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# Basic Purpose of Trademark Law

1. IDENTIFY **SOURCE** – Identify source of goods or services
2. **DISTINGUISH PRODUCTS**– one trader’s goods or services from those of others
3. INDICATE **QUALITY** – signify a certain level of quality for goods

# DEFINITION: Trade-mark (Trademark Act s2)

S2:

1. **a mark that is used by a person for the purpose of distinguishing… wares or services manufactured, sold, leased, hired or performed by him from those …[of] others**
2. **A certification mark**
3. **A distinguishing guise**
4. **A proposed trade-mark**

* Mark: word, symbol, sound, color, combination of letters, numbers, pictures, etc.
* **The mark must actually be used**
* **Purpose of use is to distinguish a person’s goods and services from those of another**

# 1. Distinctiveness

2(a): “Trademark” is **a mark that is used by a person for the purpose of distinguishing… wares or services manufactured, sold, leased, hired or performed by him from those …[of] others**

18(1) The **registration of a trade-mark is invalid if**…(b) **the trade-mark is not distinctive** at the time proceedings bringing the validity of the registration into question are commenced

* Loss of distinctiveness can thus cause your TM to be invalidated

12(2) Acquired distinctiveness (see below)

## Distinctive (Trademarks Act s2)

“distinctive”, in relation to a trade-mark, means a trademark that **actually distinguishes the wares or services** in association with which it is used by its owner **from the wares or services of others** or is adapted so to distinguish them”

* **Must distinguish from products of others (not between own products)**
  + **EG: “Hewlett Packard” = distinguishing;**
  + **“Laserjet 1100A” = does not distinguish from products of others** (distinguishes from other HP products)

**ACTUAL DISTINCTIVENESS =**

Inherent Distinctiveness + Acquired Distinctiveness (well-known marks) – Loss/lack of distinctiveness due to others activities (e.g. not enforcing against others, becoming generic)

## Inherent Distinctiveness: Levels of protection

* **Inherently distinctive (best)**
  + Made up: EXXON, KODAK
  + Arbitrary in their business: CHEVRON, APPLE
* **Suggestive of brand function or results (OK)**
  + GREYHOUND, COPPERTONE
* **Descriptive = ALL-BRAN, UNIVERSITY OF BC**
  + **Can be protected if one can argue for acquired distinctiveness under 12(2) (see *Molson v John Labatt*)**
* **Generic (no protection)**
  + ESCALATOR, ZIPPER

## Acquired distinctiveness (EXCEPTION to prohibited registrations)

**Section 12(2)**: A trademark that is not registrable by reason of s12(1)(a) or (b) is registrable if it has been so used ***in Canada*** by the applicant or his predecessor-in-title as **to have become distinctive** at the date of filing and application for its registration

**Section 12(1) prohibits registration of trademarks that are:**

* Names (s12(1)(a))
  + Calvin Klein, Cartier
* Descriptive of character or quality (s12(1)(b))
  + E.g. “All-bran” (was able to register under 12(2) exception based on sales evidence and advertising, prominence
* Geographically descriptive (s12(1)(b))

### Test for Acquired Distinctiveness Exception (Molson v Labatt)

1. **Must have acquired distinctiveness *as of filing date*** (note that once found to be distinctive, cannot be invalidated merely on grounds that evidence of distinctiveness was not submitted before the registration) (18(2))
2. **Must prove mark is recognized *by a substantial portion of Canadian public as distinguishing the source of the goods/services*** (*Molson v John Labatt –* must be recognized separately from association with the brand e.g. EXPORT alone not sufficiently recognized)

#### Molson v Labatt (“EXPORT”)

* Molson applies for TM in association with “export” name on beer; they admit it is descriptive but must argue for the exception under 12(2)
* Court holds that Molson’s EXPORT is known but **“export” alone *had not acquired sufficient distinctiveness to be registered as an independent trademark***

## Loss of distinctiveness

**1) Common public usage - genericization**

**2) Failure to prevent others’ usage**

* Brands attempt to prevent this by including product descriptions to avoid their TM becoming synonymous with the product (“Kleenex facial tissues”, “Xerox copy machines” “Googling – dictionaries must define as ‘using Google’ services”
* **Also includes use of same mark by two companies for similar products/services (bad licensing)**

## Foreign Marks and Distinctiveness

* **Foreign marks not used in Canada can impact distinctiveness of a mark in Canada only if the foreign mark has a reputation in Canada that is ‘substantial’, ‘significant’, or ‘sufficient’** (Bojangles’ International LLC v Bojangles Café Ltd)

#### Motel 6

* Facts:
  + Canadian company tries to register as “Motel 6”; the US company successfully defended their trademark in Canada despite only having locations in the US
* CANNOT REGISTER Motel 6 in Canada because:
  + **Substantial evidence that Canadian tourists made up a substantial portion of tourists to the US locations**
  + Also that the Canadian Motel 6 was trying to be intentionally deceptive and ‘leech off’ the US brand’s success

## Distinguishing Purpose (not distinctive)

* Where a mark is used for a purpose other than to distinguish 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 – *Bombardier v British Petroleum Co Ltd*

### Bombardier v British Petroleum

* Use of word “skidoo” was not distinguishing but rather to provide information (therefore not used as a TM in association with the product)
* Facts:Bombardier uses “skidoo” on their bottles of Castrol oil; BP wanted to produce SKIDOO 23 oil
* Issue: is “skidoo” being used as a trademark on the Castrol bottles?
* **Held: as used in this case, it was for informational purposes, not for distinguishing from others** 
  + The words “ski-doo” were included on the bottle to indicate it worked with skidoo products, not as a TM to distinguish the oil from other oils – “Castrol” was for that purpose

### Clairol

* Revlon compared their results with Clairol’s results on their packaging
* **Held: was not using the TM’d colour chart for distinguishing purposes but rather for other informational purposes – therefore no infringement**
  + The chart was not used to distinguish Clairol’s products from others, but rather to serve as a reference to consumers wanting to colour match

# 2. Use - Section 4

**Trademark =** (a) a mark that is used by a person… (*TMA* s2)

* **Use is important for:**
  + 1) to register a mark
  + 2) to preserve registration: must prove use if reg’d based on “made known”, foreign registration, or priority registration (Paris convention)
  + 3) to establish entitlement to registration against others (if unreg’d)

**Use =** Any use that is by section 4 deemed to be a use in association with **wares and services** (*TMA s2)*

## Use with Wares (s4)

* **Note that advertising is not sufficient for “use” (unlike services, where ads are maybe sufficient)**

**S4(1)** “A trademark is deemed to be used in association with **wares,** if, at the time of the transfer of the property in or possession of such wares, **in the normal course of trade**, it is **marked on the wares themselves** or **on the packages in which they are distributed** or it is in **any other manner so associated** with the wares **that notice of the association is then given to the person to whom the property or possession is transferre**d”

* Requires
  + Marked **on the wares**
  + **Marked on the packages**
  + **Or otherwise associated with the wares themselves**

### ...in the normal course of trade…

**Generally requires commercial sales of at least more than one product UNLESS part of your normal course of trade is not to have sales yet** then sales might not be required– e.g. pharmaceuticals and long market testing periods

* Siscoe Vermiculite Mines v Munn & Steele(samples = not use)
  + **Shipment of samples into Canada that was labeled with the TM is not sufficient for use (no money, no sales = not in the normal course of trade)**
* Grants of St James v Andres Wines (test marketing = not use)
  + **Two shipments of wine sent for the purposes of test marketing does not constitute “in the normal course of trade” for trademark use**
* Saft-Societe des Accumulateurs… v Charles le Borgne (single sale = not use)
  + **Single shipment of flashlights to a sister company which did not sell flashlights or anything similar; not “in the normal course of trade”**

**Purpose: prevent proliferation of TMs that are not really being used in the country**

### Marked on the wares themselves or on the packages in which they are distributed

* + E.g. stickers on oranges, or on the box if the wares are small;

### Other “use” in association with wares

* Hang tags, display racks can also count (e.g. gore-tex tag on a jacket sprayed with their special waterproofing)

### Software

#### BMB Compuscience v Bramalea

* Facts: The program (NETMAIL) was downloaded on a computer system before the computer itself was given to the consumer; but no package etc.
* **Held: sufficient to prove use in a manner associated with the wares:**
  + Presented under the trademark during demo presentations,
  + Trademark was used to bring up the software when using the computer

## Use with Services s4(2)

* “A trademark 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**, the service must not only have been advertised in Canada but accessible and used in Canada (*Porter v Don; Saks v Registrar*)

* Note that “use” means *purchased in Canada* (not purchased by Canadians generally): this is determined based on location of purchase, not residency

#### Porter v Don the Beachcomber (Ads without use)

* A service must be available in Canada to constitute “use”, **not just advertised here**
* Facts: Don is a restaurant in Hollywood, California, and has done some advertising in Canada although their proof of ads was not clear
  + Application approved on basis of it being “made known” in Canada (s16(1)), registrar later requires evidence of use as per (what is now) s45(3); they send a couple ads

