

# Recent Copyright Developments: Harmonization Opportunities for Canada

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### INTRODUCTION

THE APPLICATION OF COPYRIGHT LAW to information and internet technology has presented governmental policy makers and the courts with both a burden and an opportunity to contemplate the comparative features of copyright law and to consider the extent to which a measure of harmonization can and ought to be achieved.

In this context, three important topics, all involving recent appellate judicial determinations in Canada, will be discussed. The first topic is the scope and theoretical underpinnings of copyright law in Canada after the 2002 decision of the Supreme Court of Canada in *Théberge v. Galerie d'Art du Petit Champlain inc.*<sup>1</sup>

The second topic involves an analysis of "originality" in an infringement context concerning non-literal copying of software (*Delrina Corp. v. Triolet Systems Inc.*<sup>2</sup>) and concerning the establishment of copyrightability, especially with respect to databases (*CCH Canadian Ltd. v. Law Society of Upper Canada*<sup>3</sup>); both of the above-mentioned cases were decided in 2002.

The third topic concerns developments in Canada with respect to "authorizing" copyright infringement. In 2002 the Federal Court of Appeal, composed of slightly differing panels, adopted significantly diverging tests for the establishment of authorization. In *CCH*, in the context of photocopying machines being available to library users, the court (Linden and Sharlow JJ.A. concurring) adopted the broad test that had been articulated by the High Court of Australia

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\* As this article was going to press, the Supreme Court of Canada released its decision in *CCH Canadian v. Law Society*, *infra* note 3. Please see the Appendix for the author's Reference Note on this development.

1. 2002 SCC 34, <[http://www.lexum.umontreal.ca/csc-scc/en/pub/2002/vol2/html/2002scr2\\_0336.html](http://www.lexum.umontreal.ca/csc-scc/en/pub/2002/vol2/html/2002scr2_0336.html)>, [2002] 2 S.C.R. 336 [*Théberge* cited to S.C.R.].
2. (2002), 165 O.A.C. 160, <<http://www.ontariocourts.on.ca/decisions/2002/march/delrinaC30375.htm>>, 22 C.P.R. (4th) 332 (C.A.) [*Delrina* cited to C.P.R.], leave to appeal to S.C.C. refused, [2002] S.C.C.A. No. 189 (dismissed with costs, 28 November 2002, no reasons).
3. 2002 FCA 187, <<http://decisions.fct-cf.gc.ca/fct/2002/2002fca187.html>>, [2002] 4 F.C. 213, 18 C.P.R. (4th) 161 [*CCH (F.C.A.)* cited to C.P.R.].

in *Moorhouse*.<sup>4</sup> On the other hand, in *Society of Composers, Authors and Music Publishers of Canada (SOCAN) v. Canadian Association of Internet Providers (Tariff 22)*,<sup>5</sup> the Federal Court of Appeal, in the context of ISP/IAP (Internet Service Provider / Internet Access Provider) liability, adopted the traditional and narrow formulation from the United Kingdom, which requires that the person alleged to have “authorized” the infringement have, or purport to have, the authority to make such an authorization.<sup>6</sup>

Each of these topics presents an opportunity for a consideration of the benefits, or of the lack thereof, of harmonization with other jurisdictions in the application of copyright law to developing technologies. Indeed, given the significant role that has been and is scheduled to be assumed in this process by the Supreme Court of Canada,<sup>7</sup> copyright law in Canada stands at a major turning point in its development. However, some changes will, if they are to proceed at all, require legislative facilitation.

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### 1. THÉBERGE: THE SCOPE OF COPYRIGHT

THE 2002 DECISION of the Supreme Court of Canada in *Théberge* is of landmark significance. The first important feature of the majority judgment, written by Binnie J., is an articulation of the theoretical and policy foundations of Canadian copyright law; these foundations bear significant similarities with those underlying U.S. copyright law, including with respect to the incentive to create and to a social contract theory, though not with respect to the constitutional dimension.

A second feature is an emphasis on the limited nature of copyright in setting an appropriate balance between over- and under-compensating artists and authors and in recognizing a public domain in order to encourage innovation and utilization of a work or of other subject matter. The latter will encompass the interest of the owner of the corporeal containment of the work in the utilization of that containment.

Third, there is a definition of “reproduction” under section 3 of the *Copyright Act* as requiring that at least one additional copy result from the process. It is not sufficient to have merely a “rematerialization” of the work in a new form or fixation.

Fourth, there is the recognition that foreign (*i.e.* non-Canadian) judicial determinations may be considered and be adopted into Canadian law so long as the “traditional framework” of Canadian copyright law is nonetheless maintained.

Historically, the Supreme Court of Canada has refrained from articulating an underlying theory for the interpretation of copyright law in Canada. The Court

4. *University of New South Wales v. Moorhouse* (1975), 133 C.L.R. 1, <[http://www.austlii.edu.au/au/cases/cth/high\\_ct/133clr1.html](http://www.austlii.edu.au/au/cases/cth/high_ct/133clr1.html)>, 6 A.L.R. 193 (H.C.A.) [*Moorhouse* cited to C.L.R.].

5. 2002 FCA 166, <<http://decisions.fct-cf.gc.ca/fct/2002/2002fca166.html>>, [2002] 4 F.C. 3, 19 C.P.R. (4th) 289, [*Tariff 22* cited to C.P.R.]. Motions to strike granted in part, November 28, 2003 by the S.C.C.; heard and reserved December 3, 2003, [2002] S.C.C.A. No. 289.

6. See *CBS Inc. v. Ames Records & Tapes Ltd.*, [1981] 2 All E.R. 812 at 821, [1981] 2 W.L.R. 973 (Ch.) [*CBS Inc.* cited to All E.R.], Whitford J.; *CBS Songs Ltd. v. Amstrad Consumer Electronics Plc.*, [1988] 1 A.C. 1013, [1988] 2 All E.R. 484 at 488-95 (H.L.) [*CBS Songs Ltd.* cited to All E.R.].

7. At the time of writing, proceedings in both *CCH* and *Tariff 22* are before the Supreme Court of Canada.

has described the judicial role in copyright law as simply being a matter of statutory interpretation.<sup>8</sup> Commentators have referred to this as simply a public interest approach.<sup>9</sup> It was, however, significantly literal—as was illustrated in 1968, when the requirement of a written score or graphic presentation was included in the definition of “musical work.” This precluded the Court from including within the then communication right, currently section 3(1)(f), a performance of a musical work in a broadcast communication.<sup>10</sup> Overall, the statute is recognized as being “technologically neutral” in the sense that it encompasses new media of expression and communication,<sup>11</sup> though perhaps it does not do so as readily with respect to the user interests created by technological developments.<sup>12</sup>

In *Théberge*, Binnie J. for the Court stated that the *Copyright Act* is usually characterized as striking:

...a balance between promoting the public interest in the encouragement and dissemination of works of the arts and intellect and obtaining a just reward for the creator (or, more accurately, to prevent someone other than the creator from appropriating whatever benefits may be generated).<sup>13</sup>

Binnie J. found support for this characterization from eighteenth-century English jurisprudence.<sup>14</sup> The provision of “appropriate compensation” for artists and creators was considered to generate “economic efficiency”<sup>15</sup> and also to reflect a public domain for the utilization of the work in further “creative innovation” and in the avoidance of “practical obstacles to proper utilization.”<sup>16</sup> Not only were the statutory exceptions<sup>17</sup> seen as reflecting interests in utilization,<sup>18</sup> but a strong presumption in utilization was stipulated in favour of the owner of the corporeal containment of the copyright work.<sup>19</sup> While recognizing the *author’s* protections

