

IP Law: Constant tension btwn public and private interests

- Society benefits from free exchange of ideas, freedom to use what people create
- Creators must be rewarded for their work

COPYRIGHT = sole right to exploit every original **literary, dramatic, musical, artistic work** (s.3, s.5 CA)

- Attaches automatically; does not protect ideas, but the expression of ideas
- Does not give you a monopoly; indep creation is ok
- Time-limited, defined by author's life + 50 years; then work becomes public domain
- Must be substantial reproduction to infringe copyright

LEGISLATION

Berne Convention- sets up a CR union among the states that are parties to it

- Idea that each country can set own CR laws, but must treat foreigners equally/must offer a min level of copyright protection
- **S.5** = Stat implementation of Berne
- **Moral rights**- attach directly to the author; can object if work is being distorted, mutilated or modified in a way that is prejudicial to their reputation

WIPO Copyright Treaty, WIPO Performances and Phonograms Treaty

Rome Convention, WPPT- neighbouring rights come from these int treaties

Copyright Modernization Act

Copyright Act

- **S.2:** definitions
- **S.3:** “sole right to produce, reproduce, perform or publish the work”; also includes telecommunication
 - Principle of **media neutrality** = right to reproduce in any material manner or form
- **S.5:** “copyright shall subsist in every original literary, dramatic, musical and artistic work”
- **S.23:** term/length of CR protection
- **S.29:** fair dealing exceptions
- **S.34.1(1)(a):** “copyright is presumed, unless the contrary is proved”
- **S.13(1): author of work = copyright owner**
- **S.13(3):** if a work is made in the course of employment, then employer = copyright owner
- **S.13(4):** owner may assign their right, must be in writing
 - **Assignment** = owner giving right to someone else
 - **License** = owner allowing someone else to use the right in some way
 - Grant of an exclusive license- must be in writing
 - Grant of a non-exclusive license- no written requirement (**Robertson**)

COLLECTIVE ADMIN OF RIGHTS

2 types of organizations:

- **tariff/licensing scheme**- tariffs set w/ CR board, apply to everyone; std royalties and terms/conditions for every reproduction (s.70.1)
- **access CR license**- set w/ individ parties, allowing a certain amt of copying for a price; society gives permission for uses on behalf of the CR owners, collects and distributes royalties or levies

CONCEPTS

Multiple authorship

- **Collective work** (encyclopedias, dictionaries, newspapers) = diff authors' works are incorporated
- **Compilation** (newspapers) = result of selection or arrangement
 - Each individual author has CR in their piece, arranger has CR in the compilation
- **Joint authorship** = collaboration of authors in which the contributions are not distinct

- 1) contribute significant original expression
- 2) merged with another's work
- 3) intent that X be a joint author

Originality

University of London Press Ltd v University Tutorial Press Ltd (1916): Math exam papers = original literary works, protected by CR

- Test for **originality** = was the work copied?
- Degree of creativity is not important; “what is worth copying is worth protecting”

CCH Canadian Ltd v Law Society of Upper Canada (2004): Law reports = original literary works, except reasons for judgment. Reports are protected by CR; however, library falls under fair dealing exception- so no infringement.

- **Originality** = exercise of skill and judgment; creativity not required

Fixation = work must have some more or less permanent material form

- *Canadian Admiral Corp Ltd v Rediffusion Inc*: live broadcast of a game not subject to CR b/c the work had never been fixed
- **S.3(1.1)**: work that is communicated to the public by telecommunication is fixed even if it is fixed simultaneously with its communication

Types of Works

Literary Works:

Nichols v Universal Pictures Corp (1930): (play vs. films) No CR infringement; **similar, generic characters = not original**, not copyrighted.

- **Only the expression of the idea is copyrighted, not the idea itself**
- “the less developed the characters, the less they can be copyrighted”
- Policy: no one should have CR/monopoly in an idea

Exxon Corp v Exxon Ins (1981): Original word, but not a literary work; **no CR in a word**.

- **Literary work must communicate something unique, must provide enjoyment**

Bulman Group Ltd v “One Write” Accounting Systems Ltd (1982): (carbon copy business forms) **Forms = literary works**, protected by CR.

- Compilations (mix of graphics and words), arranged by skill, conveying information
- Substantial copying = CR infringement

Compilations and Collective Works:

Robertson v Thomson Corp (2006): (freelance work published in electronic database) CR infringement; **right to reproduce work does not include right to republish articles as part of an entirely diff collective work**.

- Dissent: still an exercise of skill & judgment, character of newspaper is maintained online. Media neutrality should permit a publisher to adjust the form of their work.
 - Neutrality requires that CA apply equally between traditional and more technologically advanced forms of the same media

Computer Programs: “set of instructions embodied or stored in any manner”

Apple Computer Inc v Mackintosh Computers Ltd (1990): (duplication of comp chip) CR infringement; **program embodied in the chip is a protected form of expression**.

- Policy: Act should be interpreted to extend to technologies that were not or could not have been contemplated at the time of its drafting

Delrina Corp v Triolet Systems Inc (2002): (D created program as an employee, created similar competing program on his own later) No CR infringement, since **copied elements not original** (previously used or dictated by function).

- **Functional aspects not protected by CR**, employer has no monopoly on employee's skill
- **Only the expression of the idea is copyrighted, not the idea itself**
 - 1) **Abstraction:** what elements are we talking about?
 - 2) **Filtration:** which elements are dictated by functional considerations?
 - Residual elements = original
 - 3) **Comparison:** have the original elements been duplicated?

