de détruire les documents pertinents ou de s'en débarrasser.

Trois conditions essentielles doivent être remplies pour qu'une ordonnance Anton Piller puisse être rendue: 1) il faut un commencement de preuve très solide; 2) le préjudice réel ou possible doit être

très grave; 3) il faut la preuve manifeste que les défendeurs ont en leur possession des documents ou des objets pouvant servir de pièces à conviction et qu'il est réellement possible qu'ils détruisent ces pièces avant que puisse être introduite une demande *inter partes*. Les deux premières conditions sont normalement remplies par la preuve du titre sur les droits de propriété intellectuelle et la preuve manifeste d'une contrefaçon. La troisième condition, savoir la probabilité qu'un contrefacteur élimine les éléments de preuve importants, est en général l'élément crucial des preuves requises pour qu'une ordonnance Anton Piller soit rendue. Comme il est difficile de démontrer concrètement qu'un contrefacteur éliminera des preuves importantes, les requérants font porter leur attention sur la déloyauté du contrefacteur et sur la facilité d'élimination des articles contrefaits pour inviter la Cour à présumer que les éléments de preuve disparaîtront si avis est donné. La Cour s'est montrée disposée à tirer une telle conclusion dans des cas se rapportant à des fournisseurs de marchandises contrefaites qui opéraient sur des marchés aux puces, dans des éventaires ou dans des concerts, étant donné la nature temporaire des activités de ces fournisseurs.

Il ne s'agit pas ici d'un appel contre la décision rendue par le juge qui a rendu l'ordonnance Anton Piller, mais d'un examen *de novo*. Le juge qui effectue cet examen peut tenir compte des preuves additionnelles valablement présentées par les demanderesses au soutien de l'ordonnance.

La preuve qui découle des admissions et des déclarations obtenues de témoins de la requérante et apparaissant dans des affidavits déposés à l'appui de la présente requête, ainsi que de leur contre-interrogatoire sur lesdits affidavits, révèle qu'un nombre important de copies non autorisées des programmes des demanderesses étaient entre les mains de la requérante et étaient utilisées par elle. La preuve est donc suffisante pour attester l'existence d'un solide commencement de preuve des atteintes portées par la requérante aux droits de propriété intellectuelle des demanderesses. La preuve a en outre été faite par affidavit devant le juge qui a rendu l'ordonnance d'un préjudice grave possible pour les demanderesses sous la forme d'une perte pécuniaire directe causée par le piratage et d'un préjudice par l'exemple qu'il donne. A aussi été produite à l'audition de la présente requête la preuve d'un préjudice pécuniaire réel, qui prend la forme de droits de licence non payés. Les demanderesses ont donc rempli les deux premières conditions. Pour ce qui est de la preuve de la probabilité d'une destruction, les demanderesses n'ont pas fait une enquête suffisamment approfondie sur d'autres faits avant d'obtenir l'ordonnance, pour que soit remplie la troisième condition préalable à l'octroi d'une ordonnance Anton Piller. Elles n'ont pas cherché à s'enquérir davantage de la crédibilité de leur unique informateur et n'ont pas cherché à s'enquérir davantage de la réputation commerciale de la requérante. Bien que des investigations complémentaires auraient établi que la requérante jouissait d'une bonne renommée, ces faits additionnels ne justifient pas, eu égard à l'ensemble de la preuve, l'annulation de l'ordonnance. Nonobstant sa réputation de société commerciale responsable, et nonobstant la réputation de ses dirigeants, la requérante avait en sa possession une quantité importante de logiciels qui avaient été copiés en violation des droits des demanderesses, et la requérante a effacé des éléments de preuve, malgré l'interdiction contenue dans l'ordonnance Anton Piller. On ne saurait prétendre postérieurement qu'une ordonnance de type Anton Piller conservant la preuve devrait être refusée aux demanderesses quand cette preuve a en réalité été détruite. Les demanderesses ont rempli la troisième condition.

McArthur Thompson demande réparation pour une journée qui, selon elle, fut une perte sèche pour la firme, si préoccupée qu'elle était par ce qui arrivait qu'aucun travail réel ne fut fait, réparation pour le temps passé à répondre aux allégations de l'informateur, et réparation pour l'atteinte à sa réputation. La journée en question n'a en fait pas été une perte sèche, puisque des travaux ont été effectués et facturés aux clients. Le temps réclamé représente le temps passé par McArthur Thompson à planifier et à préparer son argumentation juridique. Il ne s'agit pas d'un préjudice découlant de l'exécution de l'ordonnance Anton Piller. Il n'a pas été prouvé que la

délivrance de l'ordonnance a entraîné un dommage à sa réputation. La requérante n'a pas droit non plus à des dommages-intérêts exemplaires, puisque les demanderessees ne sont pas coupables de conduite abusive.

Comme McArthur Thompson n'a pas établi que l'ordonnance a été obtenue dans un dessein illicite, la requérante n'a pas droit à ses dépens sur une base avocat-client. Eu égard aux circonstances, chacune des parties supportera ses propres dépens découlant de cette requête.

FAITS

This was a motion to review the issuance of and to set aside an *ex parte* Anton Piller order pursuant to the terms of the order, and for damages and solicitor-client costs. The plaintiffs own copyright in a wide variety of computer programs used in businesses worldwide. The present motion was brought on behalf of McArthur Thompson, a small, respected advertising and public relations firm. In December 1997 the plaintiffs sought an interim injunction restraining the defendants from infringing the plaintiffs' copyrights in their computer programs, and an Anton Piller order with respect to the business premises of the defendants, in which unauthorized copies of computer programs and evidence located on computer or computer-related equipment was allegedly located. The plaintiffs relied on an affidavit sworn by an informant, Andrew G. Younger, as well as other affidavits, to obtain the order. In executing the order, the plaintiffs' representatives searched for and removed photocopies only of documents which might concern infringement of the plaintiffs' copyrights. As well, those representatives ran a computer audit program on each of the computers found in the defendants' premises to prepare a record of computer programs found on each computer, which was stored on a floppy disk prior to removal by the search team. McArthur Thompson later admitted that subsequent to the execution of the Anton Piller order, it purchased licences for copies of the plaintiffs' software it wished to use and deleted all unlicensed copies of software from their computers, despite the Court order prohibiting such conduct.

The moving party submitted that the order was void *ab initio* for failing to meet the three conditions precedent of an Anton Piller order; the plaintiffs failed to make a full and frank disclosure of facts material to the motion (i.e. as to the business reputation and integrity of the defendant); and failed to make sufficient inquiries into the credibility of the sole informant who, it turned out, was on medication for a psychiatric disorder when he signed the affidavit. Plaintiffs made submissions as to the significant problems caused by software piracy. It was said that 42% of all copies of computer software in Canada are unauthorized. Consumers as well as copyright owners are harmed by this softlifting. The issue was whether, on all the evidence and argument adduced by the parties, the order sought was appropriate.

DÉCISION

Held, the motion should be dismissed.

The purpose of an Anton Piller order is to preserve property where there is strong *prima facie* evidence that it infringes the plaintiff's copyright, trade-mark or other rights. The order is obtained *ex parte* so that the defendant will not have advance knowledge of the application or order and so have the opportunity of destroying or disposing of relevant materials or documents.

There are three essential conditions for the making of an Anton Piller order: (1) an extremely strong *prima facie* case; (2) very serious actual or potential damage; and (3) clear evidence that the defendants have in their possession incriminating documents or things, and that there is a real possibility that they may destroy such material before any application *inter partes* can be made. The first two conditions are normally satisfied through proof of title to intellectual property rights and

clear evidence of infringement. The third condition, likelihood that an infringer will dispose of important evidence, is normally the crucial element of proof required to obtain an Anton Piller order. As it is difficult to prove with tangible evidence that an infringer will dispose of important evidence, applicants have focused on the dishonest character of the infringer and the easily disposable nature of the infringing articles to invite the Court to draw an inference that evidence will disappear if notice is given. The Court has been prepared to draw such an inference in cases involving vendors of counterfeit goods in situations such as flea markets, street stalls or concerts, given the temporary nature of their business.

This was not an appeal from the decision made by the judge who granted the Anton Piller order, but an examination *de novo*. The reviewing judge was entitled to consider any additional evidence properly introduced by the plaintiffs to support the order.

The evidence, flowing from admissions and the statements obtained from witnesses for the moving party in affidavits filed in support of this motion and cross-examination thereon, established that a significant number of unlicensed copies of the plaintiffs' programs were in the possession of and used by the moving party. Therefore there was sufficient evidence to establish a strong *prima facie* case of infringement by the moving party of the intellectual property rights held by the plaintiffs. There was also affidavit evidence of potential serious damage to the plaintiffs in the form of lost revenue and damage caused by example before the judge who granted the order. In addition, there was, on the present motion, evidence of actual monetary damage in the form of unpaid licence fees. Therefore the plaintiffs satisfied the first two conditions. As to evidence of likelihood of destruction, the plaintiffs did not make sufficient inquiries of additional facts, before obtaining the order, in order to establish the existence of the third condition for the granting of an Anton Piller order. They did not further inquire into the credibility of their sole informant and did not inquire into the business reputation of the moving party. Although further inquiries would have established that the moving party did enjoy a good reputation, on the basis of all the evidence, such additional facts did not justify setting aside the order. Notwithstanding its reputation as a good corporate citizen and the good reputation of its principals, the moving party had a significant amount of software which had been copied in breach of the rights of the plaintiffs and had erased evidence notwithstanding the prohibition in the Anton Piller order. It could not later be argued that the plaintiffs should be denied an Anton Piller type order preserving evidence when that evidence was in fact destroyed. The plaintiffs had satisfied the third condition.

McArthur Thompson sought damages to compensate it for a day which it claimed was a write-off for the firm since it was so preoccupied with what was happening that no effective work was done, for time spent in responding to the informant's allegations, and for damage to its reputation. The day was not in fact a write-off as work was completed and billed to clients. The time claimed represented McArthur Thompson's internal time spent planning and preparing legal submissions, and were not damages flowing from the execution of the Anton Piller order. There was no evidence of any damage to reputation as a result of the issuance of the order. Nor was the moving party entitled to punitive damages, plaintiffs not being guilty of any improper conduct.

As McArthur Thompson failed to establish that the order had been obtained for an improper purpose, the moving party was not entitled to costs on a solicitor-client basis. In the circumstances, each party should bear its own costs of this motion.

02 *Angoss International Ltd. v. Canada*
(1999), (1999) TCJ 87 (TCC), Bowman J.

FAITS

(1) The issue in this appeal is whether a payment made in 1992 by the appellant, a resident of Canada, of \$150,000 US (\$184,070 CND) to Informix Software Inc. ("Informix") a resident of the United States, is subject to non-resident withholding tax under Part XIII of the Income Tax Act. The Minister of National Revenue assessed withholding tax on the basis that the payment was subject to withholding tax under subparagraph 212(1)(d)(i) of the Act.

(3) The relevant portions of section 212 of the Act read as follows:

212.(1) Every non-resident person shall pay an income tax of 25% on every amount that a person resident in Canada pays or credits, or is deemed by Part I to pay or credit, to the non-resident person as, on account or in lieu of payment of, or in satisfaction of,
RENTS, ROYALTIES, ETC (...)

(d) rent, royalty or similar payment, including, but not so as to restrict the generality of the foregoing, any payment (...)
but not including

(vi) a royalty or similar payment on or in respect of a copyright in respect of the production or reproduction of any literary, dramatic, musical or artistic work.

DÉCISION

(21) It is clear beyond any doubt that copyright subsists in a source code computer program. This was true even before the amendment to the Copyright Act, which defined "literary work" to include computer programs. (...)

(23) It follows therefore that a computer source code is a literary work in respect of which copyright subsists. It is equally clear that the payment was for the right to use or reproduce the source code and was therefore "on or in respect of a copyright in respect of the production or reproduction of any literary, ... work."

(24) In the result, the payment is exempt from withholding tax under subparagraph 212(1)(d)(vi) of the Act.

03 *Association des journalistes indépendants du Québec (AJI-CSN) v Cedrom-SNI* (1999), (1999) JQ 4609 (QueSupCt-Evidence), Duval Hesler J. ; appeal dismissed

FAITS

(1) L'Association, dont le membre désigné est André Bélanger, demande l'autorisation d'intenter un recours collectif en violation de droits d'auteur, injonction permanente et dommages-intérêts. Alléguant des craintes de représailles économiques, l'Association soulève un moyen préliminaire pour être dispensée de divulguer le nom des membres connus du groupe jusqu'au jugement autorisant le recours collectif, le cas échéant. Les intimées soutiennent que cette demande enfreint le principe du caractère public de la justice. C'est là la seule question que le tribunal est appelé à trancher.

(2) La requérante souhaite intenter un recours collectif au nom des journalistes pigistes qui écrivent des articles pour le compte des journaux intimés. Il semblerait que les journalistes qui sont des employés de ces journaux reçoivent une compensation pour la distribution électronique de leurs collaborations, alors que les pigistes n'en reçoivent aucune. Les pigistes verraient leurs articles reproduits sur Internet par CEDROM-SNI sans avoir autorisé cette publication et sans recevoir de droits d'auteur. De plus, ils n'oseraient revendiquer personnellement leurs droits de crainte de représailles économiques de la part des intimées.

DÉCISION

(6) Les intimées plaident que la demande de la requérante contrevient au principe du caractère public de la justice. Elles se réclament du droit de connaître leur adversaire et soutiennent ne pouvoir plaider en toute connaissance de cause sans savoir contre qui elles plaident. De plus, elles soutiennent qu'elles ne pourront, sans la liste des membres connus du groupe, tester la preuve de la requérante, tant sur la représentativité que sur le lien de droit entre les intimées et les membres du groupe. En outre, elles tiennent à vérifier "l'aval que le représentant a pu recevoir des membres avant même d'intenter un tel recours." Les intimées, ou du moins certaines d'entre elles, affirment avoir le droit de savoir si le représentant a reçu un mandat des membres du groupe ainsi que le droit de jauger l'exhaustivité de son enquête. Leur interprétation des dispositions pertinentes du Code de procédure civile est qu'il leur est permis de s'enquérir personnellement auprès des membres, non seulement de leur approbation ou désapprobation du recours collectif que cherche à intenter la requérante, mais aussi de questions touchant le mérite de leur réclamation individuelle, comme l'aspect de la prescription, par exemple.

(para8) La règle de pratique 58 c), comme déjà mentionné, requiert la production d'une liste des membres connus du groupe vise par la requête pour autorisation d'exercer un recours collectif. Cette exigence ne se retrouve pas au Code de procédure civile lui-même.

DISPENSE la requérante de l'obligation de se conformer à la règle 58 c) des règles de pratique de la Cour supérieure en matière civile jusqu'à nouvel ordre.

04 *Balanyk v University of Toronto*
 (1999), (1999) OJ 2162, **4 CPR (4th) 300**, (1999) OTC TBE JN105 (Ont Sup Ct), Cameron J.

FAITS

The plaintiff, while doing post-graduate work at the defendant university, co-invented a dental varnish, which he assigned to the defendant foundation, the university's licensing arm. The invention was licensed to the defendant licensee and defendant sub-licensee and sold under the name Chlorzoin. The plaintiff alleged that the assignment was void for duress such that the defendant sub-licensee's rights were non-existent and breaches of the licence and sub-licence contracts to which he was not a party, breach of fiduciary duty or trust and numerous torts, including fraud, because he did not receive publicity as co-inventor, royalties and the opportunity to participate in the development and research of Chlorzoin. The statement of claim was 76 pages long containing 206 paragraphs. The defendants brought a motion to strike out all or portions of the statement of claim and to dismiss the action.

DÉCISION

Held, the motion should be granted in part, striking out all claims except injurious falsehood.

The test to be applied in a motion to strike out a statement of claim is whether, assuming the facts pleaded are true, it is plain and obvious that the plaintiff's statement of claim discloses no reasonable cause of action. Only if the action is certain to fail because the pleading contains a radical defect should the relevant portions be struck out. If a pleading has some chance of success, it should remain. The purpose of pleadings is to define, clearly and precisely, the questions in controversy between the litigants, give fair notice of the precise case that is required to be met and the precise remedies sought and assist the court in its investigations of the truth of the allegations made. The plaintiff must plead all the material facts on which it relies and all of the facts which it must prove to establish a cause of action that is legally complete. If any fact material to the establishment of a cause of action is omitted, the statement of claim is bad, and the remedy is a motion to strike the pleadings, not a motion for particulars. If the plaintiff does not, at the time of pleading, have knowledge of the facts necessary to support the cause of action, then it is inappropriate to make allegations in the statement of claim. It is improper to allow conclusions to be pleaded baldly and without any supporting facts.

Incorporation by reference

Pleadings based on "facts as particularized beforehand" cannot oust the paramountcy of rule 25.06 of Rules of Civil Procedure, R.R.O. 1990, Reg. 194, and the applicable case law requiring clarity and precision to achieve the purposes of pleading.

Breach of Contract

A person who is not a party to a contract cannot, subject to some limited exceptions, enforce the contract. The limited exceptions, such as intention to create a trust (page303) for the claimant beneficiary, agency and collateral contract were not pleaded and the claims based in contract were struck.

Liability of Officers, Directors and Employees

Pleadings that the individual defendants "individually and jointly, have ordered, directed, authorized and condoned each and all of the tortious activities of (the corporate defendant)" were struck. Corporations can only act through their directors, officers, employees and other agents. These individuals could not be held civilly liable for the actions of their corporations unless there was some conduct of the individual that was either tortious in itself or exhibited a separate identity of interest from that of the corporation. It was improper to plead against a number of individual defendants as a group in the hope some liability might attach to one or more of them.

Misrepresentation

The tort of misrepresentation requires that the following elements be pleaded and proved: (1) there must be a duty of care based on a "special relationship" between the representor and the representee; (2) the representation in question must be untrue, inaccurate or misleading; (3) the representor must have acted intentionally or negligently in making the misrepresentation; (4) the representee must have relied, in a reasonable manner, on the misrepresentation; and (5) the reliance must have been detrimental to the representee in the sense that damages resulted to the representee from the representation. The pleading that the individual defendants were liable for negligent misrepresentation by failing to state in publications to third parties that the plaintiff was a co-inventor was deficient. The pleading lacked the particularity required for pleading misrepresentation under rule 25.08 because there was no pleading that the plaintiff was the representee, that it was intended he should rely on the representation, that he relied on it to his detriment and that, as a result, he suffered damage.

Conspiracy

The statement of claim in an action for conspiracy should describe concisely the material facts respecting the following:

(a) the specific parties to the conspiracy and their relation to each other; (b) the agreement between the defendant and one or more others; (c) the precise purpose or objects of the conspiracy; (d) the overt acts alleged to have been done in pursuance or furtherance of the conspiracy by each of the alleged conspirators; and (e) the injury and special damage occasioned to the plaintiff by reason of the conspiracy. The pleading that the defendants have conspired against the

plaintiff by allowing patent applications to proceed that should have been obtained in the plaintiff's name were struck. The pleading did not describe particulars of the agreements and the parties, the overt act or acts in furtherance of the conspiracy and the injury and special damage caused by the conspiracy. It was not sufficient to allege that the particulars were solely within the knowledge of the defendants.

Breach of Fiduciary Duty

A fiduciary duty arises where (1) the fiduciary has scope for the exercise of some power or discretion; (2) the fiduciary can exercise that power or discretion so as to (page304) affect the beneficiary's legal or practical interests; and (3) the beneficiary is peculiarly vulnerable to or at the mercy of the fiduciary holding the discretion of power. The pleading of a breach of a fiduciary duty by the defendant licensees not to mismanage the marketing of Chlorzoin was struck as there was no claim for a declaration of such a fiduciary duty, nor any claim for an accounting or damages resulting from the breach of such fiduciary duty or for an injunction based thereon.

Unjust Enrichment

The elements of a claim for unjust enrichment are (1) an enrichment; (2) a corresponding deprivation; and (3) absence of a juristic reason for the enrichment. The pleading of unjust enrichment by the defendant licensees by improper marketing and suppression of scientific data and reports resulting in financial and reputational benefits was vague and lacking in particulars sufficient to enable the defendants to know the claims against them.

Passing Off, Misappropriation and Conversion

Three elements must be proved to establish the tort of passing off: (1) the existence of goodwill in the goods or services being supplied, by association with the identifying get-up, such as a brand name, trade description or features of labelling or packaging, which the public recognizes as distinctive; (2) misrepresentation by the defendant, intentional or otherwise, deceiving the public into believing that the goods or services offered by the

defendant are those of the plaintiff; (3) actual or potential damage to the plaintiff will likely result by reason of the erroneous belief engendered by the misrepresentation. In the absence of allegations of appropriation of the plaintiff's name or other unique "get-up" as the defendant's own, the pleading was struck.

Fraud and Fraudulent Misrepresentation

Fraud is a serious charge carrying with it the allegation of not only actionable wrong but also an allegation of moral turpitude. The allegation alone, if publicized, could severely and irremediably damage a defendant's reputation. In view of the absolute privilege enjoyed by pleadings, rule 25.06(8) requires that full particulars of the material facts alleged to constitute the claim be pleaded. The following elements must be proved to establish fraudulent misrepresentation: (1) the misrepresentations complained of were made by the defendants; (2) they were false in fact; (3) the defendant knew when making the statement that it was false or was recklessly uncaring whether it was true or false; and (4) the representations induced the plaintiff to act to his prejudice. The pleading contained bald allegations of fraud and therefore was struck.

Unlawful Interference with Economic Interests

The tort of unlawful interference with economic interests has the following elements: (a) the deliberate intent of the defendants to injure the claimant; (b) the means employed by the defendant were unlawful; and (c) economic loss to the plaintiff as a result of such intent and unlawful conduct. The plaintiff had pleaded the intent and loss of goodwill but the allegation of unlawful acts was vague and bald. (page305)

Food and Drugs Act

The pleading alleged that in the absence of supportive clinical evidence, the defendants made materially misleading and unsubstantiated claims prior to obtaining regulatory approval and violated s. 9(1) of the Food and Drugs Act, R.S.C. 1985, c. F-27. This section creates a criminal regulatory offence. The Act does not create a private right of action for violations of the Act. The claims were struck out for failure to disclose a cause of action.

