**INTELLECTUAL PROPERTY LAW // LAW 422 // OW PRACTITIONERS (Marles/Bailey/Takagawa) // FALL 2016**

**COPYRIGHT (*Copyright Act)***

**The Basics**

**Protects expression of ideas,** not the ideas themselves

**Arises automatically on creation -**  no formal registration required, international recognition – treaty signatories

**s 2: copyright defn:** means the rights described in:

* **Section 3** – work
* **Section 15 & 26** – performer’s performance
* **Section 18** – sound recording
* **Section 21** – communication signal

**s. 3(1): For the purposes of this Act,** “copyright”, in relation to a work, means the sole right to produce or reproduce the work or any substantial part thereof in any material form whatever, to perform the work or any substantial part thereof in public, or if the work is unpublished, to publish the work or any substantial part thereof…

**Why do we have copyright?**

**Moral argument:** copyright is a natural right of property in the creation of a person’s mind

**Economic argument**: copyright should be protected by statute b/c of its economic benefits, the encouragement of investment in creation, invention and the publication & dissemination of info

International Aspects

* **Berne Convention** – 1886 and revisions
  + National treatment; minimum protections; no formalities
* **Universal Copyright Convention** – 1952
  + Countries that required formalities; shorter term
* **Rome Convention** – 1964
  + Protection for neighbouring rights
* **NAFTA** – 1994
* **TRIPS** – 1996 – WTO countries
  + Requires compliance with *Berne*
* **WIPO Treaties** - 1996
  + Copyright Treaty
  + Performances and Phonograms Treaty
* Aimed at protection in the digital age
  + Right of “making available”
* Finally implemented by Canada in 2012 with the ***Copyright Modernization Act***

COPYRIGHT MODERNIZATION ACT - 2012

**Key Changes:**

* **Photographs**: repeal of specific provisions of **s10** relating to term and ownership – they are now covered by normal copyright
* **Fair dealing** – new exceptions added for parody, satire, and education
* **New exception for user-generated content for non-commercial purposes**
* **New exceptions for making copies for private purposes and time-shifting**
* **Technological protection measures/DRM**
  + **Contracting parties shall provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures**
  + Does NOT require government to include restrictions on selling or assisting with circumvention of TPMs (see below)

TERM:

**Section 6: 50 years from end of year (DEC 31) in which author died**

* **General rule for works**: End of calendar year of death of author plus 50 years (**s. 6**) \*\*TERM ALWAYS EXPIRES DEC. 31\*\*
* **Joint authors**: End of calendar year of death of last author to die plus 50 years (**s. 9**)
* **Unpublished works**: If author died after 1997, the above rules apply.
  + If the author died before 1997 and the work was posthumously published, there are transitional provisions (**s. 7**)
  + Previously, term was 50 years from publication
* **Anonymous/pseudonymous works**: End of year of first publication plus 50, or end of year of making plus 75, whichever is shorter (**s. 6.1**)
* **Photographs**: General term in **s. 6** applies.
  + Recall that photographer will be the author
  + Previously were specific provisions for photographs
* **Cinematographic works**:Same as dramatic works **s 11**
  + Either **50 years from author’s life** (if it has dramatic character); OR
  + **50 years from date of producing the movie** (if no dramatic character)
* **Crown copyright**: End of year of publication plus 50 (**s. 12**)
* **Non-works**: See **section 23**
  + **Performance**
    - 50 years from end of calendar year in which first fixation or unfixed performance occurred
    - If fixed in sound recording, 50 years after first fixation in sound recording
    - If sound recording published, 50 years from first publication of sound recording or 99 years from date of performance, whichever is earlier
* **Sound Recordings**
* 50 years from end of calendar year in which first fixation occurred
* If published before copyright expires, 50 years from year of first publication
* **Communication Signals**
* 50 years from end of calendar year in which broadcast
* **Moral rights**: Subsist for same term as copyright. **See** **sections 14.2 and 17.2**
  + **When author dies, moral rights pass to heir**

REGISTRATION

* Registration is optional, but has benefits:
  + **s. 53(1):** Registration is evidence of the particulars entered in it
  + **s. 53(2):** Registration is evidence that:
    - Copyright subsists; and
    - The registrant is the owner
  + **s. 39(2):** Registration rebuts an innocent infringement defence
    - Registration = constructive notice of copyright
  + Assignments can be recorded for priority purposes **(s. 57(3))**
    - Void against subsequent assignee/licensee unless registered

**Requirements for Subsistence of Copyright**

**Section 5: conditions for the subsistence of copyright**

**5(1) Subject to this Act,** copyright shall subsist in Canada…in every **original literary, dramatic, musical, and artistic work if any one of the following conditions are met:**

1. Author is a citizen or permanent resident in a treaty country
2. Cinematographic work maker had headquarters or was a citizen of treaty country
3. Published work: first publication occurred in treaty country

Author must be citizen or resident of treaty country OR first publication in treaty country

**Copyright requires the following**

* **Entitlement (s 5)**
  + Author - s. 5 citizen or resident of treaty country OR
  + First publication in treaty country
* **Originality**
  + S. 5 “Copyright shall subsist in every original . . .
  + Low threshold – exercise of skill and judgment
* **Subject Matter**
  + Works (literary, dramatic, musical, artistic)
  + Non-works (performances, sound recordings, communication signals)
  + Moral rights
* **Fixation –** work must be expressed in some fashion to gain protection

**Authorship**

Is generally a Q of fact // usually a natural person except where the *CA* provides otherwise // “maker”, “performer”, “broadcaster” terms are used for neighbouring right

**Section 13(1):** authorship = basis for **first ownership of the copyright** (but author not always first owner; authorship/ownership should be treated separately)

* **S. 13(3):** if author created work **as part of employment**, first owner = **author’s employer**
  + **Moral rights** invested in author
  + **Term** based on life of the author
* Canadian law doesn’t “deem” someone else to be author vs. ‘work for hire’ doctrine in US which allows for ‘deemed authors’

***Neudorf v Nettwerk:*** author is the person who expresses the idea in an original/novel form. **Authorship has two basic requirements: (1) originality (2) expression // Author:** person, who actually writes, draws or composes a work, but can’t take this idea so far as to include “a mere scribe or amanuensis”; person who merely gives ideas to a person also not an author.

**Joint Authorship**

**Section 2:** “**work of joint ownership”** defined as: work produced by the **collaboration** of two or more authors in which the **contribution of one author is not distinct from the contribution of the other author(s)** → CAN’T SEPARATE CONTRIBUTIONS OF AUTHORS

* When are contributions not distinct? It’s about **whether or not the parts belong together**, not about whether they can be physically separated
  + Ex. Questions & answers in an interview → technically can be separated physically, but wouldn’t make sense w/o each other
* Policy Consideration: don’t want to give credit to someone as joint author if only contributing ideas, not content → would expand law of copyright to protecting ideas

**Joint Authorship Requires: *Neudorf***

1. **Must contribute original *expression,* not merely ideas**

* **Contributes to the form of work; author is free to exercise choice,** accept or reject ides of another

1. **Contribution must be significant or substantial**; does not need to be equal
   * **Significant and substantial** – can consider both **qualitative and quantitative aspect** 
     + **E.g. i**f you contribute a key part of the song, even if only a few bars, could be enough to claim
   * **Each author can make a contribution to any part of a musical work**
     + Music, lyrics, and chords; drum parts, bass parts, acoustic parts, electric parts, background part; “hook”
     + Can also be copyrightin the **arrangement of a musical work**, even based on the **re-arrangement of existing music, or in the selection of common, ordinary well-known musical materials**
     + Contribution of significant original expression to **any of these things** can give rise to claim of joint authorship
2. **Intention on the part of the authors that their works be merged so that their contributions are not distinct** (mutual intention) = “**collaboration**” (required by **s. 2**)
   * *Draws on US collaboration requirement – statute requires collaboration but the term is somewhat unclear*
     + *US jurisprudence (goes further than our requirements)*
       - *S. 101 requires “intention that contributions be merged into inseparable or interdependent parts of a unitary whole”*
       - *Response to cases that had relaxed the requirement; e.g. one case where a guy wrote music and later someone else wrote lyrics and copyrighted it – they held that he must have intended merging with “something” so it was legit – this was bad so they changed the law*
       - *Us courts equated intention with collaboration*
3. **Intention on the part of the authors to be joint authors** (mutual intention)
   * **Not only must authors intend to merge their contributions, but must also intend that they be considered joint authors – both authors must intend to be a joint author**
     + Does not require that they understand the legal consequences of the relationship
     + **Useful test**: in the absence of contractual agreements concerning listed authorship, would each participant intend that all would be identified as co-authors?
       - This gives a lot of weight to the subjective beliefs of the “primary author” since she has to intend joint authorship for it to be considered joint
   * Can be “read in” if a work was clearly created by two people and the contributions are **inseparable**

**\*\*Collaboration before work is fixed is NOT SUFFICIENT\*\***

**Originality**

**5(1) Subject to this Act,** copyright shall subsist in Canada…in every **original literary, dramatic, musical, and artistic work**

* **“Original”** is not defined in the Act
  + **Novel, new interpretation,** comes from the person who created it **(author)**
  + **Originality attached to expression**; fact that idea is already out there doesn’t matter
* Spectrum of options to define originality from “sweat of the brow” to “creativity”? We fall somewhere in the middle:

**CANADIAN TEST FOR ORIGINALITY: *CCH v Law Society***

* **Work must be more than a mere copy of another work**
  + **Creativity not required:** Doesn’t need to be creative in the sense of being novel or unique
* **KEY INQUIRY: Work must be the product of an author’s exercise of skill and judgment**
  + **Skill**: the use of one’s knowledge, developed aptitude or practiced ability in producing the work
  + **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
  + **Must not be so trivial that it could be characterized as merely mechanical** (changing font, fixing grammar/spelling, adding parallel citations) - Requires **intellectual effort**
  + **Eg. Judicial decisions** were not original works produced by the publisher BUT the headnotes, annotation, case summaries, topical index, etc. **is sufficiently original to attract copyright**

**OUR APPROACH VS OTHER JURISDICTIONS**

**Only the expression must be original;** ideas are not protected

* Creativity requirement too high for originality (US standard – ***Feist***)
  + Suggests works must be novel or non-obvious
* “Sweat of the brow” standard too low (UK – ***University of London Press***)
  + potentially extends protection to facts/ideas

**Rationale for Mid-Line Test:**

* Plain meaning of “original” - use of brainpower or skill/judgment seems implicit
* History of copyright - work as extension of author’s personality, requirement of intellectual creation to justify
* Recent jurisprudence - questioning workability and issues with the sweat of the brow standard
* Purpose of copyright = balance
* **Workable, yet fair** standard

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| *CCH Canadian Ltd v. Law Society of Upper Canada* (2004 – SCC) TEST FOR ORIGINALITY  Facts: Law society library allowing copying of judicial decisions, headnotes, judgments & commentary  Analysisabove  Held: **Judicial decisions** were not original works produced by the publisher BUT the headnotes, annotation, case summaries, topical index, etc. **is sufficiently original to attract copyright** |

**OTHER JURISDICTIONS**

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| *University of London Press v. University Tutorial Press* (1916 – England Chancer Div.) “Sweat of the Brow” Theory  Held: math exams sufficiently “original” to attract copyright  **Original definition (lowest standard): “sweat of the brow” theory**   * “Original” does not mean that the work must be the expression of original or inventive thought, nor that the form of expression be in an original or novel form, but **only that the work must not be copied from another work** -- that it should **originate** **from the author** * **Key Inquiry: did the work require selection/judgment/experience?** * Operates on principle that is something is worth copying, it’s worth protecting * Cited for proposal that labour alone is sufficient for originality requirement as long as the work originates from the author and they put some labour into the creation of the work |

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| *Feist Publications v. Rural Telephone Service* (1991 – US Supreme Court) “Creativity” Requirement  Facts: Feist wants to compile rural directories into one larger directory → copied the rural directories (clearly copied b/c the rural directories included 4 fake entries to determine if it was being copied)  Analysis:   * Modicum of creativity is a constitutional requirement in the US 🡪 based on use of the term “author” in the constitution   + Originality requires that **the author makes the selection and arrangement independently and that it displays some minimal level of creativity**   + **Rejects sweat of the brow theory as being too low of a standard**   + If the **selection and arrangement** of the facts are original, those elements are protected by copyright, but does not extend to facts themselves   + Unless there is only one logical way to really arrange the facts (e.g. by surname in this case), and no selective process - this essentially amounts to a copyright on the information if the information can only be expressed in one basic way   Held: If the **selection** and **arrangement** of the facts are original, those elements are protected by copyright   * Copyright doesn’t extend to the facts themselves * Only requires that **selection** and **arrangement** is made **independently by the author** and has **some minimal indication of creativity**   In this case it was held that listing of names & info about people is devoid of all creativity, so listing is not subject to copyright protection |

**Originality and Compilations**

* **s. 2 - “compilation”** - work resulting from the selection or arrangement of other works or of data
  + A selection and arrangement of pre-existing materials
  + Originality lies in the selection and/or arrangement, not in the underlying works or data themselves
  + “sweat of the brow” would protect this
  + “creativity” would not necessarily
* ***BC Jockey Club:*** BC Jockey produces a horse racing booklet with info about race day 🡪 embodies facts in written form; D reproduced this info BUT added his own commentary (which required skill and judgment) and then re-sold it // while the new booklet was original, it took more than just the information from the first booklet – it also took the labour and skill required to produce the initial compilation // **selection of facts may be a substantial part of the originality // infringement found**

**Fixation**

Some sort of **permanence** is required for copyright to subsist in a work

* Explicitly required by the Act in some cases (ie. S 2: Computer programs, dramatic works), imposed by courts as general requirement

**Reasons for Requirement**:

* **Evidentiary concern**
  + If something isn’t fixed, can be difficult to actually analyze whether there is infringement (ex. if it’s just an idea in someone’s head)
* **Copyright does not protect ideas**
  + W/o fixation, you could try to protect ideas that had not yet been expressed in fixed form, violating balance between expression/idea
  + ***CCH*** → “flows from the fact that copyright only protects the expression of ideas that a work must also be in a fixed material form to attract copyright protection”
  + ***Théberge*** → “**fixation**” distinguishes works capable of being copyrighted from general ideas that are the common intellectual “property” of everyone (per Binnie J.)
* ***Cdn Admiral:*** for copyright to exist in aa work, it must be expressed to some extent at least in some material form, capable of identification & having a more or less permanent endurance // no copyright in live spectacles, sporting matches, parades, processions **but s 3(1.1) was added after this case allowing simultaneous fixation**
* ***Theberge:*** if there **has been no multiplication of the work then there has not been infringement**  // changing the mode of fixation by transferring it does not count

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| *Cdn Admiral v. Rediffusion* (1954 – Exch. Ct.)  Facts:   * Rebroadcasting (“rediffusion”) of live football games that were not fixed in any form (being broadcast live) * Not really relevant any more because everything broadcast these days is fixed in some material form   Held:   * **For copyright to subsist in a work, must be expressed to some extent at least in some material form, capable of identification & having a more or less permanent endurance** * Law will not intervene to protect something which is not definite & ascertainable * **No copyright in live spectacles, sport matches, parades, processions** |

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| *Théberge v. Galerie d’Art du Petit Champlain* (2002 – SCC)  Facts: defendant used chemical process to transfer poster prints to canvas → only one image the entire time  Held:   * “Copyright springs into existence as soon as the work is written down or otherwise recorded in some reasonably permanent form” * “The image ‘fixed’ in ink is the subject matter of the intellectual property”   + Suggests that the medium is not part of the work * “Even if one were to consider substitution of a new substrate to be a ‘fixation’, the fact remains that the original poster lives on in the ‘re-fixated’ poster. There is no multiplication and fixation alone is not an infringement of the original work”   + **No multiplication; fixation alone is not an infringement of the original work** |

Quotations

* Some cases hold that the interviewer acquires copyright in quotes given by an interviewee
* **Rationale**: if the interviewer did not fix the quotes, they would never have come into existence
  + Didn’t create the words, but did create the circumstances that brought those words into existence
* US – some cases view interview quotes as a work of joint authorship

Non-Works (Neighbouring Rights)

**S. 3(1.1):** simultaneous fixation of telecommunication = fixation (changed after ***Cdn Admiral***)

* Non-works acquire certain rights w/o fixation (**s. 15, s. 21**)
  + Performers’ performances
  + Communication signals

**Types of Works**

**Interpreted broadly, but must fit w/in one of the categories below**

LITERARY WORKS

**Section 2:** **“literary work”** includes tables, computer programs, and compilations of literary works

* “Work” includes the title thereof when such title is original and distinctive
* includes compilations

**Basic Requirements:**

What Qualifies?

**Protection beyond literal words:**

* Can’t limit copyright literally to the text, because plagiarist would escape w/immaterial variations
* Courts extend protection to plot, scenes, characters, etc. **provided they are taken in a sufficient level of detail**
  + **Can’t protect mere ideas or *scenes a faire*** w/copyright
* **Must convey meaning**
  + Can’t be a made up word/scribble
* **Must be more than a mere word or slogan**
  + **Ex.** Exxon – single word, even though invented, not protected by copyright
    - Apart from law of trademarks, no one can claim monopoly rights in use of a word/name
* **Titles – by itself not proper subject of copyright**
  + Titles is not “separate work” – included in the work of the whole body (**s. 2 –** definition of “work”)
  + Copying of title not generally a **substantial reproduction**
    - Contribution of title not substantial (***Neudorf v. Nettwerk Productions***)
* ***University of London Press:*** lowest standard of literary work that has found to be subject to copyright // **math exams = literary work**, seemingly used “literary’ to mean “literature” aka written or printed materials // **covers work which is expressed in print or writing, irrespective of the question whether the quality or style is high**
* ***BC Jockey Club:*** BC Jockey produces a horse racing booklet with info about race day 🡪 embodies facts in written form; D reproduced this info BUT added his own commentary (which required skill and judgment) and then re-sold it // while the new booklet was original, it took more than just the information from the first booklet – it also took the labour and skill required to produce the initial compilation // **selection of fats may be a substantial part of the originality // infringement found**

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| *University of London Press v. University Tutorial Press* (1916 – England Chancer Div.) – Math Exams  **Math exams = literary works**; they are printed or written matter   * Cover work which is expressed in print or writing, **irrespective of the Q whether the quality or style is high** * **“Literary” seems to be used in a sense somewhat similar to the use of the word “literature” in political or electioneering literature – printed or written matter** * This case stands for the **“lowest standard” of work that has been found subject to copyright**    + *Vs Exxon* case where court required that it “imparts some substantial amount of intelligible information” |

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| *BC Jockey Club v. Standen* (1985 – BCCA) – Compilations  Facts:   * BC Jockey produces a book of information about the race day; the other party used the race booklet information and added his commentary (considerable skill and judgment) and notes then re-sold it to other people * **Originality** (not an issue)**: The booklet is a novel compilation and the copy was as well, because they reproduced information but arranged it in a certain way to present the information** – **he added substantial skill, knowledge, and experience to produce**   Held:   * Distinguish originality from infringement   + Overnight the compilation took substantial amount of skill, knowledge and experience to produce, so originality not an issue * Law does not *per se* preclude protection of facts (if the work as a whole is original); copyright in a compilation may be infringed by appropriating an undue amount of the material; although the language employed be different, or the order altered   + If not protected, then copyright in a compilation would be useless * Defendant had taken not only the factual info from the book but **also the labour & skill that went into the compilation**   **NOTE:** work was original; issue was infringement (that’s how it can be reconciled with ***Feist***)   * Selection of facts may be a substantial part of the originality (here, characterized as an entirely novel list of horses & other info) * **Look to where author’s skill & judgment applied** |

Collective Works – subcategory of literary work composed by different authors – each author with a distinct section

A **“collective work”** is defined **(s. 2)** as including reference works like encyclopedias and dictionaries, newspapers and magazines, and any work “written in distinct parts by different authors, or in which works or parts of works of different authors are incorporated”.

* In a collective work can be different authors, and so differently owned copyrights, for different parts of the work (cf. **s. 14(2)).**
* Compare this with a “**work of joint authorship**”, defined (**s. 2**) essentially as a work with more than one author in which the contribution of each author is not distinct from that of the others.

LITERARY WORKS – COMPUTER PROGRAMS

**Section 2: “Computer program”** means a set of instructions or statements, expressed, fixed, embodied or stored in any manner that is to be used directly or indirectly in a computer in order to bring about a specific result

* Protected as **literary works**
  + Integrated circuit topographies have their own legislation, but it is little used
* **Does not cover the solution to the problem *per se* – this is patent**
  + **Rather it is the way the solution is expressed**
* **Merger Doctrine**
  + If there is only one way to express an idea, then copyright law should not protect that because it would effectively give a monopoly on the idea itself
* ***Apple:* recognized copyright in code //** programs embedded into a chip are a reproduction of the programs in assembly languages and as such are protected by copyright under **s 3(1) // chip is an “embodiment in 3D” of the program**

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| *Apple v. Mackintosh* (SCC) – First Recognition of Copyright in Code  Issue:   * Object code burned into chip * Direct mechanical copying of a computer program – **is the code still protected when replicated in chip circuitry?**   Held:   * **Programs embedded in the chip are a reproduction of the programs in assembly language and as such are protected by copyright under s. 3(1)**   + The program was protected, and **the chip was like an “embodiment in 3D”** of the program, so copying the chip is copying the program * Recognized copyright in code: takes skill, judgment, and can be done in a variety of ways   + Now it’s in the act so not at issue |

**DRAMATIC WORKS**

**Section 2:** definition of “dramatic works” includes:

1. Any piece for recitation, choreographic work or mime, the scenic arrangement or acting form of which is fixed in writing or otherwise,
2. Any cinematographic work, and
   * Whether a cinematographic work has a “dramatic character” determines the term of copyright in the work (**s. 11.1)**
     1. Either **50 years from author’s life** (if it has dramatic character); OR
     2. **50 years from date of producing the movie** (if no dramatic character)
3. Any compilation of dramatic works
   * Courts generally flexible in allowing works to be considered “dramatic” for sake of this section (Becomes issue only for cinematographic works – impact on **term**)

**“Dramatic”** = some story/plot; thread of consecutively related events

* Some aspect of meaning, some basic human influence
* Some element of drama in the scenes
* Extremely low bar (ex. videos on how to sell real estate have been held to be dramatic works)
* ***Cnd Admiral****:* live telecast of football is not a dramatic work (either as a cinematographic production or a work produced by a process analogous to cinematography)

**ARTISTIC WORKS**

**Section 2:** definition of “artistic works” includes: paintings, drawings, maps, charts, plans, photographs, engravings, sculptures, works of artistic craftsmanship, architectural works, compilations of artistic works

* **Problem arises when item is functional**
* Copyright in book doesn’t protect underlying system (***Baker v. Selden***)
* No copyright in cardboard pattern for measuring ladies’ dress sleeves (***Hollinrake v. Truswell***)
* **Artistic work must be intended to have an appeal to the aesthetic senses**, not just an incidental appeal (***Cuisenaire***)

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| *Cuisenaire v. South West Imports*  Facts: coloured rods used to teach children math in conjunction w/a book explaining the system  Held:   * Rods themselves not intended to appeal to the aesthetic senses; rather, they are **merely a utilitarian tool;** thus not works of artistic craftsmanship * Using other rods w/the program is not infringement |

Interface with Industrial Design Protection

**Non-infringement** of copyright for certain designs → if a “useful” item is mass produced (50+ times), not infringement of copyright to reproduce

* If you’re making a useful article, should look to **industrial design regime**, not copyright

**Section 64.1 (1)**The **following acts do not constitute an infringement of the copyright or moral rights in a work**:

(*a*) applying to a useful article features that are dictated solely by a utilitarian function of the article;

(*b*) by reference solely to a useful article, making a drawing or other reproduction in any material form of any features of the article that are dictated solely by a utilitarian function of the article;

(*c*) doing with a useful article having only features described in paragraph (*a*), or with a drawing or reproduction made as described in paragraph (*b*), anything that the owner of the copyright has the sole right to do with the work; and

(*d*) using any method or principle of manufacture or construction.