#### Saks & Co v Registrar of Trade Marks (Ads and use)

* Facts: Canadian customers ordering goods by mail or shipment from Saks; they had accounts and there was evidence of lots of advertising by Saks in Canada; had guarantees and warranties for Canadian customers, but stores themselves were located only in the US
* **Held: Sufficient to satisfy ‘use’ requirement in Canada in this case because services were accessible and used by Canadian customers**

### Internet Advertising

Ability to access the ad online in Canada constitutes sufficient “use” for the sake of services regardless of where the ad is placed/hosted (*Homeaway.com v Hrdlicka)*

#### Homeaway.com v Hrdlicka (Ads and Use)

Facts: Application for “VRBO” trademark in Canada when homeaway already used it for the same US services (which some Canadians used)

**Held: on the internet, accessibility means the ability to access in Canada, regardless of where the servers are located**

* Note: if you couldn’t actually *use* the site as a Canadian, this might not qualify as ‘use’ because it would be closer to Don (ads without use) than Saks (where there was both ads and use)

## Use by export s4(3)

* “A trademark 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”

# Registration: Grounds & Process

REMEMBER: registering a business name under *Corporations Act* etc. **does not get you trademark protection**

Registration is not required! But you can only enforce your trademark in the area **where you are known** unless registered

## Advantages

1. National protection
   1. Registered marks have right to exclusive use Canada-wide even if the mark is not used throughout Canada – the wording of the act is such that it provides national protection
   2. **Unregistered marks have protection only in the geographic area in which the TM is used**
2. Limited incontestability – section 17
   1. Protects you from previously used marks you did not know about that might have been in use before you: **after 5 years of registration, the other user can only expunge your registration if they can prove you *knowingly* used their trademark**
3. Foreign applications
   1. Some require you to be registered in your home country before you can register elsewhere
4. Convention priority claim – section 34
   1. Paris convention – most countries are signatories
   2. If you file in your home country first, you can file in other countries (later) as well and get the ‘effective’ date as the filing date in your home country
   3. This is useful in cases where there are competing marks
5. Deters others from adopting a confusing trademark
6. Easier to enforce

## Application Requirements

* Select trademark
* Conduct a search (sort of optional)
* File application

### Grounds for Application

**Section 16 – grounds for filing applications (need at least one)**

1. **mark used in Canada – s16(1)**
   1. Registrable as long as it was not confusing with a previously-existing or registered mark at the time it was first used
2. **mark is “made known” in Canada – s16(1) and s5**

s5: “a TM is deemed to be made known…only if it is used by that person in a country of the Union, other than Canada, in association with wares or services and

(a)the wares are distributed in association with it in Canada, or

(b) the wares or services are advertised in association with 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

* Spillover advertising from US would count to get past the initial application qualifications, e.g. Whitecastle
* **Must later prove use** (*See Don the Beachcomber – use not proven)*

1. **mark registered and used abroad – s16(2)**
2. **intent to use trademark – s16(3)**

* This is quite strict in the US – you need some evidence of real intent to use (e.g. external memos) – somewhat less strict in Canada
* This might be advantageous to:
  + Test the mark (see if it gets rejected)
  + Preserve it for yourself
* Note that you must later prove use if you do this
* **Application must list all goods/services with which the TM will be associated**
  + Generally advisable to list a wide range of goods if you aren’t sure; you can later drop or delete ones you will not use, but harder to add additional ones etc

### Examination of applications

* Examiners’ duties (Section 37(1))
  + (a) check formalities – s30
  + (b) ensure application adheres to provisions of s12 (e.g. 12(1)(d) – confusing with registered trademark)
  + (c) search trademarks register for confusing previously-filed pending applications

### Response Period (if necessary)

* Examiners will issue a report telling you what problems your application might have, then you get a chance to respond

### Publication

* Upon approval, it is published in the Trademarks journal (gov document published every 2 weeks)
  + Why? To give an opportunity to the public to watch for marks that are confusing with their own or clients marks
  + **2-month opposition period after publication allows for any party to oppose the application**

### Opposition

* Before an admin tribunal, all evidence is written, does have cross-exam
* **S38(2) grounds for opposition:**
  + **(a) non-compliance with s30**
  + **(b) non compliance with s12**
  + **(c) applicant is not the person entitled to registration – s16**
  + **(d) not distinctive – s2**
* Once application is past the 2-month opposition period, if not opposed it will be approved and a registration fee must be paid
* IF FILING BASED ON USE: this is the end

### Declaration of Use

S 45(1) Allows registrar to request proof of use at any time after three years from the date of the registration: must prove **use in association with each of the wares and services specified during that three year period**

S 45(3) “Where, by reason of evidence furnished to the Registrar or the failure to furnish any evidence it appears to the Registrar that the trade-mark, either with respect to all of the wares or services specified in the registration or with respect to any of those wares and services, was **not used in Canada at any time during the three years immediately preceding the date of notice and that the absence of use has not been due to special circumstances…the registration is liable to be expunged**

* **If application is based on intention to use or a mark being “made known”**
  + This doc requires you to swear that there has been use of the trademark since the filing of the application
* **If there is delay and you have not used it yet**, you can apply for extensions for filing this (6-month extensions; requires a nominal excuse such as ‘still doing market research’; after about 3 years of extensions might lose it)

### Period of Validity & Challenges

* TMs must be renewed every 15 years after initial registration
* For 5 years from date of registration people can still contest based on a claim that they previously used it
* After 5 years you are infallible unless someone can prove you knowingly copied their previously used mark

## Entitlement (s16) - Competing Trademark Claims

**Remember: entitlement is relevant not only in terms of who gets the mark but also when the mark is said to have been registered – if entitlement is found a TM application can be deemed to belong to the entitled party**

**Depends if the application is based on:**

**Use or making known in Canada: the relevant date is the date of first use or making known (s16(2))**

**Use and registration abroad: relevant date is effective filing date (s16(2))**

* The actual date you file your application IN CANADA **unless Union country, in which case the date is your priority date –the date of application in your home country**

**Intent to use: relevant date is effective filing date (or priority date if foreign as per) (s16(3))**

**Priority - IF REGISTERED IN UNION COUNTRY: s34(1) “When an application…has been made in any country of the Union other than Canada and an application is subsequently made in Canada for registration in association with the same wares and services** for the same or substantially the same trademark by the same applicant, ***the date of filing of the application in the other country is deemed to be the date of filing in Canada***

### Co-Pending Confusing Applications

Applications will be dealt with on a first-come first-served basis in terms of approval process, regardless of their grounds (first use, etc.); challenges can be brought subsequently upon opposition (*Effigi Inc v Canada (AG))*

S37(1) The registrar shall refuse an application for the registration of a TM if…

(c) the applicant is not the person entitled to registration of the trade-mark because it is confusing with another TM for the registration of which an application is pending

#### Effigi Inc v Canada (AG)

* Facts:
  + E files first – grounds for application = intent to use
  + T files after E – grounds for application = use of mark before E’s filing date
* Held by FCA:
  + **T’s application is refused and cannot be cited against E because T is not the person entitled under s37(1)(c) – their application is confusing with E’s**
  + “First come first served”
    - E had no confusing co-pending application when it filed
    - T had E’s confusing co-pending application when it filed
  + **T’s alleged prior use can be made the subject of evidence in an opposition to E’s earlier-filed application** but not cited against the application during examination
    - Note if they miss the 2-month opposition period, they must go through the expungement procedure instead before filing their own trademark

# Registrability

S18(1): Registration of a TM is invalid if:

1. The TM was not registrable at the date of registration

* **Registrability may be challenged:**
  + During initial examination by official
  + During opposition proceedings (opposition tribunal body)
  + After registration through expungement (on the basis that it was not originally registrable (happens at federal court)

## Summary: cannot register as per s12(1)

S12(1) the following are non-registrable:

(a) Personal names

(b) Clearly descriptive or deceptively misdescriptive marks

(c) name of the wares **in any language**

(d) confusing with registered trademark

(e) marks prohibited by s9 or 10 (gov marks, profane, regional)

(f) denominations prohibited by s 10.1 (plant names)

(g) geographical indications with respect to wine

(h) geographical indication with respect to spirits

(i) Olympic & Paralympic marks

**Remember: this does not mean you cannot use the mark, you just can’t register** it

* S12(2): exception if you can show that the mark has acquired distinctiveness

### Note: Acquired Distinctiveness Exception: applies for 12(a)(b)

12(2) A trade-mark not registrable under 12(1)(a) or (b) can be registered if acquired distinctiveness

1. **Must have acquired distinctiveness *as of filing date*** (note that once found to be distinctive, cannot be invalidated merely on grounds that evidence of distinctiveness was not submitted before the registration) (18(2))
2. **Must prove mark is recognized *by a substantial portion of Canadian public as distinguishing the source of the goods/services*** (*Molson v John Labatt –* must be recognized separately from association with the brand e.g. EXPORT alone not sufficiently recognized)
   1. *Molson v Labatt*
      * Molson applies for TM in association with “export” name on beer; they admit it is descriptive but must argue for the exception under 12(2)
      * Court holds that Molson’s EXPORT is known but “export” alone *had not acquired sufficient distinctiveness to be registered as an independent trademark*