Competition Act

The pleading alleged that the defendants made false representations to the public regarding the efficacy of Chlorzoin in breach of ss. 52(1)(a) and (b) and (3) of the Competition Act, R.S.C. 1985, c. C-34. The pleading did not give particulars of conduct sufficient, if proved, to constitute conduct prohibited by this statute. In order to advance such a civil claim, the plaintiff had to rely on s. 36 of that Act which required that the plaintiff suffered a loss or damages as a result of conduct contrary to Part VI of that Act. The plaintiff had not alleged any such loss or damages.

Trade-marks Act -- Unfair Competition

The plaintiff sought declarations and damages for unfair competition by the defendants for making false descriptions which were likely to mislead the public as to the proper indications for use of Chlorzoin contrary to s. 7(d) of the Trade-marks Act, R.S.C. 1985, c. T-13, and for business practices that were contrary to honest industrial or commercial usage in Canada contrary to s. 7(e) of the Trade-marks Act. The plaintiff also sought declarations and damages for misrepresentation in a prospectus and passing off the trade-mark CHLORZOIN THERAPY contrary to s. 7(c) of the Trade-marks Act. A claim relying on s. 7(e) of the Trade-marks Act is a nullity because that section has been declared ultra vires of Parliament. Section 7(c) is directed at prohibiting the substitution of "wares and services as and for those ordered or

requested" and requires the plaintiff to establish that (1) the get-up of its product has acquired a reputation; (2) the defendant's similar get-up has produced confusion in the minds of members of the public; and (3) the defendant has induced, or enabled others to pass off its formulations as those of the plaintiff. The claim failed as no facts were pleaded that the defendants had represented Chlorzoin as being associated with the plaintiff. Section 7(d) depends for its validity on being applied to subject matter coming within federal legislative authority. The plaintiff pleaded no facts in relation to these causes of action which took it out of the common law of deceit or misrepresentation, within the legislative authority of the provinces, into the legislative authority of Parliament, such as in respect of trade-marks.

Moral Rights

The plaintiff alleged that the defendants violated his common law moral rights to be credited as a co-inventor of the invention in promotional material and his moral rights pursuant to ss. 28.1 and 28.2 of the Copyright Act, R.S.C. 1985, c. C-42, to be associated by name as the author of various published works when used in promotional materials for Chlorzoin. Moral rights in a work covered by the (page306) Copyright Act exist solely because of that statute and do not arise at common law. There is not in the nature of an invention characteristics that would justify extending moral rights to it. The Patent Act, R.S.C. 1985, c. P-4, offers no protection for the integrity of a patent or the inventor's right to be associated with it. The statement of claim disclosed no reasonable cause of action in respect of moral rights.

Duty to Protect or Promote the Reputation of an Inventor

The plaintiff argued that assignees and licensees of inventions have a duty of care to protect the reputation of both the invention and the inventor and that breach of this duty constitutes a tort. The law of tort is not to be extended to encompass a positive duty to promote an individual's reputation. If the inventor has no rights to the invention except as provided by the Patent Act one should look to that Act for any duty and remedy.

Slander of Title

A cause of action based on slander of title requires four elements to be pleaded: (a) the defendants published words in disparagement of the plaintiff's property; (b) the words are false; (c) the words were published with actual malice; and (d) the plaintiff suffered special damage. The plaintiff had not identified any instance of words published in disparagement and failed to plead malice.

- 05 *Canadian Institute for Historical Microreproductions (Re)*
An **unreported** decision rendered by the Copyright Board on 1999031, docket 1999-UO/TI-4 (CB)

DÉCISION

1) La licence autorise la reproduction, sous forme d'imprimés, de microfiches ou de CD-ROM, des œuvres énumérées aux annexes de la requête du 15 février 1999 et de la correspondance subséquente (*i.e.*, 1152 œuvres). Le nombre total d'exemplaires de chaque œuvre ne peut dépasser 75. 2) La licence expire le 31 décembre 2001. 3) La licence est non exclusive et valide seulement au Canada. 4) L'Institut versera 10 ¢ par œuvre reproduite sous forme d'imprimés ou de microfiches et 15 ¢ par œuvre reproduite sur CD-ROM (multipliés par le nombre de copies produites dans chacun des cas) à toute personne qui établit, avant le 31 décembre 2006, qu'elle détient le droit d'auteur sur toute œuvre faisant l'objet de la présente licence.

DÉCISION

(1) The licence authorizes the reproduction, in print form, microfiches or CD-ROMs, of the works listed in the appendices to the February 15, 1999 application and subsequent correspondence (*i.e.*, 1152 works). The total number of copies of each work shall not exceed 75. (2) The licence expires on December 31, 2001. (3) The licence is non-exclusive and valid only in Canada. (4) The Institute shall pay 10¢ per work reproduced in print form or microfiche and 15¢ per work reproduced on CD-ROM (multiplied by the number of copies made in each case), to any person who establishes, before December 31, 2006, ownership of the copyright in a work covered by this licence.

06 *CCH Canadian Limited v The Law Society of Upper Canada* (1999), **REJB 99-15185**, (1999) FCJ 1647, (1999) FTR Uned NO060, **2 CPR (4th) 129**, 179 DLR (4th) 609 (FCTD), Gibson J.

FAITS

Le Barreau du Haut-Canada, dont l'un des principaux objectifs est de répandre les décisions judiciaires des tribunaux de l'Ontario, exploite la Grande bibliothèque de l'université Osgoode Hall à Toronto. La bibliothèque offre un service de photocopies aux membres de la profession juridique et de la magistrature. Dans le cadre de ces activités, des documents juridiques publiés par les maisons d'édition demanderesse ont été photocopiés ou mis en mémoire pour être télécopiés. Parmi ceux-ci figuraient des décisions judiciaires, des sommaires et des FAITS de décisions judiciaires, un recueil de textes législatifs annotés, un index analytique, un manuel et une monographie publiée à titre de chapitre dans un manuel. Par ailleurs, des photocopieurs sont mis à la disposition des usagers de la bibliothèque, un avis indiquant que cette dernière n'est pas responsable des violations de la Loi sur le droit d'auteur commises par les usagers.

Les demanderesse demandent au tribunal de déclarer qu'il existe un droit d'auteur sur les oeuvres précitées, qu'elles en sont titulaires et que le Barreau a violé leur droit d'auteur en reproduisant ces oeuvres, en les distribuant ou en les transmettant aux usagers, par voie de télécopieur, par courrier ou autrement. En outre, les demanderesse souhaitent obtenir une injonction interdisant au Barreau de reproduire, transmettre, distribuer ou vendre des copies de leurs oeuvres. Ce dernier soutient qu'une copie d'une oeuvre publiée par les demanderesse, si elle est faite à des fins de recherche, d'étude privée ou de compte rendu par un membre de la profession juridique ou de la magistrature, ou si elle est destinée à être remise au tribunal lors de procédures judiciaires, constitue une utilisation équitable de cette oeuvre et ne constitue pas une violation d'un quelconque droit d'auteur.

DÉCISION

L'action en jugement déclaratoire et en injonction permanente est accueillie en partie. La demande reconventionnelle est rejetée. Afin qu'une oeuvre soit protégée par la Loi sur le droit d'auteur, elle doit être originale. L'originalité d'une oeuvre résulte d'un travail de création, qui exige de son auteur un certain effort personnel, des connaissances, de l'habileté, du temps, de la réflexion, du jugement et de l'imagination. La publication de décisions judiciaires par les demanderesse, en raison d'ajouts éditoriaux tels que le sommaire, le titre courant, les mots clés, la jurisprudence et la doctrine citées ainsi que les références corrélatives, nécessite un effort, des connaissances et de l'habileté. Cependant, ces ajouts ne comportent pas les éléments de créativité et d'originalité nécessaires à la création d'un droit d'auteur. La situation est la même en ce qui concerne les sommaires, les FAITS de jugements et les index analytiques publiés par les demanderesse. Par contre, les demanderesse sont titulaires de droits d'auteur sur les manuel, monographie et recueil de textes législatifs annotés présentés en l'instance en raison de la créativité, de l'originalité et de l'ingéniosité dont leurs auteurs ont fait preuve.

Le droit d'auteur comporte le droit exclusif de reproduire la totalité ou une partie importante de l'oeuvre et, s'il s'agit d'une oeuvre littéraire comme en l'instance, de la communiquer au public par télécommunication. Le Barreau a violé les droits d'auteur des demanderesse en reproduisant, par photocopie ou par mise en mémoire aux fins de télécopie, une partie importante du manuel et de la monographie présentés en l'instance ainsi qu'en distribuant des copies de ces oeuvres par courrier, messenger, télécopie ou de main à main. Par ailleurs, les photocopies de ces oeuvres ont été mises en circulation de façon à porter préjudice au titulaire du droit d'auteur. En l'espèce, l'envoi de copies par télécopieur ne constitue pas une

violation des droits d'auteur : en effet, cet envoi ne peut être considéré comme une communication au public, car une seule personne est susceptible de le recevoir.

Le Barreau ne peut prétendre que l'intérêt public dans l'administration de la justice, le maintien de la rule of law et le droit à l'accès à la justice seraient brimés par la reconnaissance et la protection des droits d'auteur des demanderesse. En effet, les documents publiés par ces dernières ne constituent pas la seule source d'approvisionnement des décisions judiciaires. Par ailleurs, le Barreau peut obtenir une licence et payer certaines redevances aux demanderesse pour la reproduction de leurs oeuvres.

Les reproductions effectuées par le Barreau par l'entreprise du service de photocopies de la Grande bibliothèque ne constituent pas une utilisation équitable des oeuvres des demanderesse au sens de la Loi sur le droit d'auteur. L'exception d'utilisation équitable doit être interprétée de façon restrictive : en l'espèce, les copies ne sont pas effectuées directement par les personnes qui souhaitent les utiliser à des fins de recherche, d'étude privée, de critique ou de compte rendu. Par ailleurs, les récentes modifications apportées à la Loi sur le droit d'auteur confirment cette interprétation.

Il n'existe aucun obstacle au prononcé d'une ordonnance d'injonction; le Barreau n'est pas titulaire d'une licence implicite l'autorisant à reproduire les oeuvres des demanderesse, et ces dernières n'ont pas renoncé à exercer leurs recours. Cependant, il n'y a pas lieu d'émettre une ordonnance d'injonction en l'instance, la plupart des prétentions des demanderesse relatives aux droits d'auteur ayant été rejetées.

FAITS

The plaintiffs were publishers of law reports, law textbooks and other legal publications. In preparing law report series, the plaintiffs' editors-in-chief selected the reasons for decision of courts and tribunals for publication; editors external to the plaintiffs prepared headnotes, catchlines, lists of cases judicially noted and statements of proceedings and conclusions; and editors employed by the plaintiffs edited the texts of the reasons for decision adding parallel citations and other enhancements.

The defendant law society operated the Great Library as the primary library for its members. In 1954 the defendant commenced operating for its members a custom photocopy service to photocopy extracts of legal publications from the Great Library and, in 1988, first began providing copies by facsimile transmission. In 1996 the defendant adopted its Access to the Law Policy requiring library patrons to state the purpose for which the copies were required. Under that policy the defendant provided single copies for specific purposes identified to library staff. These purposes were limited to research, review, private study and criticism, as well as use in court, tribunal and government proceedings. The Access to the Law Policy reflected the policy followed by the defendant for many years, although compliance with the policy was more closely monitored after the Access to the Law Policy was adopted. The custom photocopy service was provided on a not-for-profit basis with a fee charged that was intended to cover the defendant's costs. In addition, for many years the defendant made free-standing photocopiers available on its premises for use by library patrons using coins and prepaid card.

In 1993, at the request of the plaintiffs, a member of the defendant law society asked the defendant to make copies of specific reported judicial decisions, a case summary, and an extract from a law textbook, for the purposes of gathering evidence to determine if any legal actions were to be taken against the defendant. In 1998, again at the request of the plaintiffs, a member of the defendant asked the defendant law society to make a copy of a

topical index, for the purpose of conducting legal research for a client. The defendant made the copies pursuant to its custom photocopy service and transmitted the copies to its members by mail, by hand, courier and facsimile transmission.

The plaintiffs claimed a declaration that copyright subsisted in the specific reported judicial decisions, headnotes, annotated statute, case summary, topical index, textbook and monograph at issue, that copyright in such works was owned by the respective plaintiffs and that the defendant had infringed copyright. The plaintiffs also sought a permanent injunction. The activities alleged to infringe copyright were the making of photocopies of the plaintiffs' works, making copies (page 131) for storage in the memory of facsimile machines, transmitting copies using facsimile machines, distributing copies by hand, mail, courier or facsimile machine, and selling copies.

The defendant entered counterclaims seeking declarations that the defendant did not infringe any copyright of the plaintiffs: (1) by the making of a single copy of judicial decisions and other legal materials published by the plaintiffs for the purpose of research, private study or review by a member of the defendant or for submission to a court, tribunal or in government proceedings; (2) where the copy was made by a member or employee of the defendant using a photocopy machine maintained by the defendant, or by the defendant at the request of the member; and (3) where the copy was delivered by hand or facsimile transmission for a charge intended to approximate the defendant's cost. The defendant also sought declarations that the defendant's activities: (1) constituted fair dealing, did not involve copying substantial parts of the plaintiffs' works, and were exempt from infringement as a matter of public policy; (2) that the plaintiffs had afforded the defendant implied licences to carry on its activities; and (3) that by reason of delay and acquiescence the plaintiffs were estopped from asserting that its activities constituted copyright infringement.

The three actions were tried together on common evidence regarding the policies and practices of one of the plaintiffs, with the decision to be determinative of all three actions.

DÉCISION

Held, a declaration should be granted that: (1) copyright subsists in the annotated statute, law textbook and monograph; (2) the respective plaintiffs were the owners of such copyright; and (3) copyright was infringed by making a photocopy of a substantial portion of the textbook and by distributing the copy by hand, mail or courier and by making a copy of the monograph and distributing the copy by facsimile, mail or courier; otherwise the plaintiffs' claims and the counterclaim should be dismissed.

Subsistence of Copyright

The Copyright Act, R.S.C. 1985, c. C-42, should be interpreted in light of its object and purpose, namely to benefit authors. It is, however, capable of having a substantially broader-based public benefit through the encouragement of the disclosure of works for the advancement of learning.

Copyright subsists in every original literary work, subject to the provisions of the Copyright Act. The concept of originality requires the expansion of the traditional criteria of originality of judgment, skill and labour to include a creative aspect. This creative aspect requires certain personal effort on the author's part together with knowledge, skill, time, reflection, judgment and imagination.

With respect to reported judicial decisions including headnotes and other enhancements added by publishers, the originality should be measured by a standard of intellect and creativity when determining whether copyright subsists. Although the preparation of the reported judicial decisions at issue involved (page132) extensive labour, skill and judgment, the process lacked the imagination or creative spark essential to a finding of originality. The same conclusion applied to the headnotes, case summary and topical case index at issue. On the other hand, the annotated statute, textbook and monograph at issue reflected the degree of originality, creativity and ingenuity for the subsistence of copyright.

The court addressed the remaining issues in the action on the assumption of the subsistence of copyright, other than that owned by the Crown or a judge.

Ownership of Copyright

The certificates of copyright obtained after the alleged infringements and within a few months of the trial, and the assignments placed in evidence, established that the respective plaintiffs were the owners of copyright in the works at issue.

Infringement of Copyright

The copying of the entire reported judicial decisions, headnotes, case summary and topical index was a substantial copying. The copying of the entire monograph which amounted to 13 per cent of the textbook, and 93 per cent of a textbook chapter which amounted to 21 per cent of the textbook also constituted substantial copying.

The defendant operated its custom photocopying service at a loss and without profit. The works at issue were not therefore "sold" within the meaning of s. 27(2)(a) of the Copyright Act. The photocopying of the works at issue and the distribution of the photocopies were, however, to such an extent as to affect prejudicially the owner of copyright within the meaning of s. 27(2)(b) of the Act. The storage of the copies in the memory of facsimile machines for subsequent distribution constituted possession of the copies for the purpose of sale or distribution. The transmissions of the copies by facsimile constituted communications of literary works by telecommunication. The transmissions by facsimile emanated from a single point, were intended to be received at a single point and were not capable of being received at multiple points. The communications were not, therefore, to the public.

Defence of Public Policy

The public interest in the due administration of justice, the maintenance of the rule of law and basic constitutional values would not be significantly impaired through recognition of the plaintiffs' copyright interests. The role of the defendant is not such as to enable it to override any of the plaintiffs' copyright interests in the works at issue. Recognizing copyright, particularly in reported judicial decisions, would not vest exclusive copyright in the plaintiffs, since it would not override any copyright in the original reasons.

There was no evidence that licences to carry out the custom photocopying service would not be reasonably available. A mechanism existed to ensure that copyright fees were just and reasonable.

Fair Dealing

The fair dealing exception should be strictly construed. The defendant's copying pursuant to its custom photocopy service was not done for the defendant's own use (page133) in

research, private study, criticism or review and was not, therefore, within the ambit of fair dealing notwithstanding the ultimate use by the requester of the copies. This interpretation was consistent with the recently enacted "library exception" amendments to the Copyright Act (s. 30.2).

The Canadian Charter of Rights and Freedoms

The defendant sought to invoke the Charter, not for the purposes of impugning the Copyright Act or a provision of the Act, but to persuade the court to refrain from granting permanent injunctive relief. The defendant did not, however, have standing to advance its submissions on the Charter. Standing to assert a Charter argument is not granted where there is another more effective means of addressing the issue. Charter issues would be more effectively addressed in a proceeding brought by a litigant claiming ineffective representation by counsel due to differential availability of legal resources in libraries throughout Ontario.

Free-standing Photocopiers

The defendant's counterclaim for a declaration with respect to the free-standing photocopiers was significantly impacted by the "library exception" recently enacted in the Copyright Act. Therefore, and in view of the limited evidence of actual use of the free-standing copiers, the issue was not considered further.

Injunctive Relief

As the greater part of the plaintiffs' claims were not successful, and the success achieved by the plaintiffs was of such a limited nature, it was not appropriate to exercise discretion to grant any form of injunctive relief against the defendant's custom photocopy service.

07 *Collection 45^e parallèle inc v. Lemieux*
(1999), **JE 99-2227** (CQ), Simard J.

FAITS

La demanderesse prétend qu'une photographie lui appartenant a été utilisée par la défenderesse Les meubles Barnabé (1983) inc. dans un feuillet publicitaire distribué dans le Grand Québec à plus de 160 000 exemplaires. En plus du remboursement des coûts de production, de conception et d'impression du document publicitaire (6 241 \$) de même que d'une partie de ses honoraires extrajudiciaires, elle réclame des indemnités à titre de dommages moraux et de dommages exemplaires. La demanderesse s'est désistée de son action contre le défendeur Lemieux.

DÉCISION

Il y a eu contrefaçon d'une photographie publicitaire sur laquelle la demanderesse détenait un droit d'auteur. Ce cliché constituait la pièce maîtresse de la publicité de la demanderesse et il a servi à vendre en exclusivité à des concurrents de la défenderesse le produit qui y est exhibé. La demanderesse a donc dû retirer cette publicité et refaire la page frontispice de son catalogue. Les frais engagés pour la tenue d'une séance de photographie et ceux relatifs à la conception d'un document publicitaire lui seront remboursés jusqu'à concurrence d'une somme de 3 000 \$. Elle aura également droit à 1 200 \$ pour le coût d'impression de 2 000 documents publicitaires. Compte tenu de l'importance de cette photographie dans la publicité de la demanderesse, et du fait que la défenderesse en a attribué la paternité à un concurrent de la demanderesse, celle-ci aura droit à une indemnité de 3 000 \$ à titre de dommages moraux. Comme cette contrefaçon s'est faite en toute connaissance de cause, une somme de 2 000 \$ sera accordée au titre de dommages exemplaires. Enfin, la demanderesse aura droit à 3 000 \$ pour ses honoraires extrajudiciaires, compte tenu des dispositions de l'article 34(2) de la *Loi sur le droit d'auteur*.

08 *Desmarais v Amylitho Inc*
(1999), (1999) A.Q. 96, **REJB 99-10116** (QueCt – CivDiv), Locas J.

FAITS

La défenderesse a fait publier une photographie de Rose « La Poune » Ouellette dans le journal *Allô Vedettes*. Cette photographie a été prise par le photographe Gabriel Desmarais, connu sous le nom de « Gaby ». La demanderesse, veuve de ce dernier, est détentrice des droits d'auteur relativement à ses oeuvres.

La demanderesse réclame des dommages-intérêts, prétendant que la photographie a été publiée sans autorisation et sans mention de son auteur. Elle allègue de plus qu'aucun droit d'auteur n'a été payé par la défenderesse pour la reproduction de la photographie dans le journal. La demanderesse demande enfin que les honoraires extrajudiciaires soient attribués à titre de dépens. La défenderesse soutient que les droits d'auteur de la photographie appartiennent à Rose Ouellette, cette dernière ayant possiblement commandé et payé la photographie. Subsidiairement, elle soutient qu'elle ne pouvait savoir que Gaby était l'auteur de la photographie.