Dramatic Works: fixed in writing, or in film

- **Cinematographic Works:** distinction btwn films w/ and w/o "dramatic character". If no dramatic character, term of CR = 50 years from date of publication (s.11.1)
- Movie soundtracks- are not considered sound recordings (*Re: Sound v Motion Picture Theatre Associations of Canada*)

Musical Works: any music or musical compilation, w/ or w/o words

Artistic Works: Paintings, drawings, maps, charts, plans, photographs, sculptures, artistic craftsmanship, engravings, architectural works, and compilations of artistic works

Cuisenaire v South West Imports Ltd (1968): (mathematical coloured rods) Tools for a particular purpose- may be original, but are not artistic works; not protected by CR.

- **S.2(v):** "every original literary, dramatic, musical and artistic work **INCLUDES** every original production in the literary, scientific or artistic domain"
 - However, work still needs to fall into 1 of the 4 categories
- **Artistic works must be intended to be aesthetically pleasing**
- Not patentable or trademark-able either (nothing to prevent someone from marketing similar ones)

Reproduction of a Work

Ladbroke (Football) Ltd v William Hill (Football) Ltd (1964): (football betting coupon) CR infringement; coupon = original literary work/compilation, substantial part was copied.

- 1) Is P's work as a whole original and protected by CR? If yes, then proceed to #2
- 2) Was the part taken by D substantial?
- **Quality more important than quantity of copying**

S.32.2: exception to infringement where a photo is taken of an architectural work or sculpture or artistic craftsmanship that is permanently situated in a public place

S.30.7: exception to infringement if a work is included in another work, provided that the inclusion is done "incidentally and not deliberately" (i.e. photo of a photo, new art made out of old art)

Performance in Public

Canadian Admiral Corporation Ltd v Rediffusion Inc (1954): (Games filmed and broadcast in private homes) No CR infringement, **performance in a private home (given, heard or seen by only members of the immediate household) is not a public performance.**

Telecommunication

- **S.3(1)(f):** owner of CR has the right to communicate the work to the public by telecommunication and to authorize any such acts
- **S.2: Telecommunication** = any transmission of signs, signals, writings, images or sounds or intelligence of any nature by wire, radio, visual, optical or other electromagnetic system

- **S.2.4(1.1):** communication of a work 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 at a time/place of their choosing
- “making available” right (**WCT/WPPT**)- protects copyright works, fixed performances and phonograms (fixations of sounds)

Society of Composers, Authors and Music Publishers of Canada (SOCAN) v Canadian Assn of Internet Providers (CAIP) (2004): (Proposed tariff- for anybody who communicated a musical work by telecommunication to Internet subscribers) **ISPs = intermediaries or conduits, not liable for infringement or authorizing infringement.**

- There must be a **real and substantial connection** btwn Canada and the communication at issue, in order for our CA to apply (relevant factors = locations of content provider, host server, intermediaries, end user)
- **S.2.4(1)(b):** intermediaries are exempt from the definition of communication, not liable for providing “the means of telecommunication necessary for another person to communicate the work”
- **Policy:** lack of actual knowledge of infringing contents, impracticality of monitoring material on the Internet, public interest in disseminating works online
- **Obiter:** if the ISP also provided content, could be liable for infringement; if server did not comply with a ‘take down’ notice, could be held to have authorized communication of the material

*Recall: **CCH** case- **authorization** requires a demonstration that D did “give approval to, sanction, permit, favour, encourage” the infringing conduct

- See also: **ss. 31.1, 41.25, 41.26, 41.27**

Entertainment Software Association (ESA) v SOCAN (2012): (Tariff to cover downloads of video games containing musical works) Downloading = delivery, not communication under **s.3(1)(f)**. **Musical works are not “communicated” by telecommunication when they are downloaded.**

- **Principle of technological neutrality:** requires that the CA apply equally between traditional and more technologically advanced forms of the same media
 - i.e. no practical diff btwn buying work in a store or downloading it on the Internet, game publishers already pay CR owners for these copying activities
- **Parliament’s intention-** to maintain communication right as a category of performance right
 - **There is a distinction btwn reproduction and performance rights-** subcategories under **s.3(1)**
 - **performance** = to the public, impermanent in nature
- **Dissent:** CR holder should be entitled to both a reproduction and communication right in the context of Internet downloads; tech neutrality is not a stat requirement capable of overriding the language of the Act

Rogers Communications Inc v SOCAN (2012): Music stream = performance, communicated by telecommunication to the public; **streaming is telecommunication, downloading is not.**

- Making available right is implicit in **s.3(1)(f)**
- *Function of the transmission matters- to provide a copy (download) vs a musical experience (stream)

2012 amendments added **s.2.4(1.1)** → making work available to the public = telecommunication; downloads might now be considered telecommunication?

Moral Rights: attach directly to the author or their estate, not to the CR owner

- Introduced by the **Berne Convention**, embodied in **CA 14.1, 28.2**
- **1) Right to integrity of the work-** author can object if work is distorted, mutilated, modified or commercialized in a way that is prejudicial to their honor or reputation
 - Work includes performances; onus on author to prove prejudice
 - For sculptures and paintings, any modification = infringement (exceptions: change in location of the work, steps taken to preserve or restore the work in good faith)
- **2) Right to be associated with the work by name**

Snow v The Eaton Centre Ltd (1982): (Xmas ribbons attached to geese sculpture) Infringement of moral rights, **distortion of the work**/prejudicial to P's reputation.