## Personal Names 12(1)(a)

**S12(1)(a) Cannot** trademark a word that is **primarily merely** the name or surname of an individual who is living or has died within the preceding 30 years [NOT JUST GIVEN NAME]

* **Name** = word or combination of words by which a person is regularly known. **It is a full name, not merely a given name** (unless you are like Madonna)
  + **Name can be** something other than formal, legal names (e.g. Pele)
* **Surname** = family name
* **Note:** If the TM is a full name (Marco Pecci) it does not matter if there are people named Pecci, so long as nobody named MARCO Pecci
  + **By contrast, if just the last name is use (e.g. *Fior*) then** you need only find someone with that last name (*Standard Oil v Registrar)*

### TEST: registrability of a name

1. **Is it a real name** of a living person or someone who died within the past 30 years?
   1. If not, mark is not contrary to section 12(1)(a)
   * This **includes people anywhere in the world with that name**
   * **Fictitious but real-sounding names are ok** 
     + *Marco Pecci* case – the name was completely fictitious and registration was allowed because there was no evidence it was a real person (Gerhard Horn Investments v Registrar)

**2) If mark is a name/surname of an individual, is it “primarily merely”** a name/surname?

* **"Primarily Merely" -->** Registrar of Trademarks v Coles Book Stores
  + Facts: Coles is a surname; issue was whether it was ‘primarily merely’ a surname
  + Analysis:
    - COLES can also be used to refer to cabbage **but this meaning is rarely used**
  + **Held: Coles is not merely a surname but is primarily merely a surname, therefore it is not registrable**
    - Regular person would not recognize it as referring to anything other than a surname
  + NOTE: Coles is now a registered trademark because they filed a new application arguing that they have **acquired distinctiveness: exception under 12(2)**

## Descriptive & Deceptively Mis-descriptive Marks 12(1)(b)

**S12(1)(b)**: trademark cannot be a word that is “…**whether depicted, written or sounded** (corrupted spellings), either **clearly descriptive or deceptively mis-descriptive** *in the English or French language* of the character or quality of the wares or services in association with which it is used or proposed to be used or the conditions of or the persons employed in their production or of their pace of origin”

* **Policy reasons:**
  + Prevent appropriation of one trader of descriptive words, preventing others from using them
  + For misdescriptive, issue is to protect consumers

### Basic Test for Descriptiveness / Misdescriptiveness

* **English or French** (can have description in other language)
* **Based on immediate first impression**
* **Applies to an intrinsic characteristic or quality** 
  + ***Provenzano v Registrar***: “KOOL One” for beer
    - **Not clearly descriptive** **because does not apply to an intrinsic quality of the beer**
    - Describes an external factor (its temperature) that consumers know is not a part of the product
* **Includes description of function, purpose or effect**
  + *Thomson Research v Registrar*
    - ULTRA FRESH for antimicrobial treatments found clearly descriptive
    - Refers to OFF! Case 🡪 SCC found OFF! For insect repellent clearly descriptive
* **Includes corrupted spellings**
  + **S12(1)(b)** whether depicted, written, or sounded
    - **E.g. “kold”, “cheez”, “sta-zon”**
* **Laudatory Words are descriptive (see below)**

### Clearly Descriptive

* **Clearly (**but does not have to be accurately) **descriptive of character, quality, or function of the wares or services based on first impression;** cannot be merely suggestive (must be material to the composition of the goods or product) (*Provenazo)*
  + **Laudatory words** are assumed to be clearly descriptive
    - E.g.: extra (*Re Molson Companies Ltd. and John Labatt Ltd. et. Al)*, premium, super, supreme, right (*Imperial Tobacco v Benson & Hedges)*
    - **BUT OK** if combined with distinctive elements
      * **ESSO SUPREME**
      * Super 8 Motel
  + **Must be considered in context of the wares it is used for**
    - (e.g. OFF! not laudatory *per se* but is in association with the particular wares) (*SC Johnson & Son v Marketing Int’l)*
    - Do not carefully and critically analyze the word to see if it has alternate applications when associated with certain wares – just look at it in the context it is used
  + **Can include description of the function of the wares (*OFF,* ultra fresh)**

#### Imperial Tobacco v Benson & Hedges (“right”)

* Facts:
  + Benson & Hedges application to use the word “right” as the name of cigarettes suggests some quality or correctness of usage, which is too descriptive of quality (proposed use)
* **Reasoning:**
  + Dictionary meanings: “suitable, property, satisfactory”
* Rejected

#### Drackett v American Home Products (“once-a-week”)

* **Issue:** is the name “ONCE-A-WEEK” registrable for floor cleaner?
  + **NO: it is clearly descriptive, suggesting that the cleaner need be used only once a week –** “the words are not likely to serve any purpose other than to inform prospective purchasers of the frequency with which the product should be used”
* Terms:
  + **“first impression” is the test for descriptiveness**
  + **“clearly” means easy to understand, self-evident or plain**
  + Character means feature, trait or characteristic of product
* **Suggestive marks are OK**
  + For floor cleaners (accepted for registration):
    - Sparkling wave
    - Dustbane
    - Floor science

#### Thomson Research Associates Ltd. v Registrar (“ultra fresh”)

* **Facts:** rejection of application for “ultra fresh” as TM for bacteriostats and fungistats
* **HELD:**
  + **“ultra fresh” clearly descriptive** – deceptively misdescribes **their function** 
    - Descriptive of the condition of the thing the product is used on after treatment (the underwear)
  + No material distinction between this case and the *OFF* case

**SEE also** Provenazo (“kool one”)**: KOOL ONE for beer not clearly descriptive because not about intrinsic quality**

### Deceptively Misdescriptive

Must relate to the composition of the goods and falsely or erroneously describe something which is material or purport to qualify something as material to the composition of the goods when in fact it is not (*Provenazo v Registrar)*

#### Deputy AG v Biggs Laboratories (“shammi”)

* Want to use SHAMMI for gloves that did not contain chamois or shammy
  + **Sold as** “genuine Shammi utility glove”
* HELD: SHAMMI is deceptively misdescriptive: based on word shammy
  + “**an article advertised for sale as containing certain components…which it does not have, surely must be considered as deceptively misleading”**

#### Provenzano v Registrar (“KOOL ONE”)

* **“KOOL ONE”** for beer not clearly descriptive because **not about an intrinsic characteristic of quality of the product**
  + Distinguishes from ice cream, ices, or fridges (*Frigidaire* not allowed – *General Motors v Bellows; Tastee Freeze* also descriptive - *Tastee Freeze International v Appln*), the temp at which it is delivered has nothing to do with the product itself
  + “words must somehow relate to the composition of the goods and falsely or erroneously describe something which is material or purport to qualify something as material to the composition of the goods when in fact it is not
* NOT deceptively misdescriptive because no chance someone would be deceived into thinking the promise was for cold beer

## Name of the Goods or Services in any Language 12(1)(c)

Section 12(1)(c): “the name in any language of any of the wares or services”

* E.g. GUK (Korean for “soup”)
* Note that *clearly descriptive marks in other languages are ok* 
  + E.g. Mas-Issneun – Korean for delicious

## Confusing s12(1)(d)

Cannot register **if confusing with a registered trademark -** S12(1)(d)

**Confusing** = “a trademark the use of which would cause confusion in the manner an circumstances described in s6” (s2)

* S6: the trademark causes confusion **if the use of both trademarks in the same area is likely to lead to the inference that the wares/services associated with the trademarks are made/performed by the same person**

### Determining Confusion - section 6(5)

**Key principles:**

1. **Distinctive marks get more protection than descriptive ones**
2. **Average Purchaser Test**
   * Imperfect recollection, somewhat in a hurry (no time to do research)
3. **Test of First Impression**
   1. Not after deliberation, etc.
   2. Does not particularly matter if a service is more expensive and thus more likely to elicit consumer research since it is FIRST IMPRESSION – not after research (*Masterpiece Living)*
4. Look to **entirety of the mark – do not dissect or compare portions of marks**
5. Confusion is **inferred: actual conflicting use or use in different geographic areas is irrelevant** (just pretend they will be used in the same place)

**“**the test to be applied is a **matter of first impression in the mind of a casual consumer** somewhat in a hurry who sees the mark, at a time when he or she has no more than an imperfect recollection of the prior trade-marks, and does not pause to give the matter any detailed consideration or scrutiny, nor to examine closely the similarities and differences between the marks**”** *(Veuve Cliquot Ponsardin v Boutiques Cliquot –* cited in *Masterpiece Living*)

**Section 6(5): must look to all of the surrounding circumstances including:**

**Note: courts look to factors (c) and (e) first**

**(**a) inherent distinctiveness and extent to which they have become known

🡪 Distinctive marks get broader protection than descriptive ones

(b) length of time in use

**(c) nature of wares, services, business**

🡪 Are they in the exact same business?

(d) nature of the trade

* 1. What is the marketplace like?
  2. Consumers are public or other?
  3. What kind of stores are they sold in (e.g. online vs. hard-copy?)