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8. See *Compo Co. v. Blue Crest Music Inc.* (1979), [1980] 1 S.C.R. 357 at 373, (1979), 45 C.P.R. (2d) 1 [*Compo* cited to S.C.R.]; *Bishop v. Stevens*, [1990] 2 S.C.R. 467, <[http://www.lexum.umontreal.ca/csc-scc/en/pub/1990/vol2/html/1990scr2\\_0467.html](http://www.lexum.umontreal.ca/csc-scc/en/pub/1990/vol2/html/1990scr2_0467.html)>, 31 C.P.R. (3d) 394 at 402 [*Bishop* cited to C.P.R.].
  9. See Department of Consumer and Corporate Affairs, *Copyright in Canada: Proposals for a Revision of the Law* by Andrew A. Keyes & C. Brunet (Ottawa: Minister of Supply and Services, 1977), noting on page 5 that “[t]he leading theory [of interpretation] today is that of the ‘pragmatic school’: copyright should be determined by statute law based on an analysis of all the interests involved, with an emphasis on the public interest.” See also R.J. Roberts, “Canadian Copyright: Natural Property or Mere Monopoly” (1979), 40 C.P.R. (2d) 33; Andrew A. Keyes & C. Brunet, “A Rejoinder to ‘Canadian Copyright: Natural Property or Mere Monopoly’” (1979), 40 C.P.R. (2d) 54.
  10. See *Composers, Authors and Publishers Assn. of Canada Ltd. v. CTV Television Network Ltd.*, [1968] S.C.R. 676, 55 C.P.R. 132 [*Composers* cited to S.C.R.].
  11. See e.g. *Apple Computer, Inc. v. Mackintosh Computers Ltd.*, [1990] 2 S.C.R. 209, <[http://www.lexum.umontreal.ca/csc-scc/en/pub/1990/vol2/html/1990scr2\\_0209.html](http://www.lexum.umontreal.ca/csc-scc/en/pub/1990/vol2/html/1990scr2_0209.html)>, 30 C.P.R. (3d) 257 [*Apple Computer* cited to S.C.R.].
  12. See e.g. *Bishop*, *supra* note 8 at 402–08. See generally Robert G. Howell, Linda Vincent & Michael D. Manson, *Intellectual Property Law: Cases and Materials* (Toronto: Emond Montgomery, 1999) at 17–18, 272–73.
  13. *Théberge*, *supra* note 1 at para. 30; the majority was comprised of McLachlin C.J.C. and Iacobucci, Major and Binnie JJ.
  14. *Ibid.*, referring to Willes J. in the classic authority *Millar v. Taylor* (1769), 4 Burr. 2303, 98 E.R. 201 at 218.
  15. *Supra* note 5 at para. 31.
  16. *Ibid.* at para. 32.
  17. *Copyright Act*, R.S.C. 1985, c. C-42, ss. 29–32.2, <<http://laws.justice.gc.ca/en/C-42/>>.
  18. *Supra* note 1 at para. 32.
  19. *Ibid.* at paras. 31, 33–34.

by way of moral rights after the first sale of a copyrighted work,<sup>20</sup> a copyright owner's economic rights have not been expanded to afford "after-sale" control over use of the lawfully acquired copy. In the context of *Théberge*, the reproduction right was interpreted as requiring at least one additional copy to be produced by a defendant before reproduction will take place.<sup>21</sup>

In the United States, Congress is required by the Constitution "To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."<sup>22</sup> This clause anchors U.S. copyright law to the concepts of a "social contract" and the need to generate an "incentive to create."<sup>23</sup>

Gonthier J., for the minority in *Théberge*,<sup>24</sup> also adopted a theory of reward for creation, but in more of an unlimited "natural rights" sense<sup>25</sup> without making overt reference to any balancing of the copyright owner's interests with those of users or of holders of interests in the corporeal product. The reproduction right was interpreted as a "rematerializing" of a work in a new form, or a new fixation, without any requirement of a multiplication of the work.<sup>26</sup> The individual facts of each case were emphasized as being significant.<sup>27</sup> In *Théberge*, the ink/resin layer of an artistic poster was simply "lifted" from a paper substrate and transferred to a canvas substrate; no additional image resulted.

Gonthier J. expressed the minority perspective as based on an English copyright tradition, rather than on the continental European *droit d'auteur*,<sup>28</sup> Binnie J., on the other hand, essentially based the majority view on the *droit de destination* as derived from *droit d'auteur*, permitting the economic rights associated with copyright to control future use of an authorized copy of a work after sale to a purchaser.<sup>29</sup> While the majority described Canadian copyright law as being consistent with "English copyright tradition,"<sup>30</sup> the minority preferred to regard it as being *sui generis* in nature, as protecting an intangible interest,<sup>31</sup> as "deriv[ing] from multiple sources and draw[ing] on both common law tradition and continental civil law concepts"<sup>32</sup> and enabling an author to benefit from the

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20. *Ibid.* at para. 22.

21. *Ibid.* at para. 42, stipulating the need in "reproduction" for "multiplication." Binnie J. also noted that independent meanings have not been given to the expressions "produce" and "reproduce" (*Copyright Act*, s. 3(1)) in either a Canadian or an English context (*ibid.* at para. 48).

22. *United States Constitution*, art. 1, § 8, cl. 8, <<http://www.house.gov/Constitution/Constitution.html>>. In Canada, the *Constitution Act, 1867* (U.K.), 30 & 31 Vict., c. 3, s. 91(23) states simply "Copyrights" as falling within federal legislative jurisdiction, <<http://laws.justice.gc.ca/en/const/index.html>>.

23. See Melville B. Nimmer & David Nimmer, *Nimmer on Copyright* (New York: Matthew Bender, 1998) (loose-leaf) at s. 1.03[A].

24. *Supra* note 1 at para. 81, Gonthier, L'Heureux-Dubé and Lebel JJ.

25. *Ibid.* at para. 119.

26. *Ibid.* at paras. 148–149.

27. *Ibid.* at para. 152.

28. *Ibid.* at para. 121.

29. *Ibid.* at para. 65.

30. *Ibid.* at para. 6.

31. *Ibid.* at para. 114. This was said to require courts to be "circumspect in proposing any analogy to other rights"—that is, to rights in material or corporeal items.

32. *Ibid.* at para. 116.

provisions of the *Berne Convention*.<sup>33</sup> The minority formulation would, therefore, more readily accommodate a linkage, in a comparative sense, with *droit d'auteur* in civil law jurisdictions.<sup>34</sup>

Overall, the majority recognized the need, in a global environment, to “harmonize our [Canadian] interpretation of copyright protection with other like-minded jurisdictions” but to do this “within the limits permitted by our own [Canadian] legislation.”<sup>35</sup> Comparison, and possibly harmonization, with the civil-law *droit d'auteur* was expressly acknowledged by the majority of the Court,<sup>36</sup> but the differing conceptual frameworks may render this less likely than a comparison and harmonization with other Commonwealth jurisdictions<sup>37</sup> and with the United States. In the latter instance, the now-expressed relative similarity of an underlying theoretical basis for copyright law in both Canada and the United States should enhance such comparisons and harmonizations, though *Théberge* itself illustrates that this need not necessarily be the case. The Court reversed the decision of the Quebec Court of Appeal, which had found in favour of the copyright holder on the basis of an exclusive right to exploit a work in a new way or in a new market that had not been anticipated by the creator. The majority of the Supreme Court viewed such an approach as occupying a mid-way position between the majority and minority positions and as being too reliant on an extended definition of “derivative work” as found in the copyright legislation of the United States, though not as found in that of Canada.<sup>38</sup>

Similar difficulties may be illustrated by reference to recent decisions in the United States concerning internet-related technology—in particular, concerning spontaneous “pop-up” advertising when websites are accessed.<sup>39</sup> Proceedings in the United States are in the preliminary stages and no consensus has yet been established among the various authorities. In *Weightwatchers.com, Inc. v. Dietwatch.com, Inc.*<sup>40</sup> and *In re Gator Corp. Software Trademark &*

33. *Ibid.* at para. 114, referring to the *Berne Convention for the Protection of Literary and Artistic Works, 1886* with various revisions and additions through to the *Paris Revision 1971*, <[http://www.jurisint.org/pub/01/en/doc/147\\_1.htm](http://www.jurisint.org/pub/01/en/doc/147_1.htm)>. The adherence of Canada to the *Paris Act 1971* is given in *Copyright Act, supra* note 17, s. 91 (inserted by the *Copyright Amendment Act, 1997*, S.C. 1997, c. 24, s. 50).

34. See *supra* notes 13–19, 25 and accompanying text, characterizing the minority perspective as conforming more to a “natural-rights” theory than to a “social-contract” theory.

35. *Théberge, supra* note 1 at para. 6.

36. *Ibid.* at para. 62.

37. See *ibid.* at para. 69 where Binnie J. for the majority notes that “ink-transfer” technology of the kind found in *Théberge* appears “not to have stirred much comment in other common law jurisdictions, including Australia and New Zealand.”

38. *Ibid.* at paras. 39, 53–55, 80.

39. “Pop-ups” can occur in two situations. First, a website owner may have contracted with other entities to install on its site pop-up advertising for which the advertisers will have paid the website host. A user will automatically encounter these pop-ups when visiting the site upon which they are hosted, unless an accessor’s computer is in some way programmed to resist them. Second, a pop-up program may be installed (purposefully or inadvertently) into a user’s computer. It will monitor a user’s accessing of sites and will “pop up” with alternative relevant sites or with any others that the pop-up program has been enabled to provide. See generally “Pop-up Advertisements,” <<http://ftp.bbc.co.uk/dna/h2g2/alabaster/A823411>>; Benjamin Edelman, “Documentation of Gator Advertisements and Targeting,” <<http://cyber.law.harvard.edu/people/edelman/ads/gator/>>, describing how “pop-ups” are effected.