Théberge v Galerie D'Art du Petit Champlain Inc (2002): (Transfer of ink from posters onto canvas) No CR infringement; owners within their rights, **did not reproduce/multiply the works.**

- Fixation alone not an infringement of the original work
- Change in physical structure- not a distortion, mutilation or modification; no infringement of moral rights
- Civil law tradition: focus on moral rights, works = extension of artist's personality
- Common law tradition: focus on economic rights, works = goods

Neighbouring Rights

4 types of rights, where someone other than the author has put the work into a particular form:

1) **Performer's performance: s.15**

- includes performances of pre-existing artistic, dramatic or musical works, recitations of pre-existing literary works, and improvisations of any kind of work
- 2012 amendments = making available/distribution rights, moral rights in performances

2) **Sound recording: s.18**

- maker has CR in 1st publication, reproduction in any material form, rental of the recording
- 2012 amendments = making available/distribution rights

3) **Performer and maker's right to equitable remuneration: s.19**

- Anyone who performs or communicates a recording in public must pay royalties to the performer/maker of the recording

4) **Broadcaster's communication signal: s.21**

- right to a) fix the signal, b) reproduce any unauthorized fixation of it, c) authorize another broadcaster to retransmit it to the public, d) perform a TV signal in a place where the public pays an entrance fee to see it

Ownership and Assignment

S.13: general rule that author = 1st owner of CR in the work

- If work was made during course of employment, then employer = 1st owner of CR
- Assignments or grants of exclusive licences- must be in writing (**Robertson**)
- Can be partial assignments- diff owners in diff parts of CR

University of London Press: (issue of CR assignment) Although examiners were employed by the university and papers were prepared during course of employment, this was an indep contractor arrangement.

- **Examiners = legal owners of the CR**, did not assign their rights to anyone else in writing
- **University = equitably entitled to the CR** → assigned its rights to the printing co = equitably entitled
 - To sue for infringement, co must obtain a proper assignment or join the examiners as co-plaintiffs

Terms and Registration

S.6: basic term of CR in a work (= 50 years from the year of author's death)

SS. 7, 9, 11, 12, 23 are relevant to particular types of works

SS. 53, 57: registration = evidence of CR ownership, can protect an assignee's interest from subsequent assignment

Infringement

SS. 3, 15, 18, 21, 27- in general, any violation of owner's rights = infringement

27(2): Secondary infringement

- It is infringement to exploit a work commercially (by sale, hire, distribution, public exhibition or importation) if the person knew or should have known that the work itself infringes CR or would infringe CR if it had been made in Canada

Remedies for Infringement

S.34, 35, 38: infringer is civilly liable to the CR owner

- May include damages for the owner's loss and such part of the profits "as the court considers just", infringing copies can be recovered by owner
- **S.39:** if the infringement was "innocent", injunction = only remedy
- Presumptions: that CR subsists in the work and that the author = owner (onus on D to prove otherwise)

S.41.23: non-exclusive licensees are not able to sue for infringement

- Owner must be made a party to the suit (*London Press*)
- Only an exclusive license is a grant of an interest (*Robertson*)

S.43.1: 3-year limitation period for bringing civil actions under the Act

Adobe Systems Inc v Thompson (2012): (Clear software piracy, CR infringement) Remedies: Permanent injunctions to prevent continuing infringement, max statutory damages (\$20,000 per work), punitive damages, pre-judgment and post-judgment interest, and costs.

- D's **conduct highly unreasonable**, strong intention to infringe
- **Punitive damages** approp to accomplish objectives of retribution, deterrence and denunciation

Preston v 20th Century Fox Canada Ltd (1990): (Return of the Jedi movie allegedly infringing CR in the literary work "Space Pets") No CR infringement; some general similarities in details depicting the Ewoks, but **no substantial similarity btwn the script and the movie.**

- No similarity in plot, dialogue, themes, mood, pace or sequence
- Scenes themselves not subject to CR, they are std aspects of productions drawn from a common pool of folklore
- Character of the Ewok as developed in the script not subject to CR (recall *Nichols*)
- *Even if it was proven that Lucas read the script, movie not similar enough to constitute infringement

Roy Export Co Establishment v Gauthier (1973): (D renting out Chaplin films = dramatic works, w/o authorization) CR infringement = secondary infringement; while D initially acted in good faith, he became aware of the infringement and continued to distribute the film.

- Remedies: injunction, D ordered to return copies of works, profits and court costs to P

Kaffka v Mountain Side Developments Ltd (1982): (alleged copying of building plans = artistic works) CR infringement; plans were substantially copied, similarities not accidental

- Remedies: D ordered to return copies, damages awarded based on what would have been charged for similar work/speculated profits, nominal damages for conversion, pre-judgment interest and costs

Secondary infringement:

S.27(2): knew or should have known that the copy infringed CR or would infringe CR if it had been made in Canada by the person who made it

- Includes selling, renting, distributing or importing for sale; requires intention or negligence

S.42(1)(e): Knowingly performing these acts- is a criminal offence

Euro-Excellence Inc v Kraft Canada Inc (2007): (EE was importing and distributing chocolate bars it had acquired legally in Europe, while Kraft was the exclusive licensed Canadian distributor of the logos) **No secondary infringement-** if CR owners (Kraft parent cos) had made the products in Canada, there would not be infringement.

- **Exclusive license** = limited property interest, does not give right to sue CR owner
- Concurring (Fish): To be brought within the protection of **27(2)**, a CR work must be more than merely incidental to the consumer good to which it is affixed.