1. **degree of resemblance** between the marks in appearance, sound or idea suggested
   1. **Look to the** dominant or striking aspects of the marks in particular, e.g. portions that are unusual or particularly distinctive (SEE *Mattell Inc)*

* **Do not take into account geographic area of use or intended use** – intention doesn’t matter because once it is TM’d they can use it in other ways that what they said they intended (*SEE Masterpiece Inc)*
* Do not take into account the cost of services or consumer likelihood of research (test of first impression) *(Masterpiece Inc)*

If the examiner cannot make up their mind, the default is to allow it to go forward to publication

* **If it is allowed to go forward, they may contact the registered trademark holder that it might be confused with, to let them know there is potentially a confusing one they may wish to oppose**

#### Mattel Inc v 3894207 Canada Inc (Barbie/Barbie’s)

* Likelihood of confusion not proven based on difference in industries, difference in the marks, no real confusion
* Facts:
  + BARBIE toys vs Barbie’s restaurant chain name – restaurant has registered their TM and BARBIE is trying to get it **expunged**
* Considerations – weighing the surrounding circumstances
  + **Look to the dominant or striking aspects of a mark**
  + Relevance of the **fame of the mark**
    - Public recognition of wide licensing of famous marks
    - Court recognizes the **possibility of granting broad brand recognition protection** for well-known brands – protection to a trademark in markets it is not yet in given the brand’s widespread nature (eg. Virgin)
      * **But in this case, there is no likelihood of real confusion**
  + Vast **difference in goods vs services**
    - The nature of wares/services is relevant but not a controlling consideration
  + **People are not dumb**
    - “we owe the consumer a certain amount of credit” – people are not dumb even when “casual and in a hurry”
  + **Absence of evidence of actual confusion** (restaurant had run for 10 years without evidence of confusion) – although not necessary, it helps
  + **Irrelevance of *mens rea***
  + **Survey evidence in assessing confusion – must phrase properly!**
    - Useless in this case because of the way the questions were asked, didn’t prove likely confusion and were irrelevant (“do you believe the company that makes Barbie dolls *might* have *anything* to do with this sign”)
    - Also excluded people aware of the restaurant – but they are regular population people so should b include
* **Held:**
  + **The *difference in markets* is sufficient to ensure no real confusion plus the other factors**
  + **Requires likelihood of confusion, not merely possibility** (as demonstrated by survey – possibility but not likelihood)

#### Masterpiece Inc v Alavida Lifestyles Inc

Facts:

* “Masterpiece living” vs “Masterpiece the art of living” (two diff marks both used for retirement services)
* Alvida registers for it, and 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

Reasoning:

* Test and approach for **confusion analysis:**
  + Importance of testing for resemblance
  + **Dominant or striking aspects of marks**
    - “living” is a common word, but **masterpiece** is the distinctive or 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*
* Considering mark **as applied for** vs as used:
  + **must look at mark itself, not its intended use**, because 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 because they are expensive services, people would do careful research and this would make it obvious that they were different companies
  + Court rejects this argument: cannot rely on consumer research etc. because the test is for **first impression by the consumer**

## Official and Prohibited Marks – NO EXCEPTIONS, NO USE

**s12(1)(e): marks prohibited by sections 9 & 10 cannot be registered**

**NOTE: these restrictions do not allow the 12(2) exception for acquired distinctiveness; NO USE at all**

**NOTE: these restrictions cover ANY USE regardless of the context or geographic area**

9(1) No person shall adopt in connection with a business, as a trademark or otherwise, any mark consisting of, **or so nearly resembling as to be likely mistaken for,**

* **Test for confusion under 9(1) – ONLY FACTOR is resemblance but higher threshold than regular confusion (likely to be mistaken for)**
  + Consisting of, or so nearly resembling, as to be likely to be mistaken for…
    - No restriction to particular goods or 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 **government** to register as official
* Can be invalidated if held to not have been “adopted and used” prior to its registration as an official mark
* Section 9(1)
  + Government or royal crests, certain flags, words like United Nations, RCMP, Red Cross symbol, armed forces marks, words/symbols indicating government approval s9(1)(a)-(i), (m), (n)(i), (o)
  + Marks of universities s9(1)(n)(ii), includes uni sports teams
    - Just needs to notify the registrar, does not need to go through full registration process
    - Does not need association with particular goods or services
    - Covers the use of the university name in any context and any business (UBC cannot be used for anything e.g. restaurant or so on)
  + Official marks of public authorities s9(1)(n)(iii)
    - **Two-part test for “public authority”**
      * 1) government control (by a level of government in Canada: ***Canada Post Corp v US Postal******Services****)* 
        + Requires ongoing supervision, possibility for direct government control (can ask them to undertake certain activities), gov must be able to review their activities – so some substantial level of control
      * 2) AND public benefit
    - CBC, National Research Council, Law Societies, Municipalities, etc.
  + Scandalous, obscene or immoral words or devices (logos) s9(1)(j)
  + **Any matter falsely suggesting a connection with a living individual** s9(1)(k)
    - “Here’s Johnny” for porta-potties
    - FARA for women’s wear (Fara Fawcett) – this one was allowed to register
  + Portrait, signature of an individual who is living or has died within the preceding 30 years s9(1)(l)
* Section 10: markers of quality, kind, or other designations used in ordinary and *bona fide* commercial usage
  + Recognized in Canada as designating kind, quality, quantity designation, value, place of origin, or date of production
    - Sterling (silver), Habana (cigars)
  + **Note that these might also be considered clearly descriptive, but you cannot acquire distinctiveness for s10 prohibited marks, so the significance of them being listed here is that you cannot acquire distinctiveness and get a trademark under s12(2)**

#### Canada Post Corp v US Postal Service (public body test)

* *USPS* tries to register for official marks in Canada; CPC opposes based on argument that the USPS is not a public authority in Canada so cannot register for official marks
* **Held:**
  + **Ability to register as public authority is limited to public authorities *in Canada only***
  + **Official trademarks** confer substantial benefits and should therefore be held only by bodies accountable to the Canadian electorate
  + **USPS IS NOT a public body**

# Non-Use: Use it or lose it

* Trademark registration can be lost if trademark is not used
  + Summary expungement under section 45
    - **Administrative proceeding**
  + Invalidation under section 18
    - **Full court proceeding**
* **Non-use can include use of a mark varying from the registered mark**
  + Policy reason: removes ‘dead wood’ from the register; other people may wish to adopt same or similar trademark *Wolfville v Holland*

## Expungement for non-use under Section 45

Section 45(1): The registrar may at any time and, at the written request made after three years from the date of registration…shall…give notice to the registered owner…requiring the registered owner to furnish within three months an affidavit or statutory declaration showing, with respect to **each of the wares or services specified in the registration**, whether a trade-mark was in use in Canada at any time during the three year period preceding the date of notice…”

Section 45(3): Where, by reason of the evidence furnished to the Registrar or the failure to furnish any evidence, it appears…that a trade-mark, either with respect to all the wares and services specified in the registration or with respect to any of those wares or services, was not used in Canada [during the preceding 3 years], without special circumstances, the registration is expunged or amended accordingly”

### Expungement Procedure

1) person makes request to registrar to send notice to registered owner

2) owner must show ‘use’ within the last three years for *each* good/service, or special circumstances excusing non-use (3 months provided to submit his evidence)

3) requestor and owner may file written submissions

* Three-year grace period after date of registration allowed for non-use
  + The three-year grace period only applies to those wishing to challenge it; technically registrar can expunge or send notice any time within that period
  + Fairly common and not particularly difficult

#### Plough (Canada) v Aerosol Fillers

* Issue around trademark PHARMACO; proof of use requested but when the affadavit was filed it only said “the mark was in use [on date Reg sent the letter] and is currently in use”
* HELD:
  + **Evidence proving use is required**, not just a statement from the company or its boss saying that they’ve used it
    - Invoices, photos, ads, etc.
  + Must show that they have used it prior to the date the affidavit is filed, not just “is in use as of this date and continuing to use it”

### Excusable Non-use

**Section 45(3):** “special circumstances that excuse the absence of use”

* Must be **the result of an external force, not voluntary act by TM owner** *(John Labatt v Cotton Club)*
* **Examples** of acceptable delay
  + Reliance on licensee for product, licensee goes bankrupt; trying to find new licensee but haven’t yet
  + Natural disaster destroys your factory
  + Legislative or regulatory changes require your product to have certain qualities that will take it off the market for a while
  + Basically, things **out of your control**

#### John Labatt v Cotton Club Bottling (“fifty fifty”)

* Facts: Cotton Club Bottling has FIFTY FIFTY, which was used for 20 days but not since; they argue that they are planning to use the mark ‘as soon as favourable market conditions are shown to exist’
* HELD: excusable absence of use must be the result of an external force, not voluntary acts of the trademark owner

Note: Differences with Section 18

* Administrative, so cheaper
* Usually happens when someone challenges attempts to register and you want to say no, its not in use

## Abandoning under section 18

18(1) The registration of a trade-mark is invalid if…(c) the trade-mark has been abandoned

Requires:

1. Non-use and
2. Intention to abandon (can be inferred but easily disproven) (*Philip Morris)*

* Section 57: Federal Court has exclusive jurisdiction in invalidation proceedings
* Differences with s 45:
  + Federal court, so more expensive
  + Higher standard (intention to abandon)
  + Usually used to defend when someone sues you for infringement, saying that theirs was abandoned first

#### Philip Morris v Imperial Tobacco (“marlboro”)

* **Mere non-use** is not sufficient; must have intention to abandon
* **It** is sufficient to **use a mark in small ways basically in order to keep it on the register**, because this will **disprove intention to abandon**
  + The use of Marlboro in some sales as well as the company’s willingness to litigate to protect the brand was sufficient to disprove intention to abandon

## Use of mark varying from registration (ss 18 & 45)

TEST: **still constitutes use if dominant features maintained and differences are so unimportant as not to mislead an unaware purchaser** (*Promofil v Munsingwear)*

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

#### Registrar v Cie Internationale…Honeywell Bull

* Use of “Bull” trademark is not the same as “CII Honeywell Bull”, so the “Bull trademark is abandoned
* The mark lost its identity and is no longer recognizable in its registered form – **the differences between the marks were more than “so unimportant that an unaware purchaser would be likely to infer that both, in spite of their differences, identify goods having the same origin”**

#### Promofil v Munsingwear (penguin logo)

* Change in logo will only cause abandonment if the marks differ in *more than petty details*
* Facts: Involved the two penguins – the original trademark is on a small one, but they now use a slightly bigger different one
* HELD
  + Test – use if dominant features maintained and differences are so unimportant as not to mislead an unaware purchaser
  + **The designs are different but they “differ only in petty details”** – the overall image is the same

# Trademark Infringement

## Registered Trademarks

### Who can sue for infringement?

* + Registered owner
  + Licensee (is licensed to provide the goods to the market)
    - Section 50(3): where owner refuses to take proceedings for infringement within two months of being requested by licensee, licensee may institute proceedings in its own name

### Identical Trademark - Section 19

19: “subject to sections 21, 32, and 67, the registration of a TM in respect of any wares or services, unless shown to be invalid, gives to the owner of the TM the exclusive right to use throughout Canada of the TM in respect to those wares or services”

* **Registration of a trademark for goods or services gives the trademark owner the exclusive right to use throughout Canada in respect of those goods or services** (S 19)
  + **Must be the exact same trademark in respect to the exact same goods or services** to fall under s19

#### Three requirements:

1. **Valid trademark registration**
   1. Recall: s18 grounds of invalidity

(a) not registrable: s12

(b) not distinctive: s2

(c) abandoned

(d) applicant not entitled to register: s16

1. **Unauthorized use** (within meaning of section 4) **of an *identical mark***

* *Mido v Turcotte*
  + Facts: reg’d MIDO for watches, suing for infringement by VIDO also in watches
  + HELD:
    - The infringement **does not fall under s19 because VIDO is not the registered TM**
    - (found to be confusing under s20 – see below)

1. **Identical goods services as those covered by the registration:**

* *Bonus Foods v Essex Packers* 
  + Facts: BONUS registered for human foods; defendants adopt the mark for dog food and are sued for infringement
  + HELD:
    - S19 **applies only to the goods for which the mark is registered** so not eligible here
    - (held to infringe under s20 – see below)

### Confusing Trademark – s20

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

#### Requires:

1. **V**alid trademark registration (section 18)
   * Recall: s18 grounds of invalidity

(a) not registrable: s12

(b) not distinctive: s2

(c) abandoned

(d) applicant not entitled to register: s16

1. **U**nauthorized sale, distribution or advertisement of any wares or services (interpreted to mean “use” within meaning of section 4)
2. **C**onfusing trademark or trade name (section 6(5) factors)

**Exceptions:**

* 20(1)(a) bona fide use of **personal name as trade name**

(b) bona fide use, other than as a trademark

* + (i) of the **geographical name of his place of business** or
  + (ii) of any **accurate description of the character or quality of his wares or services**

**In such a manner as is not likely to have the effect of depreciating the value of the goodwill** (*Bonus Foods v Essex*)

#### Mido G Schearen v Turcotte and Vido Engineering

* Facts: MIDO watches, defendant starts selling watches under VIDO
* HELD: **infringement**
  + Two marks will be confusing if the use of both marks in the same area would likely lead to the inference that the wares or services associated with these trade marks are manufactured or sold by the same person

#### Bonus Foods Ltd v Essex Packers

* Facts: BONUS registered for human food, defendant uses it for dog food
* HELD: **infringement**
  + Does not require actual confusion or actual use in same area
  + Defendant used “Bonus” as a trademark to distinguish his goods
  + **The use of the TM for canned dog food is likely to have the effect of depreciating the value of the goodwill attached to the name**

### Exceptions to Statutory Infringement

* **Note exceptions to section 20 above**
* **General exceptions to sections 19 and 20**

#### S21: concurrent use of confusing mark (good faith prior to registration)

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

#### S 32: marks can be territorially restricted

* Section 12(2) marks with acquired distinctness may be territorially restricted at registrar’s discretion depending on the area in which they are found to have established distinctiveness
  + **12(2) marks** – personal names, descriptive marks, etc.
  + E.g. proving distinctiveness may show you are only distinctive in BC, so you can only register in BC and only go after people in BC

## Passing Off (Common Law)

“no man may pass off his goods as those of another”

* **USE FOR**
  + **Unregistered trademarks (not covered by s19, 20)**
  + **Broader types of infringement (“get-up”)**
  + **BUT note that it is GEOGRAPHICALLY LIMITED**

### **Three requirements (**Ciba Geigy v Apotex Inc)

* Remember that this is geographically limited (unless mark is registered!)

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 labelling/packaging/advertising**
     + Using the same color scheme, fonts, etc. even if the words are different might count
   * **Geographic area** – goodwill is limited to area where business is done but can have broader coverage for “loss of control over potential use” if goodwill is established in the area (Orkin v Pestco)
     + Orkin is a US business 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 the mark cannot be used by Pestco
   * Note that if the defendant can show that there is no distinctiveness in the plaintiff’s trademark, then the plaintiff has no case
2. Misrepresentation causes deception of public
   * Defendant’s use of get-up **amounts to a misrepresentation that the plaintiff is the source of goods or services, or that the defendant is associated with the plaintiff**
   * **Deceptive intent is *not* required:** may be unintentional
   * **Must** cause deception within the actual area in which the goodwill is established (or loss of sales, damage to reputation, etc.)
   * **Note: court can consider get-up entirely, not just the word or specific trademark itself**
   * Tort is derived from the tort of deceit so that is where the requirement comes from (*Ciba)*
3. Actual or Potential Damage
   * Lost sales, damage to reputation, loss of control over the use of the get-up (*Orkin)*

## Passing Off (Statutory) – Section 7(b) (“get-up”)

* Section 7(b)
  + Cannot direct public attention to his wares services, or businesses in such a way as to cause or be **likely to cause confusion…at** the time he commenced business…with the wares or services of another

### Test (Molson v Moosehead)

* **Show that:** *(Molson v Moosehead)*
  + **1) First impression: likelihood of confusion**
  + **2) Acquisition of distinctive character in geographically relevant location**
    - (in this case, maritimes – *Molson v Moosehead*)
  + **3) Is there likely to be actual confusion given the geographic locations/markets of the products?** 
    - **Look to section 6 for** guidance on confusion – references to “in the same area” suggests there must be actual geographic likelihood of confusion

“I do not interpret 7(b) to mean that if there is a small brewery selling beer only locally in Yellowknife and another one selling beer locally only in Sydney, Nova Scotia, and if they use the same unregistered trade marks, that there is “confusion”. (*citing Westfair Foods v Jim Pattison)*

#### Molson Breweries v Moosehead Breweries

* **Facts:** Moosehead uses a similar “get-up” on its beer, Molson sues for an injunction
* **Reasoning:** 
  + Consider section 6: test of first impression – not confusing
    - Name is prominently displayed, probably not going to cause confusion
  + **Geographic location matters for demonstrating goodwill**
    - Has not demonstrated that its getup has distinctiveness in Moosehead’s area (maritimes)
* **Broader than infringement sections: can look at get-up in general, appearance & packaging, not just the mark**
  + - ***Barbie*** case
      * ***Only*** asserted infringement, not passing-off; judge makes a side comment that the look of the marks used by the restaurant might have some success in arguing for passing off
      * ***Much broader than other sections so usually a good shot***

# Sharing Trademarks

## Licensing

* **Key issue here is that the TM owner must maintain control** of character or quality of goods (otherwise, might be considered to be non-use or abandoned)