DÉCISION

L'action en dommages-intérêts est accueillie en partie, et les dépens sont accordés sous la forme des honoraires extrajudiciaires d'avocat. L'ensemble de la preuve permet de conclure de façon prépondérante que les droits d'auteur sur la photo de Rose Ouellette ont toujours appartenu à Gaby. Par ailleurs, la défenderesse ne peut prétendre qu'il n'y avait aucun motif raisonnable de soupçonner que l'oeuvre faisait l'objet d'un droit d'auteur. En effet, comme le rédacteur en chef du journal avait déjà vu cette photographie auparavant, il aurait dû vérifier sa provenance. Une somme de 500 \$ est accordée à titre de dommages-intérêts, la photographie ne présentant plus beaucoup d'exclusivité. Le défaut d'autorisation préalable à la publication et l'absence d'identification de l'auteur de l'oeuvre ne sont pas des éléments pertinents à l'évaluation de la somme accordée à titre de droit d'auteur. Il n'y a pas lieu d'octroyer des dommages exemplaires ou de dommages moraux en vertu de la Loi sur le droit d'auteur (LDA). Le seul fait d'avoir coupé le bas de la photographie ne constitue pas une mutilation exécutée d'une manière préjudiciable à l'honneur ou à la réputation de l'auteur. Au surplus, la preuve ne révèle aucune mauvaise foi, malice ou négligence grossière. Par ailleurs, les droits d'auteur existant sur une photographie ont une valeur qui est souvent inférieure à 3 000 \$, et la division des petites créances n'a pas compétence pour entendre les réclamations en découlant. Limiter les dépens au seul tarif des frais judiciaires équivaudrait en pratique à nier le droit d'un auteur à toute redevance en le décourageant d'exercer ses recours. Il y a lieu d'accorder les honoraires d'avocat à titre de dépens, l'a. 34(3) LDA consacrant la discrétion du tribunal à cet égard. Les circonstances de l'espèce justifient une somme de 4 000 \$ à cet égard.

09 *Desmarais v Fides*
(1999), (1999) JQ 2071, JE 99-1424, **REJB 99-13189** (QueCt-GenDiv), Durand J.

FAITS

La demanderesse est la seule héritière de Gabriel Desmarais, artiste photographe de grand renom, connu sous le nom de Gaby. La défenderesse a édité un livre sur Jean-Louis Lévesque. La page couverture du volume représente une photo de Lévesque prise par Gaby en février 1961. La Fondation Jean-Louis Lévesque avait remis à l'auteur les photos personnelles de la famille pour illustrer la biographie et la couverture du livre. Au premier tirage, la défenderesse ne connaissait pas l'auteur de la photographie. Au second tirage, après une mise en demeure de la demanderesse, l'avant-propos citait le nom de l'auteur de la photographie.

La demanderesse prétend être seule détentrice des droits d'auteur relatifs aux clichés de son mari. Elle allègue que la photographie a été publiée sans son autorisation et qu'aucun crédit n'a été donné à Gaby. Elle réclame 2 000 \$ de droits d'auteur, 2 000 \$ de dommages punitifs et la condamnation aux dépens sur la base des honoraires avocat-client.

DÉCISION

L'action est rejetée. La photographie est une oeuvre au sens de la Loi sur le droit d'auteur (ci-après : LDA). Le titulaire du droit d'auteur peut être celui qui commande une photographie dont il veut en protéger l'image. Le sujet a toujours la titularité des droits d'auteur sur la photographie de son image, quitte à reconnaître au photographe sa paternité, et ce, d'une manière raisonnable. C'est ce qui a été fait dans le deuxième tirage. Les dommages moraux réclamés en vertu de la paternité ou de la propriété du cliché conservé par le photographe sont régis par le droit commun. En l'espèce, le droit d'auteur appartient à la succession de Lévesque ou à sa fondation. Le droit à la paternité de l'oeuvre appartient à la demanderesse, sous réserve ou compte tenu des usages raisonnables. La photo de Lévesque a été commandée et choisie par lui, et sa fille, qui représente la fondation qui subventionne la biographie, pouvait en demander la reproduction. La restriction de l'a. 14.1 LDA quant aux droits moraux s'applique. La défenderesse, aussitôt informée de la paternité de la photographie de couverture de l'oeuvre a immédiatement dévoilé le nom du créateur de la photo. L'intention de bonne foi de la défenderesse et de ses collaborateurs est sans équivoque et celle-ci a agi aussitôt qu'elle a pu le faire en respectant les usages raisonnables de l'a. 14.1 LDA. L'action est rejetée sans frais, vu que le droit à la paternité a été brimé en partie.

10 *Dessins Drummond Inc v 3223701 Canada Inc*
(1999), **REJB 99-10403**, JE 99-504 (QueSupCt-interlocutory Injunction), Plouffe J.

FAITS

La demanderesse oeuvrait dans le domaine de la conception de modèles de résidence. Quatre des modèles conçus par la demanderesse ont été publiés dans différents magazines spécialisés, chacune des pages pertinentes de ces magazines mentionnant que tous droits étaient réservés à la demanderesse. Les défendeurs, le Groupe Brigil Construction (ci-après : Brigil) et son président, Gilles Desjardins, ont tenté d'acquérir à prix réduit les quatre modèles de résidence appartenant à la demanderesse, mais cette dernière a refusé de négocier ses prix à la baisse. Lors d'une rencontre avec Desjardins, un représentant de la demanderesse a remarqué qu'une pochette de publicité de la défenderesse contenait les quatre modèles de résidence conçus par la demanderesse, et ce sans aucune mention de leur origine. Dans les mois qui ont suivi, les défendeurs ont fait publier dans plusieurs journaux des publicités de ces modèles de résidence, ce qui a incité la demanderesse à retenir les services d'un technologue d'expérience afin de comparer les modèles utilisés par les défendeurs à ses propres modèles. L'analyse a démontré que trois des quatre modèles étaient identiques à ceux de la demanderesse, et que le quatrième était une version appauvrie de l'autre.

La demanderesse demande l'émission d'une ordonnance d'injonction interlocutoire enjoignant aux demandeurs de s'abstenir de reproduire, d'utiliser, ou de remettre à leur clientèle ses modèles de résidence et de s'abstenir d'effectuer de la publicité à partir de ces derniers. Elle soutient que la vente des plans des modèles de résidence ne comportait pas la cession de ses droits d'auteur. Elle plaide que les défendeurs ont violé ses droits d'auteur et ont commis une contrefaçon en reproduisant ses plans dans les journaux. Les défendeurs prétendent que la mention de l'identité du créateur d'un modèle de résidence n'est pas nécessaire selon les us et coutumes du domaine de la construction. Ils plaident que les modèles de résidence de la demanderesse ne répondent pas au critère d'originalité exigé par la Loi sur le droit d'auteur (ci-après : la loi) et qu'ils ne constituent pas une œuvre architecturale au sens de la loi. Subsidiairement, ils plaident que le droit d'auteur de la demanderesse ne peut avoir été violé puisque trois des quatre modèles ont été achetés et que le quatrième est un modèle différent de celui de la demanderesse.

DÉCISION

La requête est accueillie. La preuve démontre que les technologues en architecture à l'emploi de la demanderesse ont effectivement conçu les modèles de résidence, et que ces modèles constituent une œuvre artistique originale au sens de la loi. De plus, les technologues ont tous signé une cession générale de leur droits d'auteur en faveur de la demanderesse. Cette dernière est donc titulaire des droits d'auteur sur les plans et les modèles de résidence, ces œuvres ayant été exécutées dans l'exercice d'un emploi. La vente des plans aux défendeurs ne constitue pas une cession des droits d'auteur de la demanderesse. En effet, cette dernière n'a pas cédé son droit d'auteur par licence ou autrement. De plus, le transfert du droit de propriété portant sur le corpus de l'œuvre n'entraîne pas le transfert du droit de diffuser l'œuvre. Par ailleurs, l'exception prévue à l'a. 64(2) de la loi ne s'applique pas en l'espèce, et ce, même si les plans et modèles de résidence ont été reproduits à plus de 50 exemplaires. En effet, ces dessins désignant les modèles et les plans de résidence ont été utilisés à l'une des fins prévues par la loi, soit comme des œuvres architecturales qui sont des bâtiments ou des modèles ou maquettes de bâtiment. En somme, les défendeurs ont violé les droits d'auteur de la demanderesse et ils ont commis une contrefaçon en reproduisant et en mettant en circulation ces œuvres tout en laissant croire qu'ils en étaient les auteurs. La demanderesse a démontré par une preuve *prima facie* sérieuse ou convaincante qu'elle a droit à l'émission d'une injonction interlocutoire. En l'espèce, l'existence de la contrefaçon suffit à établir un préjudice sérieux ou

irréparable. En effet, il y a appropriation par les défendeurs des efforts déployés et des sommes d'argent investies par la demanderesse pour la conception et la publicité de ses quatre modèles de résidence. Au surplus, il y a aggravation du préjudice puisque les défendeurs ont continué à publier les modèles de résidence de la demanderesse dans les journaux même après l'institution des procédures. D'autre part, le recours de la demanderesse n'est pas tardif, les délais s'expliquant par les circonstances en l'espèce. Il n'y a pas lieu de s'interroger sur le critère de la prépondérance des inconvénients puisque l'apparence de droit de la violation du droit d'auteur de la demanderesse est claire. De toute façon, la prépondérance des inconvénients favorise la demanderesse. Enfin, la violation du droit d'auteur de la demanderesse semble intentionnelle. La mise en cause de Desjardins semble ainsi justifiée, ce dernier sachant que les modèles utilisés appartenaient à la demanderesse.

11 *Diffusion YFB Inc v Disques Gamma (Québec) Inc*
(1999), JE 99-1139, **REJB 99-12456**, (1999) JQ 1458 (QueSupCt), Gomery J.

FAITS

En 1992 et en 1994, le mis en cause, l'artiste Éric Lapointe, a cédé ses droits d'auteur sur ses enregistrements à la maison de disques intimée. La requérante est une société qui produit et met en marché des enregistrements d'oeuvres musicales, dont notamment les enregistrements d'Éric Lapointe. En 1996, la requérante et l'intimée ont conclu un contrat de transaction relatif à la cession des droits d'auteur de Lapointe. Par ce contrat, les parties voulaient mettre fin au droit de l'intimée de recevoir sa quote-part des redevances payables sur la performance des oeuvres musicales présentes et futures de Lapointe, mais à la condition que certaines sommes stipulées au contrat soient préalablement payées à l'intimée. Jusqu'au « point de libération », toute cession de droit d'auteur contractée en faveur de l'intimée par les ententes de 1992 et 1994 devait rester en vigueur. En 1997, Lapointe a fait une faillite personnelle. En septembre 1998, Lapointe a signé une convention de services d'enregistrement conférant à la requérante le droit d'exploiter pendant cinq ans toutes ses oeuvres musicales. En décembre 1998, l'intimée a fait parvenir une mise en demeure à la requérante dans laquelle elle prétendait qu'aux termes du contrat de transaction signé en 1996, elle restait détentrice d'une quote-part des droits d'auteur de Lapointe sur certains enregistrements que la requérante venait de mettre en marché. Aussi, l'intimée demandait qu'une déclaration de répartition des droits d'auteur en question soit expédiée aux sociétés chargées de percevoir les redevances. La requérante demande au tribunal de décider, par jugement déclaratoire, que les droits de l'intimée ont été résiliés, immédiatement et définitivement par le contrat de transaction. À cet égard, elle prétend que la cession d'un droit d'auteur doit être constatée par un écrit, ce qui n'est pas le cas en l'espèce. Elle allègue également qu'il est impossible de céder un droit d'auteur sur une oeuvre musicale future. À titre subsidiaire, la requérante soutient que toute obligation pécuniaire de l'artiste a été éteinte par la faillite personnelle de Lapointe. Au contraire, par sa demande reconventionnelle, l'intimée demande au tribunal de déclarer qu'elle est encore cotitulaire des droits d'auteur dans les oeuvres reproduites sur l'un des phonogrammes de l'artiste.

DÉCISION

La requête de la requérante est rejetée et la demande reconventionnelle est accueillie.

Par le contrat de transaction, Lapointe a été libéré de son obligation de partager ses droits d'auteur avec l'intimée. Cette libération est conditionnelle à un événement futur et incertain, soit la réception par l'intimée de sommes d'argent, qui proviendront d'une source autre que le débiteur lui-même. Ainsi, les cessions de droits intervenues en 1992 et 1994 n'ont pas été résiliées avec effet immédiat par le contrat de transaction. L'assertion de la requérante selon laquelle la transaction ne constitue pas un écrit qui cède une partie du droit d'auteur appartenant à Lapointe est une fausse prémisse, puisque les cessions antérieures restent en vigueur jusqu'au point de libération. Quant à la cession de droit d'auteur sur une oeuvre future qui prend naissance subséquentement à la cession, aucune disposition dans la Loi sur le droit d'auteur ne permet de régler la question. En vertu de l'a. 1374 du Code civil du Québec, applicable en l'espèce, la cession du droit d'auteur d'une oeuvre future, c'est-à-dire d'une oeuvre qui n'a pas encore d'existence, devient légale et exécutoire dès que l'oeuvre existe. Enfin, l'intimée n'avait pas au moment de la faillite de Lapointe et n'a pas aujourd'hui une réclamation prouvable contre la faillite puisqu'au moment de sa faillite, Lapointe ne devait rien à l'intimée en vertu du contrat de transaction.

12 *Distribution exclusive DEP Ltée v Les Disques Gamma (Québec) Ltée* (1999), **(1999) J.Q. 1497** (QueSupCt), Gomery J.

FAITS

(1) Il s'agit d'une requête pour jugement déclaratoire. La requérante, une société qui fait la distribution de phonogrammes et de vidéogrammes, demande que le Tribunal déclare que l'intimée ne détient aucun droit d'auteur sur certaines oeuvres musicales enregistrées par l'artiste Eric Lapointe sur les phonogrammes "Les Boys" et "Les Boys II".

DÉCISION

(2) Cette requête est reliée à celle produite dans un autre dossier (C.S.M. 500-05-047570-997 Diffusion YFB Inc. c. Les Disques Gamma (Québec) Ltée et al) où on soulève les mêmes questions d'interprétation d'un contrat de transaction, et d'autres questions de droit.

(3) Pour les raisons explicitées dans l'autre dossier où jugement est rendu aujourd'hui, la demande de la partie requérante ne sera pas accueillie.

13 *Dynabec Information municipale inc v Mensys Business Solution Centre Ltd* (1999), **BE 99-1016** (Que Sup Ct), Taschereau J.; appeal 200-09-002719-992

DÉCISION

Invoquant la concurrence déloyale que lui ferait la défenderesse, qui aurait également usurpé ses marques de commerce, la demanderesse réclame la délivrance d'une injonction permanente ainsi que des dommages-intérêts. Or, la requête de la défenderesse en vertu de l'article 402 C.P., qui vise la production d'une convention d'utilisation de logiciels de gestion municipale de même que l'expertise des codes sources de ces logiciels, a trait à la partie de la réclamation de la demanderesse fondée sur les actes de la défenderesse à l'encontre de ses droits de propriété intellectuelle. De plus, la production de cette convention aurait pour effet d'établir que la demanderesse ne détient aucun droit d'auteur sur les logiciels de RDG faisant l'objet de cette convention. Quant à la demande d'expertise, elle démontrerait que les logiciels de la demanderesse ne sont qu'une adaptation de ceux de RDG, de sorte qu'ils ne constitueraient pas une œuvre originale AU SENS DE LA *Loi sur le droit d'auteur*. Cette convention et l'analyse des codes sources sont donc pertinentes au litige. D'autre part, même si les parties avaient stipulé sa confidentialité, la convention d'utilisation des logiciels est expirée depuis 1992 et le cocontractant de la demanderesse, RDG, a fait cession de ses biens en 1987. Les motifs d'ordre commercial qui justifiaient sa confidentialité n'existent donc plus.

- 14 *Éditions du Renouveau pédagogique (Re)*
An **unreported** decision rendered by the Copyright Board on 19990208, docket 1998-UO/TI-23 (CB)

DÉCISION

Non exclusive licence to reprint in no more than 10,000 copies of a textbook of a lino-engraving *Rose Latulipe* (1988) for \$165 to be paid to SODART

- 15 *Éditions du Renouveau pédagogique (Re)*
An **unreported** decision rendered by the Copyright Board on 19990107, docket 1998-UO/TI-19 (CB)

DÉCISION

Non exclusive licence to reprint in no more than 10,000 copies of a textbook of a painting *Rive nord du Lac supérieur* (1988) for \$108.10 to be paid to VIS-ART

16 *Electronic Rights Defence Committee ERDC v Southam Inc*
(1999), **(1999) JQ 349** (QueSupCt - Amendment), De Grandpré J.

FAITS

(1) La requérante veut amender sa requête en autorisation d'un recours collectif pour y ajouter trois intimées qui auraient, tout comme les deux intimées originales, illégalement reproduit des articles de journaux écrits par des membres de la requérante.

DÉCISION

(14) Dans ce cas-ci, l'addition de Infomart Dialog limited ne change en rien la nature de la procédure puisque cette compagnie semble être celle à laquelle il est fait mention dans plusieurs paragraphes de la requête originale. L'amendement n'est ni inutile, ni contraire aux intérêts de la justice.

(15) À ce stade-ci, le tribunal n'a pas à se prononcer sur l'éventuelle suffisance des allégués mais uniquement sur la question de savoir si l'amendement recherché serait contraire aux prescriptions de l'article 203 C.p.c.. Le tribunal estime que ce n'est pas le cas. L'amendement sera donc permis.

17 *Encaissement de chèque de Montréal ltée v Softwise inc* (1999), (1999) JQ 200, **JE 99-470** (QueSupCt), Grenier J.

FAITS

Alléguant qu'ils ont comploté dans le but de s'approprier ses droits d'auteur sur un logiciel, la demanderesse poursuit, au Québec, les défendeurs, qui sont domiciliés à l'étranger. Ceux-ci invoquent l'incompétence des tribunaux québécois et demandent, subsidiairement, que ces derniers déclinent compétence en faveur des tribunaux étrangers (art. 3135 du *Code civil du Québec* (C.C.Q.)). La demanderesse soutient qu'une faute a été commise au Québec et qu'un préjudice y a été subi en vertu de l'article 3148 C.C.Q.

DÉCISION

Exception déclinatoire. Rejetée

La faute a bien été commise au Québec. En effet, le logiciel a été copié au Québec et, en signant la convention d'exploitation, la défenderesse approuvait implicitement la reproduction illicite du logiciel. Elle savait ou aurait dû savoir que l'employé de la demanderesse n'était pas propriétaire des droits d'auteur. Sa prétendue ignorance n'est que le résultat d'un aveuglement volontaire. Par ailleurs, le tribunal approprié est au Québec. En effet, le lieu de résidence des parties se trouve soit au Québec, soit aux États-Unis; trois des quatre témoins sont domiciliés au Québec; les éléments de preuve se trouvent aussi bien au Québec qu'aux États-Unis; l'action est de nature extracontractuelle; et aucune action n'a été intentée à l'étranger. Les difficultés d'exécution du jugement ne constituent pas un facteur dirimant en soi.

18 *Evangelical Fellowship of Canada v Canadian Musical Reproduction Rights Agency* (1999), (1999) FCJ 1068, (1999) N.R. TBE d JL.02, 246 NR 390, **1 CPR (4th) 497** (FCA-leave); (1999), (1999) FCJ 1391, **246 NR 356** (FCA - Merits)

FAITS (FCA – Leave)

Applicant applied in the Federal Court of Appeal for a writ of prohibition against the Copyright Board to prohibit the board from proceeding with a hearing in respect of the levy on blank audio recording media under Part VIII of the Copyright Act, R.S.C. 1985, c. C-42. The application was brought on grounds that the legislation was invalid copyright law, invalid taxation law and contrary to ss. 2 and 15 of the Canadian Charter of Rights and Freedoms.

A motion brought for determination whether the writ of prohibition was properly brought in the Federal Court of Appeal.

DÉCISION

Held, an order should be issued declaring that the writ of prohibition was properly brought in the Federal Court of Appeal.

An application for a writ of prohibition against the Copyright Board could only be brought by judicial review. The application was properly brought before the (page498) Federal Court of Appeal because the Copyright Board was enumerated in s. 28(1) of the Federal Court Act, R.S.C. 1985, c. F-7.

FAITS (FCA – Merits)

Part VIII of the Copyright Act, inter alia, delegated to the Copyright Board the power to certify tariffs to set levies on the sale of blank audio recording media. After the legislation was enacted, Music Collectives, on behalf of copyright holders, filed proposed tariffs. The Copyright Board then published the tariffs which initiated a procedure whereby those who intended to object could do so. A large number of objections were filed and the Board scheduled a hearing. The applicants, religious and commercial users of blank audio recording media, applied to prohibit or stay the Board proceedings, claiming that Part VIII of the Copyright Act was unconstitutional.

DÉCISION

The Federal Court of Appeal, per Rothstein, J.A., dismissed the application.

(32) In the case at bar, I have little difficulty concluding that the balance of inconvenience involving the weighing of irreparable harm on both sides favours the Attorney General. While I recognize that the applicants may incur unrecoverable costs in proceedings before the Copyright Board, I do not think this consideration is sufficient to place this case in that small minority of cases in which the suspension of the operation of legislation can be justified. While the incurring of unrecoverable costs might be sufficient to justify interlocutory relief in other circumstances, I do not think, as a general rule, it can be a factor that justifies the suspension of the operation of legislation and frustrates the will of a democratically-elected legislature.

(33) In this case, there are two additional considerations which impel me to this view. The first is that the applicants could have acted earlier. Part VIII was proclaimed in force in March 1998. The applicants themselves became involved in the proceedings before the Copyright Board in November or December 1998. The applicants say they were unsophisticated and unorganized until recently. However, if this matter is of such concern to them as to warrant the present proceedings, it is difficult not to place some responsibility on them for not taking steps earlier.

(34) The second is that the Copyright Board has said it will consider any constitutional question raised before it. The applicants will therefore have a forum in which to argue the precise issues that give rise to these prohibition proceedings. I recognize that the jurisdiction of the Copyright Board to consider the constitutionality of the statute under which it is proceeding is not free from doubt. Indeed, that issue was argued before me. I decline to rule on it as I think it deserves consideration by a fully constituted panel of judges as opposed to one judge in an interlocutory motion in the Appeal Division. However, without deciding the issue, I would observe that this court has held that the Board does have the power to decide questions of law and the Supreme Court of Canada has held that a tribunal that has power to interpret law, holds a concomitant power to determine whether that law is constitutionally valid

19 *Expertises didactiques Lyons inc v, Learned Entreprises Internationales (Canada) Inc* (1999), **REJB 99-11970**, (1999) JQ 1161 (QueSupCt), Fournier J.