Authorizing Infringement = sanctioning, approving or countenancing the infringement (*CCH*)

S.3 includes the sole right to authorize any such works

Fair Dealing Exception: allows users to engage in some activities that might otherwise amount to CR infringement

- *S.29*: research, private study, education, parody or satire
- *S.29.1*: criticism or review
- *S.29.2*: news reporting or news summary

D must prove that:

- 1) The dealing was for a purpose listed in the Act
- 2) It was fair- assessed by the following factors (*CCH*):
 - a. Purpose of the Dealing**
 - i. Allowable purpose in the Act = fair
 - b. Character of the Dealing**
 - i. Single copy used for a specific legitimate purpose = fair
 - ii. Multiple copies widely distributed = unfair
 - c. Amount of the Dealing** (quantity of the work taken)
 - i. Excerpt vs. whole work, fairness depends on purpose
 - d. Alternatives to the Dealing**
 - i. Non-copyrighted equivalents should be considered
 - e. Nature of the Work**
 - i. Wider public dissemination of an unpublished work = fair
 - ii. Confidential unpublished work = unfair
 - f. Effect of the Dealing on the Work**
 - i. Likely to compete with market of original work = unfair

CCH: (claim that LS was authorizing infringement through custom photocopy service, dealings were unfair) Cannot assume that a facility is being used for infringing purposes; **no auth of infringement, fair dealing defence applies.**

- purpose of research; single copies of works made at lawyers' requests; excerpts only; no alternatives; works essential to legal research; no neg impact on publishers' market
- *user's rights are an essential part of public interest objectives

SOCAN v Bell Canada (2012): (proposed tariff on music sampling) No CR infringement, **fair dealing defence applies.**

- purpose of research = consumer investigation; not a permanent copy; excerpts only; no alts; encouraging dissemination and purchase of music; no neg impact on the works
- Fair dealing = user's right; amt of dealing should be assessed based on individual use, not the amount of dealing in the aggregate

Alberta (Education) v Canadian CR Licensing Agency (Access CR) (2012): (Copies made for whole class, rather than at students' request; claim that teachers' purpose was not research/private study) No CR infringement- relevant perspective is that of the user, **fair dealing defence applies.**

- Purpose of research/private study; short excerpts to supplement existing texts; no reasonable alts; no evidence that decline in textbook sales linked to teacher photocopying
- Dissent (Rothstein): teachers' copying not just an extension of students' private study, diff extracts tend to be copied from the same set of books, alternatives are available

2012 amendments: expanded *s.29* to include "education, parody, satire"

Disclosure in the public interest = another possible defence, rarely invoked

Stat exceptions to infringement

- **S.29.21 – 30.5:** exceptions for gov't, educational, non-profit users
- **S.30.6 – 30.9:** copying necessary for technological reasons

S.80(1): Copying onto an audio recording for private use = not CR infringement

Digital Rights Management

- **S.41.1(1):** Any circumvention of a digital lock = infringement; fair dealing does not apply

Crim Liability

- Recognition that violations of CR law are a contravention of public order (esp. in organized trafficking of infringing copies)
- MR requirement: act must be done “knowingly”

PASSING OFF = CL of TMs; purpose to protect goodwill and prevent unfair competition

Erven Warnink BV v J Townend & Sons (Hull) Ltd (1979): (Dutch Advocaat vs. Old English Advocaat) Valid claim of passing off; **goodwill can apply to character/quality of a product**, not just geographic origin.

- If a product of a particular character/composition has been marketed under a descriptive name and has gained a public rep under that name, no reason why goodwill in the name should be protected
- However, if the name falsely suggests its character/quality, then passing off can apply
- 5 part test: Misrep, made by a trader, to prospective customers, reasonably foreseeable to injure business or goodwill, actual damage caused to the business or goodwill
- Remedy: injunction restored

Ciba-Geigy Canada Ltd v Apotex Inc (1992): (shape and colour of Lopressor tablets used by other manufacturers) **There is goodwill in the appearance of a product**; competing laboratories must avoid manufacturing drugs with a similar get-up that will sow confusion in the customer's mind; appeal allowed.

- Customers include: physicians, pharmacists, dentists and patients

3 necessary components of a passing-off action:

- **goodwill** (in respect of the distinctiveness of the product) = marketing power of a particular name or logo, relevant public associates it with P's wares or services
- **misrep** = misleading the public into associating the product with a diff source or diff type of product, creating confusion
- **damage to P** = actual or potential (potential damage can be presumed where misrep has caused a loss of control over reputation)

Walt Disney Productions v Triple Five Corp (1994): (Fantasyland amusement parks in Disneyland and WEM) **Goodwill in the name, suff misrep** to establish passing-off.

- Survey evidence is acceptable in goodwill cases- questions must be obj and neutral, poll must be representative of the "universe"
- Confusion or deception resulting from the misrep may be inferred or presumed

Walt Disney Productions v Fantasyland Hotel (1994): Name only had goodwill in relation to theme parks, had never been used in relation to hotels. No passing-off action against hotel.

Law Society of BC v Canada Domain Name Exchange Corp (2005): (Use of LS domain name diverting users to adult site/political site) **Substantial goodwill in the name, obvious misrep, clear potential for harm.**

- Proof of intent unnecessary, misrep need not be deliberate
- Remedy = permanent injunction, general damages of \$4000

S.7 of TM Act: statutory law of passing off, regulates unregistered TMs

- **7(b)** = valid exercise of fed power over trade and commerce, despite its intrusion into prov civil and prop rights (*Kirkbi*)
 - = remedial provision, min intrusion, suff integration into fed scheme

Kirkbi AG v Ritvik Holdings Ltd (2005): (LEGO vs. Mega Bloks) **Purely functional design may not be the basis of a TM**; lack of goodwill, no passing-off established.