40. *WeightWatchers.com, Inc. and Weight Watchers International, Inc. v. DietWatch.com, Inc.*, No. 02 Civ. 3229 (J.S.M.) (S.D.N.Y. 12 June, 2002) [*Weightwatchers*].

*Copyright Litigation*,<sup>41</sup> notwithstanding the fact that these were interlocutory or consent motions, copyright infringement was seen as a remedial option. The facts involve a defendant, aided by a facilitating software business ("Gator"), having advertisements for its business "pop up" on the display of a competitor's website and appear on the screen of an accessor or a customer. The "pop-up" advertisements are very effective as they are directed specifically to a customer who has already accessed a website—that of the defendant's competitor—and who is looking for that specific product or type of product.

The claims in copyright have proceeded on the basis that the "pop-ups" cause a plaintiff's copyright-protected website to be presented to the accessor in a manner that differs from that which is intended by the copyright owner. It is, in effect, a "distortion" or an "interference" with the presentation of the display of the website. Copyright infringement was, nonetheless, denied in *U-Haul International, Inc. v. WhenU.com, Inc.*,<sup>42</sup> where the opportunity was taken to explain more fully any linkage, or the lack thereof, between copyright infringement and "pop-ups." The particular violations claimed in *U-Haul* were of "the right to display publicly" and of "the right to prepare derivative works." Neither category is included in Canadian copyright law, though various situations of a "derivative" nature are specifically included in section 3 of the *Copyright Act*. However, the reasoning in *U-Haul* proceeded by considering whether the plaintiff's display had in fact been "altered." In so doing, the court found that no "reproduction" had occurred, as the pop-ups did not reproduce any of the copyright owner's works.

In a Canadian context, the absence of the creation of an additional copy would preclude economic infringement. The formulations in *Weightwatchers* and *Gator*—that the website was presented to the accessor in a manner differing from that which was intended by the copyright owner—are more closely analogous to the formulations of the minority in *Théberge* as producing a "rematerializing" of the work, involving the underlying website with the "pop-up" inserted, in a new form that, possibly, is sufficiently "fixed." Under the Court's (majority) reasoning in *Théberge*, any remedy for infringement could only be by way of infringement of the moral right of integrity.<sup>43</sup> This, of course, would be a proceeding initiated by the author and not necessarily by the owner of the copyright in the website;<sup>44</sup> the author would need to show prejudice to his or her honour or reputation.<sup>45</sup> This may be difficult to prove. Certainly, there would be economic injury to the owner of the website, but this would not necessarily constitute injury to the reputation of the author.

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41. *In re Gator Corp. Software Trademark & Copyright Litigation*, 259 F.Supp. 2d 1378 [Gator]. See Doug Isenberg, "Are Pop-Up Advertisements on the Web Illegal?" *GigaLaw.com: Legal Information for Internet Professionals* (August 2002), <<http://www.gigalaw.com/articles/2002-all/isenberg-2002-08-all.html>>. I thank Professor Bruce Smith, University of Illinois College of Law, for bringing my attention to this website and for his valuable discussion (summer 2003) of this development in the United States.

42. 279 F.Supp. 2d 723, 68 U.S.P.Q.2D (BNA) 1038 (5 September 2003) [*U-Haul* cited to F.Supp.].

43. See *Copyright Act*, *supra* note 17, ss. 14.1, 28.2.

44. *Ibid.*, s. 14.1(1). See e.g. *Nintendo of America Inc. v. Camerica Corp.* (1991), 127 N.R. 252, 36 C.P.R. (3d) 352 (F.C.A.) [*Nintendo* cited to C.P.R.], where an employee author had to be joined as a plaintiff in a suit by his employer for distortion of the employer's copyright.

45. *Supra* note 17, s. 28.2(1).

In addition, it is difficult to establish whether there is a sufficient “distortion.” There is no alteration to the website software; only the visual presentation on the accessor’s screen is modified and this presentation only remains on the screen until it is clicked away. This may be further illustrated by the placement of the “pop-up” beneath the screen display of the website, so that it is really a “pop-under” and is displayed only after the plaintiff’s screen display has been closed, or at least interrupted, by the accessor. This would avoid entirely any suggestion that the now closed screen display is suffering a “distortion.” The message or “theme” of the website may, however, still be distorted and this may qualify as an infringement of the integrity of the website itself<sup>46</sup> if prejudice to the honour and reputation of the author can be established. Of course, user interests and claims to free expression necessarily would need to be considered, especially if a user or accessor had intentionally installed a “pop-up” program in order to enjoy the benefits of comparative advertising.

The position concerning comparison and possible harmonization is, therefore, a matter requiring careful analysis. In particular, considerable attention must be given to the prevention and avoidance of the importation of elements of non-Canadian copyright law that derive from definitions or contexts that are not equivalent or analogous to those in Canada and that would therefore be inconsistent with the existing framework of Canadian law; clearly, any developments that would appear to require drawing on such elements ought to be left to the discretion of Parliament. The characterization of Canadian copyright law as being within “English copyright tradition” will likely ensure that greater comparison and harmonization will occur with common-law jurisdictions and, in the North American and the technology contexts, with the United States. However, given the greater scope of moral-rights analysis in Europe, a greater scope of comparison will be available with *droit d’auteur* in this context.<sup>47</sup> Overall, it is suggested that harmonization will most likely occur with respect to basic principles of general application in most systems of copyright law, where and when such harmonization is economically, politically and socially appropriate. It is suggested that the topic of the next section of this paper, the basic element of “originality,” falls within such a category.

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## 2. “ORIGINALITY”—COPYRIGHTABILITY AND INFRINGEMENT

AT THE TIME OF WRITING, there is considerable debate in Canada as to whether the element of “originality” in Canadian copyright law can be sufficiently constituted simply upon industriousness, labour or “sweat of the brow,” or whether a modicum of creativity is necessary. The distinction should not be exaggerated. Creativity does not concern novelty or merit. It merely requires the exercise of an

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46. See *Pollock v. CFCN Productions Ltd.* (1983), 26 Alta. L.R. (2d) 93 at 95–96, 73 C.P.R. (2d) 204 (Q.B.) [*Pollock* cited to Alta. L.R.]; Howell, Vincent & Manson, *supra* note 12 at 389.

47. See e.g. *John Maryon International Ltd. v. New Brunswick Telephone Co., Ltd.* (1982), 141 D.L.R. (3d) 193 at 246–49, 43 N.B.R. (2d) 469 (C.A.) [*John Maryon* cited to D.L.R.], leave to appeal to S.C.C. denied, [1982] 2 S.C.R. viii, following commentary on French law to the effect that moral rights in a utilitarian item will not be enforced so as to prevent use or repair of the item by the corporeal owner.

author's intellect to the extent of displaying some degree of judgment or skill. Ordinarily, this exists in any exercise of authorship, but in some instances it does not. For example, a sequence may be so routine as to involve no thought at all. Alternatively, a sequence may be dictated by external circumstances, or there may be no alternative way of expressing a matter. Often this may be seen as a "merger" of the expression with the idea, item or fact that is being expressed. These difficulties were seen as early as 1890 with respect to an illustration that attempted to demonstrate to illiterate persons how to vote by depicting a hand and a pencil marking a cross in a square.<sup>48</sup> Perhaps the hand could have been removed, or the pencil could have been replaced with a pen, or a smaller or larger box could have been depicted.

The extent of any change determines whether an infringement has occurred. The changes may be largely "immaterial variations" that would ordinarily still constitute copying, or they may be seen as sufficiently significant that the link with the original is merely an "idea" rather than an "expression."<sup>49</sup> A fall-back position when dealing with a very basic depiction may be to characterize the copyright as "thin" and to impose a strict test of infringement requiring "nothing short of an exact literal reproduction."<sup>50</sup> Alternatively, copyright could "be confined to that which is special to the individual drawing over and above the idea...[that a] square can only be drawn as a square, a cross can only be drawn as a cross."<sup>51</sup> In essence, this challenges the *copyrightability* of such a routine depiction.

Compilations, including databases, are at the centre of the debate of "industriousness" versus "creativity."<sup>52</sup> By definition, copyright in favour of a compiler can result only from "selection or arrangement" of the content of the compilation.<sup>53</sup> It is the *only* contribution that a compiler can make. It is the sole focus of originality. In 1991 the United States Supreme Court in *Feist*<sup>54</sup> found that two consequences flow from this limitation. First, only those portions that are original to the compiler can gain protection. These portions are to be identified and compared with counterpart portions from the work alleged to be in infringement. This means there must be a comparison between the selection or arrangement of the compilations of the plaintiff on the one hand and of those of the defendant on the other. No other form of expression, especially not the contents

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48. See *Kenrick & Co. v. Lawrence & Co.* (1890), 25 Q.B.D. 99 at 101-02 [*Kenrick*].