**Section 50:**

* **Use of trademark by licensee, where the owner has control over the character or quality of the goods/services, has the same effect as use by the owner**
  + **Owner must control the character/quality of the goods**
* **Includes use of mark as part of trade name**
  + **E.g. Walmart Canada Corp – licensed to use Walmart as part of trade name**
* **Presumption in 50(2) of proper licensing if public notice of the license is given**
* **Control:**
  + **What does it mean to have control?**
    - Hello kitty – every licensed hello kitty product is examined by Japanese designers before they can release them
    - **So either designed by or approved of by the owner**
  + The control is important because if you lose control then if you try to enforce the trademark against others, they can defend by saying that you are no longer in control so it has lost distinctiveness (if there are enough knock-offs, you might lose distinctiveness)
* **Includes use of mark as part of a trade name**
  + Walmart licensed to use the Walmart trademark as part of the name
* Typical licensing situations
  + Licensing for franchise
  + Licensing for merchandising
  + Multinational company licenses national subsidiary

**--> Note issue with distinctiveness:**

* **Licensing** used to be prohibited because it loses the distinctiveness of the trademark
  + **E.g.** hello kitty on a nike shoe, guitar, etc. – this goes against the idea that a trademark is distinctive and is associated with the production of certain goods and services
* **Distributors/dealers**
  + Is trademark license required?
    - Auto parts retailer is exclusive distributor of Toyota parts;
    - Toyota car dealership with Toyota signage and performing servicing of Toyota cars

## Assignment

* **Trademarks** assignment = transfer of ownership of a trademark
* **Trademark ownership cannot be divide territorially within Canada, but can license territorially within Canada**

### Distinctiveness can be lost by improper assignment!

* + The consumers must be informed of the change in ownership of the mark

#### Wilkinson Sword v Juda

Facts

* Wilkinson makes razor blades in Canada; it incorporates a Canadian subsidiary and sells razor blades through that subsidiary
* The UK parent company transfers the registered trademark to the Canadian subsidiary
* Juda has been using the name, the Canadian subsidiary sues

Held

* Registration was invalid and there is no infringement
* Invalid under 18(1)(b): no distinctiveness at the time it was used or commenced
* The trademark failed to distinguish the goods of the UK company from the goods of the plaintiff
* Plaintiff never tried to educate company that after the UK assigned the trademark to the Canadian sub, the Canadian sub had trademark rights – packaging still referred to the UK company
* Fact that plaintiff was Canadian sub of the UK company

**What should they have done?**

* Publicity
* The Canadian sub should have licensed the UK parent to sell under the trademark
* **The main issue here was that they kept advertising the UK company as the owner**
* **This is all about source and being able to recognize that the Canadian sub is the source**
* **When it comes to distinctiveness ALWAYS THINK SINGLE SOURCE!!**

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# Policy

* Basic underlying justifications
  + Moral argument: right to protect the author’s integrity (“copyright is a natural right of property in the creation of a person’s mind”)
  + Economic arguments: encourage dissemination and creation of works through financial incentive of protecting one’s right to distribute it (public interest)

## Idea vs Substance

* Protects only substance/expression, not idea
  + *Feist*: cannot protect entries without de facto protecting the idea/information itself

# Historical development of copyright

* Early copyright aimed at protecting literary works, which at the time were reproduced by hand
  + Copying not really an issue, moral rights and fame of author were more of an incentive
* 1500-1700: With introduction of printing press, royal control and regulation of printing for purposes of censorship
* 1709 ***Statute of Anne***: first copyright act which *gave authors sole right of printing works for 14 years from publication* 
  + Part of this was to **prevent publishers from asserting a common law copyright over works indefinitely**
  + We no longer have common law copyright – with statute
* 1800s-1882: UK extends protection to engravings and prints, sculpture, dramatic works, paintings, drawings, musical works, etc.
* Imperial act 1911 enacted to facilitate ***Berne Convention***adherence; **common law copyright repealed**
* **Canada’s copyright development**
  + Copyright act 1921 modelled on 1911 Imperial Act (adherence to Berne)
  + 1988 amendments to include computer programs and clarify moral rights
  + 1997 private copying, neighboring rights
  + 2012 – implemented in face of pressure from trading partners

## International Aspects

* ***Berne convention***
  + National treatment, minimum protections (time period), no formalities (no registration or marking requirements allowed)
  + Must protect domestic and foreigners the same way
* ***Universal Copyright Convention 1952*** (not as important any more)
  + Countries that required formalities, shorter term
  + US and USSR had not joined Berne so they did this instead; prior to this they needed to register work as copyrighted before it was actually protected
* ***Rome Convention 1964***
  + Adding protection for neighboring rights (performers, producers, broadcasters, sound recorders)
* ***NAFTA – 1994***
* ***TRIPS - 1996 – WTO countries***
  + Requires compliance with *Berne*
  + Does not require moral rights recognition, just basic minimum copyright protection

## Digital Age issues

* Napster: enabling infringement was considered enough for them to be liable because they know it is being used for infringing purposes
* Amendments in Canada now make services enabling copyright infringement to be held liable for infringement; even just allowing access to software that enables filesharing is considered liable
* Pre-copyright modernization act, parody of you singing a song was illegal; now “mashup” exception allows this type of use

### Private Copying Regime

* First attempt to balance copyright holders economic interests with public’s desire to record content for personal use
  + Levy paid on blank audio tapes and CDs, this is redistributed to authors to mitigate the effects of individuals recording personal copies, which is no longer considered infringement
  + Section 80(1) allows copies of musical works for personal use onto an “audio recording medium” for private use of person making the copy
    - Performer’s performance – singing and playing the song
    - Musical work – song itself
    - Sound recording – the production used to produce the final product
  + These are all bundled into music copyright
  + Section 79 defined “audio recording medium” quite broadly as anything that consumers regularly record music onto

*(see EXCEPTIONS below for current law)*

## Copyright Modernization Act

* ***WIPO treaties*** (Copyright treaty, performances and phonograms treaty) – 1996, implemented in **2012** with ***Copyright Modernization Act***
  + Aimed at bringing copyright law into the digital era
  + **Adds right of “making available” (if it is put online but nobody downloads it, it is still copyright infringement)**
    - This is their key contribution

### Key Changes / Modernizations

* **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)

### Technological Protection Measures

* 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
* See ss41 to 41.21 for detailed provisions (not all covered by this course)

### Digital Rights Management

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

### Notice and Notice Regime

* Provisions not yet in force, steps have been authorized to bring them into force
  + Ss 41.25 and 41.26
* Copyright owner can provide notice of infringement to ISP, person who provides digital memory, or information location tool (search engines)
  + Notice gets forwarded to the person who posted the content
* Only remedy is statutory damages $5,000-$10,000 for ISPs that don’t forward on the notices
* Providers of information location tools (search engine)
  + Only remedy is injunction (S 41.27)
  + Exception (not yet in force): CAN be sued where provider receives notification of infringement after the work has been taken down and continues to infringe after 30 days

# Term: Copyright always expires Dec. 31

**50 years from end of year (DEC 31) in which author died *(CA s6)***

* UNLESS
  + Authorship unknown (ss6.1-6.2)
  + Posthumously published (s7)
* **Joint authors:** end of calendar year of death of last author to die plus 50 years (s9)
* **Work unpublished at death of author**: (if author died after 1997 same as published works)
  + **But where the author died pre**-1997 and the work was posthumously published, there are transitional provisions (s7)
  + **Previously 50 years from publication**

* **Anonymous work / pseudonymous**
  + End of year of first publication plus 50, or end of year of making plus 75, whichever is shorter (s6.1)
* **Photographs**
  + *CMA* made it same as regular works so s6 terms
  + *Previously was different*
* **Cinematographic works**
  + Same as dramatic works unless no dramatic character, in which case from end of year of pub plus 50 to a max of 100 (s.11.1)
* **Crown copyright**
  + End of year of publication plus 50 (s12)
* **Moral rights**: same term as copyright ss14.2, 17.2
  + **When author dies moral rights pass to heir**

**Neighbouring Rights**

* + 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

# Subsistence of Copyright

* Basic concepts:
  + **Protects expression, not ideas**
    - E.g. book on accounting system: the book itself is copyrighted, the system is not so anyone can use it
    - Courts sometimes struggle with the idea/expression dichotomy
  + **Arises automatically on creation**
    - No formality or registration required
    - Treaties mean virtually international recognition

2: “copyright” means the rights described in:

1. Section 3, in the case of a **work**
2. Sections 15 and 26, in the case of a **performer’s performance**
3. Section 18, in the case of a **sound recording**
4. Section 21, in the case of a **communication signal**

**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…

**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 and maker had headquarters or was a citizen of treaty country
3. Published work: first publication occurred in treaty country

* **Exists in any original work as long as entitlement conditions are met** (5(1)(a)(b)(c))
  + Author must be citizen or resident of treaty country OR first publication in treaty country

## 1. Authorship

* Generally question of fact
  + Generally natural person, except where *CA* deems otherwise
  + Note use of “maker”, “performer”, “broadcaster” for neighboring rights
* **Author will generally be the first owner of copyright (s13(1))**, but **not always** (ownership and authorship should be treated separately)
  + **Work created in the course of employment or under contract of service or apprenticeship** has a first owner as employer ss 13(3)
    - But the author is still the individual who created the work
    - Moral rights invested in **author**, and term is by life of **author**
  + Canadian law does not “deem” someone else to be author
    - In contrast to ‘work for hire’ doctrine in states which allows for ‘deemed authors’
* See *Neudorf v Nettwerk Productions* discussed under Ownership/Assignment for what makes an author