**\*\*Basically prevents copyright on the useful aspects of the article\*\***

**Section 64(2)** where copyright subsists in a design applied to a useful article…**reproduced in more than 50 copies w/authorization from copyright owner**…then it is not infringement for others to reproduce the design subsequently or make drawings of the design

* Practical/Policy Reason: term of protection of life of author +50years is way too long of a monopoly for something useful

**Some useful items are protected:**

* **Graphic designs applied to face of a useful item** (drawing on a water bottle still protected even if more than 50 copies of the bottle are made)
* **Trademarks**
* **Characters (Mickey Mouse) – even if it is a useful thing, like a lamp, producing it will still be infringement (plus 2D-3D infringement → *Théberge*)**

**NOTE**: Currently there is still uncertainty in the area of whether jewelry and some other items are actually “useful”

Copyright vs. Design Protection

**Copyright:**

* Arises automatically
* Recognized in most countries
* No need for gov’t registration
* No limitation period for filing application
* Very long term (life of the author + 50 years)

INDUSTRIAL DESIGNS

**Basics:**

* Protects features of shape, configuration, pattern and/or ornament that appeal to and are judged solely by the eye
* Monopoly right: make, import, sell, rent
* System of government registration
* Apply on a country-by-country basis
* Limitation period for filing application: **one year in Canada, US**
  + Most countries, no grace period
* **Limited term – 10 years in Canada**

**Value of Industrial Design Rights?**

* ***Apple v. Samsung***global patent wars
  + Both utility patent and industrial design rights litigated
  + Germany – injunction granted against Samsung's Galaxy tablet based on Apple's Community design rights
  + UK – Samsung “not cool enough” to infringe Apple design
  + U.S. - case involving design and utility patents led to billion-dollar jury verdict

**Rights Comprising Copyright**

**Section 3(1)** copyright in relation to a work means (this is **exhaustive – these are all and only the rights you get – *SOCAN***):

* **Reproduction right:**
  + The sole right to produce or reproduce the work or any substantial part *in any material form whatever* (technological and material neutrality)
* **Performance right:**
  + To perform the work or any substantial part in public, or
  + If work is unpublished, to publish the work
* Reproduction and performance are *separate rights – if you are a DJ who reproduces and performs others’ work, you will need 2 separate licenses*

**And includes the sole right (these are just examples of the performance/reproduction, not separate rights on their own – *SOCAN***)

* (a)To translate
* (b)To convert a dramatic work to a novel
* (c)Convert a novel/artistic work to a dramatic work
* (d) to make mechanical contrivance to perform work (sound recording)
* (e) adapt to movie
* (f) communicate to public by telecommunication
* (g) to present at public exhibition, for purpose other than sale or hire, certain artistic works
* (h) to rent out the computer program
* (i) to rent out a sound recording
* (j) to make first sale of tangible object

**And to authorize any such acts**

SCC Copyright Pentalogy - 2012

SCC issued rulings on 5 copyright cases = seismic shift in Canadian copyright law

**Overarching Principles:**

* **Technological neutrality**
  + Way that you engage in an action shouldn’t change the copyright royalties payable
* **Balance rights of users & creators**
  + Users must be able to make use – public domain will remain robust
  + Incentivize creators to produce new works & make available to the public
  + Shift toward more focus on “users’ rights”
    - Fair dealings = users’ right
  + **Do not rely on US & foreign law**
    - Particularly where legislation differs
  + **Less deference to Copyright Board on questions of law** 
    - Board sets tariffs for copying of various kinds of works; primary customers are collective societies and thus it sides w/them much more often than the users; probably means FCCA will engage in more review of copyright board decisions than in the past

RIGHT TO PERFORM IN PUBLIC/COMMUNICATE TO THE PUBLIC

**Section 3(1)** copyright means…sole right to produce or reproduce, or to perform the work in public…which includes the sole right…(f) the right to communicate the work to the public by telecommunication…and to authorize any such acts

* ***ESA v. Socan:*****3(1)(f) is connected to the performance right – simply an illustration of the performance right and not a separate right on top of it for which royalties should be paid.**

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| *ESA v. SOCAN* (2012 – SCC) – Communication to The Public Via Telecommunication  Facts: **SOCAN** administers **performing rights**; other societies deal w/ reproduction rights (in this case they were already licensed)   * SOCAN wants **royalties for musical works downloaded during download of video games**   + Traditional sale of video game in brick & mortar store involves no further payment of royalties to copyright owner * Authors were already compensated for the copies (reproduction rights) of the works; SOCAN tries to argue they should also pay royalties for the **communication of the work over the internet** as a separate item (**s. 3(1)(f)**)   Analysis:   * **3(1)(f)** is connected to the **performance right – it is just an illustration of the performance right, not a separate right granted on top of it**    + “Means” = exhaustive, “includes” = examples of what it means * **Technological neutrality**: should not charge royalties differently than in ‘brick-and-mortar’ store * **Communication right is connected to performance** right, not right to reproduce   + **Stream vs. Download**: different!     - User is left with permanent copy after download 🡪 reproduction rights involved     - Stream is akin to broadcast or performance 🡪 performance rights involved * Rejects prior view from ***SOCAN v CAIP*** *(***Tariff 22**)   OBITER:   * A work has necessarily been “communicated” when, “at the end of the transmission, the end user has a musical work in his or her possession that was not there before” → fact it was viewed at a later time irrelevant   + Characterized as obiter b/c meaning of s. 3(1)(f) not directly in issue |

**This decision was crucial for:**

1. **Music downloads are not considered to be “communications of the work to the public”** under s. 3(1)(f)
   1. Distinction between **download vs. stream**
2. Interpreting that the right “illustrated” in the section (f) was an *example* of the “sole right to…perform”, not and **independent or additional right** (so cannot “double dip” rights)
   1. **Communication right is connected** to the **performance right**, not the right to produce copies
3. Emphasizing **technological neutrality**

**NOTE**: ***Copyright Modernization Act*** – clarifying amendment released after the judgment in this case:

* **S. 2.4(1.1)** **communication of a work or other subject-matter…to the public** by telecommunication…**includes making it available to the public by telecommunication** in a way that allows a member of the public to have access to it from a place and at a time individually chosen by that member of the public (doesn’t require actual downloading as long as it is available)

**Interpreting “to the public”**

* ***Rogers v SOCAN:*** communication to the public = openly w/o concealment, to the knowledge of all 🡪 **it is available to an aggregate of members of the public**
  + Streaming music to the public is a communication to the public by telecommunication under s 3(1)(f)

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| *Rogers v. SOCAN* (2012 – SCC) – Interpreting “To the Public”  Facts: Rogers had works (samples of songs) on their website, no restrictions on who can access beyond who pays for access to the system. B/c there is intention that multiple people will download work, fact that it’s a discrete transaction doesn’t mean it’s not provided “to the public”.   * Streamed or “rented” songs available online and can be “pulled” or rented at will (on-demand communication) → accepted as communication * **Issue:** **was this communication to the public?** * Rogers argued point-to-point communication was not “to the public” – rely on fax transmission analogy in ***CCH***   + In that case while a single fax transmission was rejected as not being communicated to the public; series of repeated fax transmissions might be a communication to the public   Held: **streaming music to the public is a communication to the public by telecommunication**   * **The “pull” communications model is still broadcasting to the public because the works are available in a catalogue to everyone – it is available to an aggregate of members of the public**   + Any member of public can purchase   + Business model depends on large number of sales   + ***WIPO Art 8*** *“*right of authorizing any communication to the public…**including making available** “ (now included in our act)   + Distinguish from ***CCH***: library has ability to accept or refuse any copy     - Here, any member of public can purchase & biz model depends on large # of sales * **Public = openly, w/o concealment, to the knowledge of all** |

**Communicate and Reproduce – Reproduction rights inherently triggered by communication?**

* **Right: s 3(1)(d) – to make any sounds recording, cinematographic film or other means by which the work may be mechanically reproduced**
* Also **s 30.8 and 30.9 contain extensive obligations around what can be done in making transient copies**
* ***CBC v SODRAC:*** CBC tried to argue that based on ESA any reproductions that are necessarily incidental to the broadcasting process do not engage the reproduction right – SCC disagreed **the broadcast incidental copies do infringe the reproduction right (but also weighed the effect on technological neutrality)**
* *So how do we reconcile ESA and CBC?*
  + In ESA, the internet was simply the vehicle to deliver the video game
  + In CBC, the broadcast required the reproduction but the additional copies did not necessarily increase the value of the final broadcast – so any royalties paid for the copies would be low.

RIGHT TO REPRODUCE OR SUBSTANTIALLY REPRODUCE

**Note:** Act provides specific exception to infringement where a photo or other picture is made of an architectural work, or a work of sculpture or artistic craftsmanship that is permanently situated in a public place or building (**s. 32.2(1)(b))**

* **S. 30.7**: express exception to infringement if a work or other subject-matter is “included” in another work or other subject-matter, provided the inclusion is done “**incidentally and not deliberately**”

**TWO-PART TEST: *Ladbroke***

1. **Whether the initial work is an original work; does the work as a whole qualify for copyright?**

* **Do not dissect work** - wrong to ask whether the part taken by itself is protected (as a short cut, can ask if part taken by itself would be subject of copyright – if answer is yes then have to look to the work as a whole)

1. **Whether it was substantially reproduced (in quality not quantity *Cinar*)?**
   * “Substantial” involves **quality** **+ quantity** 🡪 can look to whether what was taken is novel or striking; or merely commonplace
   * ***Cinar****:* **the CA does not protect every “particle of a work”**

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| *Cinar Corp. v. Robinson* – (2013 – SCC)  Facts: Copying of TV show idea w/similar characters, environment, protagonist & clear influence on sidekicks → not direct copy but clear resemblance  Analysis:   * Reaffirms **general principles of *Copyright Act***:   + Balance encouraging production & dissemination of works w/just reward for creator   + No monopoly over ideas or elements in the public domain   + Act protects expression of ideas in works, not the ideas themselves   **Substantial Reproduction Analysis**   * Act does not protect every ‘particle of a work’ * ***Ladbroke*: substantiality determined by quality, not quantity; flexible standard**   + A part that **represents a substantial portion of the author’s skill and judgment** expressed therein     - **A substantial part in relation to the originality of the work**     - E.g. he came up with the characters, village, appearance, interactions, etc.   + **Abstraction-filtration-comparison approach** not really useful for this type of work     - **Do not dissect the work and look at specific aspects; look at the work as a whole**     - Exclusion of non-protectable elements at outset (what the A-F-C approach does) would prevent holistic analysis   + Be aware of:     - Differences between the works do not necessarily indicate independent creation     - **Key inquiry is:** **whether the copied features are a substantial part of the plaintiff’s work**     - **Protect only the expression of ideas, not the ideas themselves!**   Held:   * What was taken included graphic appearance & personality of protagonist, personalities of secondary characters, appearance of the village * These are not abstract ideas, but an expression of those ideas = product of the author’s skill & judgment |

**MORAL RIGHTS**

**Section 14.1(1)** author has, subject to **s28.2**, the **right to the integrity of the work** and, in connection with an act mentioned in section 3, **the right, where reasonable, to be associated with the work by name or under a pseudonym and the right to remain anonymous**

* **Paternity** – association by name
* **Integrity** –free from mutilation
* **Moral rights are circumscribed by the requirement of reasonableness 28.2(1): THE MODIFICATION OR USE** must “prejudice its author’s or performer’s honour or reputation”

**NOTE**: **moral rights added in 2012 for performers of aural performances** s 17.1 (not retroactive)

* **17.1 (1)**In the cases referred to in subsections 15(2.1) and (2.2), a performer of a live aural performance or a performance fixed in a sound recording has, subject to subsection 28.2(1), the right to the integrity of the performance, and — in connection with an act mentioned in subsection 15(1.1) or one for which the performer has a right to remuneration under section 19 — the right, if it is reasonable in the circumstances, to be associated with the performance as its performer by name or under a pseudonym and the right to remain anonymous.

General Characteristics of Moral Rights

* **Cannot be assigned**, but **can be waived in whole or in part and this need not be in writing**: **s 14.1(2), 17.1(2)**
  + Can also be **bequeathed or passed intestate**
  + **Generally, an assignment will require waiving moral rights**
* Same term as regular copyright **life + 50**
* **Protection is limited by reasonableness**
  + In civil tradition, seen as extension of author’s personality so more strength in moral rights (common law sees it more as commerce)

**Moral Rights Infringement**

**Requirements for infringement s28.1 and 28.2** → **an act that is contrary to any of the moral rights**

1. **For a painting, sculpture, or engraving:**
   1. Prejudice is deemed to occur **s. 28.2(2)** if there **has been any distortion, mutilation, or other modification of the work**
2. **For everything else:**
   1. **Must prejudice honour or reputation** (***Guerin*** → clearly copyright infringement by taking 1/3 of his novel & republishing in a textbook, but didn’t infringe moral rights b/c no evidence of prejudice)
      1. **28.2(1)** The author’s or performer’s right to the integrity of a work or performer’s performance is **infringed only i**f the work or the performance is **to the prejudice of the author’s or performer’s honour or reputation**
      2. ***Guerin*** → must show evidence of ridicule/injury to reputation to prove infringement of moral rights
   2. **The work must be**
      1. **(a) Distorted, mutilated or otherwise modified; or**
      2. (b) **[Be] used in association with a product, service, cause or institution**

* **Change in location or physical means of displaying it,** steps taken in good faith to **preserve** the work **shall not, alone, constitute distortion, mutilation, or modification (28.2(3))**
* ***Theberge:*** Moral rights treat work as extension of author’s personality, deserving of protection // Focus on the artist’s right (not assignable by s. 14.1(2), but it can be waived) to protect throughout the duration of the economic rights (even where these have been assigned elsewhere) both:
  + The **integrity of the work**; and
  + **Authorship**
* ***Snow v Eaton Centre:*** geese sculpture displayed in the Eaton Centre 🡪 injunction granted to remove ribbons [applied s 28.2(2)]

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| *Théberge v. Galerie d’Art du Petit Champlain* (2002 – SCC)  **Moral rights descend from the civil law tradition**   * Treat artist’s work as an extension of their personality, possessing a dignity which is deserving of protection * Focus on the artist’s right (not assignable by s. 14.1(2), but it can be waived) to protect throughout the duration of the economic rights (even where these have been assigned elsewhere) both:   + The **integrity of the work**; and   + **Authorship** * Important feature of moral rights **is that the integrity of work is infringed only if work is modified to the prejudice of the honour or reputation of the author** (s. 28.2(1))   **Focus of Canadian law = economic rights** |

**Neighbouring Rights**

* **Key difference** is no right to prevent performance or communication in public of a recording – **just right to remuneration**! (Except telecommunication – do have a right to control that)
* **Neighbouring Rights** are **rights associated with steps taken to disseminate the work**
  + Part of the historical expansion over time of copyright
  + Copyright modernization act also added **moral rights for oral performances, historically no moral rights were associated with neighboring rights**

Three groups of rights under the Copyright Act **stem, not from the author’s creation of a work, but from someone other than the author having put the work into a particular form**, either material form, a live performance, or in a broadcast. Because they relate to the particular manifestation of the work rather than the work itself, such rights are really not copyright in the strictest sense, but “neighbouring rights”.

The **three sets of neighbouring rights** in our Act are in favour of (1) people who make sound recordings of works, (2) people who give live performances of works, and (3) broadcasters of communication signals.

In the current Copyright Act, **the neighbouring rights stem from the Rome Convention of 1961 for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations and the WIPO Performances and Phonograms Treaty.**

**Neighbouring Rights under the Act are summarized:**

**A performer will have a copyright in a performer’s performance (s. 15)**

**The maker of a sound recording will have, as now, a copyright in the sound recording (s. 18).**

Both a performer in and the maker of a sound recording will have a **right to be paid equitable remuneration for its performance in public or its communication to the public by telecommunication (s. 19).** **This is not labelled a copyright because there is no exclusive right to perform or communicate the recording; other people can do that without permission from these parties.** (Compare the position of the owners of the musical or literary copyright in the work being performed). **They do have the exclusive right, under s. 3(1), to authorize the work to be performed in public or communicated to the public by telecommunication**. A broadcaster (see the definition in s. 2) has copyright in the communication signals (also defined in s. 2) that it broadcasts (s. 21).

Performer’s Rights – s. 15 & s. 26

**Section 2:** The definition includes live performances of pre-existing artistic, dramatic or musical works, live readings of a pre-existing literary work, and live improvisation of any kind of work, whether or not it is based on a pre-existing work. As an example of the latter, a law professor’s extempore lecture is included. 🡪 really means live in this context

**Section 15(1):** Performances **in Canada or Rome convention country**, fixed in sound recording by Canadian maker or broadcast here (or Rome Convention/WTO country as per **s 26**)

* In order to enjoy the work, needs to performed, brought alive – this is the theoretical justification

**Section 19: Right to remuneration**

* Can’t stop performance in public, but have a right to be paid for it (license)
* For performance or communication to public by telecommunication

**If Not Fixed:** Get the right of “first fixation”

* **Right to communicate to the public by telecommunication**
* **To perform in public by non-broadcast telecommunication**
* **To fix in any material form**

**If Fixed:**

* **Right to reproduce even unauthorized fixations**
* **To reproduce unauthorized uses of authorized fixation**
* **To rent out**

**S. 15(1)(b)** Performances is **Canada,** fixed in sound recording or broadcast here

* Same as above, **plus**
* **If fixed in sound recording, right to reproduce that fixation**
* **To make available to the public and telecommunicate to them**
* **To make the first sale of a tangible object (as long as not previously sold with authorization either in or outside Canada)**

**Term: 50 years from end of calendar year in which first fixation or unfixed performance occurred** (**s. 23**)

* If fixed in sound recording, 50 years after first fixation in a sound recording
* If sound recording published, 50 years from first publication of sound recording or 99 years from date of performance, whichever is earlier

Sound Recordings (Maker’s Rights) – s. 18

**Section 18:** Right to (or to authorize):

* **Publish for the first time**
* **Reproduce in any material form**
* **Rent**

**S. 18(1.1)** – if fixed by **maker,** who is Canadian citizen or first published here, right to make available and first sale

**S.19 Right to remuneration** (same as above – can’t stop but gets paid) or communication to public by telecommunication (split 50/50 with performer/maker)

**Term: 50 years from end of calendar year in which first fixation occurred** (**s. 23**)

* If published before copyright expires = 50 years from year of first publication

Communication Signals – s. 18

**S.2**: “communication signal = radio waves transmitted through space without any artificial guide, for reception by the public” (**excludes a cable signal)**

**Section 21**: Right to (and to authorize)

* **Fix it**
* **Reproduce any unauthorized fixation**
* **Authorize simultaneous retransmission**
* **Perform TV broadcast in public for an entrance fee**

**Term: 50 years from end of calendar year in which broadcast** (**s. 23**)

**Copyright Ownership**

**Section 13: Author is first owner unless work is made in course of employment under “K of service”**

* **Default rule:** Author is first owner of copyright
* **Exception:** Copyright in works made in course of employment are owned by employer (**s. 13(3)**)

Assignment

Owner may assign rights, but **assignment must be in writing and signed by the owner** (**s. 13(4)**)

* CANNOT TRANSFER RIGHTS THROUGH PURCHASE OR GIFT → must assign if copyright rights are to be transferred
  + No exceptions to writing & signing requirements; can’t be done by oral assignment
  + Purchase/commission doesn’t = copyright ownership in that thing
* Different rights can be assigned to different owners (ex. performance, reproduction, fixation, etc.)
* NO requirement for licenses or waivers of moral rights
* **Cannot legally transfer rights in a future work; agreement to assign future work is an equitable agreement** (***London Press***)
  + Equitable assignment: no legally enforceable transfer prior to creation of the work, **but does give right to request copyright after work created**

**NOTE:** unregistered assignments are void against subsequently registered assignments (**s. 57(3)**)

* **Only applies if you assigned the same rights twice**

Reversionary Right – s. 14

**Section 14:** Where author is first owner of copyright, **no assignment/grant made otherwise than by will is effective beyond 25 years from death of author**

* Paternalistic provision with two justifications:
  + 1) Author might make an improper decision to assign rights during lifetime, assigning rights against interests of heirs
  + 2) Might not know real value of the work during their life, so it is intended to return some of the benefit of increase in value to the heirs think: Van Goh

“MAKER”: CINEMATOGRAPHIC/SOUND RECORDING

Author of cinematographic work is undefined

* Typically the producer, director, or both
* See “**maker**” (**s. 2**): Person by whom arrangements necessary for the making of the work are undertaken
  + B/c different terms depending on whether the work has dramatic character or not, possible that maker could be construed as not a natural person for works w/o drama, b/c no “life” requirement that term must be attached to
* Compare w/maker of sound recording: Person who made arrangements necessary for first fixation

OWNERSHIP & ENFORCEMENT

**Enforcement:**

* **S. 41.23(1)**: Parties other than owners may have standing to sue for infringement
* **S.** **41.23(2)**: **Owners must be joined as parties** to an action for infringement
  + Can’t enforce rights w/o owners 🡪 ***London Press***
  + Problematic if owner can’t be located (ex. author has vanished)
  + Thus, very important to obtain proper written assignment of rights