49. See *Nichols v. Universal Pictures Corporation et al.*, 45 F.2d 119 (2d Cir. 1930), Learned Hand C.J. [*Nichols*], discussing non-literal copying and the various levels of abstraction that ultimately cross from protected "expression" to unprotected "idea."

50. See *supra* note 48 at 102. This was more recently expressed as: "[T]he simpler a copyrighted work is, the more exact must be the copying in order to constitute infringement." See *DRG Inc. v. Datafile Ltd.* (1987), 14 F.T.R. 219, 17 C.I.P.R. 126 at 148 (F.C.T.D.) [*DRG* cited to C.I.P.R.].

51. See *supra* note 48 at 104 [emphasis in original].

52. The writer completed federally-sponsored reports in 1998 and 2002 concerning copyright and databases. See Department of Canadian Heritage, *Database Protection and Canadian Laws* (State of Law as of March 31, 2002), 2d ed. by Robert G. Howell (Ottawa: Minister of Canadian Heritage, 2002), <[http://www.canadianheritage.gc.ca/progs/ac-ca/progs/pda-cpb/pubs/database/index\\_e.cfm](http://www.canadianheritage.gc.ca/progs/ac-ca/progs/pda-cpb/pubs/database/index_e.cfm)> [Howell, *Database Protection and Canadian Laws*].

53. The definition of "compilation" was inserted in the *Copyright Act* with effect from January 1, 1994 by *North American Free Trade Agreement Implementation Act*, S.C. 1993, c. 44, s. 3.

54. *Feist Publications, Inc. v. Rural Telephone Service Co., Inc.*, 449 U.S. 340, <[http://www.law.cornell.edu/copyright/cases/499\\_US\\_340.htm](http://www.law.cornell.edu/copyright/cases/499_US_340.htm)>, 111 S. Ct. 1282 (1991) [*Feist* cited to U.S.].

of the compilation, is relevant between the parties.<sup>55</sup> Second, “sweat of the brow,” industriousness, labour or effort is not in itself sufficient to constitute an original contribution in selection or arrangement. This flows from the Court’s stipulation that “originality requires only that the author make the selection or arrangement independently (i.e., without copying that selection or arrangement from another work), and that it display some minimal level of creativity.”<sup>56</sup>

A mere alphabetization of directory names could not meet this test.<sup>57</sup> This rationale would appear to reflect the fact that such an arrangement is so routine that it involves no original contribution by the compiler and the fact that it fails to demarcate effectively selection or arrangement from the content or data itself. A blurring of the line between selection or arrangement on the one hand and content on the other hand is the inevitable consequence. This was explicitly recognized in *Feist* as “the most glaring” of the “numerous flaws” of the “sweat-of-the-brow” doctrine. With content itself being protected, a later compiler is not able to utilize the former compilation but, rather, has to start from the beginning in reassembling the content.<sup>58</sup> This does not enhance the incentive to create, neither under the United States Constitution nor under the similar policy that was articulated by the Supreme Court of Canada in *Théberge*, as discussed above.

Subsequently, the creativity test has been enshrined in *NAFTA*,<sup>59</sup> the *TRIPS Agreement*<sup>60</sup> and the *European Database Directive*,<sup>61</sup> including in its implementation in the United Kingdom.<sup>62</sup> The creativity test was grafted into Canadian law by two unanimous panels of the Federal Court of Appeal, with leave to appeal to the S.C.C. being declined in each instance,<sup>63</sup> and was followed in several other instances.<sup>64</sup> Only in *CCH*, on appeal from a trial decision that had

55. *Ibid.* at 356–57.

56. *Ibid.* at 358. A mere alphabetization may also be seen as a public-domain method of ordering.

57. *Ibid.* at 499.

58. *Ibid.*

59. *North American Free Trade Agreement Between the Government of Canada, the Government of Mexico and the Government of the United States*, 17 December 1992, Can. T.S. 1994 No. 2, 32 I.L.M. 289 (entered into force 1 January 1994), <<http://www.sice.oas.org/trade/nafta/naftatce.asp>> 1705(l)(b) [NAFTA], Article providing for protection of databases “which by reason of the selection or arrangement of their contents constitute intellectual creations.”

60. *Agreement on Trade-Related Aspects of Intellectual Property Rights*, Annex 1C to the “Marrakesh Agreement Establishing the World Trade Organization” (WTO Agreement) (Marrakesh, 15 April 1994), <[http://www.wto.org/english/tratop\\_e/trips\\_e/t\\_agm0\\_e.htm](http://www.wto.org/english/tratop_e/trips_e/t_agm0_e.htm)> article 10(2) [TRIPS], in identical terms to Article 1705(1)(b) of NAFTA.

61. EC, *The European Database Directive*, Directive 96/9/EC of the European Parliament and of the Council of the European Union, 11 March 1996 on the Legal Protection of Databases, [1996] O.J.L. 77/20, <<http://europa.eu.int/ISPO/infosoc/legreg/docs/969ec.html>>.

62. See *Copyright and Rights in Databases Regulations 1997*, S.I. 1997, No. 3032 (U.K.), <<http://www.hmso.gov.uk/si/si1997/1973032.htm>>.

63. See *Tele-Direct (Publications) Inc. v. American Business Information, Inc.* (1997), [1998] 2 F.C. 22, <<http://reports.fja.gc.ca/fc/1998/pub/v2/1998fc21425.html>>, (1997), 76 C.P.R. (3d) 296 (F.C.A.) [*Tele-Direct* cited to F.C.] (leave to appeal to S.C.C. refused [1998] 1 S.C.R., xv, (1998), 78 C.P.R. (3d) v.; *Éditile Inc. v. Automobile Protection Assn.*, [2000] 4 F.C. 195, <<http://reports.fja.gc.ca/fc/2000/pub/v4/2000fc26366.html>>, 6 C.P.R. (4th) 211 (F.C.A.) [*Éditile Inc.* cited to F.C.] (leave to appeal to the S.C.C. denied, SCC Bulletin, 2001 at 139).

64. See e.g. *Éditions Hurtubise HMH ltée c. CÉGEP André-Laurendeau*, [1989] R.L.Q. 1003, 24 C.I.P.R. 248 (S.C.) [*Éditions Hurtubise* cited to R.L.Q.]; *ITAL-Press Ltd. v. Sicoli* (1999), 170 F.T.R. 66, <<http://reports.fja.gc.ca/fc/1999/fic/v3/1999fc24666.html>>, 86 C.P.R. (3d) 129 (F.C.T.D.) [*ITAL-Press Ltd.* cited to C.P.R.]; *B & S Publications Inc. v. Max-Contacts Inc.* (2001), 287 A.R. 201 at 205 (Q.B.) [*B & S Publications*]; and *Robertson v. Thompson Corp.*, [2001] O.T.C. 723, 15 C.P.R. (4th) 147 (S.C.J.) [*Robertson* cited to C.P.R.].

required too great a level of creativity,<sup>65</sup> did the majority (Linden and Sharlow J.J.A. concurring) seek to reverse the trend and re-emphasize “sweat of the brow” as being sufficient, in itself, to constitute originality.<sup>66</sup> However, the thread of analysis is disrupted first by Linden J.A.’s recognition that simply copying or reordering facts or data is not sufficient<sup>67</sup> and then by his acknowledgement that, ordinarily, industriousness alone does not amount to more than a mere copying or reordering and that this is therefore insufficient to constitute originality.<sup>68</sup> Something more would be required—but what? A modicum of creativity? The third judge, Rothstein J.A., concurring in the result, found creativity to be, and to have always been, the test of originality for non-compilations; yet the same judge also concluded that industriousness has been found to be sufficient in some instances with respect to compilations, with this situation now being in dispute.<sup>69</sup>

All of the above analysis proceeded from the perspective of establishing *copyrightability* or qualifying for copyright protection. A further perspective to consider is the relationship of *infringement* and *copyrightability*. With respect to infringement, a “weeding out” of common and routine elements in a context of infringement has developed in Canada, with some reference to U.S. case law, most notably with respect to non-literal copying of computer software programs. The leading Canadian decision is that of the Ontario Court of Appeal in *Delrina* in 2002.<sup>70</sup> If common and routine elements are not to be considered from an *infringement* perspective, on a theory that they did not originate from the claimant author, then such items ought not to be relevant from a *copyrightability* perspective upon creation of a work.