## 2. Originality

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

* Factors that can indicate originality
  + Exercising choice

### CCH Canadian Ltd v Law Society of Upper Canada – current test (SCC 2004)

Facts

* Law society library allowing copying of judicial decisions, headnotes, judgments, commentary

TEST:

* **To be original:**
  + **Work must not be copied from another work**
  + **Work must be the product of an author’s exercise of skill and judgment** 
    - **Skill =** use of one’s knowledge, developed aptitude or practiced ability in producing the work
    - **Judgment =** 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 and spelling, adding parallel citations
    - This will require intellectual effort
* **Only the expression** must be original, ideas are not protected (para 14), so need to be ‘creative’, novel or unique
* Creativity is **not required for originality (too high) (see *Feist* for example of creativity standard in US**)
  + This is the US standard but it is applied flexibly
* **Sweat of the brow standard is too low *(closer to*** *University of London Press*)

Reasoning:

* **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 and need to achieve balance**
* **Workable yet fair standard**
  + Note difference with US standard of ‘creativity’, although it is applied as a low threshold so it isn’t clear whether in practice the standard is very different

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**

### Development of Requirement

* Possible standards
  + Not a mere copy – pretty low standard
  + Minimal amount of work
  + Minimal requirement of intellectual effort
  + Creativity – problematic because it is hard to define (*Feist, Bell Telephone)*
  + Novelty – problematic because it is workably impossible to know if it is ‘novel’
* *CCH* decision: standard is **must require the exercise of skill and judgment**

#### University of London Press v University Tutorial Press (England, Chancery Div. 1916)

Held that math exams were sufficiently “original” to attract copyright

* **Original definition (lowest standard):** “sweat of the brow” Lockean standard – subsequently rejected
  + Original does not mean the work must be the expression of original or inventive thought, nor that the form of expression be in original or novel form, but only that **the work not be copied from another work** – it should originate from the author
  + Does not need to be new or novel
  + Time spent is **irrelevant**, as is the fact that it **draws on a common stock of knowledge** or is similar to other math exams
  + Key inquiry: did the work require **selection, judgment, experience**
  + Operates on principle of what is worth copying is worth protecting
  + This case is usually cited for the proposal that labour alone is sufficient as long as it originates with author: cited for the “sweat of the brow” standard

### Compilations & Originality

S2: “compilation” = work resulting from the selection or arrangement of other works or of data

* Arrangement of pre-existing materials
* Originality **lies in the selection and/or arrangement** not in the underlying works or data themselves; no copyright in facts
* “sweat of the brow” would protect this
  + Problem is that this essentially grants some protection to the facts themselves

#### Tele-Direct v American Business Information Inc (FCC, leave to SCC denied)

NOTE: used the subsequently rejected “creativity” standard

Facts

* Bell Canada provides subscriber information; issues is whether the compilation of individual column listings was original

Held

* **Not original:** for a compilation of data to be original, **it must be a work that was independently created by the author** and **which displays at least a minimal degree of skill, judgment and labour in its overall selection and arrangement**
  + **Court rejects mere sweat of the brow approach and instead applies creativity standard**
* “Author” **implies sense of creativity and ingenuity**
* Protection cannot extend to data itself

#### Feist Publications v Rural Telephone Service (1991) USSC

Note: uses “creativity” standards rejected in Canada CCH

* Cited for the “creativity” standard of originality
* No copyright in facts, but can copyright compilation if **sufficiently original in selection and arrangement**

Facts

* Feist wants to compile rural directories into one larger directory
* Copied the rural directories – it was clearly copying (include some fake entries included to determine if it was being copied)

Reasoning:

* + 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

* **Sorting a listing of names and information about people is devoid of all creativity so this listing is not subject to copyright protection**
* This case touches on the idea/expression dichotomy – may represent a case where you cannot separate the idea from the expression

## 3. Fixation

* Required in some parts of *CA* but has been imposed by courts as a general requirement
  + “computer program”, “dramatic work” (…is fixed in writing or otherwise)
  + “Musical work” formerly required that they be written down, but changed in 1993

### Reasons for Requirement

* **Evidentiary reason**
  + If something isn’t fixed, it can be difficult to actually analyze whether there is infringement (e.g. if it is just an idea in someone’s head)
* **Copyright does not protect ideas**
  + Partly because copyright does not protect ideas; without fixation, you could try to protect ideas that had not yet been expressed in fixed form violating this balance
  + *CCH:* para 8 – “it 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”
  + *Theberge* – “fixation” distinguishes works capable of being copyrighted from general ideas that are the common intellectual property of everyone (per Binnie J)

### Cdn Admiral v Rediffusion (Exch Ct 1954)

**Facts**

* Rebroadcasting (“rediffusion”) of live sporting events 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 , it must be expressed to some extent at least in some material form, capable of identification and having a more or less permanent endurance**
  + Copyright does not protect any spectacle itself (*Sports & General Press Agency v Our Dogs’ Publishing)*
* “Law will not intervene to protect something which is not definite and ascertainable”
* **No copyright in live spectacles, sport matches, parades, processions**
* The rebroadcast would now be dealt with under s21: broadcasters have copyright in communication even without fixation

### Theberge: re-fixation

Facts: used chemical process to transfer poster prints to canvas reproductions

Held:

* **“Copyright springs into existence as soon as the work is written down or otherwise recorded in some reasonably permanent form”** (binnie)
* **The image ‘fixed’ in ink is the subject matter of the intellectual property**
  + This 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 poser lives on in the ‘re-fixated’ poster**
  + No multiplication and fixation alone is not an infringement of the original work

### Quotations

* Some cases hold that interviewer acquires copyright in quotes given by an interviewee by fixing those quotations
* 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

### Neighboring rights: Fixation NOT REQUIRED for certain ones!

S3(1.1) simultaneous fixation of telecommunications is fixation *(changed after Canadian Admiral)*

* Non-works acquire certain rights without fixation; s15, 21
  + Performer’s performances
  + Communication signals

# Registration

**Benefits:**

S53(1) registration is evidence of the particulars entered into it

S53(2) certificate of registration is evidence

* + That copyright subsists and
  + The registrant is the owner
  + There is sometimes difficult actually proving that you created a certain thing, so this helps

Registration **rebuts an innocent infringement defense** (s39(2))

* If someone had legit reason to believe there wasn’t copyright, then you can only get damages not injunctions (or something?)
* Assignments can be recorded for priority purposes (s57(3))
  + Void against subsequent assignee/licensee unless registered
* Note: Registration doesn’t require you to provide a copy of the work, just the information required to register

# Types of works

* Interpreted broadly, but must fit within one of these categories

## Literary works

S2: **“literary work”** includes tables, computer programs, and compilations of literary works

“work” include the title thereof when such title is original and distinctive

Basic requirements:

* **Must convey meaning**
  + Cannot be made up word or scribble
* **Must be more than a mere word or slogan** 
  + *Exxon:* mere creativity and inventiveness in creating the single word does not make it a literary work
    - Giving copyright over a single word gives them too much power without the benefits copyright is designed to provide
* **Titles**
  + **Generally protected if sufficiently original and distinctive; however copying of title not generally a substantial reproduction**
    - “work” includes the title, but the title *by itself* is not a separate work (see definition of work in s2)
    - But, taking a title could in some circumstances be a “substantial taking”, no clear law on this
    - See also *Neudorf v Nettwerk Productions* 
      * Contribution of title not substantial

### What qualifies?

#### Math exams - University of London Press

Recall: math exams **are literary works – they are 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 “impart some substantial amount of intelligible information?
* Are math exams literary works?
  + Includes works expressed in print or writing, irrespective of the question 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**

#### Accounting Forms - Bulman v One-Write (FCTD 1982)

Background

* Issue was copyrighting forms used for an accounting system

HELD:

* The forms are in a sense communicating, they tell you where to put information and that is **an imparting of meaning or information** (as per *Exxon*)
* So the forms are held to be literary works

### Plots, Scenes and Characters

* **Plots, scenes, characters that are clearly defined and well-known enough cannot be copied in a substantial form (in a sufficient level of detail)**
  + **Must be *well-known* prior to the infringement** *(see Preston v 20th Century –* Ewok example)
  + Copyright cannot be limited literally to the text, or a plagiarist could make slight or immaterial variations
  + If these things are copied in a sufficient level of detail, it will be infringement
  + **BUT cannot protect mere ideas or scenes “a faire” with copyright (stock characters, classic scenes, similar setups or plot characteristics)**
    - This can be a fine line, courts try to be flexible to protect author but not to extent to the protection of ideas

### Compilations

Definition:

1. a work resulting from the selection or arrangement of literary, dramatic, musical or artistic works or of parts thereof, or
2. a work resulting from the selection or arrangement of data

* Must be ‘literary sense of functionally assisting, guiding, or pointing the way to some end” but no **need to impart intelligible information** (*Bulman v One-Write)*
* **If a compilation consists of more than one category of work,** s. 2.1 assigns the compilation to the category “making up the most substantial part of the compilation”.