- Policy: law of passing off and TMs cannot be used to perpetuate monopoly rights enjoyed under now-expired patents
 - **TM** = protection of brand, focus on distinctiveness in public market; no expiry
 - **Patents** = protection of new products/processes; time-limited monopoly

TRADEMARKS

*s.2 defⁿs: TM, use, wares, cert mark, distinguishing guise, proposed TM

- See also s.4(1)-(3) for deemed uses of TMs

Amendment- meaning of TM to include “signs”, including shapes

- Will effectively eliminate distinguishing guise provisions

*Unlike patent owner or CR owner, a TM owner is not required to provide the public w/ some novel benefit in exchange for the monopoly (*Mattel*)

Policy matters:

- Balance btwn public interest/other merchants and the benefits of open competition/interest of TM owner
- Care must be taken not to create a zone of exclusivity and protection that overshoots the purpose of TM law (*Mattel*)

Registered trademark: gives registrant the exclusive right to use the mark throughout Canada, and a right of action to remedy any infringement of that right (ss.19-20)

- Does not protect distribution rights (*Euro-Excellence*)
- s.12: criteria for a registrable mark
- s.16: priority in registering
- s.18: mark can become invalid if not registrable, not distinctive, or abandoned

Clairol Int'l Corp v Thomas Supply & Eqpt Co Ltd (1968): (colour comparison charts produced by Revlon, comparing hair colours to Clairol) Exclusive rights not infringed, no misrep; however, **use in a manner likely to depreciate the value of the goodwill** contrary to s.22(1).

- S.19: exclusive right to use the mark (mere statement of the mark does not = use)
- S.22(1): cannot use a mark in a manner likely to depreciate the value of the goodwill (i.e. **comparative advertising**)

Canadian Shredded Wheat Co v Kellogg Co (1938): (2 competing brands of shredded wheat, both trying to register TMs) “Shredded wheat” merely descriptive of the goods, not used to indicate the origin/particular manufacturer. TMs = invalid, no claim in TM or passing off.

- In general, **a word is not registrable if merely descriptive of character/quality of goods**
- For TM- descriptive word must have acquired a secondary meaning indicative of its origin
- **Distinctiveness** requires that the goods distinguished are the goods manufactured by a particular person and by no other
- Expired patent in this case, same policy as *Kirkbi*

Tommy Hilfiger Licensing Inc v International Clothiers Inc (2004): (similar crest design on clothing articles) Crest design served the purpose of indicating origin, and was therefore used as a TM; exclusive use infringed.

- Public recognition and confusion must be considered
- **Intention** to use a mark for the purpose of indicating origin- not necessarily required to establish TM
- Note: if it was unregistered, passing off/infringement of 7(b) would have been established

Registration of TMs

- 1) **Must be a TM** as defined in s.2 = used (or proposed to be used) to distinguish the applicant's wares and service from the wares and services of others → **must be distinctive** (*Shredded Wheat, Parma, Philip Morris*)
- 2) **Must be registrable** within the meaning of s.12(1)
 - Cannot be merely a name or surname, clearly descriptive or deceptively misdescriptive, names of wares or services (*Std Oil, Ontario Teachers, Lake Ontario Cement*)
 - name or surname- registrable if applicant can show that it has been used as a TM and has become distinctive- s.12(2)
 - ss.9,10: list of prohibited marks = symbols of gov't; scandalous, obscene or immoral marks; generic indicators (i.e. quality, place of origin); denominations for plant varieties
 - ss.11.12-11.19: protect geographical indications for wines/spirits
- 3) **Applicant must be the person entitled to registration** under s.16
 - **must have used the mark or made it known** in Canada (ss. 4, 5)
 - **must not be confusing** w/ a TM used or made known before the date of use by the applicant (s.6, s.20)
 - **5 factors** to consider under s.6(5): (*Alavida, Philip Morris*)
 - 1) inherent distinctiveness of the TM and the extent to which it has become known
 - 2) length of time the TM has been in use
 - 3) nature of the wares, services or business
 - 4) nature of the trade
 - 5) degree of resemblance btwn the marks in appearance or sound or in the ideas suggested by them (this is the factor likely to have the greatest effect on analysis- *Alavida*)
 - **Test = reasonable likelihood of confusion, ordinary casual consumer somewhat in a hurry** (*Mattel, Veuve Clicquot*)
 - Evidence of actual confusion is relevant, but not necessary
 - Onus on the applicant to establish registrability and satisfy the court that there is no reasonable probability of confusion (*McDonald's*)
 - Fact-finding exercise, court will defer to TJ's findings unless entirely erroneous (*Philip Morris*)

Steps to register:

- Application- s.30; if approved by Registrar, application is advertised- s.37(1)
- Within 2 months, any person may file statement of opposition- s.38(1); onus on applicant to prove registrability at hearing
- If application allowed, certificate issued- s.40(1)
- **S.19** = rights conferred by registration

*Even if registration takes place, it is invalid under s.18 if:

- A) the TM was not registrable at the date of registration
- B) it is not distinctive at the time proceedings are commenced
- C) it has been abandoned

Presumption of validity for owner of registered TM, onus on applicant to show invalidity/loss of distinctiveness (*Parma*)

s.17: allows unregistered TM user to oppose registration or claim invalidity

- 17(2): if a mark has been on the register for 5 years, it can no longer be impeached

Standard Oil Co v Registrar of TMs (1968): (proposed TM FIOR = fluid iron ore reduction) FIOR not primarily "merely" the surname of a living person under s.12(1)(a), **can be registered as an invented word.**

- Test = **what would be the response of the general public of Canada to the word?**
- Policy: Creation of new words for purposes of proposed TMs should not be restricted on the basis that word = surname somewhere in the world

Ontario Teachers Pension Plan Board v Canada (AG) (2012): (TM TEACHERS' **unregistrable, since clearly descriptive** of the character of services under s.12(1)(b)) The word clearly describes an inherent or intrinsic character or quality of the wares = unregistrable.