The “weeding-out” test adopted in *Delrina* is essentially the “abstraction-filtration-comparison” test for non-literal copying of computer software programs that is applied in the United States.<sup>71</sup> It is an infringement test that seeks to isolate the portions of a plaintiff’s software program that are original to the plaintiff (or to the author from whom the plaintiff derives title) and to compare, for infringement purposes, those features as a whole with corresponding features in a defendant’s program. The test excludes or “weeds out” elements or features that cannot be said to have been created by or for the plaintiff. In *Delrina* such elements included those:

- That were “dictated by functional considerations” over which no choice of form of expression was given to the author, with the form of expression instead being determined by the limitations of the task itself;<sup>72</sup>

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65. See Gibson J. in *CCH Canadian Ltd. v. Law Society of Upper Canada* (1999), [2000] 2 F.C. 451, <<http://reports.fja.gc.ca/fc/2000/pub/v2/2000fc25519.html>>, (1999), 2 C.P.R. (4th) 129 (F.C.T.D.) [*CCH* (F.C.T.D.) cited to C.P.R.].

66. See *CCH* (F.C.A.), *supra* note 3 at para. 35.

67. *Ibid.*

68. *Ibid.* at para. 45.

69. *Ibid.* at para. 219.

70. *Supra* note 2.

71. The leading U.S. case with respect to “Abstraction-Filtration-Comparison” is *Computer Associates International, Inc. v. Altai, Inc.*, 982 F.2d 693, <<http://www.law.uconn.edu/homes/swilf/ip/cases/computer.htm>>, 119 A.L.R. Fed. 741 (2d Cir. N.Y. 1992) [*Computer Associates* cited to F.2d].

72. *Supra* note 2 at paras. 19, 29.

- That were “obvious or logical or customary words to use”;<sup>73</sup>
- That reflected “common programming practices,” techniques or designs;<sup>74</sup> and
- That involved a “merger” of expression and idea because “there is only one or a very limited number of ways to achieve a particular result in a computer program.”<sup>75</sup>

This approach to non-literal infringement of software programs is significantly more objective, analytical and precise than the earlier, more subjective and intuitive approach, which is known as “look and feel.” The latter did not identify the plaintiff’s contribution, but merely applied the quantitative/qualitative infringement test to the overall program.<sup>76</sup> This was the difficulty. The “look-and-feel” approach was overly inclusive and gave the plaintiff protection for matters to which the plaintiff did not contribute. This approach was, in effect, a response in the vein of “unfair competition” that simply considered the extent of the defendant’s “taking” from the work of the plaintiff without also reflecting on the antecedent issue of what the plaintiff was entitled to protect under copyright—that is, it did not address the *copyrightability* of the plaintiff’s work.

In *Delrina* the courts both at trial and on appeal emphasized that the relevant issue was infringement, *not* copyrightability,<sup>77</sup> and followed the classic House of Lords decision in *Ladbroke (Football) Ltd. v. William Hill (Football) Ltd.*, which held that the reproduction of a non-original component of a work:

...will not normally be a substantial part of the copyright and therefore will not be protected. For that which would not attract copyright except by reason of its collocation will, when robbed of that collocation, not be a substantial part of the copyright.<sup>78</sup>

A similar result was recently reached with respect to a “collective” copyright which was held by a newspaper, but which was not infringed when the newspaper had placed individual news items in a database that could be accessed directly by key-word searches, thereby by-passing the collective copyright in the overall organization and arrangement of the newspaper.<sup>79</sup>

It is suggested that such a test of “weeding out” in a context of *infringement* is logically consistent with the test of a modicum of creativity in the context of *copyrightability*. If an element, because of non-originality, cannot be relevant for infringement, then it must equally be non-original and equally be irrelevant for copyrightability purposes. The Supreme Court of Canada denied leave to appeal

73. *Ibid.* at paras. 29, 55.

74. *Ibid.* at para. 54 ff.

75. *Ibid.* at para. 52.

76. See e.g. *Broderbund Software, Inc. v. Unison World, Inc.*, 648 F.Supp. 1127, 231 U.S.P.Q. (BNA) 700 (N.D. Cal. 1986) [*Broderbund* cited to F.Supp.].

77. *Supra* note 2 at paras. 80–81.

78. [1964] 1 All E.R. 465 at 481, [1964] 1 W.L.R. 273 (H.L.) [*Ladbroke (Football) Ltd.* cited to All E.R.], cited in *Delrina*, *supra* note 2 at para. 24.

79. See *Robertson*, *supra* note 64.

in *Delrina*,<sup>80</sup> but it is suggested that the Court should, when considering the *CCH* appeal, be cognizant of the consequences of *Delrina* with respect to infringement.

It is also suggested that an adoption of the modicum-of-creativity requirement for originality is consistent with Canada's statutory copyright framework as set out by the Supreme Court of Canada in *Théberge*.<sup>81</sup> First, "originality" is a broad principle that is not the subject of a specific legislative definition in the *Copyright Act*. This principle has developed entirely through judicial interpretation. There would be no inconsistency with any Canadian legislative provision. Second, although the "sweat of the brow" principle has been thought of as being the prevailing view of Anglo-Canadian copyright law, it was not until *Tele-Direct*<sup>82</sup> in 1996–97 that a Canadian or a Commonwealth court gave express attention to choosing between the two approaches. On the other hand, the classic 1900 House of Lords authority on originality, *Walter v. Lane*, does in fact present a divided view with only two of the five law lords finding effort alone to be sufficient.<sup>83</sup> Moreover, since 1997 a number of authorities in Canada have preferred the test of creativity.<sup>84</sup> Third (as presented in this paper), Canadian copyright law has already moved to a "weeding-out" approach for non-literal infringement. Fourth, creativity rather than industriousness is more consistent with the theoretical foundations of Canadian copyright law as set out in *Théberge*.<sup>85</sup> The preservation for public use of any ordinary, regular or routine methods of ordering or arranging the particular content or data—for which the compiler has no proprietary protection—will encourage future creations and strike an appropriate balance between the copyright of a compiler and the use of the content or data by the public. Finally, Canada's copyright framework should, as far as is permissible by the terms of the *Copyright Act*, be interpreted in a manner consistent with applicable international standards.<sup>86</sup> If compilers of compilations or databases require greater protections than those that are already afforded by an appropriately constrained copyright exclusivity, then it is for Parliament to provide such measures by way of *sui generis* or unfair-competition protections.<sup>87</sup>

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80. See *supra* note 2.

81. See *supra* note 35 and accompanying text.

82. *Tele-Direct*, *supra* note 63.

83. [1900] A.C. 539 (H.L.) [*Walter*]. Lords Halsbury and Davey accepted effort as sufficient for establishing copyright, but Lords James and Brampton appeared to seek more, looking for original expression and appearing to find this from the context of taking shorthand notes at a public meeting, thus distinguishing the situation of a secretary or stenographer. Lord Robertson, dissenting, sought even greater creativity beyond accurate reporting. See Howell, *Database Protection and Canadian Laws*, *supra* note 52 at B3 (page 6, PDF version) (2002); Robert G. Howell & Ysolde Gendreau, "Qualitative Standards for Protection of Literary and Artistic Property" in *Contemporary Law: Canadian Reports to the 1994 International Congress of Comparative Law, Athens, 1994* (Cowansville, Qc.: Yvon Blais, 1994) 518 at 542–45.

84. See *supra* notes 62–65.

85. *Supra* notes 8–21 and accompanying text.

86. See *supra* notes 59–60 and accompanying text.

87. See *European Database Directive*, *supra* note 61 at C. III, art. 7, creating a *sui generis* right in favour of database compilers; Howell, *Database Protection and Canadian Laws*, *supra* note 52 at Part II (B and E), discussing the European *sui generis* right and the responses for a separate remedy (*sui generis* or "unfair competition") in the United States.

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### 3. AUTHORIZING INFRINGEMENT: CONFLICTING TESTS AND CONTEXTS

HARMONIZATION AND REFORM and development of copyright law by legislative and judicial means require both legislative and judicial attention. As noted earlier, two decisions in the same month of 2002 by the Federal Court of Appeal (by differently constituted but overlapping panels) produced tests for the authorization of copyright infringement that reflected both ends of a spectrum of such tests in Commonwealth jurisprudence. On May 1, 2002, the decision in *Tariff 22*<sup>88</sup> applied the most narrow of authorization tests—the need to have or to purport to have authority to make the authorization—from the House of Lords to deny liability against an Internet Service Provider or Internet Access Provider (ISP/IAP) for the transmission of copyright music by means of the facilities that were provided by the ISP/IAP. On May 14, 2002, the decision in *CCH*<sup>89</sup> (Linden and Sharlow JJ.A. concurring) focused on the broader authorization test, emphasizing control, knowledge and inaction, from the High Court of Australia in the context of the provision of a photocopying machine in a library for the use of library patrons.