FAITS

Les requérants, auteurs de jeux-boîtiers éducatifs et leur compagnie, ont cédé leurs droits à une compagnie d'édition. Celle-ci, devenue propriétaire de ces droits, a conclu un contrat de coédition avec une autre maison d'édition. Cette dernière a conçu six nouveaux produits, sous forme de livres-jeux, à partir d'une modification des versions originales des jeux. À la suite de mésententes entre les compagnies d'édition, celles-ci ont conclu une « convention de cession de droits et règlement hors cour », laquelle comprenait une clause d'arbitrage. Ainsi, par cette convention, l'une obtenait les droits exclusifs de reproduction, d'imprimerie et de publication des livres-jeux, à charge pour elle de payer à la seconde des droits d'auteur. Les requérants sont également intervenus à cette convention au chapitre de l'approvisionnement. La relation s'est toutefois détériorée et les requérants ont émis un avis de résiliation de la convention. Les différends opposant les parties ont été soumis à l'arbitrage.

La sentence a notamment entériné l'avis de résiliation pour le motif que tous les droits d'auteur n'avaient pas été versés et a ordonné au cessionnaire de cesser toute production des livres-jeux.

DÉCISION

Des requêtes en homologation et en annulation de la sentence arbitrale ont été présentées.

Les requêtes sont accueillies en partie. En effet, la sentence de l'arbitre doit être en partie annulée et son homologation doit, dans la même proportion, être refusée. Le différend sur la résiliation doit être fonction uniquement de ce qui est allégué dans l'avis de résiliation des requérants et ne doit pas impliquer la propriétaire des droits, qui n'a jamais envoyé d'avis de résiliation à la cessionnaire. L'arbitre n'a en effet aucune compétence concernant quelconque différend opposant ces dernières et doit plutôt remplir sa fonction de la même manière que s'il avait été saisi d'une demande en résiliation de contrat de la part des requérants. Or, il appert clairement que l'avis en cause ne fait aucunement allusion à des droits d'auteur qui seraient dus. Dès que la sentence, dont le premier dispositif entérine la résiliation, porte sur des éléments non visés par l'avis, elle devient une sentence qui porte sur un différend de résiliation non visé dans la convention d'arbitrage; elle devient aussi une sentence qui porte sur un différend de résiliation n'entrant pas dans les prévisions de la clause compromissoire et, dans ces circonstances, l'arbitre excède sa compétence et sa juridiction. Or, en vertu de l'a. 946.4 C.p.c., ceci justifie le refus d'homologuer cette disposition de la sentence et toutes celles qui y sont reliées. Les requérants ont commis une erreur en décidant de résilier unilatéralement le contrat sans avis préalable, en jugeant que le cessionnaire était déjà en demeure de plein droit d'honorer ses obligations. Le défaut pour un débiteur d'honorer ses obligations, en tant que tel, ne place pas ce débiteur dans le champ juridique d'être en demeure de plein droit. Dans ces circonstances, il devait y avoir une demande extrajudiciaire (mise en demeure par écrit) selon l'a. 1595 C.c.Q, qui est d'ordre public. Le créancier doit en effet obligatoirement laisser au débiteur un délai raisonnable pour exécuter l'obligation et doit l'aviser par écrit. La mise en demeure du créancier de l'obligation doit absolument permettre au débiteur d'avoir une connaissance précise de la nature, de la cause et de l'étendue de ses obligations au sujet desquelles il y a prétention de défaut d'exécution. Pour déterminer si le défaut invoqué pour résilier le contrat a de l'importance ou non, il faut que tout manquement invoqué soit clairement énoncé par écrit dans la demande extrajudiciaire, ce qui de toute évidence n'existe pas dans l'avis des requérants.

20 *Gameday Publications Ltd v Keystone Agricultural and Recreational centre Inc* (1999), **170 DLR (4th) 617**, (1999) MJ 57, 134 Man.R.(2d) 50 (MCA), Helper J.

FAITS

A publisher produced a magazine containing statistics and photographs relating to a minor league hockey club. The magazine was supported wholly by advertising and was distributed free of charge. The hockey club was the major tenant of an arena, and published its own magazine which was sold within the arena. On September 27, 1997, in direct defiance of the hockey club's wishes, the publisher distributed its magazine in the parking lot and other exterior areas of the arena. On October 3, 1997, when the publisher's representatives again attempted to distribute (page 618) its magazine, they were evicted by the security personnel of the arena owner and the hockey club. The publisher applied for an injunction prohibiting the hockey club and the arena owner from interfering with the distribution of its magazines; the arena owner counterclaimed for an injunction preventing the publisher from distributing any commercial publication on its lands. The trial judge held that the publisher was entitled to distribute its publication by virtue of the Petty Trespasses Act, R.S.M. 1987, c. P50, and by s. 57 of the Court of Queen's Bench Act, S.M. 1988-89, c. 4 (C.C.S.M., c. C280). Section 4 of the Petty Trespasses Act states that it is not an offence under the Act to communicate true statements, oral or printed, "outdoors at the site of or in conjunction with the premises in which any business or undertaking is operated and to which the public is normally admitted without charge". Section 57(1) of the Court of Queen's Bench Act states that "the court shall not grant an injunction that restrains a person from exercising the right to freedom of speech", and s. 57(2) states that, "For the purposes of this section, the communication by a person on a public thoroughfare of information by true statements, either orally or through printed material . . . is an exercise of the right to freedom of speech." The hockey club and the arena owner appealed.

DÉCISION

Held, the appeal should be allowed and an injunction granted to the arena owner.

Section 57 of the Court of Queen's Bench Act eliminated the remedy of an injunction where the actions were of the type contemplated by the legislation. All other rights and remedies available to an aggrieved party, in particular the common law right of a property owner to evict trespassers with reasonable force, were untouched by the legislation. Section 4 of the Petty Trespasses Act was irrelevant to these proceedings because there was no prosecution of a trespasser. Neither section gives a trespasser who wishes to exercise freedom of speech the right to an injunction against a property owner.

The protection of freedom of expression in s. 2(b) of the Canadian Charter of Rights and Freedoms had no application to the interpretation of s. 57 of the Court of Queen's Bench Act. The section was enacted before the Charter in response to a particular set of facts. The publisher's activity did not constitute its "exercising the right to freedom of speech" because its primary purpose was not to communicate information to the public but to distribute the magazine in compliance with its obligations to its advertisers. The arena owner, in making its lands accessible to the public, was not inviting members of the public to conduct their business on its property. The arena owner was entitled to an injunction prohibiting the publishers from distributing any publication produced by it for profit at the arena.

21 *Grenier c. Les Boisés St-Rédempteur inc*
(1999), **(1999) JQ 2598** (QueSupCt) Johnson J.

FAITS

(1) Par sa déclaration amendée à trois reprises, le demandeur réclame conjointement et solidairement des défendeurs une somme de 19 500 \$ pour avoir utilisé sans son autorisation une oeuvre qui lui appartenait et qui était protégée par la Loi concernant le droit d'auteur.

(2) Les défendeurs ont contesté l'action niant que l'oeuvre du demandeur était un original protégé par la Loi concernant le droit d'auteur.

DÉCISION

(24) Le Tribunal ne peut retenir la version du demandeur lorsqu'il prétend qu'il n'a jamais vu les dessins préparés par le défendeur Turgeon pour le compte de la défenderesse 9030-5426 Québec Inc.

(25) Enfin, même si le dessin du demandeur (P-1) comporte une calligraphie différente de la pièce DT-1, que les mots "terrain à vendre" ont été remplacés par "Projet domiciliaire" et que la structure supportant l'enseigne a été conçue par le demandeur (P-2), ces ajouts ne sont pas dans l'opinion de la Cour suffisants pour conclure que la pièce P-1 est une oeuvre originale. En effet, les éléments essentiels de cette enseigne sont une fenêtre illuminée et les mots "Les Boisés de St-Rédempteur Inc.", lesquels apparaissaient sur le dessin réalisé par le défendeur Turgeon (TD-1), pour le compte de la défenderesse 9030-5426 Québec Inc. Preuve a été faite que ce dessin fut montré au demandeur par le témoin Côté. Ces mêmes éléments ont été repris par le demandeur sur son dessin P-1. Ce dernier n'a donc pas le caractère d'originalité requis.

(26) Le Tribunal conclut que le demandeur ne peut bénéficier de la protection de la Loi sur le droit d'auteur parce qu'il ne s'agit pas, en vertu de l'article 3(1), d'une oeuvre originale. Son action est donc rejetée.

22 *Guilbault v Caisse populaire St-Pierre*
(1999), **BE 99-313**, (1999) JQ 492 (QueCt – CivDiv), Côté J.

DÉCISION

Le rapport d'évaluation préparé par le demandeur a servi à la constitution d'hypothèques mobilières et immobilière. Le montant de l'évaluation municipale et la liste des effets mobiliers sont les seuls renseignements qui ont été utilisés par la caisse défenderesse et le notaire instrumentant. Il s'agit de données brutes qui auraient pu être obtenues autrement. Comme le droit d'auteur du demandeur n'a pas été violé, sa réclamation d'honoraires sera donc rejetée.

23 *Hugo Boss Ag v Chateau Lingerie Mfg Inc*
(1999), **(1999) FCJ 1387**, (1999) FTR TBEed SE038 (FCTD-Anton Piller) Blais J.

FAITS

(1) This is a motion on behalf of Plaintiff for an Interim Preservation Order, preserving the BOSS Inventory from destruction or modification;

DÉCISION

(2) The Respondent suggests that this Honourable Court does not have jurisdiction to hear Plaintiff's motion since Plaintiff's motion is purely and simply an attempt by Plaintiff to enforce a contractual right which Plaintiff claims in its motion to have, rather than an attempt to prevent an infringement of Plaintiff's trademarks and copyrighted design.

(3) The Plaintiff suggests that, pursuant to Section 38 of the Copyright Act, the Federal Court has jurisdiction: (...)

(4) The Plaintiff's motion is not, as suggested by the Respondent, "merely an attempt to enforce a contractual right which it alleges to have under the licence agreement with the Respondent to purchase the HUGO BOSS Inventory owned and in the possession of Respondent at a hugely discounted price "

(5) The Plaintiffs right to purchase the inventory, in my view, is much more than simply a contractual right, but rather an ancillary right attached to the inventory, directly related to the Trade mark.

(7) Section 16.3 is protective of the Respondent's rights given that, when the licence is terminated, the Respondent cannot sell the HUGO BOSS Inventory on the market, as it is, but rather has the obligation to sell back this inventory to the Plaintiff, if the Plaintiff elects to do so. Both parties are aware of those conditions from the signature of the Agreement.

(9) I am convinced that this Court has jurisdiction to hear this motion.

24 *Infinitec Marketing Group Inc v Essentially Yours Industries Corp* (1999), (1999) MJ 164, (1999) ManR Uned 51 (ManCQB-Interlocutory Injunction), Schulman J.

FAITS

(1) This is an opposed motion for an interlocutory injunction enjoining the defendant Essentially Yours

Industries Corp. ("EYI") from:

- (i) terminating its contract with the plaintiff, Infinitec Marketing Group Inc. ("Infinitec");
- (ii) appropriating Infinitec's property rights in designated software technology for the purpose of operating its own on-line marketing system;
- (iii) operating EYI's on-line marketing system using Infinitec's technology and systems information.

DÉCISION

(8) There is no evidence before the court that there is a designated software technology or a systems information involved or that Infinitec has a copyright in something by those descriptions or that EYI has infringed a copyrightable right of any kind in establishing its website. I therefore find that Infinitec has failed to establish either a prima facie case or that there is a serious issue to be tried relating to the copyright issues, that is, paragraphs b) and c) of the notice of motion.

(9) Moreover, the motion fails as well for lack of evidence to support the second or third prerequisites of an injunction. Infinitec has led evidence that it had a potential to earn large sums of money under the contract and that it will be very difficult to quantify its damages. Difficulty in quantifying, itself, does not establish irreparable harm. I also find that, without first identifying the system or technology which is the subject of the alleged copyright or the covenant which has been breached, it is impossible to find that any harm, let alone irreparable harm, will be caused by the alleged breaches. In other words, while the plaintiff may be able to show that it did not bring in the revenue which it thought it would when it signed the agreement, this court is unable to make a finding as to which of the alleged loss of revenue relates to the three complaints on which this motion is based, as opposed to the losses alleged to have been suffered by virtue of all of the matters referred to in the statement of claim. Similarly, this court cannot find that the balance of convenience favours the granting of an injunction without first identifying the rights for which a copyright is claimed or the covenant in the agreement for which it is alleged that there has been a breach.

25 *Ital-Press Ltd v Sicoli* (1999), 86 CPR (3d) 129, (1999) FCJ 837, **(1999) 3 FC D-42**, (1999) FTR TBE d JN113 (FCTD-Merits), Gibson J.

FAITS

Action en violation du droit d'auteur afférent à une oeuvre intitulée «L'unica Guida Telefonica Italiana per L'Ovest Canada» (leGuida) en Alberta consistant en des listes d'inscriptions téléphoniques et des annonces illustrées-Les questions en litige étaient les suivantes: 1) Existe-t-il un droit d'auteur sur les Guidas de 1993 et de 1995? Le cas échéant, qui en est titulaire? Si la demanderesse en est titulaire, ces Guidas ont-ils été reproduits de façon qu'il y a eu violation du droit d'auteur?-2) La Cour a-t-elle compétence pour instruire une réclamation fondée sur la commercialisation trompeuse en vertu de la Loi sur les marques de commerce ou en common law? le cas échéant, la commercialisation trompeuse a-t-elle été établie?-3) Les réparations possibles: une injonction permanente, des dommages-intérêts ou une reddition de compte, la remise, et des dommages-intérêts punitifs-1)

DÉCISION

Le paragraphe 5(1) de la Loi sur le droit d'auteur prévoit qu'un droit d'auteur existe sur toute oeuvre littéraire, dramatique, musicale ou artistique originale si certaines conditions sont remplies-Les Guidas sont des oeuvres littéraires qui sont des compilations d'oeuvres littéraires, d'oeuvres artistiques et de données-Les inscriptions des pages blanches qui constituent la principale caractéristique des Guidas sont une sous-compilation constituant une oeuvre résultant du choix ou de l'arrangement des données-Les inscriptions sont des oeuvres littéraires dans le contexte des oeuvres littéraires plus générales que constituent les Guidas-Les annonces illustrées sont des compilations d'oeuvres artistiques constituant des oeuvres littéraires dans le contexte plus général des oeuvres littéraires que constituent les Guidas-La décision Télé-Direct (Publications Inc.) c. American Business Information Inc., (1998) 2 C.F. 22 (C.A.) a été appliquée-Par rapport aux annuaires publiés dans les régions pertinentes, les Guidas sont suffisamment originaux pour faire l'objet d'un droit d'auteur-Les inscriptions des pages blanches des Guidas n'étaient pas un (traduction) «annuaire de pages blanches ordinaire» dépourvu de toute trace de créativité-La procédure suivie exigeait du talent, du jugement et du travail-Il suffisait que le talent et le jugement assurent l'originalité de l'oeuvre littéraire en résultant-L'affaire dont il est question en l'espèce est analogue à celle dont il était question dans *Millionis v. Petropoulos* (1988), 23 C.P.R. (3d) 52 (H.C.J.O.) (annuaire s'adressant à la collectivité grecque de la région métropolitaine de Toronto et d'ailleurs)-Les annonces illustrées, considérées dans leur ensemble, ne constituent pas une sous-compilation-Il reste encore à savoir s'il existe un droit d'auteur dans tout ou partie des annonces illustrées individuellement-Des éléments dans chacune des annonces illustrées sont organisés d'une façon originale-De plus, des contrats conclus entre la demanderesse et les annonceurs donnaient un avis clair et non équivoque à l'intention des annonceurs de la revendication par la demanderesse d'un droit de propriété sur l'annonce illustrée en question-Les contrats constituent une preuve claire permettant à la demanderesse de revendiquer avec raison un droit d'auteur sur les annonces illustrées-La preuve n'établit pas que la demanderesse n'avait pas le droit d'utiliser les éléments des annonces illustrées, sauf pour une exception notoire-La demanderesse est titulaire du droit d'auteur sur les Guidas, les listes d'inscriptions téléphoniques et les annonces illustrées-Les défenderesses avaient accès aux Guidas compte tenu des facteurs énumérés dans la décision *U. & R. Tax Services Limited c. H. & R. Block Canada Inc.* (1995), 62 C.P.R. (3d) 257 (C.F. 1re inst.)-Les annuaires des défenderesses sont en bonne partie semblables à ceux de la demanderesse-Les défenderesses ont reproduit une partie importante des Guidas en vue de produire leurs annuaires-Compte du marché réservé visé par les Guidas et les annuaires, l'utilisation des annuaires par les défenderesses a porté atteinte aux activités de la demanderesse et a diminué la valeur de son droit d'auteur-Les défenderesses se sont intentionnellement emparé de l'oeuvre de la

demanderesse pour épargner du temps et des efforts-Les éléments qui ont été plagés ont été utilisés d'une façon identique ou en bonne partie similaire à ceux de la demanderesse-La preuve montre que, malgré l'engagement qu'elles avaient pris envers la Cour, les défenderesses ont reproduit en totalité ou en bonne partie les inscriptions du Guida de 1995 afin de produire les inscriptions figurant dans l'annuaire de 1995-1996-Il est facilement possible de constater que les annonces illustrées publiées dans les annuaires sont en totalité ou en bonne partie des copies d'annonces similaires publiées dans les Guidas-Les défenderesses se sont emparé à tort de ce que la demanderesse, par son travail, son talent et son jugement, avait fait sien-Les défenderesses ou certaines d'entre elles ont violé le droit d'auteur que la demanderesse possède sur certaines annonces illustrées en publiant dans l'annuaire de 1994 et dans l'annuaire de 1995-1996 des annonces qui paraissent dans les Guidas de 1993 et de 1995-Il n'y a pas violation lorsqu'il n'était pas certain que la demanderesse avait le droit d'utiliser les éléments d'une annonce illustrée-La défenderesse, qui était l'âme des sociétés défenderesses pendant toute la période pertinente, est personnellement responsable de la violation comme c'est le cas des sociétés défenderesses-2) La commercialisation trompeuse-Il est impossible de faire droit à la demande que la demanderesse a présentée à l'égard de la commercialisation trompeuse et ce, que ce soit parce que la Cour n'a pas compétence ou parce que l'on n'a pas plaidé ou établi l'existence d'un fondement sur lequel la compétence de la Cour reposerait-3) Les réparations-La Cour rend une ordonnance permanente interdisant à la défenderesse et aux sociétés défenderesses ainsi qu'aux personnes agissant pour leur compte de produire ou de mettre en circulation toute oeuvre qui viole le droit d'auteur que possède la demanderesse sur le Guida, et interdisant aux demanderesse de fournir ou d'offrir à qui que ce soit des conseils ou renseignements qui, directement ou indirectement, encourageraient, aideraient ou inciteraient une personne au Canada à produire ou mettre en circulation toute oeuvre qui viole ledit droit d'auteur-Aucun élément de preuve n'ayant été présenté au sujet des dommages-intérêts ou de la reddition de compte, et aucun argument n'ayant été avancé, la tenue d'une autre audience relative à ces éléments est requise-Il est possible qu'un jugement supplémentaire soit rendu-Loi sur le droit d'auteur, L.R.C. (1985), ch. C-42, par. 5(1) (mod. par L.C. 1993, ch. 15, art. 2; ch. 44, art. 57; 1994, ch. 47, art. 57).