- **Policy:** Act aims to prevent people from obtaining a monopoly over words that belong in the public market and should be available to all to describe their wares or services

Consorzio del Prosciutto di Parma v Maple Leaf Meats (2001): (TM PARMA alleged to be deceptively misdescriptive or invalid due to lack of **distinctiveness** under s.57) Parma is a valid TM- not associated with meat products or Italian city; lack of distinctiveness not established.

- Test = **consumer of ordinary intelligence and education**
- **Distinctiveness** = appreciable portions of the public recognize the mark as distinctive (survey evidence should measure recognition of the mark by the general consumer)
- **Presumption that registration is valid**, onus on applicant to show that the mark is not distinctive
- **Policy:** balance btwn protecting consumers from deception as to source/quality and protecting rightful TM owners from unfair competition

Ontario Assn of Architects v Assn of Architectural Technologists of Ontario (2002): (adoption of official marks under s.9(1)(n)(iii)) AATO not considered a public authority, not allowed to register an official mark.

- **Official mark** confers substantial benefits- may be merely descriptive, may be confusing with another mark, is not required to distinguish wares or services
- **Policy:** s.9(1)(n)(iii) cannot be interpreted too broadly
- Test for **public authority:**
 - **Governmental control**- requires more than the fact that a self-regulatory body is statutory and its objects/powers may be amended unilaterally and exclusively by the legislature
 - **Public benefit**- professional self-regulation activities satisfy this requirement
- Under s.56: only a party or intervener in proceedings has standing to exercise stat right of appeal

Lake Ontario Cement Ltd v Registrar of TMs (1976): (Application to register "Premier" logo in respect of concrete blocks, challenged as clearly descriptive or deceptively misdescriptive) Word is **unregistrable b/c clearly descriptive**; however, TM is registrable since applicant has disclaimed the right to its exclusive use apart from the TM.

- **S.35:** Registrar may require applicant to disclaim the right to the exclusive use of part of the TM
- **Disclaimer** allows registration of TM which contains unregistrable material, provided that:
 - Apart from the unregistrable letters or words, there remains a distinctive feature
 - Unregistrable words are so unregistrable b/c clearly descriptive or non-distinctive

Mattel Inc v Canada Inc (2006): (Barbie's restaurant alleged to be confusing with Barbie doll TM) Unlikely that prospective consumers would draw a mistaken inference btwn doll TM and restaurants; **no confusion** established, TM allowed.

- **A relatively strong mark can leap product lines**; however, too far of a leap in this case
- Diff wares and channels of trade, word + design = distinctive
- *Cannot be automatically presumed that there will be confusion just because a mark is famous
 - **Test = reasonable likelihood of confusion, casual consumer somewhat in a hurry**
- **Survey evidence** is admissible, provided that:
 - Its findings are relevant to the issues
 - The survey was properly designed/conducted impartially
- Survey irrelevant in this case: "Barbie dolls *might* have *anything* to do with the restaurants" (= possibility, not probability)

McDonalds Corp v Coffee Hut Stores Ltd (1994): (Application to register TM McBeans in association w/ coffee and tea; alleged confusion w/ McDonald's "Mc + food" family of registered TMs) **No confusion**

established, TM allowed. Specialty coffee store occupies diff market niche than fast food outlet; McDonald's monopoly in the Mc family of TMs does not extend beyond fast food.

- Alt surname argument: in the eyes of the average Canadian consumer, McBeans is likely to be perceived as a coined word suggestive of coffee beans

Subcategories of TMs:

- **Distinguishing guise**- shape of goods or packaging (s.13)
- **Cert mark**- descriptive of place or origin, applicant must be a gov't w/ authority over the relevant area or a commercial association having an office or rep there (s.25)

Dominion Lock Co v Schlage Lock Co (1961): (Application to TM the outline shape of a key) TM not distinctive, exclusive use of the guise likely to unreasonably limit the development of art or industry under s.13(1)(b).

- Note amendment- would eliminate s.13, distinguishing guises would be included in defn of TM
- **Any features dictated primarily by a utilitarian function = barred from registration**

Distinctiveness: see s.2, *Shredded Wheat, Parma, Philip Morris*

Philip Morris Inc v Imperial Tobacco (1987): (Appeal under s.57 to have TM Marlboro struck from the register) Spillover effect of advertising in the US cannot invalidate a legitimate registration based on a valid transfer of title to the Canadian registrant; **no loss of distinctiveness, no intention to abandon**. Appeal dismissed.

- **Distinctiveness** must be in relation to other wares "offered on the same market" (i.e. within Canada)
- **Abandonment** requires non-use of TM + intention to abandon
- **Policy**: court has duty to protect public interest in the purity of the register against deception or confusion

Entitlement to Register: ss.16, 17

Masterpiece Inc v Alavida Lifestyles Inc (2011): (possible confusion btwn proposed TM "Masterpiece Living" and prior unregistered TM "Masterpiece the Art of Living" in the retirement residence industry) Strong resemblance btwn TMs, **likelihood of confusion; priority of unregistered user**.

- There cannot be a likelihood of confusion anywhere in Canada
- Likelihood is premised on the **1st impression of consumers** when they encounter the marks in question
- Error of law in interpretation/application of confusion test (TJ's findings overturned)
- Application of s.6(5) factors

Licensing: s.50

Eli Lilly & Co v Novopharm Ltd (2001): (same size, shape and colour as Prozac pills) Lilly Canada was licensed to use the alleged TM rights; however, appearance of capsules had not acquired a secondary meaning in the market and were **not likely to cause confusion**.