It is usual for inconsistencies between different panels of the same court to be resolved without difficulty by the court itself or by way of appeal. In this particular situation, however, such a reconciliation may be delayed pending intervention by Parliament with respect to section 2.4(1)(b) of the *Copyright Act*. This provision affords an immunity in the following terms:

For the purposes of communication to the public by telecommunication... (b) a person whose only act in respect of the communication... consists of providing the means of telecommunication necessary for another person to so communicate the work or other subject-matter does not communicate that work or other subject-matter to the public.

If the terms of this provision are met in a particular instance, an ISP has an immunity for a claim of infringement for communicating work or other subject matter to the public by telecommunications means (section 3(1)(f)), but not for authorizing another person to communicate by such means. This omission should be approached from a policy perspective in order to determine whether the authorization of a communication should be included in section 2.4(1)(b). Indeed, the medium of the internet might call for a wider review of this provision.<sup>90</sup>

Arguably, the omission from section 2.4(1)(b) of any immunity for authorization may have persuaded the court in *Tariff 22* to interpret narrowly the

88. *Supra* note 5.

89. *Supra* note 3.

90. Section 2.4(1)(b) of the *Copyright Act* was enacted in a context of radio, radio communications, television and cable transmission. The focus is, therefore, principally on s. 3(1)(f) of the *Copyright Act*—that is, the right to communicate a work to the public by means of telecommunications. With respect to “other subject matter,” ss. 15(1)(a)(i) and 26(1)(a) concerning Performers’ Performances and (perhaps) s. 21(1)(c) concerning a broadcaster’s communication signal may also be included. However, the technology of the internet would enable proceedings by way of “authorization” to be tested against ISPs in respect of other potential infringements, including “reproduction” (for initial uploading and for ultimate accessing or downloading by an accessor), “publication” (subject to s. 2.2(1)(c)), or “performance in public” (subject to s. 2.3). Section 2.4(1)(b) currently does not extend to cover these situations.

authorization right to prevent an ISP from being found to infringe indirectly by authorization of the communication, when section 2.4(1)(b) provides an immunity against infringement by direct communication. If this is the case, a solution would be to provide for section 2.4(1)(b) to be legislatively amended to include within the immunity an authorization of infringement.

Apart from the situation of section 2.4(1)(b), the establishment of an appropriate test for “authorization” can, as noted above, be achieved by judicial means. The most detailed Canadian judicial attention to authorization of infringement is the judgment and reasoning of Joyal J. in *De Tervagne v. Beloeil (Town of)*.<sup>91</sup> While citing the classic overall test for infringement by authorization as being to “sanction, approve and countenance”<sup>92</sup>—a phrase that does not by itself lead an enquiry to a conclusion—Joyal J. determined that in Canada an infringement by authorization lies somewhere between the narrow test employed in the United Kingdom<sup>93</sup> on the one hand and the broad Australian formulation on the other.<sup>94</sup> The position in Australia was expressly rejected in Canada<sup>95</sup> and that in the United Kingdom was judged to be too narrow.<sup>96</sup>

Joyal J. was faced with two earlier Canadian decisions of high authority. In 1953 the Supreme Court of Canada in *Muzak*, in considering whether the then Exchequer Court of Canada could grant *ex juris* service, included some analysis of authorization.<sup>97</sup> Overall, the then English test—that is, authority or purported authority to grant approval to do the relevant act—as later approved by the House of Lords appears to have been preferred.<sup>98</sup> However, reference also had to be made to a 1945 decision of the Judicial Committee of the Privy Council in *Vigneux v. Canadian Performing Right Society Ltd.*, on appeal from Canada. It emphasized the absence of control,<sup>99</sup> thus being closer to the position subsequently adopted in Australia. Joyal J. in *De Tervagne* did state that *Vigneux* has been criticized as being contrary to the English cases that had preceded it<sup>100</sup> but also noted the following:

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91. [1993] 3 F.C. 227, <<http://reports.fja.gc.ca/fc/src/shtml/1993/pub/v3/1993fca0354.shtml>>, 50 C.P.R. (3d) 419 at 427-38 (F.C.T.D.) [*De Tervagne* cited to C.P.R.].
  92. This phrase is from *Falcon v. Famous Players Film Co.*, [1926] 2 K.B. 474 (C.A.) [*Falcon*]. It is referred to almost universally in Anglo-Canadian copyright jurisprudence.
  93. The English test was set out by Whitford J. in *CBS Inc.*, *supra* note 6 at 821 and was approved by the House of Lords in *CBS Songs Ltd.*, *supra* note 6 at 488-95.
  94. The Australian test was established by the High Court of Australia in *Moorhouse*, *supra* note 4.
  95. *Supra* note 91 at 429. Although Joyal J. rejected “the interpretation by the Australian courts,” the particular authority cited immediately preceding his rejection was *RCA Corporation v. John Fairfax & Sons Ltd.*, [1982] R.P.C. 91 at 100 (N.S.W.S.C.) [RCA], which appears to allow authorization infringement even in the absence of control by the defendant. This would be broader than even *Moorhouse*.
  96. *Supra* note 91 at 433, Joyal J., summarizing the position of Kellock J. (in *Muzak*, *infra* note 97) in that “a person need not go so far as to grant or purport to grant the right to perform” (emphasis of judge relevant to the circumstances of the case is removed).
  97. *Muzak Corp. v. Composers, Authors & Publishers Association of Canada Ltd.*, [1953] 2 S.C.R. 182, 19 C.P.R. 1 at 11-15, 19 [*Muzak* cited to C.P.R.].
  98. At the time, the ruling of the English Court of Appeal in *Falcon v. Famous Players Film Co.*, *supra* note 92, was preferred by Kellock and Cartwright JJ. See *supra* note 97 at 14, 19. In 1988 this position was adopted by the House of Lords in *CBS Songs Ltd.*, *supra* note 6.
  99. [1945] A.C. 108, [1945] 1 All E.R. 432, [1945] 2 D.L.R. 1, 4 C.P.R. 65 at 77 (P.C.) [*Vigneux* cited to C.P.R.], Lord Russell of Killowen noting that “[The defendant, *Vigneux*] had no control over the use of the machine; they had no voice as to whether at any particular time it was to be available to the restaurant customers or not.”
  100. *Supra* note 91 at 429.

The Supreme Court of Canada had occasion to comment on *Vigneux* in *Muzak Corp.*... In that case the Supreme Court of Canada did not consider it appropriate to limit the scope of the decision in *Vigneux* or to criticize the decision rendered. Rather Kellock J. [in *Muzak*] clearly adopted the passage from the reasons of Lord Russell [in *Vigneux*] dealing with the element of control, thereby reaffirming the principle [of control]... Accordingly, *Vigneux* applies in Canada.<sup>101</sup>

This is entirely accurate and, arguably, puts Canada in a position which is closer to that set out in *Moorhouse* and which is broader than that in the United Kingdom. Joyal J. determined *De Tervagne* on the basis of absence of control.<sup>102</sup>

In neither *Tariff 22* nor *CCH* did the Federal Court of Appeal reflect on policy considerations with respect to a positioning for the authorization of infringement.<sup>103</sup> There may be a need to do this. The context of ISP liability in *Tariff 22* has been noted.<sup>104</sup> The situation in *CCH* was exactly the same as that in *Moorhouse*—the provision of a photocopying machine in a library. The court (Linden and Sharlow J.J.A. concurring) expressly referred to *Moorhouse* with approval, characterizing that case broadly as involving a situation where “[t]he court noted that the university knew or had reason to suspect that the photocopyers [in the university library] were likely to be used for...[the] purposes of committing an infringement.”<sup>105</sup>

This is indeed a broad formulation. Rothstein J.A. followed a more limited approach. He also referred to *Moorhouse*, while acknowledging the approach in the United Kingdom to be more limited,<sup>106</sup> and expressly declined to find authorization simply upon the basis of apparent control over the means to infringe. Instead, Rothstein J.A. required to be established from the circumstances “...express or implied acts of omission or commission that amount to grants or purported grants of the right to infringe.”<sup>107</sup>

Rothstein J.A. found this to have been established from “a degree of indifference” by the defendant in failing both to give effective warning notices and to monitor use that amounted to “implied authorization.”<sup>108</sup> This does, it is suggested, represent an attempt to bring the English and Australian tests together into a composite test, much like Joyal J. did in *De Tervagne*. In essence, it presents a more conservative application of a control test. It simply requires

101. *Ibid.* at 430.