**WHO IS THE OWNER? EMPLOYER – EMPLOYEE SITUATIONS**

**CONTROL TEST – EMPLOYEE OR CONTRACTOR: *London Press***

* **Control Test:** A **servant** is a person who is **subject to the commands of his master** **as to the manner in which he shall do his work.** To determine, ask:
  + **Was there direct control of employer over employee?**
  + **Was there supervision?**
  + **Where was the service rendered?**
* **BUT … Control Test** doesn’t work well in context of **skilled employees**; can be useful guide – consider:
  + **Indicia of K for service** include:
    - Power of selection
    - Power of dismissal and suspension
    - Payment of wages
    - Right to exclusive service
    - Right to determine place of work and nature of work
    - Provision of tools and equipment
* **Modern tests** are multifactorial, based on employment law
  + **Entrepreneur Test**: Is employee in business for his own account?
    - Consider ownership of tools, chance at profit or risk of loss, who hires and pays any helpers
  + **Integration or Organizational Test**: Is employee an integral part of employer’s business, or only an accessory thereto?
* **Examples of contract of service**: Ship’s master, chauffeur, and reporter on staff of newspaper
* **Examples of contract for service**: Ship’s pilot, taxi driver, and a newspaper contributor

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| ***University of London Press v. University Tutorial Press* – Control Test**  Held: **Improper Assignment (equitable)**   * Authors were first owners b/c no contract of service; they were independent contractors * Assignment of future work made University equitable owner of copyright; authors obligated to assign copyright to the University (or later, its assignee, the plaintiff) → **signed K for equitable assignment, not legal assignment** * Examiners had **K for service**, not K of service (authors not employees) * Because authors hadn’t properly assigned ownership, only the 2 authors present at the hearing could pursue their claims (**author must be present if not assigned properly**) * Examiners paid a lump sum to set examination; how this was accomplished was left to their discretion * Not much control exerted → had control over what went into the exam, where it was written, not on staff, could work for other universities etc. * If not employee, then ask if there was proper assignment?   + Assignment of ULP not appropriate → purporting to assign future rights = equitable rights, not legal rights |

**Copyright Infringement**

**Section 27(1):** **It is an infringement to do anything only the owner of copyright has the right to do**

* + **S. 3 for works**
  + **S. 15, 18,** **for performer’s rights,**
  + **S. 18** **maker’s copyright** in sound recordings
  + **S. 21** **broadcaster’s copyright in communication signal**
  + **S. 27 access to copyright infringement**
* **S. 27(2)** - infringement if someone exploits work they know infringes copyright, or would infringe copyright if made in Canada
* **S**. **27(3)** – infringement to provide an Internet service primarily for the purpose of enabling copyright infringement
  + **S. 28.1 for moral rights infringement**
* **S. 28.2** – infringement of **integrity** right
* **S**. **14.1** – right of **paternity**

ESTABLISHING INFRINGEMENT

**Plaintiff must show:** (***Ladbroke*** **test – *BC Jockey Club***)

1. **Work as a whole is original** (attracts copyright)

* Note copyright is assumed to subsist unless proven otherwise, but this does not *per se* mean originality is assumed (**s 34.1**) (***Grignon v Roussel****)*
* Registration is evidence that copyright subsists **s 53(2)**

1. **Plaintiff is the owner of copyright** in the work

* Author is assumed to be owner unless proven otherwise (**s. 34.1)**
* Registration is evidence that person registered is the owner **s 53(2)**

1. **Defendant copied a substantial part** of the work (**cite *Cinar***)

* Takes into account AFC factors if relevant (***Delrina***)
* “Substantial” – holistic examination, can look at what was taken and whether it is novel or striking, or merely commonplace; **qualitative analysis** (***Grignon***)
* **Perspective is a lay person in the intended audience** (***Cinar***)
  + Experts can assist court w/seeing things “not evident to untrained eye”
* DON’T DISSECT WORK

1. **Access: can be inferred from substantial similarity** (“surprising similarity w/o other explanation”)

* Must have actually copied from the author → must be a connection between author’s work and defendant’s work
  + Ex. ***Delrina*** – work substantially the same, but not copied
  + Can use fictitious entries to help prove copying (***Feist*** → phone book w/fake entries)

1. **Causal link between the two, sufficient to satisfy court that there was no independent creation?** (***Grignon***)

Limitation Period

**Section 43.1:** Copyright infringement has a **three-year limitation period**

* **Discoverability principle applies**:
  + Time doesn’t start to run until plaintiff knew or could reasonably have known of the infringement
  + Ex. In cases of fraudulent concealment of the infringement, 3-year period could start long after infringement occurred

Presumptions

Presumed that copyright subsists and that author/registered person is the owner of the copyright

* Benefits of Registration: See **section 53(2)**
  + Registration is evidence that copyright **subsists** and that the person registered is the **owner**
* Even if the work is unregistered, **s. 34.1**:
  + Copyright is presumed to subsist
  + Author presumed to be owner of copyright
  + If author or owner’s name is marked in the work, that person is presumed to be the author/owner
* \*\*Defendant has the onus of proving the opposite – that it doesn’t subsist w/the work or that the author is the owner\*\*

Expert Evidence

* We have seen expert evidence used to help prove originality and copying
* For substantiality similarity, perspective is a lay person in the intended audience for the works (*Cinar*)
* Experts can assist the court to see similarities that might not be apparent to the untrained eye
  + Do not want the perspective for assessing infringement to be a five-year old child

**Subconscious Copying Can Still Be Infringement**

* No *mens rea* element to infringement
* Subconscious copying is a possibility
  + But need to show proof (or at least a strong inference) of *de facto* familiarity with the work alleged to be copied
    - ***Bright Tunes Music Corp*** He’s So Fine vs. My Sweet Lord
  + Harrison knew subconsciously that the hook had already worked in a hit song though his conscious mind did not bring it forward when he wrote My Sweet Lord
  + Innocent infringement/lack of intent not a defence

Defences

* **Independent Creation =** complete defense
* **No copyright** to infringe
  + Lack of subject matter, originality, fixation, entitlement (not in treaty country, not first fixed in treaty country so no automatic copyright in Canada)
* **Common sources or source material/inspiration** leading to similar product
* **Alternative explanation for similarity**
* **Plaintiff not author or owner; or no title/assignment** (***London Press***)
* **Fair dealing** (viewed as an exception, rather than a defence: ***CCH***)

**INFRINGEMENT – LITERARY WORKS**

**Straightforward where there is direct reproduction:**

* ***CCH*** – parts of original literary works reproduced via photocopiers provided by library or sent by fax
  + Was found to be fair dealing
* ***University of London Press*** – mathematics exams found to be original literary works

**Harder where there is no literal copying**

* ***BC Jockey Club v. Standen* – took “information” from original literary compilation and added to it 🡪 infringement**

INFRINGEMENT: DRAMATIC WORKS

Dramatic works can be **protected even if no literal copying of dialogue occurs**

* AFC test originated w/analysis of non-literal copying of dramatic work

*Roy Export Co v. Gauthier* (1973 – Fed. Ct)

Facts: Defendant, w/o license or consent of plaintiff, offered Charlie Chaplin movies for rent & rented them to customers

* In the beginning he had good faith basis for doing this, but plaintiff sent him a letter telling him he was infringing copyright and he kept renting the movies out (no longer acting in good faith – letter establishes knowledge of copyright)

Analysis:

* Indirect or secondary infringement under **s**. **27(2)** by renting out cinematographic works
* Work was in public domain in US, copyright still existed in Canada
* **Knowledge that works were infringing was given in this case by letter from plaintiff’s counsel** After point that he knew he was infringing, can’t claim innocence

Held: **Once the defendant began to act in bad faith knowing the copies were infringing, he was guilty of secondary infringement**

INFRINGEMENT: MUSICAL WORKS

Not determined by note-by-note comparison, **but is determined by the ear as well as the eye**

* Time & rhythm are as important as correspondence of notes
* Expert evidence of similarity often used

Room for variation in popular music is **small**:

* Small variations may be original (***Grignon***)
* Similarities may be explained by use of common techniques of composition
  + B/c small variations are typical in music, might argue you came to same variation independently b/c it’s so small
  + Still need to show actual copying

**ACCESS + SUBSTANTIAL SIMILARITY = INFRINGEMENT**

* Hard to prove access w/musical works → generally it’s the **plaintiff’s job to show access & substantial similarity**
* **Onus on defendant to rebut**
* **BOP →** if it’s more likely than not, then it’ll be infringement

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| *Grignon v. Roussel* (1991 – Fed. Ct) – Registration after Infringement  **Evidentiary effect of registration after infringement**   * + - Cannot benefit from presumption in s. 53(2) **if registered after infringement has already taken place** * Get unregistered presumption of s. 34.1 regardless of registration   + Copyright presumed to subsist, author presumed to be owner     - Originality is not presumed (but found to be present in this case)   Facts:   * Wrote a tune, shopped it around, eventually got into defendant’s hands and a close copy was produced with words added but credited the song to someone else * **Poor man’s copyright -** mailed a copy to himself in a sealed envelope so he could open it on the stand to prove that he had composed it (“poor man’s copyright”) * Defendant argues there is no originality of the plaintiff’s work, so can’t be infringed   **Infringement analysis:**  **1) Does plaintiff own copyright?**   * + - * Yes – mailed himself the cassette to open on the stand   **2) Is the work original?**   * Yes – notwithstanding the defendant’s expert evidence about similarities to previous works – only small similarities required for popular musical works   **3) Substantial similarity?**   * + - * **At issue was the first eight measures of the songs**       * **Matter** of **quality not quantity – resemblance** applies “to a significant part of the work” in that it concerns the “hook”       * YES, it bears a “striking resemblance” and can only be a copy   **4) Access?**   * + - * **Yes, the copier had access to the work**       * Cassette had been left with the defendant so the causal connection is established   **5) Has a causal link been proven? (**to rebut possibility of independent creation?   * **YES: access, plus the similarities and** evidence suggesting the plaintiff’s song was written first all suggest causality   **NOTE: the less popular the artist, the harder it is to prove access** |

INFRINGEMENT: ARTISTIC WORKS

Similar principles apply

* Work in 3 dimensions can infringe copyright in a 2 dimensional work (***Théberge***)
* Overlap w/industrial design protection

***Théberge:*** the copy was not infringing simply because it violated moral rights // **must violate economic rights to be infringing** // **dissent:** change to medium can infringe s 3(1) right of reproduction

**REMEMBER:** **useful items not protected (ss. 64, 64.1)**

* May not be an infringement of copyright to reproduce a useful article
* Or to apply features that are dictated solely by a utilitarian function of that article

SECONDARY INFRINGEMENT

**Section 27(2):** someone who **does not make a work but exploits it commercially** by sale, hire distribution, public exhibition, or importation for sale infringes copyright **if he or she knows, or should have known, that the work itself infringes copyright, or would infringe copyright if it had been made in Canada** by the person who made it

* Note that knowledge is not required for basic copyright infringement but it **is required for secondary infringement** (at least “should have known”)

**Requirements:**

1. **There must be a primary infringement – needs to involve an infringing copy of the work**
2. P**erson must know or should have known that the work is infringing**
   * **Registration** can impute or create a presumption of knowledge (**see s 39(2))**
   * A copyright notice attached to the item establishes knowledge, unless they thought it was a legit copy
   * **Send a letter to provide notice** – sue if they don’t stop
3. M**ust show secondary dealing (i.e. one of the acts enumerated in s27(2))**

**Policy Reasons:**

* Sometimes hard to go after primary infringers
  + Use secondary infringement to pursue bigger fish; also people who do not make copies themselves but **sell or facilitate infringement by others Ex. *Roy v. Gauthier***

**Damages for Infringement**

* **s. 34** sets out available remedies
  + Injunction, damages, accounts, delivery up and otherwise conferred by law for infringement of a right
* P can claim damages for its own loss AND D’s profits: **s. 35**
* Recovery of infringing copies: **s. 38**
* **Statutory damages: s. 38.1 🡪** plaintiff can elect damages prescribed in this section as opposed to damages under s 35, they are limited to $20k for commercial infringement and $5k for non-commercial. Use these if there has not been v much loss/D’s profit is small/non-existent
* Innocent infringement: injunction only available remedy where D not aware of ©: **s. 39(1)**
  + Exception does not apply where © registered: s. 39(2)
* Also costs, pre- and post-judgment interest

**Example damages award: *Cinar:***

* Compensatory damages
  + $607,489 (not appealed)
* Disgorgement of defendant's profits
  + $1,716,804
  + Including profits made on convoyed goods (soundtrack)
* Psychological harm - $400,000
* Punitive damages $1,000,000 ($500,000)
* Costs on solicitor-client basis $1,500,000

**Authorizing Infringement**

**Section 3:** gives right to “authorize” the listed acts

* UK Approach: Authorize means “sanction, approve, countenance”
  + To grant to a third person, or purport to grant, the right to do the act complained of
  + Merely supplying the means which make infringement possible not enough if no control over the means
  + E.g. sale of dual cassette recorders including hi-speed dubbing feature not an infringement
* Different from Australian law (*Moorehouse*) which requires that you take steps to prevent infringement
  + Canadian courts see this as too protective of copyright holders at expense of public interest in dissemination of info

**CANADIAN APPROACH (follows UK): To constitute authorization, must have either positive act or positive knowledge that infringement would occur (*CCH*)**

* Not infringement to authorize an act that is not an infringement
* Presumption that a person who authorizes does so only as far as is in accordance w/the law
* **“authorize” means “sanction, approve and countenance”**
  + **i.e. give approval to, sanction, permit; favour, encourage**
* Can infer authorization from acts amounting to a sufficient degree of indifference
* Could be liable if they had sufficient knowledge of acts of infringement and do nothing (***Tariff 22***)

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| *CCH*  Held:   * **Providing access to photocopiers** (authorizing the “mere use” of equipment) that could be used to infringe does **not infringe copyright**   + Court assumes that a person who authorizes such activity “does so only so far as it is in accordance with the law” * **Notice posted about infringement** does not constitute an “express acknowledgement” that the photocopiers will be used illegally; rather it is to remind patrons not to copy * **Control:** even if there were evidence of infringement, **law society lacks sufficient control over the patrons for it to be considered sanctioning** |

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| *Tariff 22 – SOCAN v. CAIP* (2004 – SCC)  Held:   * Host websites are not aware of the content stored on them – innocent disseminators protected by 2.4(1)(b) * Caches are automatically created, not under control of owner * Can infer authorization from acts amounting to a sufficient degree of indifference   + If ISP has notice it is hosting infringing content, it might be responsible   + Now we have notice-and-notice regime |

**Fair Dealing**

**Requirements:**

1. **Copyright subsists in the work**
2. **Substantial reproduction has occurred (infringement)**

***2-part analysis for fair dealing: CCH***

1. **Must fall into one of the statutory fair dealing exceptions**
   1. In Canada (unlike in US) if not expressly listed in the act, **does not qualify as fair**
2. **Must be fair**

**Statutory Provisions:**

* **S29:** research, private study, education, parody, satire
* **S29.1**: criticism or review
  + Provided source and name of author (if given in source) is mentioned
* **S29.2**: for purpose of news reporting
  + Must give source and name of author!
* Other exceptions include educational institutions (**s29.4 to 30.4);** libraries, archives and museums (**s30.1-30.5**), and further exceptions (**s30.6-32.2**)

**Onus on defendant to prove that dealing was fair, and for one of the purposes listed in s. 29**

* These are exceptions, **part of the balance of ‘users’ rights’** – should be given a **large and liberal interpretation** (unfair uses caught in next step)
* Take **perspective of the user** of the materials, **not the copier** (ex. lawyer using the research, not law society making the copies in ***CCH***)

**Fairness Analysis:**

* Question of fact to be determined in each individual case
* Factors to consider (***CCH***) – list not exhaustive:
  + **Purpose of the dealing**
    - Must be allowable purpose, **commercial use can still be fair** (e.g. research for commercial purposes) – **however, commercial use makes it harder to prove that it is fair** (SOCAN, CCH vs Access copyright)
    - Make a **true assessment of the copier’s actual purpose in making the copy** – differs from the first step above where it is from the perspective of the end user
  + **Character of the dealing** 
    - E.g. making single copy and destroying after use
    - **How many copies, how much copied into each, how much disseminated** (streaming vs hard copy – *SOCAN*)
    - **CCH – specific** single copy sent to specific person upon request
  + **Amount of the dealing: taking the whole work generally not fair**
    - **How much of the work**
    - But no per se rule; e.g. criticizing a photo requires reproduction of the photo, etc.
  + **Alternatives to the dealing**
    - **Other, non-infringing ways to use the work?**
    - But do not consider availability of a license as a factor (fact that D could have gotten a license is not relevant) – you can always get a license for a work, so this would negate all of fair dealing
  + **Nature of the work: published or unpublished**
    - **Publication leads to wider dissemination** so generally encouraged**, but not fair if work is confidential**
    - CCH – judicial decisions – law – this is the type of work we want to be disseminated, to have people exposed to
  + **Effect of the dealing on the copyright work**
    - E.g. does the copy compete with the market for the original work
    - CCH – publisher didn’t provide evidence to support this point
  + **Making a copy for someone else’s fair use is OK**
  + **“Dealing”**
    - Broad term which applies to the general policy not each individual interaction – even if there were some unfair dealings, the overall policies and procedures that dealt with these requests constituted fair dealing

**Exception- Research**

* Large and liberal interpretation
* Not limited to non-commercial contexts (preview of musical work to be sold, lawyers working for profit – all counts as research)
* Need not be creative (creativity requirement rejected in *SOCAN*)
* Dissemination of work is in public interest
* **Sampling of music downloads** is research (***SOCAN v Bell***)
* Fits with purpose of copyright act – disseminating works to the public

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| *SOCAN v. Bell Canada* (2012 – SCC)  Issue: whether royalties were payable for free previews of downloadable musical works   * Note that sales of works results in reproduction royalties (but SOCAN doesn’t get money because they charge for transmission – performance rights – not the reproduction of the work) * Note that this was an example of “double dipping” to some extent   Analysis:  1**) Allowable purpose**   * + **YES: song previews count as research**      - This is a low-threshold step     - Users involved in searching and investigating to determine what to buy     - Research need not be creative –can be for personal interest   + Dissemination of works in public interest   **2) Fairness analysis**   * + **Purpose:**     - Used for research     - Streamed, short, low quality     - Not substitute for work itself     - Used for consumer to determine what songs to buy   + **Character of dealing**     - No permanent copy retained   + **Amount of dealing**     - Look at proportion of work – short (30-60sec)     - Low quality   + **Alternatives to the dealing**     - No practical alternatives, returns are expensive   + **Nature of the work**     - Musical works, we want to encourage dissemination   + **Effect of the dealing on the work**     - No competition of preview with download     - Previews actually increase sales |

**Exception – Private Study**

* Does not require splendid isolation
* Review in a classroom setting by students = private study ***Alberta v Access Copyright***

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| *Alberta (Education) v. Access Copyright* – (2012 – SCC)  Education exception **not considered by the SCC when they made the *Access* decision**, although they knew this exception was coming – so possibly impacted their interpretation of private study  Facts:   * Teacher photocopying short excerpts of textbooks as a supplement to the main textbook used; these were made at teacher’s initiative with instructions to students that they read the material   + Note: copies made by teacher at request of student were considered fair and not at issue here   Held: **falls under private study exception and is fair**   * **Purpose of dealing**   + Private study does not require “solitude” and can take place in a classroom   + C**annot separate out the copier and user’s purposes in this case – they are symbiotic because the instruction and learning are connected processes** * **Amount of dealing – only short excerpts copied**   + Do not consider number of copies in this section- to be considered under the character of the dealing * **Character of the dealing**   + Multiple copies were distributed to entire class (weighs against fairness) * **Alternatives to dealing**   + Purchase of additional supplemental textbooks not a realistic alternative; if not allowed to use them in this way students would probably go without * **Effect on the work**   + Other factors could be blamed for shrinking textbook sales (e.g. the switch from year-long to semester terms expanded the secondhand market)   + Board appeared to consider that schools copy a quarter billion textbook pages per year, although a tariff is paid for most – only about 7% of those were at issue here – this is not relevant according to SCC |

**Infringement on the Internet**

Norwich Orders

**Downloads are not anonymous** → copyright owners can seek an order requiring an ISP to disclose the identity of customers who are potentially infringing

***Voltage Pictures v. Doe***

* Norwich Order allows copyright owner to proceed w/an action against an infringer
* Court was careful to ensure that certain safeguards are in place to avoid abusive settlements

**Order requires:**

* + **Bona fide claim: actually has intent to go after the infringer and pursue claim**
    - This is intended to prevent copyright trolling – sending out notices and scaring people into claims w/ no intent to really sue
  + **Non-party has information on an issue – ISP has the information they want**
  + **Order is the only reasonable means to obtain – can’t get identity of individual any other way**
  + **Fairness requires information be provided prior to trial**
  + **Order will not cause undue delay, inconvenience, or expense to third party**

STATUTORY PROVISIONS FOR THE INTERNET

**Providing a Service to Enable Copyright Infringement**

* It is an infringement to provide an Internet service primarily for the purpose of enabling copyright infringement**: s. 27(2.3)**
* Statutory factors to be considered **(s. 27(2.4))**
  + Promotion for purpose
  + Knowledge of infringing acts
  + Significant non-infringing uses
  + Ability to limit infringing acts
  + Benefits received
  + Economic viability for non-infringing purposes

**Infringement-Internet Services**

* Person who provides in relation to the Internet or another digital network the means for telecommunication/reproduction does not, by that act alone, infringe: **s. 31.1(1)**
* Caching excepted: **s. 31.1(2)**
* Hosting excepted: **s. 31.1(4),** except where the person providing digital memory knows of a decision of a court of competent jurisdiction (s. **31.1(5))**

**Information Location Tools – Network Search Tools that Reproduce Copyright**

* Limited to injunctive relief against network search tools that reproduce copyright material in a content-neutral manner to search and display information:  **s. 41.27**
* Exception: **(3)** if content had been removed by the time provider receives notice, limitation not applicable 30 days after notice received

**Infringement – Notice & Notice Regime**

* SS. **41.25** and **41.26**
* Protects those who provide network services, hosting services, or Internet search tools
* Provider must forward the notice and retain records to allow identity to be determined
* Can charge a fee for doing so (if prescribed)
* $5,000-$10,000 statutory damages available if provider fails to act
* No other remedy available

Technological Protection Measures – “digital locks”

* **Issues:**
  + Arguably goes beyond WIPO treaties
  + Can potentially restrict ability of users to benefit from all exceptions to copyright
  + Potentially *ultra vires*? – federal government has authority to legislate on copyright, but restrictions involving how people can make use of items they own is under property and civil rights, so possibly they are out of jurisdiction
* **Two types of TPMs**
  + Access control
  + Copy control
* **Can circumvent in limited circumstances (**but b/c you can’t use a service to do it, probably unrealistic)
  + Allowed to unlock cellphones
  + Circumvention of access control TPMs prohibited
  + No prohibition on circumvention of copy control TPMs (but you can’t get past the access control measure to circumvent copy control, so still pointless sort of)
* **BUT Restrictions on devices and services aimed at circumvention**
  + This essentially eviscerates the idea that you ‘can circumvent’ those protections since you can only do it if you figure it out on your own
  + Cannot manufacture, import, sell or provide services that circumvent
  + Criminal offense with up to 1mil and 5 years in prison if circumvented intentionally

Digital Rights Management – s. 41.22

* Cannot remove DRM information knowing this will facilitate or conceal infringement **(s. 41.22)**
* Cannot knowingly sell, distribute, etc. where DRM has been removed
* Enforcement by copyright owner
  + Damages for infringement

**Exceptions to Infringement**

**Statutory Exceptions**

“Mash-up Exception” – s. 29.21 (non-commercial, user-generated content)

Allows creation of new work from previously existing work, personal use, and authorization of an intermediary to disseminate it

**Requires: 29.21**

(a)Non-commercial, user-generated content (s29.21)

* + Non-commercial uses only, but issues with online advertising – is that a commercial use or not?

