



JUDICIAL REVIEW OF COPYRIGHT VIOLATION BY MEANS OF AFFIDAVITS: GENERAL SCHEME OR EXCEPTION?

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PRECIS: The defendant introduced an application pursuant to subsection 34(6) of the *Copyright Act*, R.S.C. 1985, c. C-42, in order to examine the judicial review, brought by the applicant pursuant to paragraph 34(4)(a) of the *Copyright Act*, as if it was an action.

The Court clarified that a judicial review of copyright violation, by means of affidavits, is the general scheme whereas proceeding by way of an action is the exception.

The defendant, Hôtel des Encans de Montréal Inc., is an auctioneer company specializing in public auction, where certain artistic works are entrusted by third parties and reproduced in its catalogues and Internet site www.iegor.net. According to the applicant, Society for the reproduction rights of authors, composers and publishers in Canada (SODRAC Inc.), the defendant can not reproduce the aforesaid artistic works, and communicate or inform the public, without the authorization of the copyright owners or their agents.

The applicant considers that the defendant is infringing the *Copyright Act* and seeks to obtain a judgment for the payment of \$81,584.16 in royalties and penalties. Furthermore, the proceeding was introduced pursuant to Rules 300 and following of the *Federal Courts Rules*, and paragraph 34(4)(a) of the *Copyright Act* which state that a civil remedy for copyright infringement can be introduced either by way of action or application.

In support of its defence, the defendant introduced the affidavit of its vice-president, enumerating that there was no substantial reproduction of the aforementioned works; there was authorization provided by the third parties; the applicant does not have such rights; the defendant's actions are justified by the equitable use provided for in the Act; and the applicant's arguments constitute a breach of the defendant's

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commercial freedom of expression recognized by the *Canadian Charter of Rights and Freedoms* and the *Quebec Charter of human rights and freedoms*.

Furthermore, the defendant underlined the importance of the present case, possibly setting a precedent of copyright infringement against the auctioneer in charge of the sale of such artistic works, putting at stake the Canadian art industry.

As for the evidence, the defendant indicated, on the one hand in its affidavit, that it will introduce expert evidence, as well as testimonies of its agents and of other similar companies. On the other hand in its written representations, the defendant pointed out that affidavit evidence is insufficient in obtaining the testimonies of third parties. Therefore, it intends to assign, as witnesses, the agents of various Canadian auctioneer companies and owners of art galleries to testify on the effect of such recourse. Yet, such testimonies cannot be obtained by way of affidavits because it has no control over these witnesses. Consequently, it is more suitable that the present case proceeds by way of an action, thus allowing the hearing of witnesses and experts before the Court.

There are few decisions, of the Federal Court and the Federal Court of Appeal, dealing with what is considered in subsection 34(6) of the *Copyright Act*.

As such, in *Kraft Canada Inc. v. Euro Excellence Inc.*, 2003 FCT 46, the Court concluded that the burden of proof under subsection 34(6) of the *Copyright Act* lies against the defendant similarly to subsection 18.4(2) of the *Federal Court Act* having alike wording. In addition, the defendant's application was dismissed since it was up to the latter to persuade the Court to exercise its discretion by ordering the application to proceed to trial as an action.

The Court did not consider, in light of the requirements in *Macinnis v. Canada (Attorney General)* (C.A.), 1994 CanLII 3467 (F.C.A.), [1994] 2 F.C. 464, that the defendant's evidence would be inadequate if it was introduced by affidavit, in comparison with trial evidence which might be superior. Additionally, the Court argued that the defendant had not presented evidence showing that the essential procedural requirements in the case at bar would be prejudicially beyond its scope if the applicant's instant application goes forward. Further, the Court did not see how the fact of the applicant's proceeding going forward under the Act as an application, not an action, would limit the defendant's legitimate arguments or grounds which he might have.

In the case at bar, the Court concluded that the defendant's affidavits did not provide arguments leading to believe that the application should henceforth proceed as an action. Likewise, the defendant's allegations did not persuade the Court. Moreover, even if the third parties' witnesses are not under the control of the defendant, this contention should not alter the conclusion. These witnesses may possibly present

evidence in favour of the defendant but it was not established that all the witnesses were approached and, in fact, refused to provide affidavits.

Under these circumstances, the evidentiary general scheme regarding the preparation and the hearing on the merits of a judicial review is sufficient to allow the defendant to point out, adequately and without prejudice, its arguments against the applicant without resorting to the process of introducing an action.

The Court added that despite the wording and egalitarian appearance of subsection 34(4) of the *Copyright Act*, the Court refused to consider, in the event of a copyright violation, that filing a proceeding by way of an action is the general scheme and the judicial review, by means of affidavits, would likely be the exception.