102. *Ibid.* at 437.

103. See also *CTV Television Network Ltd. v. Canada (Copyright Board)*, [1993] 2 F.C. 115, <<http://reports.fja.gc.ca/fc/1993/pub/v2/1993fca0399.html>>, 46 C.P.R. (3d) 343 at 358-59 (F.C.A.) [CTV cited to F.C.], the court finding no authorization, but merely facilitation of affiliate stations by network television; *Canadian Cable Television Assn. v. Canada (Copyright Board)*, [1993] 2 F.C. 138, <<http://reports.fja.gc.ca/fc/1993/pub/v2/1993fca0403.html>>, 46 C.P.R. (3d) 359 at 371-72 (F.C.A.) [*Canadian Cable* cited to C.P.R.], the court finding authorization against the cable-television companies for transmission of musical copyright.

104. See *supra* note 88 ff and accompanying text.

105. *CCH (F.C.A.)*, *supra* note 3 at para. 114, Linden and Sharlow J.J.A. concurring. Linden J.A. noted that he expected that the courts in the United Kingdom would reach a similar result with respect to self-service photocopies; he relied on academic texts and commentary for support.

106. *Ibid.* at paras. 258–61.

107. *Ibid.* at para. 267.

108. *Ibid.*

more circumstances (of a lack of supervision) to be established. It may present an approach that can bridge the difference in formulation between *Tariff 22* and *CCH* (Linden and Sharlow J.J.A. concurring), thereby enabling the remedy of infringement by authorization to be effectively utilized with respect to the medium of the internet. An increased role for infringement by authorization in this medium is illustrated by the further analysis in *Tariff 22* and by the “Napster” proceedings in the United States.

Several situations (other than the issue of potential ISP liability), raised before the court or the Copyright Board in *Tariff 22* are relevant.<sup>109</sup> First, an unauthorized uploading of a work to a website and server may amount to a direct communication by the uploader of the work to the public once that work has been accessed by an end user.<sup>110</sup> If it is not seen as such, then it may be an authorization by the compiler of the communication.<sup>111</sup> Second, the placement of an embedded hypertext link that will cause the automatic display of other websites to an accessor may invoke infringement by authorization.<sup>112</sup> The third situation is the rejection by the court of a territorial principle of the host server, or mirror site, being located in Canada<sup>113</sup> in favour of an emphasis on the impact of the transmission “in the Canadian market” from an economic perspective without regard to the location of transmission.<sup>114</sup> The court drew an express analogy with jurisdiction in private international law, applying a test of “a real and substantial connection with Canada.”<sup>115</sup> The position as to jurisdiction and choice of law concerning extra-territorial infringement by authorization is sparse indeed, but it appears to favour the forum and law of the place of direct infringement.<sup>116</sup>

Whatever the position is in these uncharted waters, the overall situation can only be improved with greater harmonization of the substantive principles. The *Moorhouse* test for authorization, that was adopted in *CCH*, is closer than the English test to the formulation of Joyal J. in *De Tervagne*. It is also closer in

109. For the decision and reasons of the Copyright Board, see *SOCAN Statement of Royalties, Public Performance of Musical Works 1996, 1997, 1998 (Tariff 22, Internet) (Re)* (1999), 1 C.P.R. (4th) 417, <<http://www.cb-cda.gc.ca/decisions/music-e.html>> Copyright Board [*Tariff 22, Internet*].

110. *Supra* note 5 at paras. 29, 151.

111. *Ibid.* at para. 151. This issue had been determined by the Copyright Board and accepted before the Federal Court of Appeal. The court did note some difficulty in following the rather convoluted reasoning (instead of simply concluding that posting or uploading constituted a “communication”) but it appears that this resulted from a perceived need to have at least two persons (uploader and accessor) in contact with one another before it can be said that a communication has in fact occurred. (see *ibid.* at para. 175).

112. *Ibid.* at para. 29. This issue was not pursued in the Federal Court of Appeal. For the reasoning of the Copyright Board, see *supra* note 109 at 458–59 (the Board has not provided numbered paragraphs). The Board distinguished the mere creation of a hypertext link as simply an electronic address to be used by a recipient from an “automatic link” that transmits the work without the need for further action by the accessor. The Board considered that the provision of an automatic link constituted a warranty by the first site owner as to the right to communicate to the second website.

113. For the decision of the Copyright Board in this respect, see *Tariff 22, Internet*, *supra* note 109 at 459–60. It is noted by the Federal Court of Appeal in *Tariff 22*, *supra* note 5 at paras. 166–68.

114. *Tariff 22*, *supra* note 5 at paras. 176–77.

115. *Ibid.* at paras. 186–92. Other areas of law dealing with jurisdiction and using this test were noted. With respect to extra-territorial enforcement and Copyright Board regulation, see Robert G. Howell, “Relevance of National Regulation in an Age of Borderless Transmission” in Ysolde Gendreau, ed., *Copyright: Administrative Institutions* (Cowansville, Qc.: Yvon Blais, 2002) at 601–34.

116. For the U.S., see Nimmer, *supra* note 23 at vol. 3, s. 12.04[A][3][b]; also discussed in Robert G. Howell, “Intellectual Property, Private International Law, and Issues of Territoriality” (1997), 13 C.I.P.R. 209 at 219 and in Howell, Vincent & Manson, *supra* note 12 at 340–41.

formulation to the contributory infringement principle in the United States.<sup>117</sup> However, in 2001 in *A&M Records, Inc. v. Napster, Inc.* the Ninth Circuit utilized a test for infringement with the following terms: “One who, with knowledge of the infringing activity, induces, causes or materially contributes to the infringing conduct of another may be held liable as a ‘contributory infringer.’”<sup>118</sup> This formulation is literally much broader than that in both *Moorhouse* and *CCH*, where there is a greater emphasis on control features by the alleged authorizer.<sup>119</sup> It is, of course, well beyond the middle position that Joyal J. in *De Tervagne* and Rothstein J.A. in *CCH* seem to have sought. Nevertheless, all of these tests are much closer to each other than they are to a strict English test, such as authority or purported authority to authorize the alleged infringing act, which was adopted in *Tariff 22*. With respect to music, section 80 of the *Copyright Act* (“blank tape levy”) allowing copying is relevant, though the scope of this provision has yet to be determined.<sup>120</sup> It does not encompass videotapes or audio-visual works or subject matter.

Overall, therefore, the category of “infringement by authorization” may be usefully engaged on the broader basis of *Moorhouse* and *CCH*, even though the context in *Tariff 22* may have produced a sound result in that proceeding, pending policy and legislative consideration of the scope of section 2.4(1)(b) of the *Copyright Act* with respect to the liability of ISPs.

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## CONCLUSION

THE TOPICS CONSIDERED IN THIS PAPER present an opportunity for a consideration of the benefits, or of the lack thereof, of harmonization with other jurisdictions with respect to copyright law in a context of developing technologies. The theoretical basis of copyright articulated by the Supreme Court of Canada in *Théberge* establishes a climate of incentives to create, balanced with the interests of users. It presents a policy rationale largely identical to that prevailing in the United States, though not reflecting a constitutional dimension. The Court endorses the need to harmonize the interpretation of copyright law internationally, but subject to the limits permitted by the “English copyright tradition” of Canadian copyright law. It presents, between majority and minority, a focused demarcation as to the role of copyright in today’s Canadian society.

117. See Nimmer, *ibid.* at vol. 3, s. 12.04[A][2][b], the text accompanying Nimmer’s notes 44–47 citing *Moorhouse*, but leaving the position “open.”

118. *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, <[http://www.law.cornell.edu/copyright/cases/239\\_F3d\\_1004.htm](http://www.law.cornell.edu/copyright/cases/239_F3d_1004.htm)>, 57 U.S.P.Q.2d (BNA) (9th Cir. 2001) [*A&M Records* cited to F.3d].

119. See also Nimmer, *supra* note 23 at vol. 3, s. 12.04[A][2][a] and [b], referring to the element of “control,” but specifying a general trend requiring some “direct link or relationship,” or equipment that is supplied, being capable of “commercially significant non-infringing uses.”

120. Section 80 of the *Copyright Act* is technology-neutral, referring only to a recording on “an audio recording medium.” However, ss. 80(2)(b) and (c) exclude “distributing, whether or not for the purpose of trade” and “communicating to the public by telecommunication.” It is not clear how far participation in a “file-sharing” activity, perhaps involving uploading, transmitting and downloading, would be seen as being beyond this provision and, perhaps, taint all activity of a user.