(b) Source must be mentioned if reasonable in circumstances to do so

(c) Reasonable grounds to believe the existing work non-infringing

(d) No substantial adverse effect with original work

* Allows things like self-made music videos and fan fiction novels
  + You can copy it, members of your household can copy it, but you **cannot authorize another party to copy it**

**Reproduction for Own Private Purposes – s 29.22**

* **Reproduction for private purposes: s. 29.22 requires:**
  + Original copy not infringing
  + Original copy legally obtained, not by rental or borrowing, and individual owns or is authorized to use medium/device onto which it is reproduced
  + Did not circumvent TPM
  + Cannot give reproduction away
  + Use only for individual's private purposes
  + Destroy copies if give away original (s. 29.22(4))

**Time Shifting – s 29.23**

* **Provides:**
  + Communication signal received legally
  + Do not circumvent TPM
  + Make only one recording
  + Keep recording only as long as reasonably necessary to view at more convenient time
  + Not give recording away
  + Used only for individual's private purposes

**Back Up Copies – s 29.24**

* **Provides:**
  + Person who owns or has license to use can make copy solely for backup purposes
  + Source copy is not infringing
  + Did not circumvent a TPM
  + Cannot give reproduction away
  + Destroy all reproductions if person ceases to own or have license to use source copy

**Collective Administration**

* Very difficult to identify and contact individual copyright owners to seek permission to use a work
  + E.g. DJ – need license to both *copy* and *perform* the music = two separate licenses that you will need (plus remuneration to recorders/producers etc.)
* Often rights assigned to collective societies
  + Single point of contact for a person wishing to use any works within the society’s repertoire Iie. SOCAN for performance rights)
* Many different such societies – still a complex task

**PATENTS**

**The Basics**

**Patents protect ideas;** not just the expression of ideas

* Not all ideas fall w/in patentable subject matter
* Patents **do not protect scientific principles or abstract theorems**
  + Ex. can’t patent E=MC2; but you could patent expression of that principle

**Patent:**

* Form of monopoly for a limited period of time intended to encourage disclosure of useful inventions
  + Canadian patents = **term of 20 years from the application filing date**
    - Term was formally 17 years
  + After patent expires/lapses the invention falls into the public domain and may be freely used by anyone
* Type of social K between inventor and the state
* Incentive to innovate

**NOTE: Scope of the monopoly of a patent is defined only by the claims**

* Not determined by the drawings/descriptions – **must look to the claims to determine scope (**and thus infringement**)**

History of Monopolies

Genesis of modern patent law = England, 16th c.

* Crown adopted practice of granting monopolies to individuals who introduced new inventions into the realm → encouraged importation of foreign innovations & increased trade/employment = lead to too many monopolies
* *Statute of Monopolies* → declared all monopolies void, except any letters patents & grants of privilege for the sole working or making of any “manner of new manufactures” w/in the realm (Exception was in **s. 6)**

***British United Shoe Machinery v. A. Fussell & Sons*** (CA)

* After 1700, Crown granted Patent subject to a condition = foundation of modern patent law
* Condition provided for 2 things:
  + Nature of the invention (delimitation of the invention) → necessary to define the monopoly
  + Manner in which the invention is to be performed → necessary to secure that public was not defrauded by patentee

International Protection

**Separate patents must be obtained in each jurisdiction of interest;** “worldwide” patent doesn’t exist

* European Patent Convention
  + Gives you European Patent, but you still have to validate it in every country you want to use it
* Patent Cooperation Treaty
  + Way of filing an international patent application
  + Saves $$ at outset, but later must decide whether you want to into national phase of each country (to do everything would cost hundreds of thousands of dollars, most people just pick major countries – USA, Japan, Europe)

TRADE SECRETS

**Trade secrets are protected by the common law** so long as the info remains secret → once disclosed, no longer covered

* Patents require disclosure & eventually expire; trade secrets can potentially continue indefinitely
* Trade secret protection may be available for new ideas that don’t constitute patentable subject matter
  + For certain things it makes more sense as a trade secret (ex. things that can’t be easily reverse-engineered)
  + Abstract ideas could be protected as a trade secret
* Trade secrets provide no protection against independent creation
* Protection is lost once idea becomes available to the public

INDUSTRIAL DESIGNS

Industrial designs **protect visual/aesthetic features** of new articles of manufacture → if you want to protect function = patent; if you want to protect the look of something = industrial design

* **Canada**: term of protection = **5 years renewable for a further 5 year term**
* **USA:** term of protection = **14 years** (called “**design patents**”)

PATENT TROLLS

A **patent troll** is a person or company that does not actually create anything, it just acquires and licenses patents and enforces them against infringement in order to make money (***NTP v. RIM***) NTP held patent; RIM had opportunity to settle, but didn’t b/c thought NTP was patent troll

**Patent Applications**

* Rights do not arise automatically upon conception of an invention 🡪 must obtain approval from govt patent examiner 🡪 $$$ time consuming
* **Process:** Filing – Search – Examination – Response or amendment – notice of allowance or final rejection – payment of issue fee or appeal

STRUCTURE OF PATENT SPECIFICATIONS

**Specification = disclosure/description**

* Purpose of Disclosure: to describe the invention in sufficient detail to allow someone **skilled in the art** to reproduce the invention once the patent lapses or expires
* Can make claims to objects, but also a method/process made up by a series of steps

**Abstract:**

* Brief technical statement describing utility of the invention & manner in which invention is distinguishable from others

**Field of the Invention:**

* Summary of the field of technology to which the invention relates

**Background of the Invention:**

* Description of the “prior art” (i.e. any other existing devices or processes in the same field) and the problems/shortcomings which the invention is designed to overcome

**Summary of the Invention**:

* Brief summary of the invention (often a paraphrase of the claims)

**Brief Description of the Drawings**:

* Brief description of what each drawing view represents

**Detailed Description:**

* Detailed description of the structure of the invention w/reference to the part numbers shown in the drawings
* Usually also a detailed description of the operation of the invention

**Claims:**

* One or more numbered paragraphs which define the scope of the monopoly which the patent affords

**Drawings:**

* Illustrations of the invention using the reference numbers used in the Detailed Description
* Not all inventions require drawings

Patent Claims

**Purpose of the claims: delimit scope of exclusive rights** protected by the patent

* **Scope of patent monopoly defined by claims** rather than what is described in the patent disclosure or illustrated in the drawings
* What is “not claimed is disclaimed”
* Claims may cover actions (i.e. methods, processes, uses) in addition to things (apparatuses, compositions, products)
* Claims can be of varying scope (“broad” or “narrow”)
  + **Functional terminology** used to **broaden the scope** of the claims (broad claims more valuable)
* Structure of the claims critical when assessing whether an invention constitutes patentable subject matter or whether it is infringed by a competing apparatus or activity
  + **Must consider not only what an invention is, but how it is claimed**

**Independent Claims:** stand on their own

**Dependent Claims:** refer, by number, to one or more preceding claims

* Read as including the features of each claims from which they depend, either directly or indirectly

Breadth of Patent Claims

**Too narrow:** you will lose out on a variety of possible uses you might miss

**Too broad:** you cannot prove the utility and might lose the whole claim

**Phrasing:** need to make sure that the specific stuff mentioned is what you want to patent and that you know how that stuff works as per utility

* Sound prediction
  + You can use one chemical in a class to predict how other chemicals in the same class might behave
* **Must have:**
  + **Set of claims reasonably comprehensive of different scope**

***Teva v Pfizer:* cannot intentionally obfuscate** by providing too much detail in your patent claim // here Pfizer did not actually indicate which of the 260 quintillion compounds listed in claim 1 actually was the effective ingredient // **further test would need to be done using the claims in this patent to discover which one was effective =/= not adequate disclosure**

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| *Teva v. Pfizer* (2012 – SCC) – “Disclosure Requirement”  Facts: Pfizer patented compound *sildenafil*, Viagra’s active ingredient, for treatment of ED   * Patent specification says that one of the “preferred compounds” works to treat ED, but doesn’t disclose that this compound is sildenafil * Claim 1 covers 260 quintillion compounds, claims 2-5 narrow the list of compounds, and claims 6 and 7 claim one compound each – sildenafil and another compound that had not been shown to be effective in treating E.D.   Issue: did the patent satisfy the “disclosure requirement”?  Analysis: Must look to the **whole of the disclosure & claims** to ascertain the nature of the invention   * Focused on public’s right to proper disclosure   Held: patent didn’t satisfy the disclosure requirement, found that it was **intentional obfuscation** = “gaming” the system by not making it clear which was the active, effective compound   * Patent specification failed to meet the disclosure requirement b/c a person skilled in the art would need to conduct further tests to determine which one of the compounds was actually effective |

**Subject Matter of Patents**

* **Scope defined by s 2, s 27(8) of the Patent Act**
* **2: defn invention:** means any new and useful art, process, machine, manufacture, or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter
* **27(8): no patent shall be granted for a mere scientific principle or abstract theore**
* **US *Patent Act -* S. 35 U.S.C. 101**: “Whoever invents or discovers any new & useful process, machine, manufacture or composition of matter, or any new & useful improvement thereof, may obtain a patent therefor, subject to the conditions & requirements of this title”
* **NOTE: despite similarities in wording between Canadian & US statutes, Canadian courts have adopted a more restrictive interpretation of what constitutes patentable subject matter** (particularly w/respect to methods of medical treatment & living matter

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| **So what is a “useful art:** | **What is not patentable?** |
| * relates to trade, industry or commerce, * vendible product * in the field of manual or productive arts * in a field of economic endeavor * exhibits some advantage which is material * technological * Should be essentially economic in nature – see ***Tennessee Eastman*** | * Fine art * Essentially non-economic * Non-technological * **Mere scientific principle or abstract theorem (27(8))** * **Professional skill & methods–** because these are either non-reproducible, non-economic, or abstract theories   + Methods of cross-examination   + Methods of subdividing land (***Lawson***)   + Methods of doing business that are merely abstract ideas (*XXX*)   + Methods of medical practice or surgery (see below) * **Workshop improvements (*Ernest Scragg*)** |

* ***NDRC****:* **vendible products test:** to fall within the limits of **s 6 of the *Statute of Monopolies*** – process must be one that offers some advantage that is material; belongs to a useful art as distinct from a fine art // **“vendible product”** requires: (1) product is artificially created state of affairs (2) economic advantage or nexus, actually useful (doesn’t necessarily require economic viability to approve the application)

PROFESSIONAL & PERSONAL SKILLS

**Professional skills/methods are not patentable subject material** (***Lawson***); not an “art” or “process” w/in meaning of s. 2

* Non-reproducible, non-economic, or abstract theories
  + Methods of cross-examination
  + Methods of subdividing land (***Lawson***)
  + Methods of medical practice or surgery (see below)

***Lawson:* professional/personal skill not patentable, not manual art or skill:** applicant wanted to patent for method of land subdivision // court considers whether the invention is an “art”, “process” or manufacture” within the meaning of **s 2 of the Patent Act** // Court held that a method for describing and laying out parcels of land was a ***professional skill*** which could not constitute an “art” or “process”, here there was no production of a vendible product, no artificially created state of affairs // since the invention did not change the character or condition of the land itself, it was not a “manufacture” (in other words no artificially created state of affairs)

**Note that in the US they allowed the patent; held that it was a manufacture for the sake of patent**

* US courts relied on *Parkin Theaters*– invention related to drive-in theaters which terraced the land so cars were at different levels
* Canadian court points out that there was a change in the land itself in that case, whereas here there wasn’t

METHODS OF MEDICAL TREATMENT

**Methods of medical & surgical treatment are not patentable subject matter in Canada** (***Tennessee Eastman***)

* Deemed to be professional skills, essentially non-economic in nature: process for treating the human body is not a ‘vendible product’
* Practical Purposes: methods can’t be reproduced exactly & reliably; preventing other doctors from using a technique would be problematic both in terms of enforcement & policy
* Restriction sometimes circumvented by re-drafting claims to read “a use of X for treating Y” rather than “A method of treating condition Y by administering X”
* **Cosmetic methods** involving treatment of living tissues may constitute methods of medical treatment
* **Diagnostic methods**, which don’t involve the direct treatment of human tissue, are potentially patentable

**NOTE: methods of medical treatment are patentable in the US (s. 35(101)),** although US legislation enacted Sept. 30, 1996 has established new limitations on the remedies available for infringement of a patented “medical activity”

**ASK THE QUESTION: DOES THE METHOD REQUIRE PROFESSIONAL SKILL TO ADMINISTER/USE?**

* Surgical methods – yes (not patentable)
* New use for old medication – no (inventive = patentable)
* *Diagnostic methods* – maybe (probably patentable unless involving **direct treatment** of human tissue)

**Policy:** Argument is that something is not a vendible product if it is a process for treating human body, b/c whole subject non-economic

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| *Tennessee Eastman* (1974 SCC)  → new method of treatment using old compound not patentable  Facts: Applicant sought a patent on a method of surgically bonding the surfaces of incisions or wounds using adhesive compounds; can’t patent glue itself (b/c not new), so tries to patent the treatment   * Exchequer Court held that method was in the professional field of surgery & medical treatment and was therefore not essentially economic in nature   Held: **can’t get a process patent for new medical/surgical treatment using a pre-existing product; methods of medical treatment not contemplated in definition of “invention” in s. 2 as a kind of “process”**   * Use of old substance for new medical purpose not patentable b/c it allows circumvention of (then) **s. 41** [prohibited the patenting of medicines except in “process dependent” form] → has since been repealed, so unclear whether this case still applicable   **Note:** you can get a patent on **use of a drug** but not a **process of medical treatment or surgery** |

**New Uses for Old Compounds – Patentable**

* ***Wayne State University:*** applicant sought a patent for a method of slowing cancer cell growth // method claim was refused but the claims to the new use of a known compound was allowed 🡪 clear economic benefit // **If use is new & inventive, but compound is old**, can still get a patent for that new use
* ***Apotext:*** AZT previously used for cancer treatment, found effective for HIV treatment 🡪 patented USE rather than METHOD to get around TE case 🡪 again clear commercial benefit

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| *Wayne State University* (1988 Patent Appeal Board – Canada)  Facts: Applicant sought a patent for a method for slowing the rate of cancer cell growth **using a previously discovered drug that hadn’t previously been applied in that way**   * Method claims refused; claims to the **new use of known compounds for therapeutic purposes** was **allowed**   Held:   * Claim framed **not as a method, but as a particular use of the drug** = **patentable** * Rely on SCC *Shell Oil Co.* → allows new use for old compounds to be patented as an invention (novelty, inventiveness, non-obviousness all residing in the use of the compound; not the compound itself) * **If use is new & inventive, but compound is old**, can still get a patent for that new use |

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| ***Apotex v. Wellcome Foundation*** (Fed. Court – Canada)  Facts: AZT developed in the 1960s and never patented as molecule. Previously used for cancer treatment; applicant now wanted to patent its use as a treatment for AIDS  Held:   * Use claims distinguishable from method of medical treatment claims, so they were deemed patentable   + Exhibits commercial elements (i.e. new use is intended for manufacture & sale of a pharmaceutical product; not simply to increase efficiency in day-to-day practice of physicians) |

LIVING MATTER & BIOTECHNOLOGY – MICROORGANISMS

Bacteria and microorganisms are patentable subject matter in both Canada and the US. The Canadian Patent Appeal Board held in ***Re Abitibi*** that a microbial culture system comprising fungi and yeast that was used to break down pulp mill effluent was a patentable subject matter. The board also speculated that higher life forms are patentable so long as they are **new, non-obvious, useful, and could be reproduced at will**.

US PERSPECTIVE:

The US Supreme Court held in ***Diamond v. Chakrabarty*** that a genetically altered bacterium was patentable subject matter. Decision was based on the find that: 1) human intervention was involved in its creation and 2) it does not occur in nature. Subsequently, in 1987 the US Patent Office issued a notice that **non-naturally occurring non-human multicellular living organisms, including animals, can be patented**.

***Chakrabarty***is cited by the Canadian Supreme Court dissent in ***Harvard v Commissioner*** for its statement that one may patent “anything under the sun” so long as it meets the other requirements for patentable subject matter.

* Patent Office reasoned that “the grant of an exclusive property right in a human being is probhited by the Constitution” (presumably 13th Amendment, which prohibits slavery)
* **S. 33** of the ***America Invents Act*** bars the issuance of patent claims directed to or encompassing a human organism
  + Provision took effect on Sept. 16, 2011

**Canadian Test for Patentability of Microorganisms: *Abitibi***

**In order to be patentable, an organism must:**

* **Not have existed previously in nature (new)**
* **Be useful**, in the sense that it carries out some useful known objective – can’t be a mere laboratory curiosity whose only possible claim to utility is as a starting material for further research [*here it was microorganisms that would break down pulp mill effluent*]
* **Be sufficiently different from known species that I can be said that its creation involved the necessary element of inventive ingenuity (unobvious**)
* **Be able to be recreated uniformly at will**

**\*\***Decision applied to all microorganisms that can be produced *en mass***\*\***

* Also held that **deposition of living matter in a culture can help to satisfy the requirement to describe the invention fully**
  + Description requirement set out in **s. 27(3)**

OBITER:

* Could be possible to extend patentability to higher life forms, so long as it satisfies the **s. 27(3)** (formerly s. 36) requirement of having the invention be **replicable**

TRANSGENIC NON-HUMAN MAMMALS

* The patenting of higher life forms is one area where Canadian and US patent law differ significantly, due to the Supreme Court of Canada’s decision in ***Harvard College v Commission of Patents***.
  + In that case, a slim majority (5:4), held that a genetically altered mouse (the “oncomouse”) was not patentable subject matter as **higher life forms do not constitute a “manufacture or composition of matter”** as defined in the *Patent Act*. In particular, higher life forms are not “man-made” in the same sense as other manufactured products, and they have qualities that ‘seem to transcend’ the particular matter from which they are composed. The court also stated that the *Act* did not seem to contemplate this type of subject matter, and it was thus better left to parliament to amend the act if necessary to include higher life forms. The dissenting justices held that the distinction between the egg (which was left open by the majority as possibly patentable) and the grown mouse was arbitrary, and the distinction between higher and lower life forms is untenable. **In this case…**
* By contrast, in ***Diamond v Chakrabarty* (1980)** the US Supreme Court held that “anything under the sun” is patentable; in 1987, the US Patent Office announced that it considered ‘non-naturally occurring non-human multicellular living organisms, including animals, to be patentable subject matter’. A patent has been granted on the oncomouse and all similarly altered non-human mammals, and since the early 2000s a variety of genetically modified animals have been patented including sheep, rats, rabbits, goats, and cows. **In this case…**

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| *Harvard College v. Commissioner of Patents* (2002 SCC)  Facts: Only claims relating to a “transgenic non-human mammal” (claims 1-12) were in issue; the “process” claims relating to the procedure for creating the transgenic mouse were approved by the Patent Office.   * **TJ**: held that a complex life form can’t be considered a “manufacture” or “composition of matter” w/o “stretching the meaning of the words to the breaking point”   + Appeared particularly concerned that the inventors didn’t exercise control over the many features & characteristics of the mouse *as a whole*, apart from the presence of the cancer inducing “oncogene”   + Concluded that mouse didn’t meet standard of human control & reproducibility necessary to constitute a patentable invention * **CA**: held that higher life form can constitute “compositions of matter” → placed “considerable reliance” on majority opinion in US SC in ***Chakrabarty***   + Policy Qs are to be addressed in Parliament, not Court   + TJ erred in imposing “control test” in respect of characteristics of the mouse which were irrelevant to its useful purpose   + Compliance w/ **reproducibility** requirements of **s. 27(3)(b)** SEPARATE from issue of whether a mouse is an “invention” w/in meaning of s. 2     - DNA = matter, mouse egg = matter → combining them & producing mouse = composition of matter   + Standard of review of decisions of the Commissioner of Patents is likely the **standard of correctness**, not reasonableness *simpliciter*   + *Patent Act* can’t be extended to cover human beings → cites s. 7 of the Charter for protecting humans from patentability * CA – Dissent: held that decision of the Commissioner of Patents should be accorded more deference on the reasonable *simpliciter* standard of review   + Commissioner of Patents was not satisfied that the applicant was legally entitled to a patent and this finding was not unreasonable   + Parliament is the most appropriate forum for the resolution of the issues in dispute   Issue: Was this mouse a “**composition of matter**” or “**manufacture**” under **s. 2** → can these terms encompass higher matter?  SCC Held: **oncomouse was not a “manufacture” or “composition of matter” w/in statutory definition – NOT PATENTABLE**   * Bastarache J. did concede that a fertilized genetically modified mouse egg could come w/in meaning of the phrase “composition of matter”; BUT NOT THE MOUSE → concerned about the potential patentability of human life   + **Not contemplated in the *Patent Act***     - Policy Issues: (ethical, environmental concerns) & unique issues not contemplated by the Act; would result in an expansion of the patent regime → w/o explicit legislative direction they don’t want to expand it. Lack of contemplation suggests this expansion was not Parliament’s intent.   + **Manufacture: higher life forms are not “made by man” the same way microorganisms can be**      - ***Chakrabaty***: defined “manufacture” as – the production of articles for use from raw or prepared materials by giving to these materials new forms, qualities, properties, or combinations, whether by hand-labour or by machinery     - Higher life forms are “made by the hand of man” so not really manufactures   + **“Composition of Matter”** – not really     - Oxford dictionary “composition”: substance or preparation formed by combination or mixture of various ingredients → not unreasonable to assume that it must be the inventor who has combined/mixed the ingredients       * Seems like the injection into the egg part is a mixture of ingredients     - “Matter” – captures only one aspect of a higher life form; fact that animal life forms have numerous unique qualities that transcend the particular matter of which they’re composed makes it difficult to conceptualize higher life forms as mere “compositions of matter”     - **Issue:** egg itself might be a composition of matter, but the resultant mouse itself can’t be understood in these terms → Mouse consists of various ingredients/substances, BUT THEY WERE NOT COMBINED/MIXED by a person     - **Further Concern:** if accepted as a composition of matter, no logical reason why it wouldn’t extend to humans, especially when we start putting animal organs/genes into human beings → not appropriate for courts to provide an exception for human life – begs Q “what is human,” “what aspects of human life should be excluded?”   Dissent: Held that oncomouse qualified as “composition of matter”   * Binnie J: agreed w/approach of majority if Fed CA → not the role of the courts to reject patent applications pertaining to life forms for public policy reasons   + Rejects “disappearing matter” argument that egg is a composition but resulting mouse is not → not to be found in the legislation   + Rejects idea that mouse is not composition of matter b/c it is something more   + Rejects distinction between higher & lower life forms, says it is a matter of opinion and not tenable     - If we want it not to be patentable, then Parliament should change the Act (basically takes the opposite approach of majority to legislative/judiciary function)   + Doesn’t matter if it fits under “manufacture” b/c he already thinks it’s a “composition”   \*\***Applying *Monsanto* reasoning (below), could work around this bar to effectively make infringement on the mouse enforceable, if they patent the mouse egg → part of a larger, unpatentable whole does not prohibit protection from infringement**\*\* |

###### Cdn Intellectual Property Announcement – Contradicts Harvard Mouse

On 20 June 2006, the CIPO made an announcement that “The Patent Office takes the position that animals at any stage of development, from fertilized eggs on, are higher life forms and are thus NOT patentable subject matter under section 2 of the Patent Act. Totipotent stem cells, which have the same potential as fertilized eggs to develop into an entire animal, are considered to be equivalents of fertilized eggs and are thus higher life forms and are not patentable subject matter.”