FAITS

Action for copyright infringement of "L'unica Guida Telefonica Italiana per L'Ovest Canada" (Guida) in Alberta consisting of telephone listings and block advertisements-Issues: (1) whether copyright in 1993 and 1995 Guidas; if so, who owns it; if plaintiff owner, whether copying such as to constitute infringement of copyright-(2) Whether jurisdiction in Court to entertain claim for passing off pursuant to Trade-marks Act or at common law; if so, whether passing off established-(3) Possible remedies: permanent injunction, damages and/or profits, delivery up, punitive damages

DÉCISION

(1) Copyright Act, s. 5(1) providing under certain circumstances, copyright subsisting in every original literary, dramatic, musical and artistic work-Guidas herein literary works consisting of compilations of literary works, artistic works and data-White-page listings, central feature of Guidas, subcompilation being work resulting from selection or arrangement of data-Listings literary works within broader literary works that constitute Guidas-Block advertisements compilations of artistic works constituting literary works within broader literary works that constitute Guidas-TeleDirect (Publications) Inc. v. American Business Information Inc., (1998) 2 F.C. 22 (C.A.) applied-Guidas sufficiently original in relation to directories published for relevant regions to support copyright in Guidas-Guidas not "gardenvariety" white pages directory devoid of even slightest trace of creativity-Process involved skill, judgment, labour-Sufficient skill and judgment involved to provide originality in resulting literary work-Case

herein similar to *Millionis v. Petropoulos* (1988), 23 C.P.R. (3d) 52 (Ont. H.C.) (directory for Greek community in Metropolitan Toronto area and elsewhere)-Block advertisements, taken as whole, do not constitute subcompilation within *Guidas*-Still issue of whether or not copyright subsisting in any or all of block advertisements individually-Elements in each block advertisement arranged in original way-Furthermore, contract between plaintiff and advertisers giving unequivocal notice to advertisers individually of plaintiff's claim to ownership and control of block advertisement in question-Contracts clear evidence on behalf of plaintiff on basis of which can reasonably assert copyright in block advertisements-Evidence did not establish plaintiff not entitled to use materials constituting block advertisements, with one notable exception-Ownership of copyright in *Guidas*, telephone listings and block advertisements with plaintiff-Defendants' directories substantially similar to plaintiff's-Defendants had access to *Guidas* having regard to factors enumerated in *U & R Tax Services Ltd. v. H & R Block Canada Inc.* (1995), 62 C.P.R. (3d) 257 (F.C.T.D.)-Defendants copied substantial part of *Guidas* to produce their directories-Given closed market to which *Guidas* and directories addressed, defendants' use of directories adversely affected plaintiff's activities and diminished value of plaintiff's copyright-Defendants intentionally appropriated plaintiff's work to save time and effort-Material taken used in same or very substantially similar fashion to plaintiff's use of same material-Evidence showing that, in spite of undertaking given to Court not to do so, defendants copied or substantially copied listings from 1995 *Guida* to produce listings comprised in 1995/96 directory-Block advertisements appearing in directories clearly recognizable as copies or substantially copies of equivalent advertisements in *Guidas*-Defendants wrongly appropriated to themselves what plaintiff by its work, skill and judgment made its own property-Defendants, or some of them infringed copyright of plaintiff in some block advertisements in publishing advertisements in 1994 and 1995/96 directories that appear in 1993 and 1995 *Guidas*-No infringement in circumstances where plaintiff's right to use materials in doubt-Individual defendant, as directing mind behind enterprises of corporate defendants throughout relevant period, personally liable for infringement, together with corporate defendants-(2) Passing off-Plaintiff's claim with respect to passing off cannot succeed either on ground Court lacking jurisdiction or on ground any basis of jurisdiction in Court has not been pleaded and has not been established by evidence-(3) Remedies-Permanent injunction prohibiting individual and corporate defendants and other persons acting on their behalf from producing or making available any work infringing on copyright of plaintiff in *Guida*; prohibiting defendants from providing or offering advice or information directly or indirectly encouraging, aiding or abetting any person in Canada in producing or making available any work infringing on said copyright-As no evidence adduced with respect to damages and reliefs, and no argument advanced, further hearing required Supplementary judgment may follow-Copyright Act, R.S.C., 1985, c. C-42, s. 5(1) (as am. by S.C. 1993, c. 15, s. 2; c. 44, s. 57; 1994, c.47, s. 57)

- 26 *Interim tariffs for the retransmission of distant radio and television signals during 2000 Copyright Act, Section 66.51 (1999), (1999) CBD 9 (CB)*

DÉCISION

At the request of the Copyright Collective of Canada, with the concurrence of all the other parties, the Board adopts, as interim tariffs to be paid for the retransmission of distant radio and television signals during 2000, the text attached to this interim decision. The tariffs are similar to the ones certified by the Board for 1999, also on an interim basis.

27 *J-Sons Inc v NM Paterson & Sons Ltd*
(1999), **(1999) MJ 147**, (1999) ManR Uned 44 (ManCQB) Nurgitz J.; affd (1999), **(1999) MJ 217**, (1999) ManR Uned 53 (ManCA) Scott J.

FAITS (Trial)

(1) The plaintiff applies for an interlocutory injunction restraining the defendant from constructing a concrete grain elevator of a certain design. That particular design is alleged by the plaintiff to be owned by it.

DÉCISION

(6) In reviewing this case I am not satisfied on the affidavit evidence before me that either ownership of the copyright or any infringement thereof is as clear as counsel for the plaintiff alleges. These are matters that will have to be decided at trial.

(7) The law is clear that evidence of irreparable harm must be clear and not speculative. Should the plaintiff succeed at trial it can establish a claim for the damages sustained by it.

DÉCISION (Appeal)

(1) We are not persuaded to interfere with the discretionary order of Nurgitz J., in which he declined to issue an interlocutory injunction in favour of the plaintiff. Notwithstanding sec. 34 of the Copyright Act, R.S.C. 1985, Chap. C-42, we, like the motions court judge, are not convinced that the plaintiff has demonstrated in these proceedings a blatant and obvious infringement of its copyright. This is an issue that must be resolved at trial in the usual way.

(2) The balance of convenience and issue of irreparable harm do not, on the facts of this case, militate in favour of the remedy requested by the plaintiff even if the Court "may be less stringent in considering and applying the tripartite test" that must be considered whenever the Court is requested to grant an injunction.

28 *Lawpost v NB*
 (1999), 214 NBR (2d) 297, (1999) NBR (2d) TBE d MY012, **1 CPR (4th) 112**, (1999) NBJ 216
 (NBQB-TD) Russel J.; *affd* (1999), **(1999) NBJ 492**, (1999) NBR (2d) TBE d NO031 (NBCA),
 Ryan J.

FAITS (Trial)

The plaintiff commenced an action for a declaration that neither the provincial government nor the courts, including the judges, had ownership of crown copyright or otherwise in judicial decisions and that neither the provincial government nor the legislative assembly of the province had ownership of crown copyright or otherwise of legislative products including legislation and legislative proceedings. The plaintiff joined as party defendants the provincial government, the legislative assembly of the province and its members, the Court of Appeal, the Court of Queen's Bench and the Provincial Court. The statement of claim did not allege that the courts were (page 113) acting in any but a bona fide manner. The defendants, but for the provincial government, moved to strike the statement of claim on grounds that the statement of claim disclosed no cause of action against them. The courts also sought judgment in the action on grounds that they were not suable entities and were not, therefore, necessary and proper parties. In response, the plaintiff purported to file an amended statement of claim that expanded the allegations against the moving parties.

DÉCISION

Held, the motions to strike the statement of claim and for judgment should be granted.

The plaintiff's claim was against the provincial government. The remaining defendants were only peripherally mentioned in the statement of claim. It was plain and obvious that the original statement of claim disclosed no cause of action against the moving parties. This deficiency could not be remedied by amendment. The amended statement of claim merely stated that the moving parties acquiesced to the provincial government's activities. Whether acquiescence can or cannot create a cause of action, it could not be relied on to create a cause of action where no cause of action originally existed.

Judges who work in the honest belief that they are acting within their jurisdiction are not liable to actions. The immunity from liability of judges also applies to the courts they serve. The immunity applicable to superior courts also applies to provincial courts.

FAITS (Appeal)

(1) The appellants, Lawpost and S. Bryant Smith, have sued the Province of New Brunswick over Crown copyright with respect to the publication and distribution of legislative products (for example: exclusive copyright over legislation, regulations and bills) and court decisions. Through Lawpost, and its controlling company, Legal Research Consultants Inc., Mr. Smith operates a commercial publishing enterprise. In order to pursue their common goal, Lawpost and Mr. Smith have also named various government entities as defendants by casting a wide net, intending to involve these entities as necessary targets in their action.

DÉCISION

(8) (...) I think that Lawpost and Mr. Smith had the right to amend their statement of claim so long as the amendment did not add, delete or substitute a party. In my opinion, the motions judge ought to have considered the statement of claim as amended. I have, and in my opinion, it still does not disclose a cause of action against the Legislative Assembly or the three courts as defendants. The amendments attempt to create liability by claiming that the defendants acquiesced in the government's assertion of Crown copyright.

(para9) Further, Lawpost and Mr. Smith assert that the courts are obligated to be pro-active in protecting the interests of the public on whose behalf the publishers purport to act. Judges are immune from suit for acts done in the performance of their judicial duties. The sources of the immunity are the common law and by statute. The ephemeral notion advanced by Lawpost and Mr. Smith is that the courts have a duty to act against the government claim of Crown copyright in order to protect the independence of the judiciary. The argument with respect to immunity from suit need not be pursued further; the claims simply do not disclose a cause of action. Moreover, the courts are not represented by the persons alleged, nor are the courts subject to suit.

(10) In the case of the Legislative Assembly, the argument is that the Assembly has a duty to defend legislative sovereignty against incursions by the executive from Crown copyright claims. There is a long history of curial deference to the independence of the legislature. (...)

(11) The proper party for Lawpost and Mr. Smith to pursue is the Province of New Brunswick. The appellants have included the Province in their lawsuit. They should get on with their claim.

29 *Lominger Limited Inc v Raymond, Chabot, Martin, Paré*
(1999), (1999) FCJ 62, (1999) FTR Uned 20 (FCTD prot – Strike) prothonotary Morneau

FAITS

(2) One was by the defendant asking the Court to strike out several allegations in the plaintiffs' statement of claim on the ground, first, that several allegations were insufficient as to the substantive facts relied on, and second, on the ground that allegations 17 and 20 of the plaintiffs' statement of claim were immaterial and disclosed no cause of action (...).

(5) Paragraphs 17 and 20 of the statement of claim read as follows:

17. Raymond Chabot has infringed Lominger's rights by leaving the following Lominger Materials with third parties so that unauthorized reproduction of the Lominger Materials could be made: one or more versions of the CAREER ARCHITECT - Portfolio Sort Cards. (my emphasis)

20. Following notification by Lominger to Raymond Chabot that the Lominger Materials are protected by copyright, Raymond Chabot's acts as described herein constitute willful infringement.

DÉCISION

(6) As to paragraph 17, I cannot conclude that it is quite apparent that the words "so that unauthorized reproduction . . . could be made" disclose no cause of action under s. 27(1) of the Copyright Act, R.S.C. 1985, c. C-34 ("the Act"). In the circumstances it seems that the foregoing language can be interpreted as meaning that Lominger is charging the defendant with authorizing or inciting third parties to reproduce Lominger works, an authorization which could only legally come from the copyright holder, namely Lominger.

(7) Accordingly, paragraph 17 does not require to be struck out. It is for the parties, within the schedule set out in the Order attached to these Reasons, to determine whether in its present form that paragraph contains the necessary particulars.

(8) So far as paragraph 20 of the statement of claim is concerned, it appears from the language of s. 39(1) of the Act that an allegation regarding copyright in a work and a deliberate infringement of that right is a material allegation in the circumstances. Consequently, paragraph 20 also does not require to be struck out.

30 *Neudorf v Nettwerk Productions Ltd* (1999), **(1999) BCJ 2832** (BCSC –Amendments to Defence) Cohen J.; (1999), **(1999) BCJ 2831** (BCSC – Merits) Cohen J.

DÉCISION (Amendments)

(8) (...) If the defendants intended to rely on the defence of implied licence, then they should have pleaded the material facts to support such a defence. The concept of an implied licence focuses on the conduct of the parties and the circumstances surrounding the creation and use of the Works. These are material facts, which, in my view, the defendants should have set out in their pleadings.

Section 39 of the Copyright Act provides a defence to copyright infringement if the defendant was not aware and had no reasonable grounds to suspect a copyright subsisted in the work. In my view, the defendants should have pleaded the material facts to allow them to rely on s. 39 of the Copyright Act.

This court's conclusion that the defendants ought to have pleaded the material facts to support these two defences leads me to consider the defendants' alternative submission to allow an amendment to their pleadings to raise these defences.

While I have concluded above that the defendants cannot amend their pleadings to raise the issue of employment, I do not think that the plaintiff's objections regarding the issues of implied licence and s. 39 of the Copyright Act fall into the same category.

First, regarding the proposed defence of implied licence, the plaintiff did allege in his Amended Statement of Claim that at no time did he assign ownership of copyright by way of licence. Clearly, then, in my view, the plaintiff cannot be said to be taken completely by surprise about this defence, particularly given the fact that the conduct of the parties and the circumstances surrounding the creation and use of the Works was thoroughly canvassed at trial. Hence, I am satisfied that the prejudice to the plaintiff is not great and I therefore grant the defendants leave to amend their Statement of Defence to plead implied licence.

Second, in my view, it is significant that while counsel for the defendants did not plead material facts in support of a defence under s. 39 of the Copyright Act, as I think she should have, nevertheless she did state in her opening that if the plaintiff had a copyright, the defendants made an honest mistake and did not know that the plaintiff felt they were infringing his rights. To this extent, the plaintiff did, therefore, have notice that the defendants considered this to be an issue at the outset of the defence case. The plaintiff will suffer very little prejudice, if any, by allowing the defendants to amend their Statement of Defence to plead s. 39 of the Copyright Act. Accordingly, I grant the defendants leave to amend their Statement of Defence to plead s. 39 of the Copyright Act.

DÉCISION (Merits)

(28) In my view, McLachlan could not be considered a mere scribe if what the plaintiff was communicating to her were ideas, or suggestions. A reason that an amanuensis or scribe is not the author of expression is that he exercises no authority or control over the recording, but is instead a verbatim recorder. To the extent that the plaintiff's contributions were ideas or suggestions, this means that McLachlan was free to accept or reject them. This is antithetical to claiming that in those situations her status was that of a mere scribe or amanuensis.

(37) Hence, I think it is now well-established by the body of law in Canada and England, and for that matter in the United States, that to satisfy the test for joint authorship a putative joint

author must contribute original expression, not merely ideas, to the creation of the work. Even involvement in the expression of ideas is not enough to satisfy the element of contribution.

(43) However, even though the contribution of one joint author need not be equal to that of the other joint authors, it appears that the contribution of each joint author must nevertheless be significant or substantial.

(46) There is no bright line test for what constitutes a significant or substantial contribution. I think that the test must include both quantitative and qualitative considerations of the contribution of the joint authors. For example, one must look at the amount and importance of the expressions to the work as a whole. And, while a claimant need not contribute a major part of the work to be considered a joint author, "someone who tinkered with and improved the work of another might not have done enough to show joint authorship." (See *Stuart v. Barrett*, (1994) E.M.L.R. 448 (Ch.D.))

(71) (I)n my opinion, the authorities, at the very least, have settled that to satisfy the test for joint authorship a putative joint author must establish that he has made a contribution of significant original expression to the work at the time of its creation, and that he has done so pursuant to a common design (or, in other words, some form of shared intent).

(96) In the result, I find that the test for joint authorship that should be applied to the facts in the instant case is, as follows:

- (i) Did the plaintiff contribute significant original expression to the songs? If yes,
- (ii) Did each of the plaintiff and McLachlan intend that their contributions be merged into a unitary whole? If yes,
- (iii) Did each of the plaintiff and McLachlan intend the other to be a joint author of the songs?

31 *NFL Enterprises LP v 1019491 Ontario Ltd*
(1999), (1999) FCJ 1209, (1999) FTR TBE d AU077 (FCTD-Reference), Heald. J.

FAITS

(1) This reference relates to the quantum of damages suffered by the plaintiff as claimed in paragraphs 21(b) and (d) of the statement of claim herein. The reference also requires that I determine the amount of pre- and post judgment interest "as provided by law" on the damages determined at the reference.

DÉCISION

(13) My approach in this assessment will be "... to keep in mind that the objective is a broadly equitable result. Mathematical exactitude is neither required nor obtainable." (*Cadbury Schweppes Inc. v. FBI Foods Ltd.* 83 C.P.R. (3d) 289 at p. 330 (S.C.C.)). I have also found persuasive the view expressed by Prothonotary Hargrave where he states: "In summary, it is not improper to calculate damages and profit in a rough and ready manner, particularly if the necessity to do so is the result of omissions on the part of defendants to attend and to protect their interests by providing appropriate information and documents." (*Society of Composers, Authors and Music Publishers of Canada v. 348803 Alberta Ltd. et al.* (1997) 79 C.P.R. (3d) 449 at p. 455.).

(15) (...) The Federal Court of Appeal decided in the case of *Imperial Oil Ltd. et al. v. Lubrizol Corp. et al.* (67 C.P.R. (3d) page 1.) that the Court has power to award exemplary damages but only after it has concluded that the general damages awarded were insufficient for punishment and deterrent purposes.

(17) Accordingly, it seems clear that I have jurisdiction to award exemplary damages. However, on this record, I can find no evidence to support such an award. For these reasons, no award of exemplary damages is given.

32 *Potvin (Re)*

An **unreported** decision rendered by the Copyright Board on 19990330, docket 1998-UO/TI-12 (CB)

DÉCISION

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33 *Productions Avanti Ciné-Vidéo Inc v Favreau* (1999), (1999) RJQ 1939, JE 1607-99, **REJB 99-13719**, (1999) JQ 2725, 177 DLR (4th) 568, (1999) JQ 2725, **1 CPR (4th) 129** (QueCA) Gendreau J.; (1999), REJB 99-13720 (QueCA-Contempt)

FAITS

L'appelante détient les droits d'auteur d'une série télévisée intitulée La Petite Vie. Les intimés sont producteurs d'un film érotique mettant en scène les personnages de La Petite Vie, soit La Petite Vite.

Par une action en injonction permanente, l'appelante a demandé à la Cour supérieure de confirmer les conclusions de l'injonction interlocutoire émise en sa faveur et qui interdisait aux intimés de produire, de commercialiser et de distribuer son film. Le juge de première instance a rejeté l'action, estimant que les personnages de La Petite Vie n'étaient pas protégés et que le scénario de La Petite Vite empruntait peu ou pas à celui de l'oeuvre dont les droits appartiennent à l'appelante.

L'appelante se pourvoit à l'encontre de ce jugement. Elle soutient que les intimés ont fait un emprunt substantiel d'éléments de La Petite Vie. Les intimés plaident que La Petite Vite serait une parodie de La Petite Vie, ce qui constituerait une utilisation équitable de l'oeuvre au sens de l'a. 27(2) de la Loi sur les droits d'auteur (ci-après : la loi).

DÉCISION

Les juges Gendreau, Biron. L'appel est accueilli. Ce n'est que par le seul effet de la loi qu'une oeuvre originale, enregistrée ou non, estb protégée. Il y a atteinte au droit d'un auteur d'une oeuvre protégée si une personne en reproduit la totalité ou une partie importante au sens deb l'a. 3 de la loi. Pour déterminer si l'oeuvre produite est nouvelle et boriginale et ne résulte pas d'un simple collage de morceaux épars, la Cour doit utiliser une approche globale. Cette qualification doit aussi être faite en étudiant l'oeuvre sous l'angle de l'intervention du labeur et de la créativité de l'auteur. Ainsi, sera une partie substantielle d'une oeuvre celle qui occupe une place importante dans l'ensemble et qui résulte du travail de l'artiste, de l'écrivain, du cinéaste ou du dramaturge. Les parties d'une oeuvre peuvent être protégées par le droit d'auteur au même titre que l'oeuvre globale. Dans le présent cas, La Petite Vie est une oeuvre définie à l'a. 3(10) de la loi et est enregistrée. Elle est donc protégée. Il est incontestable que les intimés ont fait des emprunts à l'oeuvre appartenant à l'appelante. La Petite Vie est une oeuvre collée à la réalité québécoise et unique en son genre. Les deux principaux personnages qu'elle met en scène sont distinctifs, tout comme le décor dans lequel ils se meuvent. Le juge de première instance a erré en affirmant que ces personnages ne présentaient pas des caractéristiques à ce point originales qu'ils puissent, sans jeu de théâtre et sans mot dire, être à eux seuls sujets à la protection de droit d'auteur. Il n'existe aucune similitude entre les personnages de La Petite Vie et ceux d'une autre oeuvre dramatique. Ces personnages étant une partie substantielle de l'oeuvre, toute utilisation non autorisée devient illégale au sens de la loi. Le film des intimés a non seulement utilisé les personnages de La Petite Vie, parfaitement reconnaissables, mais s'est aussi approprié tout l'aspect visuel de cette oeuvre, comme le thème musical, les décors, les présentations d'ouverture et la calligraphie du texte du générique. Les intimés ont en somme copié toute l'oeuvre de l'appelante, à l'exception des dialogues proprement dits. La loi ne prévoit pas d'exception particulière pour la parodie. La seule exemption se rapprochant de cette notion est celle de l'utilisation équitable, énoncée à l'a. 27(2) (aujourd'hui 29) de la loi. Ainsi, l'utilisation d'une oeuvre à des fins de critique, de compte rendu ou de préparation d'un FAITS destiné aux journaux constitue une utilisation équitable. Si les buts poursuivis et motivations de celui qui reproduit ne sont pas des éléments pertinents au stade de la détermination d'une violation des droits d'auteur, ces éléments deviennent très importants à l'étape de l'utilisation

équitable. La parodie peut être vue sous deux aspects : une exception à l'atteinte aux droits d'auteur ou une oeuvre originale en soi. Dans ce dernier cas, l'oeuvre devra être distincte et indépendante de l'oeuvre parodiée, et dont la création nécessite labeur, imagination et talent. Il ne doit pas s'agir d'un paravent pour éviter le travail intellectuel et bénéficier de la renommée de l'oeuvre parodiée. La Petite Vite n'est pas une critique ou un compte rendu de l'oeuvre de l'appelante, ne vise pas à l'être et n'a pas été conçue pour cela. La finalité recherchée par les intimés n'était pas non plus de ridiculiser La Petite Vie. Les emprunts ne sont ni subtils, ni trompeurs. La Petite Vite est donc une contrefaçon de La Petite Vie.

Les juges Rothman, Biron. L'appel est accueilli. Il ne fait aucun doute que la série télévisée La Petite Vie est très originale et très connue. Il n'est pas non plus discuté que les intimés ont copié les éléments les plus importants et les plus originaux de La Petite Vie. Le but de La Petite Vite n'était pas de parodier La Petite Vie, mais d'exploiter la popularité de cette dernière. Il existe une importante distinction entre la parodie et l'appropriation du travail d'un autre artiste dans le seul but de s'enrichir. La parodie constitue une imitation humoristique du travail d'un autre écrivain, souvent exagérée. Elle vise à critiquer ou commenter ce travail. L'appropriation du travail d'un autre dans le but d'exploiter sa popularité n'est rien d'autre que de l'opportunisme commercial. En l'espèce, La Petite Vite est une tentative d'attirer facilement l'attention du public, sans avoir à créer des personnages, des costumes et une mise en scène. Le simple fait de prévoir un scénario pornographique pour des personnages créés par un autre auteur ne constitue pas une parodie ou une utilisation équitable de cette oeuvre. Held, the appeal should be allowed.

FAITS

The plaintiff produced a humorous, unique television program based upon a fictional couple: a mother, clearly played by a man, dressed in a flowered decorated robe and a father who sported a false long wide beard. The program was a caricature of a suburban Quebec family experiencing a variety of incidents. The program achieved unprecedented success on Quebec television.