The consideration of the “creativity” and “mere industriousness” schools of thought as to originality in a context of copyrightability is compared with a similar development concerning infringement. It is suggested that harmonization with the predominant global trend towards creativity, at least with respect to compilations and databases, is sound and would be consistent with the theoretical formulation in *Théberge* of providing a limitation on copyright law that is accurate and appropriate in both policy and concept. In addition, it is consistent with the traditional framework of Canadian copyright law. This is a harmonization that can be readily achieved through judicial determination.

The differing interpretations as to the authorization of infringement might be assisted by governmental policy considerations and legislative attention with respect to the scope of immunity for ISPs. Beyond this, the broader authorization interpretation of *Moorhouse* and *CCH* may be the most appropriate and useful for internet-related circumstances. In this context, the authorization right is likely to play a significant role. The broader interpretation will provide a more effective basis for harmonization within North America and will facilitate issues of jurisdiction and choice of law within the non-territorial interpretation given by the Federal Court of Appeal to internet jurisdiction for matters affecting the Canadian market.

Global informational and technological change has thrust copyright and other intellectual-property laws into the centre of developments in the legal, social and political spheres with consequential pressure to harmonize as far as possible the laws that apply to these developments. Canada’s experience with both the common and civil systems and its geographic and economic proximity to the United States should equip Canada well, enabling courts and policy makers to utilize effectively comparative legal and policy perspectives and thus to ensure that these represent an opportunity instead of a burden.

## Appendix

### Reference Note:

*CCH Canadian Ltd. v. Law Society of Upper Canada*  
2004 SCC 13 [2004] S.C.J. No. 12, (QL).

ON MARCH 4, 2004, just as the above article was to go to print, McLachlin, C.J. delivered judgment for a unanimous Supreme Court of Canada in *CCH Canadian Ltd. v. Law Society of Upper Canada*.<sup>121</sup> The decision of the Federal Court of Appeal<sup>122</sup> was reversed.

This reference note does not provide a comprehensive analysis of the decision of the Supreme Court. It will merely comment on those aspects of the judgment relevant to the three topics covered in this article. The sub-headings in this note follow those in the principal text.

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121. *CCH Canadian Ltd. v. Law Society of Upper Canada* 2004 SCC [2004] S.C.J. No. 12 (QL) (4 March 2004) [CCH].

122. *Supra* note 3.

### *Théberge: The Scope of Copyright*

In *CCH* the Supreme Court reiterates the majority judgment of Binnie J. in *Théberge* emphasizing the limited nature of copyright involving a balance between the interests of the holder of the copyright and an appropriate public domain or user interests.<sup>123</sup> The *Copyright Act* was described as “exhaustive” as to both owner and user interests.<sup>124</sup> McLachlin C.J. emphasized that the court must essentially interpret the statute, in its “entire context and...grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament.”<sup>125</sup> However, the “public interest” to be served was expressly approved by McLachlin C.J. as that stipulated by Binnie J. in *Théberge*, being “the encouragement and dissemination of works of the arts and intellect and obtaining a just reward for the creator.”<sup>126</sup> *CCH* therefore affirms an underpinning of an “innovation incentive” policy through a just, but limited, reward for a creator. The writer’s opinion expressed above in this article, that after *Théberge* a substantial similarity of theoretical underpinning exists between Canada and the United States, is, it is suggested, strengthened by *CCH* in the Supreme Court.

The formulation in *CCH* of the element of originality and the exception of fair dealing amply reflects this underpinning. Originality is discussed below. As to fair dealing, McLachlin C.J. elevated this from the traditional characterization that it is a “defence” to that described as “an integral part of the Copyright Act,” being “a user’s right” and part of the balancing process between owner and user of copyrighted subject matter.<sup>127</sup>

### *“Originality”—Copyrightability and Infringement*

The Court resolved the debate in Canadian copyright law as to the meaning of “originality” by rejecting *both* competing positions of mere industriousness, labour or “sweat of the brow” on the one hand, and, on the other, a “modicum of creativity,” drawn from the United States’ Supreme Court decision in *Feist*.<sup>128</sup> McLachlin C.J. expressed the position in Canada as falling between these two positions. The test now is “skill and judgment.” This is defined as: first, as for “skill,” “the use of one’s knowledge, developed aptitude or practised ability in producing the work;” second, as for “judgment,” “the use of one’s capacity for discernment or ability to form an opinion or evaluation by comparing different possible options in producing the work;” and third, the exercise “will necessarily involve intellectual effort.” It must not be so trivial as to be seen as “a purely mechanical exercise.”<sup>129</sup>

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123. *Théberge*, *supra* note 1.

124. *CCH*, *supra* note 121 at paras. 9, 11.

125. *Ibid.* at para. 9.

126. *Ibid.* at para. 10 (citing Binnie J. in *Théberge*, *supra* note 1 at paras. 30–31).

127. *Ibid.* at para 48.

128. *Feist Publications, Inc. v. Rural Telephone Service Co., Inc.*, *supra* note 54.

129. *CCH*, *supra* note 121 at para. 16.

This formulation could, literally, involve more intellectual effort than the mere “*modicum or minimum level of creativity*” (emphasis added) established in the United States by *Feist*.<sup>130</sup> An answer would appear to lie in the meaning attributed by McLachlin C.J. to the expression “creative” as “in the sense of being novel or unique”<sup>131</sup> or “novel or non-obvious.”<sup>132</sup> These features have never been requirements of copyright law. However, the expression “creative” could well present a “slippery slope” to such perspectives. The court has ensured that this will be avoided.

The important element is that *CCH* requires a standard of intellectual effort to establish originality. There is, therefore, a standard or criterion for “copyrightability” or for the qualification of a work or subject matter before copyright is available. The principal text of this article suggests that this is necessary to afford a logical consistency with the infringement test of “weeding out” (or, perhaps, “abstraction, filtration and comparison” from the United States) established by the Ontario Court of Appeal in *Delrina Corp. v. Triolet Systems Inc.*<sup>133</sup> for non-literal infringement of computer software. The *CCH* test of “skill and judgment” affords such consistency.

#### *Authorizing Infringement: Conflicting Tests and Contexts*

This article examines the spectrum of tests to constitute authorization of copyright infringement from the narrow test employed in the United Kingdom, on the one hand, to the broad Australian formulation on the other. The Federal Court of Appeal on May 1, 2002 in *Tariff 22*<sup>134</sup> applied the former. On May 14, 2002 in *CCH* the court (by differently constituted but overlapping panels) applied the latter. Linden and Sharlow J.J.A. expressly followed the High Court of Australia in *University of New South Wales v. Moorhouse*.<sup>135</sup> A middle ground may be seen in the decision of Joyal J. in *De Tervagne v. Beloeil*.<sup>136</sup> Perhaps Rothstein J.A. in *CCH* is also closer to the middle as explained above.

The Supreme Court of Canada reversed the Federal Court of Appeal on the adoption of *Moorhouse*. McLachlin C.J. considered that “the *Moorhouse* approach to authorization shifts the balance in copyright too far in favour of the owner’s rights and unnecessarily interferes with the proper use of copyrighted works for the good of society as a whole.”<sup>137</sup> *Moorhouse* was also seen as “inconsistent with previous Canadian and British approaches,”<sup>138</sup> though McLachlin C.J. appears to accept *De Tervagne*, but without comment upon the apparent middle positioning of that decision.<sup>139</sup>

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130. This is discussed above in text accompanying notes 56–58.

131. *CCH*, *supra* note 121 at para. 16.

132. *Ibid.* at para 24.

133. *Delrina Corp. v. Triolet Systems Inc.*, *supra* note 2.

134. *Society of Composers, Authors and Music Publishers of Canada (SOCAN) v. Canadian Association of Internet Providers (Tariff 22)*, *supra* note 5.

135. *University of New South Wales v. Moorhouse*, *supra* note 4.

136. *De Tervagne v. Beloeil*, *supra* note 91.

137. *CCH*, *supra* note 121 at para. 41.

138. *Ibid.*

139. *Ibid.* at para. 42.

### *Conclusion Overall*

The decision of the Supreme Court of Canada in *CCH* is significant to all areas covered in this article, but does not present a major detraction from the directions discussed in the piece. Importantly, the formulation of “skill and judgment” for originality, harmonizes both European *droit d’auteur* and the practical outcome of decisions (though not by adopting any test of “creativity”) in the United States that require only *modicum* or *minimal* amount of creativity, not involving novelty, uniqueness or non-obviousness. The area that remains in need of modern evaluation is the balance and legal test to be set for authorization of infringement, especially in a context of internet transmission. This will likely come from the determination of the Supreme Court in *Tariff 22* which is currently awaited.