**This announcement flatly contradicts the majority in *Harvard Mouse*, which said that fertilized eggs could be patentable**

Deposit of Biological Material

Canadian ***Patent Act*** now includes following provision as a result:

* **S. 38.1 (1)**: “Where a specification refers to a deposit of biological material and the deposit is in accordance w/the regulations, the deposit shall be considered part of the specification and, to the extent that s. 27(3) can’t otherwise reasonably be complied w/the deposit shall be taken into consideration in determining whether the specification complies w/that subsection”
  + **(2)**: For greater certainty, a reference to deposit of biological material in a specification does not create a presumption that the deposit is required for the purpose of complying w/ s. 27(3)

PLANTS/SEEDS

Plant Breeders’ Rights Act

Came into force Aug 1, 1990 to provide IP protection for new plant varieties. **Protection is potentially available for all plant** **species except algae, bacteria, and fungi***.*

**Holder of plant breeders’ rights registration has exclusive right to:**

1. Sell (and produce in Canada for the purpose of selling) propagating material of the new plant variety;
2. Make repeated use (if necessary) of propagating material to commercially produce another variety; and
3. If the variety is ordinarily marketed for purposes other than propagation, to use such plants or parts thereof commercially as propagating material in the production of ornamental plants or cut flowers.

* ***Monsanto:*** M owned the patent rights to roundup ready canola // ISSUE: Whether the farmer **used** the patent contrary to M’s rights when he saved & re-used the seeds (what is the meaning of **s. 42** of *PA*)? [farmer grew seeds and sold harvested product]
  + **S. 42: patent grants a patentee the exclusive right, privilege & liberty of making, constructing and using an invention**
  + HELD:
    - Use doesn’t require use for intended purpose → even if he didn’t put roundup on the seeds, still constitutes use for purposes of infringement
      * Possession as a stand-by has “insurance value” = use
    - **Rebuttable presumption is that mere ownership/possession = use**
      * Can be rebutted by showing no intention to cultivate the seeds, accidental seed contamination, attempts to remove, or concentrations were low (‘blow by’)
    - Knowledge of infringement **is not a necessary component of infringement – you do not need to know that you are infringing to be liable.**
    - **It is no bar to a finding of infringement that the patented object or process is part of or composes a broader unpatented structure or process (the corn plant vs. the seed)**
      * his use of the patented genes and cells was analogous to the use of a machine containing a patented part
  + Dissent:
    - “Use” under **s. 42** should be constrained by the subject matter of claims
    - Patent on cells & genes of plant can’t give indirect patent protection to the plant itself, as it is a higher life form under ***Harvard Mouse***

**PROPOSITIONS RE: USE (largely from Monsanto)**

* “Use” → denotes utilization w/a view to production or advantage
* **Basic principle in determining whether defendant has “used” a patented invention is whether the inventor has been deprived, in whole or in part, directly or indirectly, of the full enjoyment of the monopoly conferred by the patent**
* If there is a commercial benefit to be derived from the invention, it belongs to the patent holder
* It is no bar to a finding of infringement that the patented object or process is a part of or composes a broader unpatented structure or process, provided the patented invention is significant or important to the defendant’s activities that involve the unpatented structure
* Possession of a patented object or an object incorporating a patented feature may constitute “use” of the object’s stand-by or insurance utility and thus = infringement
* Possession, at least in commercial circumstances, raises a rebuttable presumption of “use”
* While intention is generally irrelevant to determining whether there has been “use” & hence infringement, the absence of intention to employ or gain any advantage from the invention may be relevant to rebutting the presumption of use raised by possession

HUMAN CELLS/CELL LINES

* Human cells and cell lines are patentable subject matter in both Canada, under the *Patent Act* s2 and in the US under the *Lanham Act* s101.
* In ***Harvard College v Commissioner of Patents***, the Supreme Court of Canada endorsed and affirmed the findings of the Patent Appeal Board in *Re Application for Patent of Connaught Labs,* which held that cell lines derived from higher life forms were patentable.
* In the US, the California Supreme Court held implicitly in ***Moore v Regents of the Uni of California***that cell lines were patentable subject matter, and that a tort of conversion cannot be brought against cell line owners by the original source of the cells (in this case, Moore). **In this case…**
* In Canada, cell lines have been patented along same reasoning of ***Abitibi*** case (produced en masse/uniform characteristics), but could be challenged, still deemed as lower life forms below bar of plants and animals.

*Moore v. Regents of University of California* (Cal. 1990)

Facts: Plaintiff diagnosed as having rare form of cancer = “hairy cell leukemia”

* Researchers from UCLA created new cell line from tissue derived from Plaintiff’s diseased spleen
* Cell line was patented in 1984 & licensed to a pharmaceutical company
* Plaintiff alleged that the university had committed the tort of conversion by using his tissue for commercial purposes

Held: **Plaintiff didn’t have property right in the cell line** & therefore couldn’t maintain cause of action for conversion

* Upheld cause of action for breach of fiduciary duty & lack of informed consent

GENES & DNA

* Canadian law **currently allows patents on isolated and purified human DNA fragments, full-length human genes and the proteins they encode** (***Harvard v Commissioner dissent****)*.
* This includes naturally occurring isolated genes, as well as ‘synthetic’ cDNA.
* **In order to be patentable,** the DNA fragments must have some useful purpose (ex. synthetic probes).
* The patentability of genes generally was confirmed in ***Monsanto v Schmeiser***, and the patentability of human genes has not been challenged in Canada. Canadian patents have been issued on human genes used in breast cancer screening tests (BRCA1/2), so this gene would be similarly patentable subject matter. **In this case…**
* US law changed with the Supreme Court decision in ***Myriad Genetics***, which held that naturally occurring isolated DNA fragments were not patentable, but their ‘synthetic’ cDNA copies are (**basically: isolated DNA molecules are distinct from their natural existence and are eligible for patent protection // natural counterparts are not)**. This decision was made based on a finding that naturally-occurring DNA is not patentable subject matter under s101 of the US *Lanham Act* because it natural phenomena and products of nature are not patentable. It is unclear whether Canadian jurisprudence will follow suit as our *Patent Act* does not have a similar provision; if a challenge were brought, it would likely be based on a **lack of novelty** in naturally-occurring genes. **In this case…**

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| ***Harvard v. Commissioner of Patents***   * Dissent: “The patent office regularly allows patents on human genes, proteins, cells and DNA sequences” |

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| *Myriad Genetics* (2013 - US Supreme Court)  Facts: At issue were composition claims covering 2 “isolated” human genes – BRCA1 & BRCA2 – and certain alterations, or mutations, in these genes associated w/a predisposition to breast & ovarian cancers  TJ:   * District court held that they were not patentable under s. 101 since they were “products of nature” * DNA has unique characteristics that differentiate it from other chemical compounds * Genes are carriers of information * On appeal to the CAFC, judgement was substantially overturned   CA:   * Majority of CAFC held that isolated DNA molecules are distinct from their natural existence & are eligible for patent protection * Method claims relating to “comparing” or “analyzing” gene sequences were not patentable subject matter since they claim only abstract mental processes * Another method claim relating to screening potential cancer therapeutics was valid   SC (US):   * **Issue: are human genes patentable**?   Held:   * **A naturally occurring DNA segment is a product of nature and is not eligible merely b/c it has been isolated**   + NOT NEW – separating a gene from its environment was not enough to make it “new compositions of matter” * HOWEVER, cDNA (a non-naturally occurring molecule containing only coding regions of DNA) is patent eligible since it is not a “product of nature” |

SOFTWARE & BUSINESS METHODS

CANADIAN PERSPECTIVE

* Business methods are not patentable in Canada insofar as they constitute a mere scientific principle or abstract theorem, which are not patentable under **27(8).** There has been some confusion in the jurisprudence regarding where to draw this line.
* ***Schlumberger Canada v Commissioner of Patents***, the Canadian FCA held that a **software program which took measurements and conducted analysis/calculations was not patentable subject matter because the “invention” was comprised of the calculations which could be done with or without a computer**.

**TWO-STEP TEST for determining whether claim related to statutory subject matter (can the program be patentable?):**

* + - **What, according to the application, has been discovered?**
      * Characterize as theorem or algorithm 🡪 not patentable
        + Merely using computer algorithm to make calculations probably won’t be patentable
      * Characterize as an industrial process (within traditional area that is patentable) implemented by computer 🡪 more likely patentable
    - **Is that discovery patentable regardless of whether a computer is or should be used to implement the discovery?**
  + **Note:** In applying the ***Schlumberger*** analysis, the Patent Appeal Board has tended to rule that claims which relate to a system for providing a useful end result, which is more than merely determining useful information from calculations, relate to patentable subject matter.
* Subsequently, the Supreme Court in ***Canada (AG) v Amazon*** held that **business methods are not *per se* unpatentable so long as the invention has physical existence that manifests a discernable event or change**.[ allowed patent for the on-click shopping method] In this case…

**CIPO Guidelines issued Post-*Schlumberger***

1. **Unapplied mathematical formulae** are considered equivalent to mere scientific principles or abstract theorems which are not patentable under section 27(8) of 30 the Patent Act.
2. The presence of a programmed general purpose computer or a program for such computer does not lend patentability to, nor subtract patentability from, an apparatus or process. [**if your brain could do it, it’s not patentable]**
3. It follows from 2, that new and useful processes incorporating a computer program, and apparatus incorporating a programmed computer, are directed to patentable subject matter if the computer-related matter has been integrated with another practical system that falls within an area which is traditionally patentable.

[This principle is illustrative of what types of computer-related applications may be patentable, and is not intended to exclude other computer-related applications from patentability.]

US PERSPECTIVE

* In the US, the Supreme Court has refused to “categorically reject” business methods as patentable subject matter (***Bilski*** cited in *Myriad Genetics*).
* ***Diamond v Diehr***, the US Supreme Court **held that an invention which measured the temperature of a rubber mold and performed calculations to open a door was patentable subject matte**r, based in part on a finding that the door opening was a **sufficiently practical application of the formula.**
* ***State Street Bank****,* the US court held that **a business method could be patentable as long as it had some real-world effect**, including ‘calculating share price’. Subsequently, however, in ***Bilski v Kappos***the Supreme Court held a method of hedging to not be patentable subject matter due to the fact that it was an abstract concept. **In this case…**

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| *Schlumberger Canada v. Commissioner of Patents* (1981 FCA - Canada)  Facts: Applicant sought a patent for a method for obtaining useful information about geological formations. Patent Office rejected application on basis that it didn’t relate to an “invention” w/in meaning of s. 2   * Method involved lowering instruments into bore holes to measure characteristics of the subterranean soil * Measurements were then recorded on magnetic tapes & processed by a programmed computer   **TWO-STEP TEST for determining whether claim related to statutory subject matter:**   1. **What, according to the application, has been discovered?** 2. **Is that discovery patentable regardless of whether a computer is or should be used to implement the discovery?**   Held: Discovery = various calculations & mathematical formulae used to make the calculations which were implemented by the computer. Since they could have been done w/o a computer (mental operations), more like theorems/principles   * Doesn’t matter if a computer is or should be used to implement the discovery → doesn’t change the nature of discovery, which is akin to theorem/principle |

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| *Canada (AG) v. Amazon.com* (1981 FCA - Canada)  Facts: Amazon tries to patent their “one-click” shopping system   * Patent Appeal Board held the biz methods don’t qualify for patent protection & claimed the method related to “non-technological” subject matter; also no transformation physically * Both the **form** and **substance** of the claimed invention must be considered   TJ: overturned Patent Board; held that legal framework adopted by Commissioner was unsupported by law & amounted to improper policy-making  FCA: agreed w/TJ   * Requirement that an invention must be “technological” was vague & confusing * **No Canadian jurisprudence which clearly bars patent protection for business methods**   + If it has a **practical application**, could be patentable   Held: **A patentable “art” must be something with physical existence, or something that manifests a discernable effect/change**   * Identification of the actual invention should be grounded in a purposive construction of the patent claims * Not appropriate for TJ to have construed the claims w/o benefit of expert evidence; application referred back to Examiner for further examination (Amazon amended the claim, it was accepted) |

**AMERICAN CASE LAW**

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| *Diamond v. Diehr* (US Supreme Court)  Facts: Applied for patent for product that uses temperature measurements to calculate correct rubber curing time, then opens door automatically  Held:   * Not a mathematical formula but **protection for a process of curing rubber**, it involves an equation but does not seek to patent the actual equation [involves the measuring, processing of information, recalculations, and signal to open the press] * Sufficiently **practical application of mathematical formula**   Dissent:   * The essence of this is a method of updating the original method of curing time by repetitively recalculating that time pursuant to a well-known formula; it is merely an algorithm and does not make a contribution to the art that is not entirely dependent on the usage of a computer…it is not patentable   *State Street Bank Case (USCA)* (1998 - US Fed CA)  “Today we hold that the **transformation of data**, representing discrete dollar amounts, **by a machine through a series of mathematical calculations** into a final share price, **constitutes a practical application of a mathematical algorithm, formula, or calculation**, **because it produces a ‘useful, concrete and tangible result’** - a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades.”   * Facts:   + Invention was a certain type of financial structure used to increase hedge fund profits   + **This case involves a process or method produced by a computer** * Held**:**   + **Business methods are patentable**   + **Must have a tangible result in real world and practical application of the algorithm**   + Machine makes mathematical calculations to determine a share price     - This is sufficiently real-world (the share price ‘momentarily fixed’)   **\*\*RESTRICTED BY *BILSKI*\*\***  *Bilski v. Kappos* (2010 – US Supreme Court)  Facts: Applicant sought patent protection for a method of hedging risks in commodities trading. Patent app claims procedure for buyers & sellers to protect against risk of price fluctuations = **method of doing business**   * Patent examiner rejected all claims on ground that “the invention is not implemented on a specific apparatus and merely manipulates [an] abstract idea & solves a purely mathematical problem w/o any limitation to a practical application, therefore the invention is not directed to the technological arts” * *En banc* panel of the Court of Appeals for Fed Circuit held that, **to be eligible for patent protection, process must either be:**   1. **Tied to a particular machine or apparatus; OR**   2. **Transform a particular article into a different state or thing** (**MOT TEST**) * Court held that the applicant’s process was non-transformative & encompassed a purely mental process   SCC – Held:   * “Machine or transformation” MOT test **not the sole test to determine patent eligibility**, but it is useful guideline * Didn’t explicitly endorse ***State Street*** test * **Categorical exclusion of business methods from patentable subject matter is inappropriate** * Claims to an **abstract idea** (like Bilski’s) are not eligible for patent protection |

**Requirements for Patentability**

Assuming an invention relates to statutory subject matter, **three requirements** must be satisfied in order to obtain a valid patent:

1. **Must be new or “novel”** in comparison to previously disclosed devices or processes in the same field (“prior art”)
2. **Must be “unobvious” or display some inventive ingenuity** in comparison to the prior art
3. **Must have some “utility”** which means it **must be useful for its intended purpose**

**NOVELTY**

**Section 2:** requires that an invention **must be new** to qualify for patent protection

DISCLOSURE

* Effective October 1, 1989 Canada switched from a “first to invent” to a **“first to file”** patent system. The following novelty provisions, **apply to patents issuing from applications filed on or after October 1, 1989.**
* **Inventors have one year after their first public disclosure of their invention to file a Canadian patent application**
* The “claim date” is defined in **s. 28.1** as the earlier of the actual Canadian filing date or the date of a “previously regularly filed” application for the same invention (if priority is claimed based on a previous application).

**Bars to Novelty:**

* **S 28.2(1):**
  + (a) – if the applicant (or related person) discloses the subject matter more than 1 year (grace period) prior to date of **filling** (that means even if the person claims priority date, the statute will still bar it because it uses filling date to calculate, not priority date) – **very dangerous, better not try this**
  + (b) – if someone, other than applicant/related person, discloses the subject matter **anywhere** (might be an equitable defense if the disclosure was done fraudulently)
  + (c) – if someone files for an application before the date you filed (or priority date you claimed) (unless application was kept secret and never disclosed)
  + (d) – if someone else, other than the applicant, has an application claiming priority date before the one being filed now (unless application was kept secret and never disclosed)
* **NOTE***:* if there is a non-disclosure agreement etc. then if it is disclosed it may not still be considered to have been disclosed
* **Disclosure**
  + Must **enable reproduction**
  + Must accurately describe the actual invention, not vaguely, generally, or just describing its potential

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| **IF FILING DATE PRIOR TO OCT. 1, 1989 – MUST CONSIDER “OLD” *PATENT ACT***   * **S. 27(1)**: Subject to this section, any inventor or legal rep of an invention that was:  1. Not known or used by another person before he invented it, 2. Not described in any patent or in any publication printed in Canada or in any other country more than 2 years before presentation of the petition hereunder mentioned, and 3. Not in public use or on sale in Canada for more than 2 years prior to his application in Canada,   May obtain a patent (assuming he meets all other requirements)   * **S. 61(1):** No patent or claim shall be declared invalid/void on ground that, before the invention therein defined was made by the inventor by whom the patent was applied for, it had already been known or used by some other person, unless it is established that:   1. That other person had, before the date of the application for the patent, disclosed or used the invention in such manner that it had become available to the public (disclosure);   2. That other person had, before the issue of the patent, made an application for patent in Canada on which conflict proceedings should have been directed; OR   3. That other person had at any time made an application in Canada which, by virtue of **s. 28**, had the same force & effect as if it had been filed in Canada before the issue of that patent and on which conflict proceedings should properly have been directed had it been so filed |

TEST FOR ANTICIPATION & PRIOR ART (Lack of Novelty)

**Anticipation** requires both: (***Apotex v. Sanofi 🡪 refined the early Scragg test see below***)

1. **Prior disclosure of the claimed invention**
   1. Must be in a **single prior publication** of the “**exact invention**”
   2. “Must contain so clear a direction that the skilled person…can in every case and w/o possibility of error be led to the claimed invention”
   3. **Skilled person** would have been led inevitably to the invention **without the use of inventive skills**
   4. No trial & error allowed at this stage
   5. Location of the disclosure & actual use = **irrelevant** → if it is available to the public, it is disclosed (***Baker Petrolite***)
2. **Enablement – a person skilled in the art would have been able to perform the invention**
   1. **Some trial & error experimentation permitted at this stage** → prior art disclosure must have been sufficient to enable a skilled person to perform or make the claimed invention **without “undue burden”** (***Apotex***)
      1. **Undue burden** takes into account **the nature of the invention**: depending on the field, more trial & error acceptable
   2. **Reverse engineering is acceptable regardless of difficulty** (***Baker Petrolite***)
      1. **Complexity/time/work involved irrelevant** → what matters is whether inventive skill must be used to produce?
      2. **Does not need to figure out how it works** or be able to re-create entire product containing the patented material; just know what it is (i.e. what chemicals are in the compound)
      3. Does not matter that the person actually did not discover/reverse engineer, as long as it was possible (***Gibney***)
   3. **Concealed use 🡪 unclear as to whether it is sufficient for enablement**

**[Four non-exhaustive factors to consider in Enablement:**

1. Enablement is to be **assessed having regard to the prior patent as a whole** including the specification and the claims.
   1. There is no reason to limit what the skilled person may consider in the prior patent in order to discover how to perform or make the invention of the subsequent patent. The **entire prior patent constitutes prior art**.
2. The **skilled person may use his or her common general knowledge** to supplement information contained in the prior patent.
   1. Common general knowledge means knowledge generally known by persons skilled in the relevant art at the relevant time.
3. When considering whether there is **undue burden**, the **nature of the invention must be taken into account**. If invention in area of tech where trials and experiments are carried out, threshold is higher.
   1. If inventive steps are required, the prior art will not be considered as enabling.
   2. Prolonged or arduous trial and error would not be considered routine.
4. **Obvious errors or omissions in the prior patent will not prevent enablement** **if reasonable skill and knowledge in the art could readily correct the error or find what was omitted**.]

* ***Gibney:*** disclosure of an invention on a non-confidential basis to a single member of the public may render a patent invalid, BUT disclosure in an NDA will not suffice.
* **Experimental Use Exemption (this exemption does not exist in Canada)**
  + *bona fide* experimentation, tests must be conducted to perfect the invention or to convince the inventor of the merits or practical utility of the invention (rather than to convince others, such as investors and purchasers)
    - ie. make sure there was NDA…evidence that this is experimental rather than a disclosure/sale

### 8 Principle Points from ***Baker Petrolite*** when analyzing anticipation by prior sale or use

**1. Sale to the public or use by the public alone is insufficient to prove anticipation.**

**2. For a prior sale or use to anticipate an invention, it must amount to "enabling disclosure".**

3. The prior sale or use of a chemical product will constitute enabling disclosure to the public if its composition can be discovered through analysis of the product.