The defendant used the characters from the plaintiff's program, recognisable in their costumes and mannerisms, in producing a pornographic film without appropriating any of the dialogue of the plaintiff's characters. The defendant claimed that the characters were not protected by copyright and that, if they were so protected, the defendant's use of the characters constituted a parody within the exception for fair dealing. The plaintiff secured an interlocutory injunction and applied to the court to uphold the interlocutory injunction in its favour. At trial the court concluded that the plaintiff's characters were not sufficiently original to be protected by copyright and, therefore, dismissed the action. The plaintiff appealed.

DÉCISION

Per Gendreau J.A., Biron J. concurring: The Copyright Act, R.S.C. 1985, c. C-42, only protects original works that fall within the protectable categories set out in the Act. The plaintiff's work was original because it was created as a result of the exercise of the talent, imagination and labour of the author. (page130) For there to be an infringement of copyright the defendant must take a substantial part of the copyright work. What constitutes a substantial part is more closely linked with quality than quantity. A substantial part of a work occupies an important part of the whole that is the result of the labour of the author. The more that a character in a work is developed the more likely that a court will find that the character constitutes a substantial part.

The plaintiff created autonomous, unique characters having a life of their own integrated into a coherent whole in the plaintiff's programs. The plaintiff's characters were, therefore, a substantial part of its programs entitled to copyright protection.

The test for fair dealing is a purposive test to determine whether a defendant's purposes fall within the five purposes enumerated in the Copyright Act. The fair dealing exception only applies to a parody where the purpose of the parody is within one of such five purposes, particularly the purposes of criticism. Criticism is not confined to serious or scholarly criticism but may also be humorous or comic. Parody must not be used as a shield to avoid a claim of copyright infringement and, thereby, to benefit from the notoriety of the original work.

The defendant's film did not aim to criticize the plaintiff's television program. Instead, the defendant's sole aim was to secure the maximum visibility for the defendant's work, which would not have otherwise enjoyed notoriety. The defendant's film was neither parody nor criticism.

Per Rothman J.A.: Defendant's only serious defence was a defence of fair use for purposes of parody. Simply adding pornographic activity as a storyline for characters that have been appropriated from another writer's work does not constitute parody or fair use. The defendant's appropriation was an infringement of the plaintiff's copyright motivated by commercial opportunism.

34 *R v Akira Electronic Holdings Ltd*
(1999), (1999) YJ 36 (Yukon Terr Ct) Faulkner J.

FAITS

(1) Electronics Holdings Limited has entered a plea of guilty to a charge of making unauthorized copies of a computer program which was copyrighted thereby committing an offence contrary to s. 42 of the Copyright Act.

DÉCISION

(2) The unauthorized copying of computer software is well known to be a serious and growing problem. It is, however, clear in this case, given the very small number of copies that were made and the modest hourly charge that the defendant company was making for the use of the disks, that this infringement was toward the lower end of the scale.

(3) I am faced with a joint submission by Crown and defence that there be a fine in the amount of \$2,000. In my view, that is an appropriate penalty in these particular circumstances.

35 *R. v. Gauthier*
(1999), **REJB 99-14108** (CQ-crim) Brassard J.

FAITS

L'accusé fait face à une accusation de possession de pornographie juvénile. Ses ordinateurs avaient été saisis par la Gendarmerie Royale du Canada (GRC) aux fins de l'exécution d'un mandat de perquisition visant à découvrir des planches ayant servi à la contrefaçon de logiciels en violation de la Loi sur le droit d'auteur. Les images en cause ont été trouvées par un agent de la GRC, alors qu'il exécutait une seconde vérification du contenu des ordinateurs à la demande du substitut du procureur général.

L'accusé demande l'exclusion de la preuve recueillie lors de la deuxième fouille de ses ordinateurs.

DÉCISION

La requête est accueillie. La seconde fouille effectuée par la GRC était illégale et déraisonnable, car elle n'était pas autorisée par le mandat spécifique requis en vertu du Code criminel. Les actions des policiers constituent une violation du droit de l'accusé à une expectative raisonnable de vie privée en ce qui concerne le contenu de ses ordinateurs, notamment les courriels, les images, les news group et les news readers. Au surplus, la liberté d'expression de l'accusé a été violée en raison de la nature même des objets recherchés sans autorisation et sans droit par le policier. En raison de la gravité des violations des droits de l'accusé, toute utilisation des éléments de preuve recueillis est susceptible de déconsidérer l'administration de la justice. L'accusé est acquitté, faute de preuve au soutien de l'accusation portée contre lui.

36 *Redwood Music Ltd v Bourne*
(1999), (1999) OJ 403, (1999) OAC Uned 68, **84 CPR (3d) 414** (OntCA)

FAITS

(3) We agree that Feldman J. was correct in refusing to grant the remedy of rectification. The stated purpose of the agreement was to settle all of Redwood's claims, as to reversionary and substituted copyright in any country in the world, with the aim of avoiding litigation regarding the actual existence, extent and application of substituted and reversionary interests in multiple jurisdictions. In the agreement clause 1(a) states:

Redwood represents to Publishers that it owns, free from any claim known to it, the reversionary and substituted copyright in respect of the interests in all songs listed in Schedule A for the full terms of said reversionary and substituted interest in all the countries listed in Schedule C;

DÉCISION

(4) The appellant submits that the agreement could be rectified by amending Schedule C to delete Germany, Switzerland and Austria from the list of countries in the schedule. We do not agree that the agreement could be rectified without an amendment to the second paragraph of clause 1(a). In order to rectify the agreement it would be necessary to add a phrase saying that Bourne will not dispute Redwood's claim, "except where Redwood has no rights". This is not what the agreement says. The omission of wording suggesting that Bourne had a right to challenge the agreement if in fact Redwood did not own the copyright was not a mere drafting error. Rectification is not appropriate.

37 *Robb v Orca Bay Sports and Entertainment*
(1999), (1999) BCTC TBEEd FE022, 2 BCTC 56, (1998) BCJ 34, 1 **CPR (4th) 49** (BCSC), Warren
J.

FAITS

In 1987, the plaintiff submitted unsolicited design drawings of a hockey jersey to the defendant hockey club. The drawings included a representation of an orca whale. During a meeting with the principal of the club, the plaintiff explained the relationship between the design and west coast natives.

In March 1996, the defendant hockey club retained the defendant designer to design a new logo for the club. The designer produced a first set of drawings in April 1996. These included a depiction of an orca whale. The designer continued to develop design proposals and to furnish additional drawings to the hockey club. The designer also researched the significance of the orca whale to west coast natives. On September 10, 1996, the hockey club first presented the designer's proposed designs to the National Hockey League. Further refinements to the design were made, and the design was finalized in January 1997, incorporating a depiction of an orca whale and inferring west coast native elements.

In September 1996, the plaintiff submitted his resume to the principal of the defendant hockey club together with a copy of his 1987 drawings and a new drawing showing a revised concept for the orca whale. (page50)

The plaintiff commenced an action for copyright infringement in his drawings. The defendant moved for summary judgment pursuant to Rule 18A of the Rules of Court, B.C. Reg. 221/90.

DÉCISION

Held, the motion should be granted.

The issues were clearly defined, there was adequate evidence from all relevant persons and there was no critical question of credibility. Although there was potentially a significant amount of money at issue, the matter was not unduly complex. Accordingly, the motions judge was in as good a position as a trial judge would have been to assess the merits of the case.

The plaintiff had established the subsistence and ownership of copyright in his drawings. There can be no copyright in an idea but only in the expression or representation of the idea. Although there are some similarities between the plaintiff's works and the hockey club's new logo, there were significant differences that highlighted the serendipitous nature of the similarities. The hockey club's new logo was the result of independent creation free of inspiration from the plaintiff's works.

38 *Robertson v Thomson Corp*
(1999), (1999) OJ 280, **85 CPR (3d) 1**, 43 OR (3d) 161, (1999) OTC TBE d FE131 (OntCt – GenDiv), Sharpe J.

FAITS

The plaintiff, a freelance writer, provided a book review to a newspaper and an excerpt from a book to a magazine. There was no written agreement governing the use of the book review. The newspaper and the magazine were published by the same firm. The publisher's position was that submission of an article for inclusion in a collective work gave the publisher the right to distribute the work electronically. A written agreement governing publication of the book excerpt gave the publisher the right to publish for a stated fee and expressly referred to a "one time usage" of the material. The publisher subsequently made the plaintiff's contributions available in electronic form. She sued the publisher, its parent holding company, and other related parties for breach of copyright, asserting that she had submitted her work for publication in print form only. She brought a motion seeking certification of her action as a class action pursuant to the Class Proceedings Act, 1992, S.O. 1992, c. 6, s. 5(1). The proposed class would consist of all writers (or their assignees or estates) who published in the defendants' publications after a certain date and had neither assigned copyright in writing to the defendants nor licensed in writing the defendants to distribute their work electronically. The publisher's holding company moved under Rule 21.01(3)(d) of the Ontario Rules of Civil Procedure, R.R.O. 1990, Reg. 194, for a stay or dismissal of the action as frivolous or vexatious on the ground that the holding company was insufficiently involved in the activities of its subsidiaries to be liable. There was evidence that the holding company had developed a strategy of increasing its operations in electronic media, and that it had for a brief time owned certain newspapers for tax reasons.

DÉCISION

Held, the writer's motion to certify the class should be granted; the holding company's motion to dismiss the action against it should be dismissed.

The class proposed by the plaintiff was sufficiently identifiable in objective terms. The fact that it would be difficult to list by name every member of the class was not fatal. The proposed definition of the class excluded those who had surrendered their rights in writing. To insist on a further limitation of the class to those who had a valid claim would undermine the policy of not deciding the merits at the certification stage.

There was a common issue among the members of the proposed class. The plaintiff's contention was that without an express grant, the licence conferred by a writer who retained copyright did not include the right to disseminate the work electronically. The defendants asserted a "contractual norm" that submission of an article for inclusion in a collective work carried with it the right to distribute the work in electronic form. The defendants' position was irreconcilable with their claim that there was no common issue. The legal or factual validity of the "contractual norm" could readily be determined as a common issue in a class proceeding. The issues defined by the parties' competing positions lent themselves to resolution on a class basis as common issues.

In determining whether a class proceeding is the preferable procedure, the goals of judicial economy, improved access to the courts, and modification of behaviour were to be considered. Each of these goals was met by certifying the proposed class. There were thousands of relatively modest claims which would be impractical to litigate on an individual basis. To suggest that the issues should be resolved in individual actions was to suggest that they would never be resolved. If the plaintiff's position were correct, the defendants would be guilty of wrongdoing on a widespread basis and the goal of modifying

behaviour would plainly be met. The claims, though complex, had at their core significant common issues, so that the complexity factor favoured a class proceeding rather than detracting from it. The fact that there might be individual issues to be resolved did not preclude certification of a class.

Although certain members of the proposed class would be governed by collective agreements, it could not be said that the dispute arose under those collective agreements. The collective agreements would be relevant only to certain employees and then only by way of defence to the claim. An employee who asserted that he or she had not conceded her copyright, and who therefore asserted that his or her claim had nothing to do with the collective agreement, could not go before an arbitrator on the basis that the claim arose from the collective agreement.

The possibility that the class might include certain foreign writers over whom the Ontario court had no jurisdiction was not sufficient to defeat the claim from proceeding in Ontario.

An action should not be dismissed as frivolous or vexatious where the plaintiff asserts a proper cause of action and where there is some evidence upon which a case can be built. The plaintiff had pleaded a proper cause of action against the holding company, asserting that it was liable by virtue of authorizing the copyright breach. The factual record, though sparse, did provide some evidence that the strategy of the holding company in relation to electronic media possibly gave some direction. In the alternative, since the holding company chose to own certain newspapers directly for tax purposes for a brief period, it could not be heard to say that it should not be called upon to satisfy any liabilities that were incurred.

39 *Shewan v Canada (Attorney General)*
(1999), OJ 2790, (1999) LW 1914-019, **87 CPR (3d) 475** (Ont Ct – Gen Div) Archibald J.

FAITS

The plaintiff was a folk singer and songwriter who resided in the Yukon. She wrote a song in 1978 reflecting the spirit of living in the north entitled "Yukon Magic and Mystery". The title was shortened to "Magic and Mystery" to give it more universal appeal. The song was recorded solely for promotional purposes. It was played on the radio but had no commercial release. The plaintiff performed the song throughout the Yukon. The song was not included on the plaintiff's list of potential songs to be included on her first commercial album, which was never completed. She stopped touring and performing in 1983 and In 1987, the defendant, Yukon Department of Tourism, began to use the slogan "Yukon The Magic and The Mystery" nationally and internationally to promote the Yukon as a tourist attraction. The plaintiff claimed for copyright infringement and passing off.

DÉCISION

Held, the action was dismissed.

The plaintiff failed to show that a substantial part of her song had been copied. The song and slogan were not sufficiently similar because no music from the song had been used. The words "Yukon Magic and Mystery" without musical accompaniment could not constitute a substantial part of the song. Further, since the song did not have significant public exposure between 1978 and 1985, the plaintiff failed to show that the defendant had a reasonable possibility of access to the song. The slogan was found to have been independently created.

Regarding the plaintiff's claim of passing off, the plaintiff failed to prove that she had a sufficient reputation in the community that there would be an association between the slogan and her song. There was no evidence that the plaintiff had a songwriting reputation in 1986, let alone a reputation which was connected to the song in 1986. There was no substantial similarity between the printed slogan and the song, although the words "Yukon Magic and Mystery" appear in the song and constitute an important element of the song. The slogan and the song were completely different and incapable of comparison in any reasonable sense. The evidence concerning the potential confusion in the minds of the public never exceeded the threshold of speculation, conjecture, or argument.

40 *Shortreed v Canada (Attorney General)*
(1999), **(1999) FCJ 1460** (FCA) MacDonald J.

FAITS (from Trial report (1997), (1997) FCJ 954 (FCTD) Cullen J.)

(1) This was an application for judicial review of several decisions of officers of the Correctional Service of Canada. The applicants were all inmates at Warkworth Institution in Ontario. There were three sets of decisions which were objected to on this application. Two of the applicants were elected members of the Inmate Welfare Committee (IWC). The Inmate Welfare Fund, derived from deductions from inmates' earnings, canteen profits, gifts, and fundraising, was administered by the IWC, supervised by Larcombe, coordinator of the Personal Development Programs at Warkworth. The IWC approved expenditure from the fund to purchase certain legal texts and legislation. Larcombe voided the purchase order. That decision was the first one objected to, on the basis that the applicants' rights were infringed. The applicant Shortreed was hired as editor of the inmate publication, Outlook Magazine, in 1995. The Programmes Board of the institution refused to accept an issue of Outlook for publication as it was a compilation of photocopied articles from various legal texts, journals and newspapers already available to the inmates through the prison library. The Programmes Board then decided to discontinue the magazine and to eliminate the position of part-time editor. Those decisions were the second set objected to. The applicant Shortreed was prevented from using the Personal Development Programmes photocopier to copy pages from a legal text. Larcombe decided that the photocopying was for personal business, and his supervisor agreed. This was the third set of decisions objected to.

(42) Analysis: The proposed issue of Outlook magazine had no original submissions in it. The photocopying of previously published articles raises copyright concerns. Although the applicants had a laudable objective in assembling the articles for the proposed issue, this objective did not fit in with SO 765 and possibly copyright law. The copyright concerns, alone, would be enough to reject the proposed issue. Had the proposed issue been composed of inmates' review of those articles, rather than the previously published articles themselves, I believe that the CSC's decision would have been different.

DÉCISION

(5) Mr. Justice Cullen examined these actions and found that the confiscation of law books was not a true confiscation because the CSC official borrowed the books to bring to the Warden and gave them back the next day. He also found that the cancellation of the newsletter was a moot issue because it was started up again six months later, and that "Outlook" violated copyright law because it was an issue with photocopies of law textbooks.

41 *SOCAN Statement of Royalties 1997 to 2003(Re)*
(1999), 87 CPR (3d) 527, **(1999) CBD 2** (CB)

FAITS

Pursuant to paragraph 67.1(1) of the Copyright Act, the Society of Composers, Authors and Music Publishers of Canada (SOCAN) filed with the Board statements of proposed royalties for the public performance, or the communication to the public by telecommunication, in Canada, of musical or dramatico-musical works for the years 1997, 1998, 1999, 2000, 2001, 2002 and 2003.

(...)

DÉCISION

In general, the first two Associations raise the administrative burden and the unfairness of having to pay under separate tariffs (i.e. 3.A, 3.B, 8, 15.A, 18 and 20) for music being performed in the same place. As for AAAS, its major concerns, amongst others, are the impact of charging minimum fees to small communities as well as the different tariff rates which disregard low assistance to activities in smaller communities and the unfairness of imposing the same fees for music use where the attendance is much lower in smaller communities. In addition, AAAS raises the fact that the use of music in Tariff 8 for receptions and conventions allows for a fixed rate per event, notwithstanding the number of events per year or the number of participants to each of these events.

In a letter dated July 23, 1999, SOCAN sent a report to the Board updating it on the status of the issues and the "productive" discussions being held with AAAS. The tariffs listed above will therefore be the subject of a later decision. However, given the administrative difficulties that would be involved for SOCAN, the Board sees no point in going back further in time. Therefore, examination and eventual certification will start with the year 1999, with the exception of Tariffs 9 and 20 which cover the years 1998 to 2000 and Tariff 18 which covers the years 1998 to 2002.

Other tariffs have not been disputed but have been addressed by the Board to SOCAN, either because they are new (i.e. Tariff 13.A.3 (Public Conveyances - Music as Part of Audio Visual Presentations) for 1999 and Tariff 23 (Hotel and Motel Room Services Not Covered by Tariff 17.A or 17.B) for 1999), or reflect substantial rate increases (i.e. Tariff 18 for the years 1998 to 2002 and Tariff 20 for the years 1998 to 2000) which users had not been informed of other than by publication in the Canada Gazette. In a letter dated July 9, 1999, SOCAN provided the Board with information on these tariffs. The Board will see if they can be certified later in light of the information received.

42 *SOCAN Statement of Royalties, Public Performance of Musical Works 1996, 1997, 1998 (Tariff 22, Internet) (Re)*
(1999), **1 CPR (4th) 417**, (1999) CBD 5 (CB)

FAITS

The collective society filed with the board statements of proposed royalties including Tariff 22. Tariff 22 targeted the communication of musical works by means of computer networks connected to a telecommunication network. The tariff was sufficiently broad to cover, in particular, the Internet. Numerous parties objected to the tariff or intervened in the proceedings.

The collective society alleged that a communication to the public occurred each time an end user could access a musical work on the Internet and that virtually all parties involved in an Internet transmission were liable for the communication. The objectors alleged, inter alia, that Internet intermediaries were entitled to rely on the common carrier exception set out in s. 2.4(1)(b) of the Copyright Act, R.S.C. 1985, c. C-42.

The board decided to conduct the hearing in two phases, the first of which would determine which activities on the Internet, if any, constituted a protected use targeted by the tariff, and the second of which would determine the amount of the tariff and who should pay the amount. The first phase proceeded on evidence concerning, inter alia, the technical operation of the Internet and the business arrangements and relationships among the parties involved in Internet transmissions.

Persons involved in Internet transmissions carry on one of three broad categories of activities. These are (1) providing the communication service, (2) providing applications or high level services including the making of information available to users ("content providers"), and (3) receiving or using information transmitted over the Internet ("end users").

The activity of providing communication services includes providing the backbone infrastructure and providing connectivity to the Internet to subscribers. Persons providing connectivity services (Internet service providers or "ISPs") include persons who provide Internet connectivity to subscribers (Internet access providers or "IAPs").

Content providers assemble and post collections of files on servers to allow the files to be accessed by end users. The servers may be operated and maintained by (page 419) the content providers or by third parties who provide disk space on their servers to content providers.

Owners of web sites may make arrangements with other entities to copy the content of their sites onto other servers ("mirror servers") located closer to segments of end users.

DÉCISION

Held, a tariff should be certified in respect of the copyright protected activities. Internet transmissions are communications of information by telecommunication.

A communication is to the public every time a performance would be in public in similar circumstances. A communication intended to be received by a segment of the public in individual private settings is a communication to the public as long as the communication is outside a purely domestic setting. A communication may be to the public when it is made to individual members of the public at different times chosen by them or by the person responsible for sending the communication.

A work is not communicated to the public when it is merely made available on a host server. A communication to the public occurs when any member of the public uses a browser to access a work from a source computer. A work is communicated to the public, even if transmitted only once, when it is made available to the public on a site accessible to a segment of the public. A communication of a work occurs at the time of transmission of the work whether or not it is played or viewed upon receipt.

The person who communicates a work over the Internet is the content provider, the person who takes the steps required to make the work available for communication. The fact that the communication may be transmitted from a server other than a server on which the work was originally posted, such as, for example, a cache or mirror server, is irrelevant.

The Copyright Act should be interpreted in accordance with the ordinary meaning of the words used in the statute consistent with related provisions in the statute and with a view to technological neutrality. The common carrier exception set out in section 2.4(1)(b) of the Act should not be narrowly construed. An ISP limited to providing the means necessary to allow data initiated by others to be transmitted over the Internet is entitled to claim the common carrier exception as long as ancillary services provided by the ISP fall short of involving the act of communicating or authorizing a communication. However, ISPs can only rely on the common carrier exception in respect of communications in which they limit their activities to acting as intermediaries. Generally, with respect to most Internet transmissions, only the person who posts a work communicates it.

Section 2.4(1)(c) of the Copyright Act does not impose joint and several liability on ISPs. Section 2.4(1)(c) only applies in circumstances in which the initial communication is not to the public.

The person who makes a musical work available on the Internet authorizes its communication. A content provider supplying a work to be posted on a web site must be taken as purporting to have authority to put it to the use for which it was (page 420) intended. Authorization on the Internet, therefore, occurs before communication. An ISP would have to sanction more than mere use of its facilities to be liable for authorizing a communication to the public by telecommunication. An ISP is entitled to presume that its facilities will be lawfully used.