- Application of *Ciba-Geigy*
- Under s.50- licensee does not need to be registered, licence includes oral licence

Transferability: s.48(1)

Infringement: ss. 20, 18, 17, 21

- Selling, distributing or advertising wares or services in association with a confusing TM = infringement
- **Exceptions**: bona fide use of one's personal name as a trade name or geographical name or accurate description of character/quality
- Can also attack validity under s.18; abandonment under s.17
- Fed court may permit use in a defined area if it is not contrary to the public interest (s.21)

Philip Morris Products SA v Marlboro Canada Ltd (2012): (Rooftop packaging design allegedly confusing w/ Marlboro mark) Particular combination of elements was **confusing, infringement established**; injunction granted against further marketing of that particular package.

- Application of **Alavida**:
 - For unregistered marks, court should only consider the manner in which they have been used
 - For registered marks, court must consider terms of TM registration, entire scope of rights granted
 - When confusion is alleged in respect of several diff marks, should analyze each one individually
 - Whether a likelihood of confusion exists = fact-finding exercise, court will defer to TJ's findings unless entirely erroneous
- Error of law in interpretation/application of confusion test
- Application of **s.6(5)** factors

Depreciating the value of Goodwill attaching to the TM: s.22

Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée (2006): (famous champagne brand alleging confusion and/or depreciation of goodwill by clothing boutique TM) Consumer who saw the word would not make any link or connection; neither claim established, appeal dismissed.

- Test for **confusion** = matter of first impression in the mind of a **casual consumer somewhat in a hurry**
- Fact of being well known does not by itself provide absolute protection (similar to *Mattel, Pink Panther*)
- Application of **s.6(5)** factors
- Onus on appellant to prove likelihood of confusion (BoP) and likelihood of depreciation
- **S.22** has 4 elements:
 - 1) Claimant's registered TM was used by D in connection w/ wares or services
 - 2) registered TM is sufficiently well known to have sig goodwill attached to it
 - 3) mark was used in a manner likely to have an effect on that goodwill
 - 4) likely effect would be to depreciate the value of the goodwill
- In this case- **claim fails at 1, 3 and 4**

Civil Remedies

- **s.53** = general remedies provision
 - injunction, recovery of damages or profits, court order
 - Bill C-56 would add punitive damages
- Interlocutory (pre-trial) injunction may be possible? American Cyanamid approach:
 - 1) **serious issue to be tried**
 - 2) **P would suffer irreparable harm; damages would not provide an adequate remedy**
 - 3) **balance of convenience lies in favor of P**

Crim Offences

- Bill C-56 would add crim penalties, strengthening legislation against counterfeit products

International Aspects

- Special rights for applicants that have previously registered the same TM in another country of the union:
 - Registrability requirements are slightly altered- see **s.14**
 - Applicant is entitled to have the date of the Canadian application backdated to the date on which it filed its first application in another country (if no more than 6 months have elapsed- see **s.34(1)**)
- Owner of TM abroad (registered or unregistered) also has benefit of the "making known" provision in **s.5**
 - Person acquires same rights as if they had actually used the mark in Canada

PATENTS = protect inventions: “any new/useful art, process, machine, manufacture or composition of matter”

- Entirely statutory, purpose to give the inventor full enjoyment of monopoly for a limited time period

S.42: exclusive right, true monopoly on a product

S.43: monopoly expires 20 years from filing date

S.28: diff btwn claim date and filing date

S.27: application process; specification = disclosure + claim

- **Must be useful, novel, and non-obvious** as of the filing date

s.27(3): disclosure requirements (*Pfizer*)

s.27(8): a “mere scientific principle or abstract theorem” cannot be patented (*Schlumberger*)

s.45: presumption of validity

s.47: reissuance- within 4 years, can surrender patent and obtain a new patent for the same invention w/ an amended description and specification

Teva Canada Ltd v Pfizer Inc (2012): (generic brand vs. Viagra) Pfizer’s patent invalid- app failed to satisfy **disclosure requirements under s.27(3)**; did not specify the compound that works, required further testing.

- Sufficiency of disclosure lies at the heart of the patent system
- **Policy**: inventor is granted exclusive rights in a new and useful invention for a limited period in exchange for disclosure of the invention so that society can benefit from this knowledge (*quid pro quo*, encourages innovation, advances sci/tech)
- **S.58**: If any claims are void for failing to meet s.27 requirements, any valid claims nevertheless survive
 - However, must consider specification as a whole
- **S.53(1)**: Patent will be void if proper disclosure is willfully withheld “for the purpose of misleading”
 - Willful intent to mislead- not established in this case
- **Description must be such as to enable a person skilled in the art or the field of the invention to produce it using only the instructions contained in the disclosure**
- **Must be able to use the disclosure to replicate the invention, w/o further experimentation**

Shell Oil v Canada (1982): (mixture of compounds regulating plant growth, claim for a patent in the composition) Patentable- new means of regulating plant growth = “**new and useful art**” having economic value

- Generally- no invention in a composition; no inventive ingenuity in mixing compounds
- However, **idea/art is patentable if it has a method of practical application**

Lawson v Commissioner of Patents (1970): (subdivided parcel of land) Not patentable; method of subdivision not an art or manufacture, more like a plan/belonging to a profession. ***Issue of abstractness.**

- **Manufacture- requires a vendible product, some change in character/condition of material objects**

Medical Patents: (note that s.41, previously prohibiting med patents, has been repealed)

- **Patentable** = claim to a **vendible product**, including a substance intended for the treatment of a condition
 - i.e. substance X for the treatment of Y, substance X in the form of a 5 mg tablet for treatment of Y
- **Not patentable** = claim that encompasses the skill of a med professional
 - i.e. closure of a surgical incision by the use of adhesive X, use of substance X in a dosage range btwn A and B for the treatment of X

Tennessee Eastman Co (1972): (patent sought for surgical adhesive, known substance but new application)

Methods of medical treatment are not patentable → non-economic, unrelated to trade, industry or commerce.