**4. The analysis must be able to be performed by a person skilled in the art in accordance with known analytical techniques available at the relevant time (common knowledge).**

**5. In the context of patent anticipation under paragraph 28.2(1)(a), when reverse engineering is necessary and capable of discovering the invention, an invention becomes available to the public if a product containing the invention is sold to any member of the public who is free to use it as she or he pleases.**

6. It is not necessary to demonstrate that a member of the public actually analysed the product that was sold.

**7. The amount of time and work involved in conducting the analysis is not determinative of whether a skilled person could discover the invention. The relevant consideration, in this respect, is only whether inventive skill was required.**

8. It is not necessary that the product that is the subject of the analysis be capable of exact reproduction. It is the subject-matter of the patent claims (the invention) that must be disclosed through the analysis. Novelty of the claimed invention is destroyed if there is disclosure of an embodiment which falls within the claim.

CONCEALED USE

Some **“black box”** inventions are concealed or undetectable in normal use → Q whether the sale of such inventions makes them “available to the public”?

* Canadian law clearly requires **“enabling disclosure”** (disclosure by which information is sufficient to enable a person skilled in the art to practice the invention)
* Sale to the public/use by the pubic **alone** is insufficient to prove anticipation (***Baker Petrolite***)

**CASE LAW ON ANTICIPATION**

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| *Ernest Scragg & Sons v. Lessona Corp.* (1964 Ex Ct) – Early Test of Anticipation  Facts:   * Plaintiff sought to impeach validity of 2 Canadian patents for yarn crimping process based on inventions lacking novelty b/c of prior art (2 publications & a claim of use)   Held: Severe test, not easy to satisfy; prior art not sufficient to prove disclosure so patent is valid (similarity not close enough to be anticipatory)  TEST: **1)** The prior art / publication must provide “clear and unmistakable directions” in order to anticipate an invention, equal disclosure to that given by the patent invention **2**) Anticipation must be found in a *single* prior art document - the teachings of multiple documents cannot be combined |

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| *Gibney v. Ford Motor* (1967 Ex Ct)  Facts: G owned a patent for a protective shield for a car generator. Inventor (one of the plaintiffs) had made a prototype of the invention & disclosed it to a single customer more than 2 years prior to date the patent application was filed.  Held:   * Patent lacked novelty due to prior public use of the invention * **Disclosure of an invention on a non-confidential basis to a single member of the public may render a patent invalid** * **Experimental use exemption** not available   + Inventor failed to take precautions to avoid disclosure   + Insufficient evidence that the inventor created the prototype for the purposes of experimentation   + In order to qualify as bona fide experimentation, tests must be conducted to perfect the invention or to convince the inventor of the merits or practical utility of the invention (rather than to convince others, such as investors) |

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| *Baker Petrolite Corp. v. Canwell Enviro-Industries* (2002 Fed CA - Canada) – Anticipation by Prior Sales in USA  Facts: Petrolite owned a Canadian patent on a method for removing hydrogen sulfide from natural gas   * Petrolite’s predecessor had sold the product in the US for 2 years prior to filing the Canadian patent * Canwell starts selling a similar product, Petrolite sues * There is little jurisprudence dealing with s 28.2(1)(a) of the *Patent Act*   Analysis:   * **8 principles relating to whether sale = anticipation:**   + Sale to the public or use by the public alone is insufficient to prove anticipation. **Disclosure of invention is required** to constitute anticipation under **s. 28.2(1)(a)**   + For a **prior sale or use** to anticipate an invention, must = “**enabling disclosure**”   + Prior sale/use of a chemical product will constitute enabling disclosure to the public if its composition can be discovered through analysis of the product   + Analysis must be able to be performed by a person skilled in the art in accordance w/known analytical techniques available at the relevant time   + When reverse engineering is necessary & capable of discovering the invention, an invention becomes available to the public if a product containing the invention is sold to any member of the public who is free to use it as they please   + Not necessary to demonstrate that a member of the public actually analyzed the product that was sold   + Amount of time & work involved in conducting analysis not determinative of whether a skilled person could discover the invention     - Relevant consider is **only whether inventive skill was required**   + Not necessary that the product that is the subject of the analysis be capable of exact reproduction; it is the subject matter of the patent claims (invention) that must be disclosed through the analysis. Novelty of the claimed invention is destroyed if there is disclosure of an embodiment which falls w/in the claim   Held: **enabling disclosure is required to constitute anticipation**   * If a product is made available without restriction to even one member of the public, and if a person skilled in the art would be able to discover the claimed invention without the use of inventive skill (such as by reverse engineering the product), then the invention may be found to be anticipated * The amount of time and work involved in conducting the reverse engineering analysis is not determinative of whether a skilled person could discover the invention * In this case the Court held that a person skilled in the art and using data and techniques available at the relevant time, and without the exercise of inventive skill, would have been led inevitably to the subject matter of the patent claims, namely the extraction of hydrogen sulphide from natural gas by contact with triazine (or its starting components |

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| *Apotex v. Sanofi* (2008 – SCC) TEST FOR ANTICIPATION  Facts: Sanofi had a broader patent covering a class of compounds; one compound was a mix of 2 isomers, only one was useful.  Issue: could they patent the smaller compound previously contained w/in the broader patented class of compounds?  Held:   * **Earlier patent didn’t disclose special advantages of the compound so it didn’t cause prior disclosure** * Predicted at time of broader patent, but not disclosed & not made   **CURRENT TEST FOR ANTICIPATION:**   1. **Prior disclosure of the claimed invention**    1. Must be single prior publication of “exact invention”    2. “The prior publication must contain so clear a direction that the skilled person…can in every case and without possibility of error be led to the claimed invention” (*Beloit Canada 1986)*    3. **No trial & error at this stage** 2. **Enablement → person skilled in the art would have been able to perform the invention**     1. **Some trial & error allowed**, but prior disclosure must have been sufficient to enable a skilled person to perform or make the claimed invention **without “undue burden”**    2. **Clear & unmistakable direction**       1. Invention doesn’t have to be exactly the same   **Four non-exhaustive factors to consider in Enablement:**   1. Enablement is to be **assessed having regard to the prior patent as a whole** including the specification and the claims.    1. There is no reason to limit what the skilled person may consider in the prior patent in order to discover how to perform or make the invention of the subsequent patent. The **entire prior patent constitutes prior art**. 2. The **skilled person may use his or her common general knowledge** to supplement information contained in the prior patent.    1. Common general knowledge means knowledge generally known by persons skilled in the relevant art at the relevant time. 3. When considering whether there is **undue burden**, the **nature of the invention must be taken into account**. If invention in area of tech where trials and experiments are carried out, threshold is higher.    1. If inventive steps are required, the prior art will not be considered as enabling.    2. Prolonged or arduous trial and error would not be considered routine. 4. **Obvious errors or omissions in the prior patent will not prevent enablement** **if reasonable skill and knowledge in the art could readily correct the error or find what was omitted**. |

**Non-Obviousness**

**Section 28.3:** “subject-matter defined by a claim in an application for a patent in Canada must be subject-matter that **would not have been obvious on the claim date to a person skilled in the art or science to which it pertains**”

**“Cripps Question”**

* Classical touchstone for obviousness is technician skilled in the art but having no scintilla of inventiveness or imagination
* Would this hypothetical person, in light of the state of the art and of common general knowledge as at the claimed date of invention, have **come directly and w/o difficulty** to the solution taught by the patent?
* Objective test

**CURRENT TEST FOR OBVIOUSNESS:** (***Sanofi*** adopted 4-step test in ***Windsurfing/Pozzoli***)

1. **Identify the notional “person skilled in the art”; identify the relevant common general knowledge of that person**
2. **Identify the inventive concept of the claim in Q** or if that can’t readily be done, construe it
3. **Identify what, if any, differences exist between the matter cited as forming part of the “state of the art” and the inventive concept of the claim or the claim as construed**
4. **Viewed w/o any knowledge of the alleged invention as claimed, do those differences constitute steps, which would have been obvious to the person skilled in the art, or do they require any degree of invention?**
   1. **Invention may be “obvious to try” if it is more or less self-evident that what is being tried ought to work**
      1. Mere possibility of finding an invention is not enough
      2. In this case, not self-evident from broader patent or common knowledge that the selected isomer ought to work
   2. **If obvious to try test is warranted, consider following factors** (not exhaustive):
      1. Is it more or less self-evident that what is being tried ought to work? Are there a finite number of identified predictable solutions known to persons skilled in the art?
      2. What is the extent, nature and amount of effort required to achieve the invention? Are routine trials carried out or is the experimentation prolonged and arduous, such that the trial would not be considered routine?
      3. Is there a motive provided in the prior art to find the solution the patent addresses? (***Windsurfing****)*

* ***Scragg:*** Hindsight analysis should be avoided – easy to say that something is obvious after the fact; THIS IS AN OBJ TEST

**EVOLUTION OF CASE LAW LEADING TO THIS TEST**

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| *Ernest Scragg & Sons v. Lessona Corp.* (1964 Ex Ct)  **Objective test: whether the alleged invention would have been obvious to a person of ordinary skill in the art**   * “Mere scintilla” or slightest trace of inventiveness is sufficient * “Hindsight analysis” should be avoided – easy to say that an invention was obvious after the fact   *Windsurfing International Inc. v. Trilantic Corp.* (1984 – Fed Ct.)  Facts: All of component elements of invention known in prior art; Plaintiff obtained patent on basis that invention was a new & inventive combo.   * TJ: held invention was obvious in view of a Darby sailboard – described in 1965 article in *Popular Science* mag   + Darby sailboard included a mast which could swivel in a socket, but it did not include a Marconi rig (i.e. a triangular sail) or a wishbone boom   + Darby sailboard didn’t include a Marconi rig (triangular sail) or wishbone boom, which was included in the contested patent   Held:   * TJ overturned → advantages of the Marconi rig were not obvious to the inventor of the Darby sailboard, who court considered to be someone skilled in the art * Also considered commercial success of the invention * Example of a case where 8 claims were struck down and 2 were kept – advantage in hedging your bets by including numerous claims within your application.   *Apotex v. Sanofi-Synthelabo Canada* (2008 – SCC) – TEST FOR OBVIOUSNESS  **CURRENT TEST FOR OBVIOUSNESS:** (***Sanofi*** adopted 4-step test in ***Windsurfing/Pozzoli***)   1. **Identify the notional “person skilled in the art”; identify the relevant common general knowledge of that person** 2. **Identify the inventive concept of the claim in Q** or if that can’t readily be done, construe it 3. **Identify what, if any, differences exist between the matter cited as forming part of the “state of the art” and the inventive concept of the claim or the claim as construed** 4. **Viewed w/o any knowledge of the alleged invention as claimed, do those differences constitute steps, which would have been obvious to the person skilled in the art, or do they require any degree of invention?**    1. **Invention may be “obvious to try” if it is more or less self-evident that what is being tried ought to work**       1. Mere possibility of finding an invention is not enough       2. In this case, not self-evident from broader patent or common knowledge that the selected isomer ought to work    2. **If obvious to try test is warranted, consider following factors** (not exhaustive):       1. Is it more or less self-evident that what is being tried ought to work? Are there a finite number of identified predictable solutions known to persons skilled in the art?       2. What is the extent, nature and amount of effort required to achieve the invention? Are routine trials carried out or is the experimentation prolonged and arduous, such that the trial would not be considered routine?       3. Is there a motive provided in the prior art to find the solution the patent addresses? (***Windsurfing****)*   Held:   * Just b/c there were techniques for separating the isomers, doesn’t mean it would work & end up w/better compound; not obvious to try those techniques in this case |

**Utility**

**Section 2: “an invention means any new and useful art, process…etc.”**

* **An invention is not useful if:** (***X v. Commissioner***)
  + **It will not operate at all**
  + **Will not do what the patent specification promises it will do**
    - E.g. poisonous medicine ***(Tennessee Eastman)***

**CURRENT TEST FOR UTILITY:** (***X v. Commissioner***)

* **Can the effects that the patentee professed to produce be produced when the directions on the patent are followed?**
  + Must either demonstrate utility or give a **“sound prediction”** that it will work
    - Courts now using this against patentees who claim promised utilities and then can’t actually demonstrate the results later (***Apotex v. Wellcome***): **Requirements for Sound Prediction:**

1. **Must be factual basis for the prediction**
   1. Basis for sound prediction **must be in patent application**, can’t come up w/it after
2. **Inventor must have an articulable reasoning from which the desired result can be inferred**
3. **Must be proper disclosure**
   1. Doesn’t need to provide a theory of why the invention works, but must provide that it does work & how to work it
   2. Accepts that there is further work to be done

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| *X v. Commissioner of Patents* (1981 – Fed. CA) – TEST FOR UTILITY  Facts: X tries to patent a “death ray”; says he can demonstrate that it works but hasn’t been able to test it b/c he needs access to nuclear facilities.  Held:   * Hasn’t demonstrated that the invention was useful, since it was inoperable for the purpose for which it was designed * Hasn’t actually made it, unclear whether it actually works → mere prediction w/o any supporting evidence |

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| *Apotex v. Wellcome Foundation* (2002 – SCC) – TEST FOR SOUND PREDICTION  Facts: AZT invented in the 1960s for cancer treatment; usefulness for HIV not known until after original patent expired. Sought a ‘new use’ for an old compound patent.   * Filed patent application once testing for retroviral use had begun on mice & human cell lines but no tests on humans yet.   Held:   * When 1985 patent app filed, Wellcome had sufficient info about AZT & its activity against HIV to make a sound prediction that AZT would be clinically useful in the treatment and prophylaxis of HIV/AIDS in human beings |

**Infringement**

**Section 42**: **patents grant exclusive right of making, construction, and using the invention and selling it to others to be used…**

* Some cases have found **parallel importation** to constitute “use” in violation of s42
* **Patents protect against independent creation** (it is not necessary to prove access)
  + So even if no knowledge of the existence of the patent, didn’t find anything on search, it is still infringement no matter if you came up with it on your own
  + **Being an innocent infringer or claiming lack of prior knowledge is no defence**

**Section 43(2): presumptions//onus**

* In the absence of evidence to the contrary, patents shall be presumed to be valid
* Onus of proof is on defendant to show it is invalid; must lead plausible evidence

**Section 54: jurisdiction**

* Deals with where you can bring your action
* Provincial court or federal court; there are advantages to either
  + Federal court can grant injunctions extending to all of Canada
  + BC provincial court injunction would only extend to BC
  + One may hear your case faster than the other
  + BC court judges may not be as familiar with patent law as those at fed court

**Remedies for Patent Infringement**

**S. 55: Damages for infringement: infringer is liable for** all damage sustained after the grant of the patent by reason of infringement)

🡪 also **(2)** infringer is liable to pay reasonable compensation for activities occurring after the date of “laying it open” (publication of the application) to the date of grant 🡪 Usually published 18 months after, but you can ask for it faster so this will apply

🡪**must elect between damages (your loss of profits or other damage b/c of infringer’s action or accounting of profits (disgorge profits earned by the infringer), can’t get both**.

**55.01:** **Limitation Period** = **infringement must have happened not more than 6 years prior**

**57:** **Equitable Remedies**

1. (a) Injunction (court may make an order as sees fit for restraining the opposite party from “further use, manufacture, or sale, and for punishment in the event of disobedience)

**58:** In a patent with some invalid claims, only the valid ones are enforced

**59:** Defendant may plead as defense that the patent is void and should be impeached

*“It is seldom that the infringer does the thing, the whole thing, and nothing but the thing claimed by the Specification. He always varies, adds, omits and the only protection the Patentee has in such a case lies… in the good sense of the tribunal which has to decide whether the substance of the invention has been pirated.”*

**TEST FOR PATENT INFRINGEMENT – INCLUDES CONSTRUING CLAIMS (USEFUL FOR VALIDITY TOO)**

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### CURRENT TEST: ***Whirpool - Free World Trust***

* Currently the substantial infringement doctrine has been narrowed from ***McPhar*** and likely to fail unless there is literal infringement
* KEY question: whether persons with practical knowledge/experience of the art in which the invention was intended to be used, would understand that strict compliance with a particular descriptive word appearing in a claim was intended by the patentee to be an essential requirement of the invention so that **any** variant would fall outside of the monopoly claimed, even though it could have no material effect upon the invention worked (***Whirlpool***)

1. Construe the claims **purposively in an informed manner, rather than literally** (***Whirlpool***) – the construction is to be done **by the court** with the assistance of experts. **Objective test**
   * Construing the claims is first step for infringement and validity (*Whirlpool*)
   * Purposive construction can narrow or broaden scope of the patent claim
   * The key to purposive construction is the identification by the court, with the assistance of the skilled reader, of the particular words or phrases in the claims that describe what the inventor considered to be the "essential" elements of his invention
   * **extrinsic evidence not admissible to construe the claims -** inventor’s intent must be ascertained from reading patent specification itself
   * **determine between essential vs non-essential feature in a claim** (***Free World Trust***)
     + court can consider **either**:
       1. intent of the inventor (see from the claims themselves), or
       2. whether a person skilled in the art would appreciate that a particular element could be substituted without affecting the working of the invention (ie. invention perform substantially the same function in substantially the same way to proceed substantially the same result)
     + Test: for an element to be considered non-essential and substitutable, it must be shown either
       - A purposive construction of the words of the claim it was clearly not intended to be essential, or
       - At the date of patent publication, skilled addresses would have appreciated that a particular element could be substituted without affecting the working of the invention (ie. invention perform substantially the same function in substantially the same way to proceed substantially the same result)
2. **Determine infringement – it is an infringement if all the essential elements are present**

**EVOLUTION OF THE CURRENT TEST**

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| *McPhar Engineering Co. v. Sharpe Instruments* (1960 – Ex Ct.) – TEST FOR INFRINGEMENT  Facts: Two devices were created and although they were not exactly the same the second one was essentially a copy of the first except that part was suspended under rather than over another part.  **2-FOLD TEST OF PATENT INFRINGEMENT:**   1. **“Literal” or “textual” infringement:** occurs where the defendant’s apparatus or activity includes **all** of the limitations set forth in the claim under consideration 2. **“Substantive infringement:** occurs where the defendant’s apparatus or activity differs from the claimed invention in minor respects but is otherwise **substantially the same as the claimed invention** (i.e. defendant may have omitted a non-essential element & replaced it w/a functional equivalent)    1. **USA:** **concept of substantive infringement = “doctrine of equivalents”**       1. ***Graver Tank v. Linde Air*** → “equivalent” to the claim under consideration if the accused’s device “performs substantially the same function in substantially the same way to obtain substantially the same result”   Held: Not an “essential” feature of claim 8 of the subject patent that the transmitter coil “hang freely”; defendants found liable for substantive infringement. |

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| *Whirlpool v. Camco* (2000 – SCC)  Facts:   * Whirlpool is the owner of three patents relating to dual action agitators for washing machines * Whirlpool initiated an action claiming infringement of two of the patents * At trial, one issue was whether one of the patents was invalid due to “double patenting”. In order to decide that issue the Court needed to consider the test for construing patent claims   + Vein vs. Rigid Vein (person informed in the   Issue: what is the test for construing patent claims?  Held:   * SCC rejected US “doctrine of equivalents” and endorsed UK ***Catnic*** “**purposive construction”** approach to patent claims, not merely literal interpretation that takes into account **whether a similarly-placed person would intend a part to be essential** * Question to ask: **whether person w/practical knowledge & experience** of the kind of work in which the invention was intended to be used, **would understand that strict compliance w/a particular descriptive word or phrase appearing in a claim was intended by the patentee** to be an **essential requirement** of the invention so that *any* variant would fall outside the monopoly claimed, even though it could have no material effect upon the way the invention worked * **Extrinsic evidence not admissible to construe the claims** → purpose of inventor must be determined from a reading of the patent specification itself   + You can’t come to court and argue you wanted the patent to cover something not clearly specified (can be implied, but has to somewhat be there)   + Cannot rely on statements made during the prosecution of the application (you might have made clarifying statements to patent office but these are not eligible in litigation)   CAN be infringed if only non-essential parts are copied |

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| *Free World Trust v. Electro Sante Inc.* (2000 – SCC)  Facts: Patent claims relating to a “circuit means” for controlling electro-magnetotherapy  Held: **Purposive construction does away w/the purely literal interpretation, disciplines scope of “substantive” claims construction in interest of fairness to patentee & the public**   * **Essential vs. Non-Essential?**   + Consider either the **intent of the inventor *OR* whether a person skilled in the art would appreciate that a particular element could be substituted w/o affecting the working of the invention** * **Non-Essential Elements -** must be shown either:   + That on a purposive construction of the words of the claim that it was clearly not intended to be essential, OR     - Evidence of intent only gleaned from claims themselves, **can’t use extrinsic evidence to prove intent**   + That at the date of publication of the patent, the skilled addressees would have appreciated that a particular element could be substituted w/o affecting the working of the invention     - I.e. Had the skilled worker at the time been told of both the element specified in the claim and the variant and “asked whether the variant would obviously work in the same way”, answer would be YES)   Failed to establish that respondent’s system included all of the essential elements set forth in the patent claims when construed in an informed & purposive manner; appeal dismissed. |

**TRADEMARKS (*Trademarks Act –* federal statute*)***

**S 2 – trademark defn:** a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services from those of others

**Trademark purpose:** 3 purposes:

* + identify source of goods or services – source identifier
  + distinguish goods or services from others in the marketplace
  + quality to be expected of goods or services

**Distinctiveness**

**s 2 – distinctive defn:** a trademark is a mark that actually distinguishes the wares or services in association with which it is used by its owner from the wares of services of others or is adapted so to distinguish them

**s 18(1): Registration of a trademark is invalid if…**(b) **the trademark is not distinctive** at time proceedings bringing the validity of registration into question are commenced

**Test for distinctiveness *Bojangles***

1. mark and product must be associated
2. owner uses this association between mark and product
3. association enables owner of the mark to distinguish his product from others

**Distinguishing VS Informational Purpose**

**Distinguishing Purpose:** the mark must actually be used to distinguish 🡪 ***Bombardier v BP:*** *skidoo oil case* ***//* informational purpose not distinguishing purpose//** where a mark is used for a purpose other than to distinguish goods/services of user (eg. To inform users that the product can be used w/some other product identified by that trademark), the mark is not being used as a trademark” // **look to public perception and intention of use to assess whether a trademark has a distinguishing purpose**