The creation of a hyperlink that is activated by an end user does not involve a communication to the public. On the other hand, a content provider who embeds an automatic link to a third party's web page authorizes the communication of the works posted on the linked web page.

A communication occurs where the transmission originates. For a communication to occur in Canada, the transmission must, therefore, originate from a server, including a mirror server, located in Canada.

A transmission of a musical work embedded in a radio or television broadcast signal is a separate communication from the original radio or television broadcast. The transmission is not, therefore, subject to the retransmission regime set out in the Copyright Act.

The collective society administered, in addition to the right to communicate musical works to the public by telecommunication, the right to authorize such a communication.

As the tariff identified activities that fell within the copyright administered by the collective society, the board concluded that a tariff should be certified in respect of such activities. The board's consideration of the tariff should proceed to the second phase relating to the amount of the tariff and the identification of who should pay the tariff.

43 *Société canadienne des auteurs compositeurs et éditeurs de musique v Bergerie Jean-Claude Borduas inc*
(1999), BE-99-561 (QueSupCt) Dubois J.

FAITS

Action en réclamation de redevances. Accueillie en partie (3 609 \$).

DÉCISION

La défenderesse ne détenait pas la licence exigée pour l'exécution en public d'oeuvres musicales. Compte tenu du rôle primordial que le défendeur a joué dans la conduite des affaires de la défenderesse, il sera condamné conjointement avec cette dernière pour les infractions commises à la Loi sur le droit d'auteur. En plus des redevances annuelles de 309 \$, la demanderesse aura également droit à des dommages-intérêts de 300 \$ ainsi qu'à une indemnité de 1 500 \$ à titre de dommages exemplaires. À cet égard, il faut considérer l'importance du respect de la Loi sur le droit d'auteur et l'effet d'exemplarité de la présente condamnation. Enfin, une somme de 1 500 \$ représentant ses frais extrajudiciaires lui sera accordée (art. 34 (3) de la loi).

- 44 *Société du droit de reproduction des auteurs, compositeurs et éditeurs du Canada (SODRAC) v MusiquePlus Inc.*
(1999), **(1999) CBD 6** (CB – Interim Decision)

DÉCISION

The purpose of an interim decision is first and foremost to avoid any negative consequences caused by the length of proceedings. (*Bell Canada v. Canada (CRTC)*, (1989) 1 S.C.R. 1722, 1754.) It can be issued, among other reasons, to prevent legal voids, such as situations where a person uses a collective society's repertoire without its authorization. *MusiquePlus*, insofar as it uses SODRAC's repertoire and subject to sections 30.8 and 30.9 of the Act, is doing so illegally.

As the Board has explained in the past, the issue of whether a decision issued pursuant to subsection 70.2(2) of the Act can take effect retrospectively to the date the request is made remains an open issue. The only way to prevent the status quo ante from becoming a fait accompli is to issue an interim decision. All interim decisions may be reviewed in the final decision; consequently, it is possible to make the final decision effective as of the date of the interim decision.

Having said this, the nature and extent of SODRAC's entitlement may not be as obvious as they appear. SODRAC is probably correct in stating that the Board cannot allow *MusiquePlus* to use that repertoire without paying royalties. Nevertheless, the Board can set interim fees at a nominal amount: any issue raised by such an approach can be easily addressed in the final decision. Under the circumstances, and given that what is really at issue here is the preservation of SODRAC's right to remuneration, if such a right exists, it is appropriate to issue an interim licence at the nominal fee of \$1 per month.

45 *Société des auteurs, recherchistes, documentalistes et compositeurs (SARDEC) (Re Application by)*
(1999), **86 CPR (3d) 481**, (1999) CBD 1 (CB)

FAITS

The applicant requested that the Copyright Board designate CRRRA as the collective society from which the owners of copyright in texts used in the production of television programs produced by CBC or by STQ could claim a share of (page482) royalties that were paid for the retransmission of distant signals between January 1, 1990 and December 31, 1997.

DÉCISION

Held, the application was granted.

All copyright owners in all works carried on a distant signal were entitled to a share of the remuneration as long as they complied with the Copyright Act, R.S.C. 1985, c. C-42. Such owners could either form collective societies that filed proposed statements of royalties, thereby becoming entitled to collect from retransmitters a share of the royalties paid, or they could avail themselves of s. 76(1) of the Act and claim their share as "orphans" from one of the societies targeted in the tariffs. However, an orphan could not file a claim unless a designation had been made by the board. It was not for the board to decide whether or not the claim was valid. All the designation did was allow a person purporting to own some rights to file a claim. Ultimately, it was for the courts to determine whether the claimant truly owned the relevant rights.

Since the designation was made for a category of works, there was truly no need to know who owned the rights in them or whether those owners truly were orphans. The fact that a society's constitution prevented it from acting for certain rights, owners could not, of itself, immunize it from being designated under the Act. The board could proceed to make a designation without knowing what those works were or who owned rights in them. It was sufficient that the designation outlined criteria allowing orphans to know with whom eventual claims ought to be filed. To refuse to grant the motion would have necessarily resulted in a denial of justice.

46 *Society of Composers, Authors and Music Publishers of Canada v Landmark Cinemas of Canada Ltd*
(1999), (1999) FCJ 1026, (1999) FTR Uned 481 (FCTD prot – discovery) prothonotary Aronovitch

FAITS

(1) The plaintiff brings a motion to compel answers to questions refused during the examination for discovery of the defendant's representative Brian McIntosh.

DÉCISION

(14) Turning now to the questions at issue, I find that part of question 1 regarding theatres owned as opposed to operated by the defendant and all of question 2 regarding the owners of the theatres operated by the defendant need not be answered as these are neither relevant nor particularized. The defendant having been sued in their capacity as theatre operators only, need not provide instances of theatres they own. As to the owners of the theatres, they are not parties to these proceedings and I am not satisfied, in any case, that the owners would have knowledge that is relevant in that it would serve to advance the plaintiff's case as instituted.

(15) As to the remaining questions, namely the greater part of question 1 and questions 3 to 8, the issue is essentially as to whether a party is limited on discovery to ask the questions or demand documents regarding only the infringement particularized in the statement of claim and in the case of a continuing breach, to the year in respect of which particulars were provided. I conclude that parties are not so limited and may compel answers and documents regarding instances of the same type of infringement as are in suit and have been particularized. (GEO Vann Inc. (1985), 4 C.P.R. (3d) 19 (F.C.T.D) and CSI Manufacturing and Distribution Inc. et al. v. Astroflex Inc., (1993), 52 C.P.R. (3d) 483 (F.C.T.D).)

47 *Society of Composers, Authors and Music Publishers of Canada v 946945 Ontario inc* (1999), **(1999) FCJ 287** (FCTD-Contempt) Sharlow J.

FAITS

(2) On December 18, 1997, Giles A.S.P. made an order upon the Plaintiff's motion that, among other things, required the Defendants to file and serve a Statement of Issues, and serve an Affidavit of Documents by stated deadlines. That order was served on both Defendants on March 23, 1998. By February 8, 1999, the deadlines had long since passed, and neither Defendant had complied with the order.

(3) By order dated February 8, 1999 made upon the Plaintiff's motion, Reed J. made an order pursuant to Rule 467 ordering the Defendants to appear before this Court on March 1, 1999 at 2:00 P.M. or such later time as counsel might be heard, and to be prepared to hear proof that they had failed to file and serve the documents as required by the December 18, 1997 order, and to be prepared to present any defence that they may have. The order of Reed J. was served on the Defendants on February 24, 1999.

DÉCISION

(8) In my view, a fine similar to that imposed in *Timberlea and Niagara Hotel* would be appropriate in this case. It reflects the Court's concern that its orders be obeyed, and at the same time provides an incentive for compliance with an order in which the Plaintiff has a continuing interest. I impose on the Defendants, jointly and severally, a fine of:

- (1) \$1,000 payable on or before April 1, 1999, and
- (2) a further \$100 for each day during the period commencing on April 2, 1999 and ending on the day the order of Giles A.S.P. is complied with, payable on the final working day of each calendar month during that period.

(9) The Plaintiff is awarded solicitor and client costs.

48 *Society of Composers, Authors and Music Publishers of Canada v Niagara Hotel*
(1999), **(1999) FCJ 980** (FCTD-Reference) assesment officer Stinson

DÉCISION

(2) The Federal Court Rules, 1998 do not contemplate a litigant, having proper notice of an assessment of costs and choosing not to participate as was the case here, benefitting by an assessment officer abdicating a position of neutrality to act as the litigant's advocate in challenging given items in a Bill of Costs. However, the assessment officer cannot certify unlawful items, i.e. those outside the authority of the judgment and the tariff.

49 *Society of Composers, Authors and Music Publishers of Canada v Canadian Association of Broadcasters* (1999), (1999) FCJ 389, (1999) NR TBE d AP107, (1999) 3 FC D-7, 1 **CPR (4th) 80**, 239 NR 119 (FCA) Robertson J.

FAITS

The performing rights society filed with the Copyright Board a proposed tariff for commercial television. The respondent objected to the tariff. The board considered the tariff and the objection and certified the tariff with a reduction of the tariff from 2.1% to 1.8% of gross advertising revenues for the years 1994 to 1997 and introduced a modified blanket licence as an alternative for 1997. The modified blanket licence enabled television stations to deduct from gross advertising revenue their revenue for programs "cleared at source" that did not contain music within the repertoire of the society.

The performing rights society applied for judicial review of the decision of the Copyright Board on grounds that the board lacked jurisdiction to reduce the tariff and to introduce the modified blanket licence. In the alternative, the society alleged that the board's decision to reduce the tariff and to introduce the modified blanket licence was patently unreasonable. The society alleged that the introduction of the modified blanket licence would force composers to leave the society thereby threatening collective administration of their rights and changing the institutional arrangements for the administration of performing rights. The society submitted that the change was outside the board's jurisdiction to fix royalty rates.

DÉCISION

Held, the application should be dismissed.

The standard of review for jurisdictional questions is "correctness". The court had to be satisfied that the board had the jurisdiction to introduce the modified blanket licence. Section 67 of the Copyright Act, R.S.C. 1985, c. C-42, in force at the time of the board's decision, granted the board a discretion to set tariff rates and (page 81) related terms and conditions. The statute was therefore sufficiently broad to encompass the modified blanket licence. The board had jurisdiction not only to fix the tariff rate but also to calculate the revenue base to which the rate applied.

The standard of review of the board's decision in setting the tariff is "patent unreasonableness". The board's decision to introduce the modified blanket licence could prove to be an unwise policy decision but it was not irrational. The board's decision to reduce the tariff and to introduce the modified blanket licence was not patently unreasonable.

50 *Society of Composers, Authors and Music Publishers of Canada v Trillion Investment Corporation*
(1999), **(1999) FCJ 319** A (FCTD - Contempt), Teitlebaum J.

DÉCISION

(6) I am satisfied that individual defendants may be found guilty of civil contempt if they do not appear for a contempt hearing but I am satisfied that they cannot be incarcerated for civil contempt without being present for such a hearing.

(7) The evidence made before me clearly establishes that the Defendants failed to file and serve a Statement of Issues and an Affidavit of Documents, as ordered, to the present time.

(8) The Defendants are guilty of contempt.

(9) I am satisfied, after reading the 946945 Ontario Inc. case (T-1633-97 March 2, 1999 (F.C.T.D.)) and the Timberlea case (152 F.T.R. 198) that a fine of \$1,000.00 for each defendant should be paid, and a further fine of \$100.00 per day should be paid to the individual defendant for each day, after seven days after service of the present order, so long as the documents are not filed and served.

(10) Costs are awarded to the Plaintiff on a solicitor and client basis.

51 *Société du droit de reproduction des auteurs compositeurs et éditeurs du Canada (SODRAC) v L'Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ)*
(1999), **(1999) CBD 4** (CB - Interim)

FAITS

On June 15, 1999, Sodrac asked that the Board, pursuant to section 70.2 of the Act, fix the royalties and related terms and conditions for a licence authorizing member record companies of l'ADISQ to reproduce musical works in Sodrac's repertoire in 1999, 2000 and 2001. Sodrac also asked that the Board, pursuant to section 66.51 of the Act, issue an interim decision according to the same terms as those set out in the agreement reached on April 20, 1995 between Sodrac et ADISQ, which expired on December 31, 1998. Sodrac finally asked that the interim decision expire no later than December 31, 1999. Sodrac elaborated on the reasons for its request in a letter dated July 6, 1999.

(...)

DÉCISION

In this case, the time required to reach a final decision may prejudice Sodrac not because of some legal void, but, quite to the contrary, because of the restrictions to which its past contractual arrangements may confine it against its will.

Section 11.2 of the agreement which expired last December In this case, the time required to reach a final decision may prejudice Sodrac not because of some legal void, but, quite to the contrary, because of the restrictions to which its past contractual arrangements may confine it against its will.

Section 11.2 of the agreement which expired last December the period between now and the issuance of the final order (Retransmission of distant radio and television signals, 1992-1994 (1990-1994) Copyright Board decisions, 240, 242.).

- 52 *Statement of the Royalties to be collected by NRCC for the public performance or the communication to the public by telecommunication in Canada, of published sound recording embodying musical works and performer's performances of such works (Tariff 1a)*
(1999), **(1999) CBD 3** (CB)

FAITS

Pursuant to section 67 of the Copyright Act (the Act) and section 53.1 of the Act to amend the Copyright Act (S.C. 1997, ch. 24), the Neighbouring Rights Collective of Canada (NRCC) and the Société de gestion des droits des artistes-musiciens (SOGEDAM) filed with the Board on or before September 1, 1997, statements of proposed royalties for the public performance, or the communication to the public by telecommunication in Canada, of performer's performances of musical works, or of sound recordings embodying such performer's performances, with an effective date of January 1, 1998. (...)

DÉCISION

New and pre-existing rights of performers, makers of sound recordings and broadcasters are all addressed in Part II of the Act. Sections 15, 18, 21 and 26 now describe the exclusive rights they enjoy, all of which are included in the definition of "copyright" which is introduced in the Act for the first time. Section 19 also grants to makers and performers a right of equitable remuneration for the public performance and communication to the public by telecommunication of eligible published sound recordings. This new right has several characteristics, some of which have a direct effect on this decision.

First, the right benefits jointly makers and performers of eligible sound recordings. (s. 19(1))

Second, a recording is eligible not only if the maker was, at the date of the first fixation, a citizen or permanent resident of Canada or a Rome Convention country, but also if all the fixations done for the sound recording occurred in Canada or a Rome Convention country. (s. 20(1)) As a result, performers and makers who are not citizens or permanent residents of Canada or a Rome Convention country may be entitled to remuneration.

Third, the manner in which royalties are collected varies according to the nature of the underlying work. In the case of recorded music, users pay royalties to the collective society authorized under Part VII to collect them. In the case of recorded literary or dramatic works, users pay royalties to either the maker or the performer. (s. 19(2))

Fourth, once they have been paid, royalties are always divided equally between the maker or makers and the performer or performers, irrespective of who received the payment. (s. 19(3))

Fifth, even though performers and makers are entitled to an equal share of the remuneration, what triggers the remuneration is the performance or telecommunication of the maker's recording. (s. 19(1) in limine)

Finally, in the case of sound recordings of musical works, the right to remuneration must be exercised through a collective society. (ss. 19(2)(a), 67.1(1), 67.1(4)(b)) Societies are subject to the rate regulation regime already in place for the performance or telecommunication of musical works. All must answer information requests about their repertoire. All must file proposed tariffs or lose their right to sue for payment of royalties without the written consent of the Minister. All tariffs are subject to essentially the same examination and certification process.

A few differences exist. The Act sets out three limits on the Board's power to decide the amount and terms of the royalties to be paid on account of the remuneration right (Paragraph 68(2)(a). Paragraph 68(2)(b), which provides that the Board may also "take into account any factor that it considers appropriate", adds nothing to the Board's already wide discretionary powers. See, for example, *SOCAN v. Canadian Association of Broadcasters* (C.A.), (1999) F.C.J. 389; *Réseaux Premier Choix Inc. v. Canadian Cable Television Assn.* (1997), 80 C.P.R. (3d) 203 (F.C.A.); *FWS Joint Sports Claimant v. Canada (Copyright Board)* (C.A.) (1992) 1 F.C. 487.). The tariff must apply only in respect of eligible recordings. It must not put certain users that are subject to different linguistic and content requirements as a result of Canada's broadcasting policy at a financial disadvantage. Finally, it must provide for the payment of royalties in a single payment. (...)

Other characteristics of the remuneration right which do not have a direct impact on this decision include the following. First, the remuneration right is not a copyright as defined in the Act. Consequently, a person who violates the right does not infringe copyright. Second, the Minister may limit the scope and duration of the protection granted to sound recordings of Rome Convention countries who do not grant rights similar to those afforded in section 19 of the Act. This was done on March 23, 1999 (Section 20(2). See *Limitation of the Right to Remuneration of Certain Rome Convention Countries Statement*, SOR/99-143, Canada Gazette Part II, Vol. 133, No. 8, p. 1020.). However, the practical impact of the statement on the size of the repertoire actually used by commercial radio stations is negligible. Third, the Minister may also grant the right to remuneration to the performers and makers of sound recordings of a country other than a Rome Convention country if that country grants Canadian performers and makers of sound recordings rights substantially equivalent to those conferred by Canadian legislation. (s. 22) However, this has not been done yet.

(...)

The right to remuneration attaching to sound recordings of musical works is contingent on the recording being eligible. Essentially, this requires that the recording be published, qualify under section 20 of the Act and be less than 50 years old. That right is also contingent on eligible recordings being part of the repertoire of a collective society that has filed for a tariff.

As a result, it is incumbent on the collectives who claim royalties for the use of sound recordings to show that they do represent the repertoire they claim. The need to establish which recordings are eligible and which are not is made all the more important by the fact that almost all American recordings, which represent an important proportion of music played on radio, are not eligible. This does not mean that collectives actually bear the burden of making a case for each and every title they claim: they are clearly entitled to remuneration once they have established that they do represent those they say they do.

The determination of which recordings are before the Board requires an answer to two questions. Are NRCC and SOGEDAM collective societies? Do they represent those they say they represent? It will then be necessary to determine the extent to which commercial radio stations use the eligible repertoire.

(...)

In the Board's view, the arguments in favour of interpreting the single payment requirement as directing the Board to identify a single entity that will collect royalties on account of all the repertoire entitled to remuneration are overwhelming.

Thus, the requirement exists first and foremost for the benefit of users. Interpreting the single payment requirement in this way is congruent with this benefit.

Second, this interpretation gives meaning to subparagraph 68(2)(a)(iii) of the Act. If the single payment requirement were to mean anything less, then subsection 19(2) of the Act, which already limits to one the payment to be made on account of any given recording, would have been sufficient.

Requiring that users make only one payment for the whole repertoire does not contradict the right of collectives to each file tariff proposals. The ability to ask for a tariff can readily be distinguished from the ability to act as collecting agent, as the home taping regime clearly demonstrates. Neither is it incompatible with a tariff that creates different structures for different parts of the repertoire. The Board could easily certify a tariff which has, say, a different price formula for SOGEDAM's repertoire than for NRCC's and still require that radio stations only pay at one designated place.

Consequently, the Board concludes that the single payment requirement entitles users to pay to a single collecting agent.

53 *SOCAN Statement of Royalties, Public Performance of Musical Works 1996, 1997, 1998 (Tariff 22, Internet) (Re)* (1999), **1 CPR (4th) 417**, (1999) CBD 5 (CB), at pp. 26-27:

FAITS

The collective society filed with the board statements of proposed royalties including Tariff 22. Tariff 22 targeted the communication of musical works by means of computer networks connected to a telecommunication network. The tariff was sufficiently broad to cover, in particular, the Internet. Numerous parties objected to the tariff or intervened in the proceedings.

The collective society alleged that a communication to the public occurred each time an end user could access a musical work on the Internet and that virtually all parties involved in an Internet transmission were liable for the communication. The objectors alleged, inter alia, that Internet intermediaries were entitled to rely on the common carrier exception set out in s. 2.4(1)(b) of the Copyright Act, R.S.C. 1985, c. C-42.

The board decided to conduct the hearing in two phases, the first of which would determine which activities on the Internet, if any, constituted a protected use targeted by the tariff, and the second of which would determine the amount of the tariff and who should pay the amount. The first phase proceeded on evidence concerning, inter alia, the technical operation of the Internet and the business arrangements and relationships among the parties involved in Internet transmissions.

Persons involved in Internet transmissions carry on one of three broad categories of activities. These are (1) providing the communication service, (2) providing applications or high level services including the making of information available to users ("content providers"), and (3) receiving or using information transmitted over the Internet ("end users").

The activity of providing communication services includes providing the backbone infrastructure and providing connectivity to the Internet to subscribers. Persons providing connectivity services (Internet service providers or "ISPs") include persons who provide Internet connectivity to subscribers (Internet access providers or "IAPs").

Content providers assemble and post collections of files on servers to allow the files to be accessed by end users. The servers may be operated and maintained by (page 419) the content providers or by third parties who provide disk space on their servers to content providers.

Owners of web sites may make arrangements with other entities to copy the content of their sites onto other servers ("mirror servers") located closer to segments of end users.

DÉCISION

Held, a tariff should be certified in respect of the copyright protected activities. Internet transmissions are communications of information by telecommunication.

A communication is to the public every time a performance would be in public in similar circumstances. A communication intended to be received by a segment of the public in individual private settings is a communication to the public as long as the communication is outside a purely domestic setting. A communication may be to the public when it is made to individual members of the public at different times chosen by them or by the person responsible for sending the communication.

A work is not communicated to the public when it is merely made available on a host server. A communication to the public occurs when any member of the public uses a browser to access a work from a source computer. A work is communicated to the public, even if transmitted only once, when it is made available to the public on a site accessible to a segment of the public. A communication of a work occurs at the time of transmission of the work whether or not it is played or viewed upon receipt.