Computer Patents:

- **Patentable** = program + hardware, novel combination
- **Not patentable** = program/way of manipulating data, mere algorithm or series of abstract steps

Schlumberger Canada Ltd (1981): (comp program measuring soil characteristics through borehole) Not patentable; only novel aspect of the claimed invention was a math formula- merely the discovery that certain **calculations/measurements** can provide useful info. ***Issue with abstractness**

- **General rule:** set of computations/math formulas, no matter how complex → not patentable
 - = **mere scientific principle or abstract theorem, s.27(8)**

Re Appl'n of Int'l Business Machines Corp (1984): (method of storing data for text processing system) Method of storage more than a calculation, patent granted. Emphasis on **physicality; instructions + hardware**

Amazon.com Inc (2011): (one-click ordering system; claim for the method and system of ordering an item) Amazon's appeal allowed, Commissioner required to re-examine the application → **system is patentable.**

- **Purposive construction** of patent claims is required
- Physicality requirement cannot be met by practicality
- However, it is possible to patent something that is not physical in a strict sense- novel business method may be an essential element of a valid patent claim

Elements of art: (from the case law)

- 1) must not be a disembodied idea but have a method of practical application
- 2) must be a new and inventive method of applying skill and knowledge
- 3) must have a commercially useful result

Living Matter:

Harvard College v Canada (2002): (patentability of higher life form, oncomouse) **Mouse not patentable**, Parliament did not intend to include higher life forms (plants or animals) within the defn of invention.

- Highly contentious and complex; raises serious practical, ethical and environmental concerns
- Patenting higher life forms would involve a radical departure from trad patent regime
- Problem w/ self-replication of life forms, scope of patent
- Defn of invention is broad, but not unlimited
 - "Machine/manufacture" does not imply a conscious, sentient living creature
 - "Composition of matter" is best read as not including such life forms
- however, genetically altered egg could = composition of matter
- Issue w/ drawing lines btwn life forms, higher vs. lower organisms

Plant Breeders' Rights Act: suggests that plant varieties deserve some form of IP protection despite the fact they often don't meet criteria of Patent Act

- If Parliament had intended to extend patentability to higher life forms other than crossbred plants, it would have done so; mechs other than the Patent Act may be used to encourage inventors to undertake innovation in the biotech field

Monsanto Canada Inc v Schmeiser (2004): (unlicensed use of Roundup-Ready canola containing a patented cell) Infringement of patent; **gene and single cell are patentable.**

Novelty: in relation to what has been published, not what has been invented

- 1) Anticipation- where a previous patent has duplicated the applicant's invention (= not novel)
- 2) invention already available to the public (= not novel)
- **S.28.2:** 1 year grace period to apply for patent after publishing the invention
 - Disclosure to public- by printed or oral publication, or by releasing a sample of the invention

Apotex Inc v Sanofi-Synthelabo Canada Inc (2008): (selection patent- fraction of a larger known class of compounds which was the subject of a prior genus patent) **Selection patent is valid;** genus patent did not disclose the special advantages of the invention, did not anticipate the selection patent.

- **Anticipation:** disclosure + enablement stage

- 1) Genus patent must disclose the special advantages of the 2nd invention (no trial and error allowed)
- 2) Skilled person must be enabled to make the invention w/o undue burden (some trial and error allowed)

Selection patent:

- 1) must provide a substantial advantage by the use of selected members
- 2) whole of the selected members possess the advantage in question
- 3) selection must be in respect of a quality of a special character peculiar to the selected group

Domtar Ltd v MacMillan Bloedel Packaging Ltd (1977): (“combination” design for beer bottle carton) **Not a combination but an aggregation**, all elements perform indep functions → no novelty, not patentable.

- Note: where old integers placed together have some working interrelation producing a new or improved result = patentable combination

Obviousness: relates to novelty

- **S.28.3:** subject matter must not have been obvious on the claim date to a person skilled in the art or science to which it pertains
- Test = **whether a skilled person would have come directly and w/o difficulty to the solution “in light of info available on the claim date”** (some trial and error is permitted, *Sanofi*)

Apotex Inc v Sanofi: Allegation of obviousness not justified; since the selection of the isomer was **not obvious, not even obvious to try**. Significant experimentation was required to discover it.

Utility: must be useful; invention described in the patent must do what it says it will do (*Teva v Pfizer*)

Whirlpool Corp v Camco Inc (2000): (2-piece dual action agitator in washing machines) Rigid vanes essential to the original patent, subsequent patent for flexible vanes considered valid.

- **Purposive construction** of patent claims requires interpretation in light of the whole of the disclosure
- Test = **what a person skilled in the art would consider to be the essential elements of the patent, at the date of publication**

Monsanto: S.42 infringement; Monsanto was deprived of monopoly on patented cell and gene, Schmeiser clearly saved, planted and harvested the cell/gene in the context of commercial or business interests.

- Purposive and contextual interpretation of “use”, with regards to case law → connotes commercial activity
- Possession raises a rebuttable presumption of use
- Inventor entitled to portion of infringer’s profit which is causally attributable to the invention (in this case- no profits “as a result of the invention”, Monsanto entitled to nothing on claim of account)
- **Idea that using an unpatentable thing, containing a patented element- can be infringement**