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| ***Bombardier v. British Petroleum***  Facts: Bombardier had rights to the SKIDOO TM with respect to SKIDOOS. Castrol had rights to SKIDOO with respect to motor oil. Bombardier bought these rights from Castrol. BP tried to trademark lubricants w/SKIDOO – producing SKIDOO 23 oil; B opposed BP’s application based on prior use of SKIDOO trademark on their bottles of Castrol oil  Analysis:   * Use of SKIDOO on Castrol bottles = **informational purpose; not for distinguishing from other products** * SKIDOO included on the Castrol bottles to indicate that the oil worked w/skidoo products, NOT as a trademark to distinguish oil from other oils (“Castrol” was the trademark that performed the distinguishing purpose)   **HELD: No trademark use by C so no rights in SKIDOO for motor oil for C to sell to B, so no basis for B to oppose BP’s application**   * **Where a mark is used for a purpose other than to distinguish the goods or services of the user, e.g. to inform users that the product can be used with some other product identified by the trademark, the mark is not being used as a trademark.** * **Use the intention of the user and public perception to assess whether a trademark has a distinguishing purpose.** |

**🡪 consider** whether the mark is distinguishing vs. decorative // primarily functional

**Actual distinctiveness =** (inherent distinctiveness) + (acquired distinctiveness – well known marks) – (loss of distinctiveness due to other activities eg. Not enforcing trademark against others, becomes generic)

**Inherent Distinctiveness**

* **Inherently distinctive** (best): EXXON, KODAK, CHEVRON, APPLE, LULULEMON
  + Have nothing to do with the product/service
* **Suggestive of brand function/results** (ok)**:** GREYHOUND, COPPERTONE
* **Descriptive:** ALL-BRAN, UNIVERSITY OF BC, PIZZA-PIZZA
  + Can be protected if you argue for **acquired distinctiveness under s. 12(2**) [**see *Molson v. Labatt***]
* **Generic** (no protection): ESCALATOR, ZIPPER

**Acquired Distinctiveness**

**S 12(1) – prohibits registration** of marks that are:

* **Names** (**s. 12(1)(a))**
  + Calvin Klein, Cartier
* **Descriptive of character or quality** **(s. 12(1)(b))**
  + E.g. “All-bran” (was able to register under 12(2) exception based on sales evidence and advertising, prominence)
* **Geographically descriptive** **(s. 12(1)(b))**

**BUT… if the mark acquires a secondary meaning:**

**S 12(2) – acquired distinctiveness an exception to 12(1)(b):**  a trademark that is not registration by reason of s 12(1)(b) is registrable If it has been so used in Canada as to have become distinctive at the fate of filing an application for its registration

* **TEST under this statute:**

1. must have acquired distinctiveness **as of the filing date AND**
2. must prove that mark is recognized by a substantial portion of Canadian public as **distinguishing the source of the goods/service**

* ***Molson:*** onus is on applicant to prove 12(2) applies // 12(2) does not require the elimination of the descriptiveness, just have to show it acquired a dominant secondary distinctive meaning in relation to the wares/services // **does not have to be distinct across all of Canada – regional distinctiveness is enough //** distinctiveness must be for that mark itself (ie. Molson before “EXPORT” cannot lend distinctiveness // **distinctiveness is determined from the POV of the regular everyday user of the wares //** “EXPORT” not sufficiently distinct as of filing date

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| ***Molson v. John Labatt*** → MOLSEN EXPORT = acquired distinctiveness, not EXPORT  Facts: Molson applied to register “EXPORT”; Labatt opposed on ground that “EXPORT” was clearly descriptive or deceptively misdescriptive   * EXPORT indicated beer was of suitable quality for export to outside markets * Molson argued that it acquired distinctiveness b/c they’d been using EXPORT since 1903, tried to use s. 12(2)   Analysis:   * **Onus on applicant to prove s. 12(2) applies** (in this case, must adduce evidence that long use has caused descriptive word in association w/beer to have become distinctive) * **S. 12(2) doesn’t require demonstrating the elimination of the descriptiveness of a mark** (can be both descriptive & distinctive) → **requires applicant to show that although descriptive, the trademark was acquired a dominant secondary/distinctive meaning in relation to the wares/services of the applicant** * **Does not have to be distinct across Canada** → trademark registrable as long as it distinguishes the wares in question in a restricted area in which the registration is sought * **Exclusivity not essential to prove distinctiveness** * Distinctiveness must be for **mark itself, can’t rely on another trademark to prove distinctiveness** through s. 12(2) → i.e. Molson couldn’t rely on the fact that MOLSON lends distinctiveness to EXPORT when used together * **Distinctiveness determined from POV of everyday user of the wares in Q; consider trademark in its entirely & as a matter of first impression @ date of filing**   Held: “EXPORT” had not acquired sufficient distinctiveness to be registered as an independent trademark |

**Loss of Distinctiveness**

Occurs when a trademark becomes generic, or is used by multiple businesses for similar goods/service 🡪 **Genericide**: loss of distinctiveness due to primary meaning of trademark becoming the product/service itself rather than indication of source Ex. ESCALATOR, ZIPPER

* ***Bojangles: [***Does a foreign mark not used in Canada affect the distinctiveness of a Canadian mark?] **mark must be known to some extent at least to negate the established distinctiveness of another mark: its reputation in Canada should be substantial, significant or sufficient**

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| ***Bojangles’ International v. Bojangles Café*** → Does a **foreign mark not used in Canada affect distinctiveness of a Canadian mark?**  Facts: Applied to trademark BOJANGLES CAFÉ, Bojangles Intl objected b/c had restos under same name in USA (NOT in Canada)  Ratio:   * **Mark must be known to some extent at least to negate the established distinctiveness of another mark; its reputation in Canada should be substantial, significant, or sufficient** |

**Use – S 4 TMA**

**Trademark =** a mark that is **used**  **s 2 TMA**

* use is important to **both in the registration of a trademark and in preserving that registration**

**s 2 – defn of use:** any use that by s 4 is deemed to be a use in association w/ wares or services

**USE – in relation to WARES**

**S 4(1):**  a TM is deemed to be used in association with wares if **at the time of the transfer of the property** or possession of such wares in **the normal course of trade,** is it **marked on the wares themselves or on the packages in which they are distributed** or in any other manner so associated with the wares such that **notice** is then given to the person to whom the property or possession if transferred.

Eg. Hangtags, labels on the packaging, mark on the goods, associated on the display shelves

* **marked on the wares in the normal course of trade:**
  + ***Siscoe Vermiculite Mines: sample =/= use*** trademark labelled on samples shipped into Canada does not fulfill marked on wares “in the normal course of trade’ // not sufficient for use ( no $$ from sales = not in the normal course of trade)
  + ***Grants of St James:*** t ***test marketing =/= use*** wo shipments of wine w/mark were sent for the purposes of test marketing – NOT in normal course of trade
  + ***Saft Societe des Accumalateurs:*** ***single sale =/= use*** single shipment of flashlights to a sister company that didn’t sell flashlights or anything similar is not sufficient // **sale must be in such a quantity that would make the mark known to people who work in those wares/normal customers of those wares**

**USE – in relation to SERVICES**

**s 4(2):** a TM is deemed to be used in association with services if it is **used or displayed in the performance or advertising of such services”**

* **Foreign Services Advertised in Canada*:*** in order to qualify as use, service must not only have been advertised in Canada but **also be accessible and used in Canada** 
  + ***Don the Beachcomber:*** ads were in Canada w/o any use in Canada (no restaurants in Canada) // **use in Canada requires the performance of the services in Canada**
  + ***Saks:*** ads in Canada and Canadian customers who ordered goods via mail/phone-in catalogue; Saks offered warranties and guarantees to Canadians on the products // **sufficient to satisfy use requirement as services were accessible in Canada and used by Canadian customers in Canada**
  + ***HomeAway:*** application for VRBO trademark in Canada when Homeaway already used it for the same US services (which some Canadians used // **it is not relevant where the content originated (ie. US webpage) if it is displayed in Canada = use // KEY POINT 🡪** you need to actually be able to use the site as a Canadian, if you just view it it would be closer to *Don* over the Saks case.

**USE – in relation to EXPORTS**

**S 4(3):** a TM that is marked in Canada on wares or on the packages in which they are contained is, when such wares are exported from Canada, deemed to be used in association with such wares.

* + if you put your trademark on goods in Canada and then export then it counts as use in Canada

**Registration**

Advantages

1. **Easier to enforce**
2. **National protection**
   1. Registered marks have statutory right to exclusive use Canada-wide even if the mark is not used throughout Canada
   2. There are some exceptions to this however – discussed later
3. **Presumption of ownership**
4. **Easily identifiable asset for licensing, assignments**
5. **Deter others from adopting confusing trademark**
6. **Required for international registration**
7. **Limited incontestability after 5 years of registration – s. 17(2)** protection from others after 5 years of registration regardless of prior use
   1. Ex. A begins use of mark in 2010. B begins use of mark after 2010 & registers mark on Jan 1, 2014 w/o knowledge of A’s mark.
      1. Before Jan 1, 2019, A can apply to expunge B’s registration based on prior use [s. 17(1)]
      2. After Jan 1, 2019, A can’t expunge B’s registration based on prior use [s. 17(2)]
8. **6-month Convention priority claim – s. 34**
   1. Ex. A files in Canada Jan 1, 2014; B files in US Feb 1, 2014. A files in US on June 30, 2014, claiming Convention priority to Canadian filing date of Jan 1, 2014. In US, A’s application is senior to B’s application.

**Applying for a Trademark**

1. **Select a trademark**
2. Conduct a search (optional)
3. **File trademark application**
   * done online
   * identify applicant – can only have one applicant name
   * identify trademark
   * identify the goods or services you will be linking it with
   * identify the **grounds for being ENTITLED to the mark – section 16**
     1. use **(**as laid out in s 4 above**)** in Canada **s 16(1)**
        + registrable so long as it is not confusing with a previously existing or registered mark at the time it was first used
     2. made known in Canada **s 16(1) and s 5**
        + **S. 5**: “trademark deemed to be made known…only if it is used by that person in a country of the Union, other than Canada, in association w/wares or services and
          - The wares are distributed in association w/it in Canada, OR
          - The wares/services are advertised in association w/it in (i) a printed publication circulated among potential customers, (ii) radio broadcasts ordinarily received by potential customers AND it has become well-known in Canada by reason of the distribution or advertising
   * **Must later prove use** (*Don the Beachcomber* – didn’t prove use b/c services not available in Canada)
     1. registered and used outside Canada **s.16(2)**
     2. proposed use in Canada **s 16(3) –** place holder in Canada
4. **Examination**
   * **Examiners’ duties – s. 37(1)**
     1. Check formalities – **s. 30**
     2. Check registrability **– s. 12** (ex. make sure it’s not confusing w/another registered trademark [**s.12(1)(d)])**
     3. Check confusion w/previously-filed pending applications **s 37(1)(c)**
5. Approval for publication in Trademarks Journal
6. Publication in Trademarks Journal → allows for public to raise opposition to potentially confusing marks
   * **Opposition** → **2 month opposition period** after publication **allows for any party** to oppose the application
     1. **Grounds for opposition** – **s. 38(2)**
        + Non-compliance w/ s.30
        + Non-compliance w/ s.12
        + Not entitled person – s. 16
        + Not distinctive – s.2
7. Allowance → once past 2 month period, if not opposed it will be approved and a registration fee must be paid
8. File declaration of use (if “intent to use”)
9. Pay registration fee
10. Registration
11. Renew registration every 15 years

**Registrability – s 18**

**S 18(1)(a):** registration of a TM is invalid if the TM was not registrable at the date of registration

**Challenging Registration**

* **Before Registration** 
  + during examination (by examiner)
  + during opposition (by competing party)
* **After Registration** 
  + During expungement (by competing party at Fed Court)

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| **Material dates for determining entitlement between competing parties:**   * **S. 16(1)** – application based on **use or making known**: **date of first use or making known** * **S. 16(2)** – application based on **use & registration abroad**: **effective filing date** * **S. 16(3)** – application based on **intent to use**: **effective filing date**   **\*note:** convention priority is not a ground for entitlement but is a claim for the registration |

**Challenging at the Examination Stage – By Examiner**

* Applications are dealt with on a 1st come 1st served basis in the approval process, regardless of their grounds. Challenges can be brought subsequently upon opposition.

**When applications to be refused upon examination:**

**S 37 (1): the registrar shall refuse an application for the registration of a TM if he is satisfied that**

1. the application does not conform to the requirements of s 30
2. the TM is not registrable
3. the applicant is not the person entitled to registration of the trade-mark because it is **confusing with another trade-mark for the registration of which an application is pending**
   * + ***Effigy****:* 2 co-pending applications from diff parties for similar TM, E filed first (ground = intent to use), T files after E (ground = use of mark, which pre-dated E’s application) // **at the examination stage the examiner will only consider whether there is an earlier application with a confusing TM, and will not consider which trademark would win at the opposition stage //** while T’s use of the TM pre-dated E, because E filed first, T’s application was refused for confusion // T would need to oppose the registration at the opposition stage, or failing that, go through the expungement process before filing their own TM.

**Challenging Registration Generally – What’s not registrable?**

**s 12(1):** not all marks are registrable:

1. **Personal names**
2. Clearly **descriptive OR deceptively misdescriptive** marks
3. Name in any language of the wares/services
4. **Confusing w/a registered trademark**
5. Marks prohibited by **s. 9 or 10**
6. Denominations prohibited by **s. 10.1**
7. Geographical indication w/respect to wine
8. Geographical indication w/respect to spirits
9. Olympic & Paralympic marks

**NOTE: not being registrable DOES NOT MEAN YOU CAN’T USE THE MARK, just can’t register it**

**→ s. 12(2):** exception if you can show that the mark discounted in s. 12(1) has acquired distinctiveness – then you can register it

**Section 12(1)(a) – personal names:** a TM cannot be a word that is **primarily merely** the name or surname of an individual who is living or has died within the preceding 30 years

* “Name” = word/combo of words by which a person is **regularly known**. It is the **full name** – given name is NOT a “name”
* “Name” can be something other than formal, legal names (ex. Pelé)

**TWO-PART TEST – *Gerhard/Coles***

1. **Determine whether the trademark is in fact the name of a living person or someone who died w/in past 30 years**. If not, mark is not contrary to s. 12(1)(a)

* Includes people anywhere in the world w/that name
* **Fictitious but real-sounding names are OK to register; only becomes material when there’s evidence that there actually is a living/deceased person w/that name**
* Ex. Marco Pecci → name was fictitious, registration allowed b/c no evidence it was name of a real person (***Gerhard Horn Investments***)

1. **If mark is a name/surname of an individual, is it “primarily merely” a name/surname?**
   * Appropriate Q is to ask **whether the chief meaning of the word is nothing more than a surname** (***Coles***) [although Coles could also refer to cabbage, a regular person would not recognize it as referring to anything other than a surname] // later acquired distinctiveness and a new application was made under **s 12(2)]**

**Section 12(1)(b) – descriptive and deceptively misdescriptive marks:** a TM cannot be a word that is “**whether depicted, written or sounded, either clearly descriptive or deceptively misdescriptive in English or French of the character or quality of the wares or services in association with which it is used or proposed to be used**

Policy Reasons:

* For clearly descriptive trademarks, prevents appropriation by one trader of descriptive words that should be available for all competitors to use
* For deceptively misdescriptive trademarks, this section protects consumers from deception

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| **THE BASICS**   * **Is the TM in English or French?** (can have description in other language) |
| **FOR CLEARLY DESCRIPTIVE:**   * **Based on immediate first impression**   + ***Drackett:*** determination of whether something is descriptive/misdescriptive = one of first impression; ascertain the **immediate impression**, DON’T carefully & critically analyze [“once-a-week 🡪 merely informative of frequency the product should be used]     - **“clearly” =** easy to understand, self-evident, or plain     - **“character” =** feature, trait or characteristic of product   + ***Ontario Teachers:* asses usingfirst impression in the mind of a normal or reasonable person**     - If mark is suggestive of a meaning other than a descriptive one – then it’s okay     - If it is unclear or uncertain as to the significance of the mark in relation to the goods/services – also okay     - Consider the mark in its full context in conjunction with wares/service * **Applies to intrinsic characteristic or quality // words must be material to the composition of the product**   + ***Provenzano*:** “KOOL ONE”ok b/c doesn’t apply to intrinsic quality of the beer (can be cold or warm); describes external factor (temperature) that consumers know is not part of the product. * Includes **description of function, purpose or effect**   + ***Thomson Research***: ULTRA FRESH = clearly descriptive of its effect * Includes **incorrect spellings**   + Recall S. 12(1)(b) “whether depicted, written or sounded”   + Ex. “kold”, “cheez”, “sta-zon” * **Laudatory words = descriptive**   + ***Imperial v Benson & Hedges***: “right” deemed clearly descriptive, not registrable – but they can be registrable if combined with distinctive element (ie. Super 8 Motel) |
| **FOR CLEARLY MISDESCRIPTIVE**   * ***Provenzano:*** something a **person of reasonable intelligence** would believe to be false (not something that no RP could be fooled by)   + - Must somehow relate to the composition of the goods and **falsely/erroneously describe something which is** **material** or purport to **qualify something as material to the composition of the goods when in fact it’s not** * ***Biggs Laboratories****:* **Cannot advertise contents that are not present 🡪 “Genuine Shammi Glove”** when the glove is not shammi is misleading to the purchasing public * ***Canadian Jewish Congress:*** Christian Ministry was trying to register a trademark that looked similar to a menorah // RP could be deceived |

CASE LAW – CLEARLY DISCRIPTIVE:

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| ***Drackett v. American Home Products*** → is “ONCE-A-WEEK” to be used in association w/floor cleaner clearly descriptive/misdescriptive?  Held: “ONCE-A-WEEK” = merely informative, descriptive or generic as applied to a floor cleaner; not likely to serve any purpose other than to inform consumers of the frequency w/which the product should be used   * Decision should be based on **first impression** * **“Clearly” = “easy to understand, self-evident, or plain”** * **“Character” = “feature, trait or characteristic of product”**   **NOTE:** Suggestive marks are OK (ex. SPARKLING WAVE, DUSTBANE, FLOOR SCIENCE) |

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| ***Ontario Teachers Pension Plan Board v The AG of Canada***   * **“first impression n the mind of a normal or reasonable person”**   + - unclear or uncertain as to the significance of mark in relation to the wares or services -> not clearly descriptive     - mark is suggestive of a meaning other than one describing the wares or services -> not clearly descriptive.     - consider mark in full context in conjunction with wares and services   Held: TEACHERS is clearly descriptive of the character of “administration of a pension plan, management and investment of a pension fund for teachers in Ontario” |

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| ***Provenzano v. Registrar*** → is “KOOL ONE” clearly descriptive/misdescriptive of beer?  Held: NO – **to be clearly descriptive, words must be material to the composition of the product.**   * **Clearly Descriptive:** words must be **clearly descriptive and not merely suggestive**; for a word to be clearly descriptive, must be **material to the composition of the goods/products** |

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| ***Thomson Research v. Registrar*** → is “ULTRA FRESH” clearly descriptive/misdescriptive when used in association w/bacteriostats?  Held: “ULTRA FRESH” = clearly descriptive of the condition of the product after treatment w/the bacteriostats   * “ULTRA FRESH” doesn’t merely suggest a characteristic, clearly suggests the **principal, if not only, effect of product’s application** to other wares = **their function/effect** |

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| ***Imperial Tobacco v. Benson & Hedges***  Facts:   * B&H tried to register “right” as trademark for use in association w/cigarettes; based on proposed use. * Imperial argued trademark was descriptive/misdescriptive (also tried to argue it wasn’t distinctive, but judge killed that argument)   Held:   * “Right” clearly descriptive of quality b/c of the laudatory connotation associated w/it * When used as a trademark, used in an adjectival sense, which has laudatory connotation that wares modified thereby meet a specified standard = desirable & satisfactory |

CASE LAW – CLEARLY MISDESCRIPTIVE

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| ***Deputy AG v Biggs Laboratories*** → Was use of “SHAMMI” deceptively misdescriptive in connection w/transparent polyethylene glove?  Held: The label= “Genuine Shammi Utility Glove,” but doesn’t actually contain any chamois or shammy = deceptively misdescriptive   * **An article advertised as containing certain components that it doesn’t have = deceptively misleading to purchasing public** |

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| ***Canadian Jewish Congress v Chosen People Ministries***   * Application rejected because the Christian ministry was trying to register a trademark that looked like a menorah * Application of the “depicted” portion of 12(1)(b) |

**s 12(1)(c) – name of the goods or services:** a TM cannot be the name of the ware/service in any language

* Eg. GUK (Korean for “soup” cannot be registered in relation to soup)
* **Clearly descriptive marks in a language other than English or French are OK**
  + Ex. MAS-ISSNEUN (Korean for “delicious”)
    - If you tried to apply for registration it would be ok – not clearly descriptive in English/French

**s 12(1)(d) – confusion:** a TM cannot be confusing with a registered TM

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| **S 2 defn of “confusing”:** a TM is confusing when the use of which would cause confusion in the manner and circumstances described in s 6…  **s 6: TEST for confusion:** the use of a TM causes confusion w/another trademark if the use of **both trademarks in the same area is likely to lead to the inference that the wares/services are made/performed by the same person**  **The onus is on the respondent to establish the absence of confusion**  **FACTORS TO CONSIDER**   * Must look at **surrounding circumstances** under **s. 6(5): (**SEE ***Mattel*** for application of these factors**)** * **Inherent distinctiveness & extent to which they have become known** * Distinctive marks get broader protection than descriptive ones * In assessing confusion, should look at differences as well as similarities in the marks * **Length of time & use** * Length of use only important in considering whether trademark has really become distinctive * **Nature of wares/services/biz** * Are they in the exact same business? * Speculations about future events should be restricted to potential expansion of existing operations → trademark law based on use; hard to argue use for areas of business completely unconnected * **Nature of the trade** * What is the marketplace like? * Consumers are public or other? * What kind of stores are they sold in (ex. online vs. hard-copy)? * **Degree of resemblance between marks in appearance, sound or idea suggested** * Look to the **dominant or striking aspects of the marks** in particular (ex. portions that are unusual/particularly distinctive) 🡪 ***Mattell Inc.*** * Evidence of **actual confusion** is another factor to consider * Happy coexistence – could lead to finding of non-confusion * **Do not take into account geographic area of use or intended use; consider the hypothetical question of “if they were in the same geographic location, would it cause confusion? 🡪** intention doesn’t matter b/c once it is trademarked they can use it in other ways than what they said they intended (***Masterpiece Inc.***) * **Assess from the PERSPECTIVE of the BUYER in determining whether the trademark is confusingly similar *Saint Honore*** * **Perspective** from which likelihood of confusion measured **= casual consumer somewhat in a hurry w/imperfect recollection of opponent’s mark who might encounter the trademark of applicant in association w/applicant’s wares *Mattel***   **NOTE:** If examiner can’t decide re: confusion; default is to allow it to go to publication → may contact registered trademark holder to let them know there is a potentially confusing mark they may wish to oppose |