The person who communicates a work over the Internet is the content provider, the person who takes the steps required to make the work available for communication. The fact that the communication may be transmitted from a server other than a server on which the work was originally posted, such as, for example, a cache or mirror server, is irrelevant.

The Copyright Act should be interpreted in accordance with the ordinary meaning of the words used in the statute consistent with related provisions in the statute and with a view to technological neutrality. The common carrier exception set out in section 2.4(1)(b) of the Act should not be narrowly construed. An ISP limited to providing the means necessary to allow data initiated by others to be transmitted over the Internet is entitled to claim the common carrier exception as long as ancillary services provided by the ISP fall short of involving the act of communicating or authorizing a communication. However, ISPs can only rely on the common carrier exception in respect of communications in which they limit their activities to acting as intermediaries. Generally, with respect to most Internet transmissions, only the person who posts a work communicates it.

Section 2.4(1)(c) of the Copyright Act does not impose joint and several liability on ISPs. Section 2.4(1)(c) only applies in circumstances in which the initial communication is not to the public.

The person who makes a musical work available on the Internet authorizes its communication. A content provider supplying a work to be posted on a web site must be taken as purporting to have authority to put it to the use for which it was (page 420) intended. Authorization on the Internet, therefore, occurs before communication. An ISP would have to sanction more than mere use of its facilities to be liable for authorizing a communication to the public by telecommunication. An ISP is entitled to presume that its facilities will be lawfully used.

The creation of a hyperlink that is activated by an end user does not involve a communication to the public. On the other hand, a content provider who embeds an automatic link to a third party's web page authorizes the communication of the works posted on the linked web page.

A communication occurs where the transmission originates. For a communication to occur in Canada, the transmission must, therefore, originate from a server, including a mirror server, located in Canada.

A transmission of a musical work embedded in a radio or television broadcast signal is a separate communication from the original radio or television broadcast. The transmission is not, therefore, subject to the retransmission regime set out in the Copyright Act.

The collective society administered, in addition to the right to communicate musical works to the public by telecommunication, the right to authorize such a communication.

As the tariff identified activities that fell within the copyright administered by the collective society, the board concluded that a tariff should be certified in respect of such activities. The board's consideration of the tariff should proceed to the second phase relating to the amount of the tariff and the identification of who should pay the tariff.

54 *Stephens v Investors On-Line Productions Inc*
(1999), (1999) OJ 3634, (1999) OTC TBEEd OC077 (Ont SC), Cullity J.

FAITS

(1) In an action for copyright infringement and breach of contract, the defendants have moved to strike certain paragraphs of the statement of claim under rule 21.01(1)(b) on the ground that they disclose no cause of action and, under rules 21.01(3)(d) and 25.11, on the ground that they are frivolous, vexatious or otherwise an abuse of process. The defendants also rely on rule 25.06(1) which requires material facts to be pleaded.

DÉCISION

(6) Paragraph 10 of the statement of claim lists a number of features of the work allegedly created by the plaintiff and states that it was "fixed in writing or otherwise". The defendants' objection is that the written document or other mode of "fixing" the work was not identified. In their response to the defendants' request for particulars, the plaintiff's solicitor took the position that it was not necessary to produce or identify documents for the purpose of pleading and stated:

"Copies of the work as fixed will be included within the Plaintiff's Affidavit Of Documents; particulars of where and when it was fixed are the proper subjects of Examination For Discovery."

(8) The question is whether the minimum level of material fact disclosure was achieved by the description of the work in the statement of claim. On balance, I believe that this has been done. The defendants might have been able to obtain an order for particulars but, as the statements in Copland indicate, that is not to the point. The general features of the work and the dealings between the parties with respect to its production have been described, the defendants have delivered a statement of defence and counterclaim and there is nothing in that, or in the affidavit filed in support of the motion, to suggest that they have suffered any prejudice as a result of the failure to particularize the form in which the work was "fixed" - in the sense of having "some material form, capable of identification and having a more or less permanent endurance" (...)

(9) Evidence of the form in which the work is fixed will be available at discovery and required at the trial but whether it is one form or another is immaterial to the existence of a cause of action.

55 *Tariff of Levies to be Collected by CPCC, in 1999 and 2000, for the Sale of Blank Audio Recording Media, in Canada, in respect of the Reproduction for Private Use of Musical Works Embodied in Sound Recordings, of Performer's Performances of such Works and of Sound Recordings in which such Works and Performances Are Embodied* (1999), **(1999) CBD 8** (CB)

DÉCISION

Preliminary Issues

a. (...)the Board can rule on the constitutional and Charter issues raised in these proceedings.

b. In its pith and substance, then, Part VIII deals with the rights of copyright holders and of those who copy their works. Eligible authors, performers and makers get a right to remuneration. This is in return for allowing individuals to copy musical works for their own private use. As determined by the Board, the amount of the levy is reasonably and equitably proportional to the amount of use made of audio recording media to actually record musical works. This is a matter which falls squarely within the ambit of subsection 91(23) of the Constitution Act, 1867. This remains true even though the application and effects of Part VIII are unlike any other provisions of Canadian intellectual property law and might impose a levy on some audio recording media that may not in fact be used for private copying.

Part VIII is properly anchored within federal powers and was validly enacted by Parliament pursuant to subsection 91(23) of the Constitution Act, 1867. Any incursion into property and civil rights is incidental and therefore inconsequential from a constitutional standpoint.

c. The private copying levy is not a tax, but a compulsory charge, imposed pursuant to a regulatory scheme directly related to copyright. It is meant to provide for a payment, in lieu of a royalty, as compensation for the copying of copyrighted works as a result of the legalization of private copying of recorded musical works. Since Part VIII is not a taxation scheme, it applies to provincial governments.

d. Part VIII of the Act clearly meets the proviso outlined in *Edward Books* and therefore does not offend paragraph 2(a) of the Charter. The measure extends to all audio recording media. The impact of the levy on religious organizations is likely to be insubstantial(...) Finally, as some of the media that will not be subject to the levy may be eminently suited to the purposes of religious organizations, the measure cannot be said to threaten religious activities in any way.

Part VIII does not create a distinction amongst any identifiable group in the Canadian population. It does not create a distinction by adverse effect on any of the groups whose exercise of their religion involves an economic cost. It does not on its face impose any burden on one group that it does not impose on others, nor does it limit anyone's opportunities. To the extent that importers and manufacturers choose to pass on the cost of the levy to consumers, everyone who uses blank audio recording media will pay the levy.

Finally, Part VIII is not likely to threaten anyone's full membership in Canadian society. Indeed, the legislation attempts to soften the impact of the regime on those whose ability to achieve a sense of self-worth may remotely be affected.

56 *Tat-Ha v Centre hospitalier de l'Université Laval (CHUL)*
(1999), **BE 99-259**, (1999) AQ 181 (QueSupCt), Boisvert J.

DÉCISION

La demanderesse a admis que l'avis qu'elle a rédigé pour son employeur devait être signé par son directeur, le défendeur Nantel. Cet article a été repris dans une parution qui ne peut toutefois être qualifiée de revue scientifique. Comme il s'agissait d'une reproduction de l'avis de l'employeur de la demanderesse, il n'était pas nécessaire de mentionner sa contribution. En outre, plusieurs corrections ont dû être apportées au travail de la demanderesse. Même si elle reconnaît qu'elle ne peut être titulaire d'un droit d'auteur sur son texte (art. 13(3) de la *Loi sur le droit d'auteur*), la demanderesse a invoqué ses droits moraux. L'utilisation qu'en a faite le Dr Nantel constitue toutefois un usage normal au sens de l'article 14.1 de la Loi et probablement une renonciation implicite de la part de la demanderesse à ses droits moraux.

57 *Théberge c Galerie d'art du Petit Champlain*
(1999), JE 99-1991, **REJB 99-14552**, (1999) JQ 4472 (QueSupCt) Bélanger J.; in appeal
500-09-008606-998

FAITS

Les galeries d'art requérantes ont fait l'acquisition de plusieurs œuvres dont la reproduction a été autorisée par l'artiste-peintre intimé. Elles ont transféré sur toile et sur cartes ces œuvres. Estimant ne pas avoir autorisé ces reproductions, l'intimé a procédé à une saisie avant jugement de celles-ci.

DÉCISION

Les requérantes réclament l'annulation de la saisie.

La requête est accueillie. Les contrats d'édition intervenus entre l'intimé et les requérantes autorisent la plupart des reproductions et stipulent que le produit est mis en vente sans restriction d'utilisation, et que ces utilisations ne peuvent être considérées comme ayant généré des produits ou sous-produits autres que ceux prévus aux contrats. De plus, le fait de transposer les encres sur un support autre que le papier ne constitue pas de nouvelles copies non autorisées d'une œuvre. L'intimé ne bénéficie donc pas de la présomption d'un droit de propriété. Au surplus, il est impossible à ce stade de distinguer les reproductions autorisées de celles qui ne l'étaient pas, compte tenu des termes utilisés dans la réquisition du bref de saisie. La déclaration solennelle au soutien de la réquisition contient donc des allégations fausses justifiant l'annulation de la saisie.

58 *Tri-Tex Co Inc v Ghaly*
 (1999), (1999) QJ 4123, JE-99-1779, **REJB 99-14246, 1 CPR (4th) 160**, (1999) RJQ 2324
 (QueCA), Nuss J.

FAITS

L'appelante Tri-Tex, une entreprise manufacturant des teintures et des produits chimiques, a procédé à la saisie avant jugement de lots de produits chimiques manufacturés par l'intimée Gideochem ainsi que des documents et d'un ordinateur qui auraient contenu des informations confidentielles illégalement obtenues par cette dernière relativement à ses procédés de fabrication.

Le juge de première instance a annulé en partie la saisie avant jugement, l'appelante n'ayant pas établi son droit de propriété à l'égard des produits chimiques saisis. Il a jugé que les formules chimiques ne constituaient pas des oeuvres littéraires au sens de la Loi sur le droit d'auteur (la loi), et que les produits chimiques saisis ne constituaient pas des exemplaires contrefaits d'une oeuvre protégée par cette loi. Il a ordonné la tenue d'un inventaire des autres objets afin de pouvoir se prononcer sur la validité de leur saisie.

Les parties ont appelé de ce jugement interlocutoire.

DÉCISION

Les juges Nuss, Chamberland, Philippon. Les appels sont accueillis : la saisie avant jugement est annulée et la requête pour permission d'analyser les documents saisis est rejetée.

Les formules et les produits chimiques ne pouvaient être saisis en vertu de la loi. Les formules chimiques sont des idées et ne peuvent bénéficier de la protection de la loi. Le simple fait qu'elles soient consignées par écrit ou sur support informatique ne suffit pas à en faire des oeuvres littéraires. Par ailleurs, les formules chimiques pourraient être considérées comme des secrets commerciaux et ainsi bénéficier d'une protection contractuelle, légale ou faire l'objet d'un brevet, sans toutefois être protégées par la loi uniquement parce qu'elles constituent des secrets commerciaux. Les produits fabriqués à partir de ces formules ne peuvent faire l'objet d'une saisie avant jugement, l'utilisation d'une idée par ailleurs protégée n'étant pas prohibée par la loi.

Il faut conclure à l'insuffisance de l'affidavit déposé au soutien de la saisie avant jugement des boîtes de documents et de l'ordinateur. Ces biens ne peuvent faire l'objet d'une saisie en vertu de la loi. Par ailleurs, l'appelante n'a pas allégué la propriété de ces biens. Enfin, l'information confidentielle ne constitue pas un bien meuble pouvant être revendiqué en vertu de l'a. 734(1) C.p.c.

FAITS

Tri-Tex manufactured dyes and other chemical products. Gideochem operated a similar business. Gideochem bribed the mis en cause, two long-term employees of Tri-Tex, to obtain the secret formulae for Tri-Tex products and secured from the employees a list of Tri-Tex's suppliers.

Tri-Tex issued a writ of seizure before judgment pursuant to art. 734 (1) of the Code of Civil Procedure, R.S.Q., c. C-25, based on evidence that the two employees had sold its secret formulae and provided Gideochem a list of its suppliers. Tri-Tex alleged that it owned copyright and confidential information in the secret formulae and client list and that the production of the chemical products infringed the copyright and that Gideochem had breached Tri-Tex's property rights in the confidential information. Tri-Tex executed the writ of

seizure before judgment and seized chemical products, boxes of documents and a computer.

Gideochem applied to quash the seizure before judgment. Gideochem admitted to bribing the two employees but alleged that it did so to expose the inferior quality of the Tri-Tex products. Gideochem alleged that it had not manufactured the (page161) products relied on in support of its Writ of Seizure, that much of what was seized contained confidential information of Gideochem and that none of the seized products infringed any copyright.

Tri-Tex applied for an order to permit it to analyze the documents seized to enable it to establish as true the allegations on which it relied in issuing the writ of seizure before judgment.

The trial judge quashed the seizure before judgment as it applied to the chemical products on grounds of insufficiency and ordered that an inventory be taken of those items for which the seizure was not quashed, namely the supplier lists, boxes of documents and computer. Both Tri-Tex and Gideochem obtained leave to appeal from the decision of the trial judge.

DÉCISION

Held, the appeals by Tri-Tex from the decision to quash, in part, the seizure before judgment and the decision to refuse to permit Tri-Tex to inspect the seized documents should be dismissed, and the appeal by Gideochem from the decision to quash, in part, the seizure before judgment should be allowed.

There can be no copyright in ideas or information. The Tri-Tex chemical formulae were ideas and therefore were not subject to copyright. The fact that the formulae were written or printed on paper did not mean that they were literary works protected under the Copyright Act, R.S.C. 1985, c. C-42. The Tri-Tex chemical formulae could not be protected under the Copyright Act simply on grounds that the formulae comprised trade secrets.

Even if the chemical formulae had been subject to protection under the Copyright Act, Tri-Tex was not entitled to seize the chemical compounds. Those who followed the instructions to produce the chemical compounds in accordance with the formulae merely used the ideas expressed in the formulae and not the expression of the formulae.

Tri-Tex failed to establish that the confidential information constituted "moveable property" subject to seizure pursuant to art. 734 (1) of the Code of Civil Procedure. Consequently, the seizure in its entirety was quashed.

59 *University of Toronto Press Custom Publishing (Re)*
An **unreported** decision rendered by the Copyright Board on 19990107, docket 1998-
UO/TI-20 (CB)

DÉCISION

A non exclusive licence to reprint in one single copy the publication *Development and the Military in the Philippines* (1988) for \$12,24 to be paid to CANCOPY.

60 *Wic Premium Television v Levin*
 (1999), 1 CPR (4th) 467, (1999) FCJ 652, (1999) FTR Uned 295, (1999) FC D- (FCTD), Sharlow
 J

FAITS

La demanderesse affirme qu'elle est préjudiciée par certains actes illégaux de la défenderesse (mise en vente, en contravention de l'art. 9 de la Loi sur la radiocommunication, d'équipement utilisé pour décoder des signaux chiffrés provenant de radiodiffuseurs étrangers qui n'ont pas le droit de transmettre ces signaux au Canada) et, sur ordonnance prononcée ex parte, la défenderesse a fait l'objet d'une ordonnance restrictive- Requête en confirmation et requête en annulation de l'ordonnance et en restitution à la défenderesse de tous les objets saisis-Demande de confirmation de l'ordonnance refusée

DÉCISION

L'arrêt *Anton Piller KG v. Manufacturing Processes Ltd.*, (1976) 1 All E.R. 779 (C.A.) énonce trois conditions à remplir pour obtenir ce type d'ordonnance: il doit exister un commencement de preuve très solide; le préjudice réel ou possible doit être très grave; il faut la preuve manifeste que les défendeurs ont en leur possession des documents ou des objets pouvant servir de pièces à conviction et qu'il est réellement possible qu'ils détruisent ces pièces avant que puisse être introduite une demande inter partes-1) Les parties admettent que la première condition est remplie-2) La preuve d'un préjudice grave à la demanderesse n'a pas été établie-La demanderesse exploite une entreprise de distribution de programmes en vertu d'un permis du CRTC-Distinction faite d'avec la décision *Expressvu Inc. et al c. Nil Norsat International Inc.*, (1998) 1 C.F. 245 (1re inst.)-Il n'a pas été prouvé que les actes de la défenderesse ont fait subir ou pourraient faire subir à la demanderesse un préjudice grave-Aucune preuve n'a été faite de la part de marché de la défenderesse, pas même du volume estimatif de ses activités-Aucune preuve n'a été faite du moindre film ou événement spécial accordé par licence à la demanderesse qui aurait pu circuler au moyen d'un dispositif vendu par la défenderesse et qui aurait pu être regardé par un téléspectateur sur le marché de la demanderesse dans l'Ouest canadien-3) Probabilité de destruction de documents-La preuve qui constitue le commencement de preuve des activités illicites de la défenderesse est aussi la preuve que la défenderesse est en possession de documents qui pourraient servir de pièces à conviction-Si la défenderesse reçoit un préavis de la revendication de la demanderesse, elle s'empressera alors de détruire, et elle aura les moyens de détruire, ses documents commerciaux, assez rapidement pour que la demanderesse ne puisse s'en emparer-On devrait donc en déduire que c'est ce que fera probablement la défenderesse si l'ordonnance *Anton Piller* n'est pas accordée ou prorogée-La troisième condition est remplie-L'ordonnance *Anton Piller* est annulée et la demanderesse restituera à la défenderesse tous les objets saisis et, à ses propres frais, elle procédera à toute réinstallation nécessaire des objets saisis-Loi sur la radiocommunication, L.R.C. (1985), ch. R-2, art. 9 (mod. par L.C. 1989, ch. 17, art. 6; 1991, ch. 11, art. 83; 1993, ch. 40, art. 24).

FAITS

The plaintiff alleged it was exclusively licensed by the CRTC to authorize the decoding of program signals in Western Canada ("plaintiff's territory"). It had entered into agreements with copyright holders whereby it was permitted to show certain entertainment programming to authorized receivers by means of satellite transmission. The programs were encrypted, beamed up to a satellite and then beamed back to receivers which customers purchased for the purpose of watching the programs. Certain of the defendants including the Echostar defendants and the USSB defendant provided similar services in the United States whereby their signals when transmitted back to earth covered not only the United States but also southern Canada. These defendants, upon payment of subscription fees from Canadian

customers, activated decoders located in Canada. The Warren defendants supplied and activated these decoders. None of the defendants had licences to permit the activation of decoders located in Canada.

The plaintiffs had commenced an action against some of the defendants in California. The court in California concluded that all the alleged injuries and impacts of the defendants' alleged wrongdoings were felt in Canada and that Canadian law should apply. Accordingly, it was more appropriate for the claims to (page468) be brought in a Canadian court. The plaintiff's action in California was dismissed on the condition that the defendants in the California action would submit to the jurisdiction of the Canadian court.

The plaintiff commenced its action in Canada based on conspiracy, unjust enrichment, unlawful interference with economic interest, and claims under the Broadcasting Act, S.C. 1991, c. 11, the Copyright Act, R.S.C. 1985, c. C-42, and the Competition Act, R.S.C. 1985, c. C-34, and obtained an ex parte order for service ex juris. The Echostar defendants, the USSB defendant and the Warren defendants, who had not been parties to the California action but who resided in the United States, moved to have the order for service ex juris set aside and those defendants struck from the proceedings.

DÉCISION

Held, with the exception of the individual Warren defendants, the motion should be dismissed.

The following principles establish the test to be applied on applications to set aside an order for service ex juris:

1. The court must find a good arguable case from all the materials before it, which when considered as a whole, make it clear that the case is a proper one to be considered by the court.
2. The requirement of a good arguable case is satisfied when the material filed supports the causes of action pleaded, where all or one of the defendants are or may be involved in any of the causes of action and where the facts alleged establish that the defendants exhibit a definite connection to the case.
3. Given the very early stage in the proceedings, the supporting material may fall short of that required to make a case at trial.
4. The evidence required does not call for first-hand knowledge or a positive factual conclusion.
5. For cross-examination on an affidavit filed in support of the application to set aside service ex juris to succeed, it must cause the deponent to recant entirely some vital element of the cause of action.

To establish a real and substantial connection between a defendant and the geographic territory in question, there are no rigid tests that apply and there should be no mechanical counting of concrete connections. Business can be carried on in a territory without ever having any physical presence -- it can all be done by electronic means. Common sense and the authorities suggest that where a claim of conspiracy is involved, the trial of that matter should be dealt with if at all possible in a single trial to avoid not only the risk of inconsistent verdicts but also the extra expense and waste of judicial resources in multiple jurisdictions.

Echostar defendants

The Echostar signals were received in the plaintiff's territory by decoders and those decoders permitted the programs to be viewed when activated by Echostar or someone on its behalf. Many thousand decoders which had no useful purpose other than to receive the Echostar

encrypted signals had been sold in the plaintiff's (page469) territory over the past number of years. Echostar had a sufficient connection with the jurisdiction of the plaintiff's territory and was therefore a proper party to the action.

USSB defendant

USSB programming was available in Canada and in the plaintiff's territory. Persons could only receive programming in a usable form once USSB arranged for the activation of their decoders. In addition, USSB was named as one of the co-conspirators in the Statement of Claim. That by itself was sufficient to give the court jurisdiction.

Warren defendants

The corporate Warren defendants were included as parties in the conspiracy pleaded by the plaintiff. They marketed and sold decoders into Canada whose only significant purpose was to receive encrypted USSB or Echostar signals and arranged to have the signals activated for the customers of the equipment. They were an essential part of the chain which led to the tort losses claimed by the plaintiff. The corporate Warren defendants were involved in some aspects of the action and the facts alleged so far exhibited a definite connection to this action.

Whatever activities the individual Warren defendants had engaged in that could have been be the subject of this action were performed in their capacity as officers and shareholders of the Warren corporate entities. Although the individual Warren defendants admitted that they were the directing minds of the Warren companies, there was no activity on their part that took them out of the role of directing minds of the companies.

ROBIC + LAW
+ BUSINESS
+ SCIENCE
+ ART

ROBIC + DROIT
+ AFFAIRES
+ SCIENCES
+ ARTS