CASE LAW

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| ***Mattel Inc. v. 3894207 Canada Inc.*** → Is Barbie’s Restaurant confusing w/Barbie toys?  Facts: BARBIE toys opposed BARBIE’S Restaurant registration → toys trying to get the restaurant mark expunged by arguing confusion  Analysis:   * **Onus on respondent** to establish **absence** of likelihood of confusion → situations must have air of reality * Parliament’s recognition that some trademarks are so well known that use w/anything would generate confusion doesn’t mean that BARBIE has same transcendence * Wares/services don’t need to be in the same class to constitute confusion (factor to consider, not determinative) * **Evidence of actual confusion not necessary** * **Resemblance not a requirement under s. 6** → can look at resemblance/connection between 2 trademarks, but don’t depart from totality of the circumstances test * **Perspective** from which likelihood of confusion measured **= casual consumer somewhat in a hurry w/imperfect recollection of opponent’s mark who might encounter the trademark of applicant in association w/applicant’s wares**   + People aren’t dumb, even when “casual and in a hurry”   + First impression test |

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| ***Masterpiece v. Alavida Lifestyles Inc.***  Facts: “Masterpiece living” vs. “Masterpiece the art of living” (2 diff. marks both used for retirement services)   * Alvida registers for it, Masterpiece seeks to have it expunged * Note that Masterpiece can’t register b/c “first-come, first-served” system; forgot to oppose, now only option is expungement   Analysis:   * Test & approach for **confusing analysis:**   + Importance of testing for resemblance   + **Dominant or striking aspects of marks**     - “Living” = common word, but **masterpiece** is the distinctive/striking portion of the trademark     - This is identical in both trademarks, which is a somewhat strong suggestion that they might be confusing * **Irrelevance of geographic locations where marks are used**; trademarks are *Canada-wide* (**s. 19**)   + “if” 🡪 creates a hypothetical question 🡪 not a question of whether there actually will be confusing, just if they were in the same location would it be confusing * Considering mark **as applied for** VS. as used:   + **Must look at mark itself, not its intended use,** b/c once it is trademarked, it can be used in very diverse ways   + **Must consider the services or goods it will be used for** in entirely, not just “high-end retirement”; they could use it in any area of the market after trademarking * **Costs of the wares not relevant**    + Argument was made that b/c they’re expensive services, people would do careful research and this would make it obvious that they were different companies   + Court rejects this argument: can’t rely on consumer research etc. b/c test is for **first impression by the consumer** |

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| ***Saint Honore Cake Shop Limited v Cheung’s Bakery Products Ltd.***  Facts:   * Bakery used similar Chinese characters to a registered trademark   Analysis   * The fonts looked very different – although the substance was the same * To a non-chinese speaker they look v different, but to the bakery clientele they are confusingly similar * **Look at the perspective of the buyer in determining whether the trademark is confusingly similar** |

**s 12(1)(e) – official and prohibited marks:** marks prohibited by s. 9 are not registrable

* **Section 9 prohibits:**
  + Gov’t crests, national flags, RCMP, UN etc. s. 9(1)(a)-(i),(m), (n)(i), (o)
  + **Section 9(1)(i.2) prohibits “any national flag of the Union” (union = Paris Convention member)**
  + Marks of **universities** **s. 9(1)(n)(ii)**
    - * University must first request Trademarks Registrar to give public notice of adoption and use (through publication in Trademarks Journal)
      * They do not need to go through full registration process
      * Does not need association w/particular goods/services
      * Covers the use of the university name in any context and any business (ie. UBC cannot be used for anything)
  + Official marks of **public authorities** **s. 9(1)(n)(iii)**
    - * Public authority must first request Trademarks Registrar to give public notice of adoption and use (through publication in Trademarks Journal)
      * ***Ontario Assn. of Architechs:*** 2-part test for “public authority”
        1. Government control by a level of govt **in Canada**  ***Canada Post v USPS***
        2. Public benefit
  + **Scandalous, obscene or immoral** words/devices: s. 9(1)(j)
  + Any matter falsely suggesting a connection w/a living individual s. 9(1)(k)
    - * (ex. HERE’S JOHNNY for porta-potties)
  + Portrait, signature of an individual who is living or has died w/in past 30 years s. 9(1)(l)
* **NOTE: can’t use s. 12(2) exception for acquired distinctiveness = NO USE AT ALL -** Cover ANY USE regardless of the context or geographic area

**SPECIAL TEST OF CONFUSION FOR OFFICIAL AND PROHIBITED MARKS – S.9(1):**

* **“Consisting of, or so nearly resembling, as to be likely to be mistaken for…”**
  + **ONLY FACTOR = resemblance 🡪 higher threshold than regular confusion** (which is likely to be mistaken for)
  + No restriction to particular goods/services
* **Pre-existing trademarks** can continue to be used but not registered subsequently
* **Public notice must be given of the adoption as an official mark for most of these provisions**
* **Need not be distinctive** from previous marks **for gov’t to register it as official**
* Can be **invalidated if held to not have been “adopted and used**” **prior to its registration** as an official mark

**EXCEPTION – s. 9(2)(a):** if your biz obtains “…consent of Her Majesty or such other person, society, authority or organization as may be considered to have been intended to be protected by **s. 9(1)**

CASE LAW

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| ***Ontario Assn. of Architects***  Facts: AATO applied to register certain architectural denotations as official marks. Would mean that OAA may be prevented from using these words in connection w/their professional services, unless they had started using them before April 28, 1999 when Registrar gave public notice in Trademarks Journal of their adoption & use by AATO as official marks.  Analysis:   * Confirms above test, debates relevance of **duty to the public** element * **Governmental Control:**   + Must be some **ongoing gov’t supervision** of the activities of the body; insufficient that Legislature had exclusive power to change AATO’s statutory objective, power & duties → b/c of substantial benefits conferred by s. 9(1)(n)(iii) it shouldn’t be given an expansive meaning by equating legislative amendment w/gov’t control * **Public Benefit:**   + Regulatory activities benefit the public (but doesn’t matter b/c not sufficient gov’t control) |

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| ***Canada Post Corp. v. United States Postal Service*** → does the gov’t authority have to be in Canada to trigger this provision?  Facts: USPS wanted to register 13 official marks in Canada, including “Express Mail”, “First-class Mail”, “Standard A Mail”, “Standard B Mail”, “Parcel Select”, “Priority Mail”, “Global Priority Mail”, “Delivery Confirmation”, “Signature Confirmation”, “Global Express Guaranteed.” CPC argued USPS not entitled to official marks b/c not a public authority in Canada.  Analysis:   * English/French translations of provision differ – French is clear it means a public authority in Canada, English version is ambiguous * Must apply **share/common meaning rule:** where 2 versions of bilingual legislation don’t say the same thing, adopt the share meaning (which is usually the narrower meaning) * Don’t want to give expansive meaning to s. 9(1)(n)(iii) b/c of the huge benefits it confers   Held: **Public authority must be in Canada;** not sufficient that there is control by a gov’t, must be a gov’t body IN CANADA |

**Certification marks**

**Purpose:** distinguish goods/services of a specific standard from goods/services that don’t meet the standard. Purpose is NOT to distinguish between different trade’s goods/services

**Features:**

* Adoption & registration only by a person who is not engaged in producing the goods/services
* Actual us is by licensees
* Owner is not obliged to license everyone who meets the standard
* Mark must be in use at date of application
* **Owner of certification mark stands in place of the actual user for purposes of opposing registration or use of a confusing mark (*Wool Bureau v. Queenswear***)

**Section 23(2):** there is no duty to provide 🡪 “may license others”, simply permissive

**Section 25:** **Geographically descriptive certification marks – these must be granted to anyone requesting use in that area**

* Administrative authority or commercial association in an area can register a certification mark descriptive of the places of origin of the goods/services
* Owner must permit use of mark for all goods/services produced in the area

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| ***Wool Bureau v. Queenswear***  Held: owner of certification mark can bring suit against someone for confusion or opposing registration/use; doesn’t require owner to also use the mark, since purpose is that they don’t use them, and provide a standard for licensees |

**Non-Use: Use it or Lose It**

* Trademark registration can be lost if the TM is not used, by:
  + Summary expungement **s 45**
  + Invalidation **s 18**
* non use can include use of a mark that varies from the registered mark
* **policy reasons to remove registration:** clears “deadwood” from the register” 🡪 allows other parties to adopt the same or similar TM

**Expungement**

**s 45:(1)** **registrar may request evidence of TM use:** the registrar may at any time, and at the written request by any person made after 3 years after registration, **may ask a TM owner for evidence showing use of the TM**

**(2): effect of non-use:** if it appears to the Registrar that a TM has not been used in Canada at any time in the past 3-year period, **absent special circumstances, the registration will be expunged.**

**Procedure**

1. Person makes request to Registrar to send notice to registered owner
2. Owner **must show “use” w/in last 3 years for each good/service**, or special circumstances excusing non-use
3. Requestor & owner may file written submissions

**NOTE: 3-year grace period after date of registration**

**S 45(3): special circumstances excuse absence of use**

* Excusable absence of use **must be the result of an external force, not voluntary acts of trademark owner** (***John Labatt v. Cotton Club***)
* Registrar will take into account **length of non-use *Cobalt*****& evidence of serious intention to resume use w/in reasonable period**

**Examples of Excusable Non-Use:**

* Use by licensee, licensee goes bankrupt, owner making definite efforts to get new licensee
* Natural disaster destroys factory making the goods, takes time to find or build new factory
* Legislative or regulatory changes require product to be pulled from market and reformulated, tested, etc.

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| ***John Labatt v. Cotton Club Bottling***  Facts: Cotton Club Bottling has FIFTY FIFTY trademarked, which was used for 20 days but not since. Argue that they’re planning to use the mark ‘as soon as favourable market conditions are shown to exist’  Held: **excusable absence of use must be result of external force, not voluntary acts of the trademark owner.** This was not an excusable absence of use because they were simply voluntarily choosing to wait until favourable market conditions. |

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| ***Cobalt Brands v Gowlings***  Facts: Scotch brand – series of deaths and Scottish whisky regulation prevented use  Held: **Registrar will take into account length of non-use and evidence of serious intention to resume use within reasonable period**. Here they found the delay in use was due to external factors |

**Invalidation – s 18**

**S 18(1): grounds for invalidation:**

1. Not registrable (s. 12)
2. Not distinctive (s. 2)
3. **Abandoned; or**
4. Not entitled (s. 16)

**S 57**: fed court has exclusive jurisdiction over invalidation proceedings 🡪 more $$$ to do it this way

**Abandonment – 18(1)(c)**

**Abandonment of a trademark registration requires: (*Philip Morris v. Imperial Tobacco*)**

1. **Non-use;** AND
2. **Intention to abandon** (can be inferred)

**Differences w/s. 45:**

* Federal court = more expensive
* Higher standard (intention to abandon)
* Usually used to defend when someone sues you for infringement, saying that their trademark was abandoned first

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| ***Philip Morris v. Imperial Tobacco***  Held: **mere non-use not sufficient; must have intention to abandon**   * Sufficient to use a mark in small ways to keep it on the register b/c disproves intention to abandon   + Use of Marlboro in some sales as well as company’s willingness to litigate to protect the brand was sufficient to disprove intention to abandon |

**Use of Mark Varying from Registration (under s 45 or s 18)**

**TEST:** **still constitutes use if dominant features maintained & differences are so unimportant as not to mislead an unaware purchaser (*Honeywell Bull*)**

* Relevance of these sections is that use of a different mark can form a presumption of intention to abandon

***Promofil v. Munsingwear***: 2 penguin designs → original trademark = slim penguin; now use a “corpulent” penguin as their logo // Held: **Change in logo will only = abandonment if marks differ in more than petty details** // Designs are different, but “only in petty details”🡪overall image = the same

**Trademark Infringement**

**Infringement of registered trademark, ask first if it is an identical TM or just confusing:**

* **Section 19: identical** trademark
* **Section 20:** **confusing** trademark

**Who can sue for infringement? Who has standing?**

* **Registered owner**
* **Licensee → s. 50(3):** where owner refuses to take proceedings for infringement w/in 2 months of being requested by licensee, licensee may institute proceedings in its own name.

IDENTICAL TRADEMARK – s. 19

**Section 19:** Registration of a trademark for goods/services gives trademark owner the **exclusive right to the use throughout Canada** of the trademark in respect of those goods/services

* **Must be the exact same trademark in respect to the exact same goods/services** to fall under s. 19

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| **THREE REQUIREMENTS:**   1. **Valid trademark registration (s. 18)** 2. **Unauthorized use** (w/in meaning of s. 4) **of identical mark** (***Mido v. Turcotte***) [MIDO watches not the same as VIDO] 3. **Identical goods/services** as those **covered by the registration** (***Bonus Foods v. Essex Packers***) [dog food and human food were not the same goods] |

CONFUSING TRADEMARK – s. 20

**Section 20(1):** Right of the owner of a registered mark is infringed by a person who sells, distributes or advertises wares/services in association w/a confusing trademark or trade name

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| **THREE REQUIREMENTS:**   1. **Valid trademark registration (s. 18)** 2. **Unauthorized sale, distribution or advertisement of any wares/services** (interpreted to mean “use” w/in meaning of s. 4) 3. **Confusing trademark or trade name** (**Section 6(5) factors**) [eg. ***Piranha; Mido; Bonus Foods]*** |

Exceptions in S. 20

**Section 20(1.1):**

1. Bona fide use of **personal name as trade name;**
2. Bona fide use, other than as a trademark
3. Of the **geographical name of his place of business** OR
4. Of any **accurate description of the character or quality of his wares/services**

**In such a manner as is not likely to have the effect of depreciating the value of the goodwill**

General Exceptions to s. 19 & s. 20

**Section 21:** **concurrent use of confusing mark**

* Bona fide use of confusing mark by other party prior to registrant filing trademark application
* If court finds it’s not contrary to public interest, confusing name can continue to be used in a “defined territorial area” w/possibility of provisions requiring specified distinction from the registered mark

**Section 32:** **territorially-restricted marks**

* **S. 12(2)** marks w/acquired distinctiveness may be territorially restricted
  + **Ex.** proving distinctiveness may show you’re only distinctive in BC, so you can only register in BC and go after people in BC

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| ***Mido v. Turcotte***  Facts: Registered MIDO for watches, suing for infringement by VIDO also in watches  Held:   * Doesn’t fall under s. 19 b/c must be the **exact same as the registered trademark** * Found to be confusing under s. 20 (see below) |

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| ***Bonus Foods v. Essex Packers***  Facts: BONUS registered for human foods; defendants adopt the mark for dog food and are sued for infringement  Held:   * **Section 19 applies only to goods for which the mark is registered;** not eligible here * Held to infringe under s. 20 instead (see below) |

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| ***Black & Decker Corporation v Piranha Abrasives Inc***  Facts: Both B&D and Piranha had produced saws with a piranha logo. The B&D saw was for softer material while the Piranha saw was professional grade. B&D had registered the TM first. Piranha argued that there was no actual confusion because their product had been around for years.  Analysis:  Actual confusion is not determinative (s. 6)  Held: the resemblance of the marks was determinative – they had a high degree of similarity. **Infringement found.**  **Piranha should have searched the registry before making a saw with the same name** |

**Defending an Infringement Suit**

**Attack** **validity of registration** under **section 18:**

1. Not registrable (s.12)
2. Not distinctive (s. 2)
3. Abandoned; OR
4. Applicant not entitled to register (s. 16)

**Argue that you fall into one of the exceptions in s 20/21 – bona fide use, or ask for territorial restriction (s 32).**

**Depreciation of Goodwill**

**Section 22(1):** **No person shall use a trademark registered by another person in a manner that is likely to have the effect of depreciating the value of the goodwill attaching thereto**

* **Goodwill:** ability of a trademark to induce customers to continue to buy the goods/services identified by the mark
  + **Depreciation of goodwill** occurs when customers’ habit of buying the brand they bought before is weakened
* **Onus on claimant to prove depreciation**

**TEST** → onus on Claimant to prove: **that use of marks are sufficiently similar to evoke in a relevant universe of consumers a mental association of the 2 marks that is likely to depreciate the value of the goodwill attaching to the claimant’s mark** (***Veuve Clicquot***)

1. **Use of claimant’s registered mark**
   1. Use under s. 4 for any goods/services
   2. Need not be identical, but distinguishing feature must at least be similar
2. **Proof of goodwill**
   1. “Fame” is not required
   2. Must be “**significant**” [ ie fame of VC Champagne]
3. **Likely connection between claimant’s & defendant’s use of the mark in consumer’s mind (linkage)** [failed in the Clicquot case]
4. **Likelihood of depreciation (damage)**
   1. Depreciation = loss of distinctiveness, disparagement, etc.
   2. Not “could” there be deprecation, but does evidence show “**likelihood**” of depreciation

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| ***Veuve Clicquot v. Boutiques Cliquot* – SCC Case**  Facts: VEUVE CLICQUOT for champagne vs. CLIQUOT for retail women’s clothing stores. Champagne commenced infringement (s 20) action & s. 22 claim (depreciation of goodwill) + action to expunge defendant’s registrations.  Analysis:   * Dominant part = “Clicquot,” which was being used – misspelling of a mark can still constitute use * Goodwill – doesn’t have to be famous, but must be significant goodwill. Clicquot = well-known champagne, so satisfies this element * Evidence of likelihood of connection between use of marks for consumer = FAILED   + “Fame” doesn’t trump everything   + Use was not likely to confuse consumers * No need to consider likelihood of depreciation   + **Mental association of 2 marks doesn’t necessarily give rise to a likelihood of depreciation** |

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| ***Source Perrier v. Fira-Less Marketing***  Facts: Fira made a spoof of Perrier to use as a parody/satire (Pierre Eh) – argued it was to mock the Prime Minister & Gov’t of Canada. Perrier brought action for depreciation of goodwill.  Held: **Freedom of expression is not a defense to infringement under s. 22** |

**Unfair Competition**

PASSING OFF (Common Law) USEFUL FOR BOTH REGISTERED AND UNREGISTERED TMs

You can allege this when you have an unregistered trademark (Of course, common law remedies are also available for registered trademarks as well)

Looking beyond the trademark alone – considering the colour scheme, packaging, etc. → **broader** claim than an infringement claim

**Note: GEOGRAPHICALLY LIMITED (unless mark is registered, then nationwide)**

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| **THREE REQUIREMENTS *(Ciba Geigy*):**   1. **Goodwill:**  * Public recognizes get-up as distinctive of plaintiff’s goods/services at the date the defendant starts using its impugned get-up * “Get-up” includes trademarks, features of labeling/packaging/advertising, etc. * **Geographic area** → goodwill limited to area where biz is done, but can have broader coverage for “loss of control over potential use” if goodwill is established in the area (***Orkin v. Pestco***)  1. **Misrepresentation causes deception of public (consider s 6(5) factors)**  * Defendant’s use of get-up amounts to a misrepresentation that the plaintiff is the source of the goods/services, or that the defendant is associated w/the plaintiff * Deceptive intent is **not required**; can be unintentional and still = passing off * Must cause deception w/in actual area in which goodwill is established  1. **Damage** (loss of control or loss of impact that the company could have had → ***Orkin***)  * **Ex.** lost sales, damage to reputation, loss of control over the use of the get-up, etc.   **Note:** if the defendant can show that there is no distinctiveness in the plaintiff’s TM, the plaintiff has no case |

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| ***Ciba Geigy Canada v. Apotex***  Held:   * Goodwill:   + US Company had goodwill in Ontario via marketing, etc. Fact that defendant was using the brand in Ontario is evidence of value in Ontario * Misrep → deception of public   + Consider **s. 6(5)** factors [page 9 – CONFUSION SECTION] * Damages:   + Loss of control of the mark in Ontario |

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| ***Orkin v. Pestco***  Facts: Orkin = US biz that has sold pest control products, advertised in Canada, etc.; Pestco tries to call themselves Orkin.  Held:   * Orkin **established goodwill** in Ontario due to Canadian customers, advertising in Ontario, etc. so mark can’t be used by Pestco   **Note:** if defendant can show that there is no distinctiveness in plaintiff’s trademark, plaintiff has no case |

**Licensing**

**Key issue:** trademark owner **must maintain control over character and quality of goods** (otherwise might lose distinctiveness

**Section 50:**

* **Use of trademark by licensee, where the owner has control over the character/quality of the goods/services, has same effect as use by the owner**
  + Owner must control character/quality of goods
  + **Control:** important b/c if you lose control & try to enforce trademark against others, they can defend by saying you are no longer in control so it has lost distinctiveness (if there are enough knock-offs, you might lose distinctiveness)
    - **Ex.** Hello Kitty: every licensed HK product is examined by Japanese designers before they can release them
    - **Either designed by or approved of by the owner**
  + **Failure to control quality/character can be due to:**
    - **Improper licensing**
    - **Invalidation of trademark due to loss of distinctiveness**
* **Includes use of mark as part of trade name**
  + Ex. Walmart Canada Corp. – licensed to use Walmart as part of trade name
* **Presumption in s. 50(2) of proper licensing if public notice of the license is given**
  + Rebuttable presumption that if there’s public notice of license, it’s properly licensed (licensor has control)
  + Rebutted by proof that licensor doesn’t have control of quality & character

**Licensing: licensor** transfer the trademark to a **licensee** and receives royalties

* There is a method of transferring some rights (time, territorial, certain product, etc.)

**Typical Licensing Situations:**

* Licensing for franchise (ex. Subway, Tim Hortons)
* Licensing for merchandising (ex. Star Wars Lego)
* Multinational company licenses national subsidiary (ex. Walmart US licenses to Walmart Canada)

***Shapiro Cohen v Empresa Cubana:*** License agreement indicated that the licensee was able to make sell and license these cigars in Canada ***//*** There was no evidence that there was any actual control by the licensor over the licensee ***//* Any license agreement should include the provision that the licensor retains control over the quality and character of the goods** // Failure to do this can lead to invalidation of the trademark due to loss of distinctiveness

**Assignment**

* **Trademarks assignment =** transfer of ownership of a trademark
* **Assignments transfers all rights** (transferring ownership)
* **Trademark ownership cannot be divided territorially w/in Canada,** but **can license territorially** w/in Canada
  + **Why?** If 2 entities **owned/controlled** the same trademark, would cause confusion & lose distinctiveness
* **Improper assignment can lead to loss of distinctiveness – two distinct legal entities cannot own the same TM (even if a subsidiary company)**
* ***Wilkinson Sword:*** UK manufacturer (WS UK) assigned the TM to a Canadian P (WS Can). Another company (the D) bought razors from the UK company and sold them in Canada under the same name. WS Can sued for infringement; D attacked the validity of the registration // **consumers must be notified of the change in ownership of the mark //** WS Can should have notified the Canadian consumers they were not the reg TM owners (their packaging still referred to WS UK) // no infringement because registration invalid under s 18(1)(b) //**To be distinctive, must be able to recognize the Canadian subsidiary as the source**