#### BC Jockey Club v Standen (BCCA)

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**

Reasoning

* In **cases of infringement:**
  + Law does not *per se* preclude protection of facts (if the work as a whole is original) if involves “appropriating an undue amount of the material
    - The language employed may be different or the order altered (per *Laddie & Vitoria)*
    - If not protected, then copyright in a compilation would be useless
  + Defendant had taken not only the factual information form the book but also ***the labour and skill which went into the compilation***
    - Some focus given to fact that they created the horse data and compiled it
  + Tries to reconcile with the reluctance to protect information by saying that if too much information is taken it can still be infringement
* “copyright in a compilation may be infringed by appropriating an undue amount of the material, although the language employed e different or the order altered
  + Otherwise copyright in an original compilation would be of little or no value
  + (example of taking the jobs information as cited in the case – took an undue amount of information about the jobs and so is still copyright even though it is just copying from a compilation of information)
  + **Note that here the work was agreed to be original, but the issue was just whether or not there was substantial reproduction** (this is why it is different from the telephone book cases)

* **Note:** mentioned in this case is that if there is a duty to publish, there might not be copyright (e.g. trail judgements = duty to publish so no copyright possibly)
  + So there could be circumstances where the copyright is not valid because it needs to get published

### Collective works

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 there can be different authors, and so differently owned copyrights, for the 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.

## Computer Programs (Literary Works)

S2**: “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 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 s3(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

### Abstraction-Filtration-Comparison Test

This test is used in Canada only to determine **the quality of what was taken for the sake of determining substantial taking** (second step in *Ladbroke* test) (*Delrina v Triolet*) – not for determining whether a program is copyrightable (use a two-step holistic analysis)

* **Used by US courts to determine copyrightability of a program: distinguish between ideas and expression** in the context of computer programs – discussed in Canada in *Delrina v Triolet*
  + **US case: *Computer Associates v Altai* – must separate expression from**
    - Idea
    - Public domain elements
    - Scenes a faire, etc
    - **To isolate what is protectable and compare with what has been copied**

#### Abstraction

* Program’s main purpose
* System architecture
* Various abstract data types
* Various algorithms and data structure
* Source code
* Object code

#### Filtration

* Elements dictated by efficiency
* Idea can only be expressed in one way (MERGER)
* Functional elements
* Nor elements dictated by external factors
  + E.g. scenes a faire, would be included in every treatment of the subject matter, couldn’t write program without certain components
* Elements in public domain

#### Comparison

* Did defendant copy any aspect of the protected expression?
* What is relative importance of copied section?

### Delrina v Triolet Systems (Canada)

Facts

* Original co-developer of diagnostic program goes off and creates a program that does the same thing as the original

#### Test for Copyrightability of Software

* **Determine you have an original work: does it *as a whole* qualify for copyright?**
* **Determine whether it was substantially reproduced**
  + Takes into account the A-C-F type of factors at this stage of the test (the “quality” of what was taken)
* **This is a two-step holistic analysis** (as opposed to taking out all the elements that are not copyrightable and then comparing the results)
  + **ACF used only to determine whether infringement was *substantial***

Held

* The new program was not a copy of the other one to an extent sufficient to be copyright
* It does the same thing, but the program itself is sufficiently different and novel
  + 40/14,000 lines of code were the same; of those:
  + Similarities were dictated by functional requirements (programming conventions, compatibility requirements), common in the community, public domain, interface was functional
* **Can also take into account it was the same programmer so he is likely to do things in a somewhat similar way;** also can draw on programming conventions etc.
* **Note court remarks that the idea/express dichotomy is less strict in Canada resulting in the different use of the test**

## Dramatic Works

S2 includes:

1. any piece for recitation, choreographic work or mime, the scenic arrangement…
2. cinematographic work
   * Whether a cinematographic work has a “dramatic character” determines the term of copyright in the work (see s1.11) – 50 years from either author’s life (if it is dramatic character) or 50 years from date of producing the movie (not dramatic character)
     + “Dramatic”; definition
       - Some story or plot, threat of consecutively related events, some aspect of meaning, some basic human influence
       - Some element of drama in the scenes
       - Videos on how to sell real estate have been held to be dramatic works
       - Generally an extremely low bar
3. any compilation of dramatic works
   * Note that courts are generally flexible in allowing works to be considered “dramatic” for the sake of this section, but then it becomes an issue only for cinematographic works (impact on copyright term)

### Dramatic Character

* Whether a cinematographic work has a “dramatic character” determines the term of copyright in the work (see s1.11) – 50 years from either author’s life (if it is dramatic) or 50 years from date of producing the movie (not dramatic)
* “Dramatic”; definition
  + Some story or plot, threat of consecutively related events, some aspect of meaning, some basic human influence
  + Some element of drama in the scenes
  + Videos on how to sell real estate have been held to be dramatic works
  + Generally an extremely low bar

### Canadian Admiral

Recall: Live telecast of sport event, not dramatic work (doesn’t meet fixation requirement)

* **Not a dramatic work** (either as a cinematographic production or a work produced by a process analogous to cinematography; or photograph/photography)
  + **Not produced by a process analogous to cinematography so not a cinematographic work**
  + Focusing of light on a film or plate, change produced, image is created, developed, produced as a negative etc.
    - This is now problematic because it might not cover things like digital photography, so use it with care
    - Note the focus on physicality; this is no longer emphasized as much due to digital photography

## Artistic Works

S2: Paintings, drawings, maps, charts, plans, photographs, engravings, sculptures, works of artistic craftsmanship, architectural works, and compilations of artistic works

“architectural work” means any building or structure or any model of a building or structure

### Architectural Works

* Historically courts held no copyright in plans for fairly standard home: definition required the buiding ot have an “**artistic character or design”** – this is no longer required
* **Now just uses the “skill and judgment” standard with requirement that “**an attempt has been made to produce *venustas* (beauty) and some originality displayed”
* Ownership of copyright in architectural work is in the author of the plans, not builder or purchaser

The Copyright Act provides a **specific exception to infringement where a photograph 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)).**

# Functional Items

* **Artistic work must be intended to have an appeal to the asesthetic sense, not just an** incidental appeal *(Cuisenaire)*

## Instructive Materials (cookbook, dress pattern, tools)

* **Copyright in book does not protect underlying system**: *Baker v Selden*
  + Book about accounting system does not cover the system itself
* **No copyright in cardboard pattern for measuring ladies’ dress sleeves**: *Hollinrake v Truswell*

## Useful Items & Utilitarian Tools

64.1(1)(a)Not an infringement to copy **features of an article that are “dictated solely by a utilitarian function”**

* Basically prevents copyright on the useful aspects of the article

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

* For practical/policy reasons, do not want to protect functional items for life of author +50 years – this is way too long of a monopoly for something that is 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)**
* Currently there is still uncertainty in the area of whether jewelry and some other items are actually “useful”

### Cuisenaire v South West Imports

Facts: Coloured rods used to teach children math in conjunction with a book explaining the system

* + Held
    - The rods themselves are not intended **to appeal to the aesthetic senses; rather, they are merely a utilitarian tool** and thus are not works of artistic craftsmanship
    - So using other rods with the program is not infringement

## Industrial Design Protection

* Characteristics
  + Cheaper, more straightforward, and much faster than obtaining patent protection
    - So can be used to get injunctions or prevent infringement quickly
  + Protects features of the shape, configuration, pattern, ornament etc. that appeal and are judged solely by the eye
  + Monopoly right: make, sell, import, rent
  + System of government registration
  + Apply on a country-by-country basis
  + Limitation period for filing application: one year in Canada (most countries have no grace period)
  + 10-year limited term
* Value
  + *Apple v Samsung* – major damages given to apple for infringement of their user interface in the US (Utility patent and industrial design rights both litigated)
  + Germany – injunction granted against Samsung’s Galaxy tablet based on Apple’s design rights
  + UK – samsung “not cool enough” to infringe Apple’s design
* Contrast with copyright
  + Arises automatically
  + Copyright is generous and forgiving generally
  + No need for registration or approval
  + No limitation period for filing
  + Longer term

# Rights Comprising Copyright

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 pentaology 2012

Overarching principles:

* **“technological neutrality”**: the way that you engage in an action should not change the copyright royalties payable
* **Balance rights of users and creators**
  + Users must be able to make use – public domain will remain robust
  + Incentivize creators to produce new works and make available to public
  + Shift towards more focus on “user’s rights”
* **Do not rely on US and 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 with 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 by Telecommunication to the Public

### ESA v SOCAN (2012 SCC): communication to the public through telecommunication

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

This decision was crucial for:

1. Music downloads are not considered to be “communications of the work to the public” under s3(1)(f)
   1. Distinction between download and 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 judgement in this case:
* S2.4(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)

**Background**

* **SOCAN: administers performing rights** (rights to perform in public); other societies deal with reproduction rights (which in that case were already licensed)
* **Wants royalties for musical works downloaded during download of video games**
* 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 (3(1)(f))

**Reasoning:**

* 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
    - Stream is akin to broadcast or performance
* Rejects prior view from *SOCAN v CAIP (*Tariff 22)
  + There it was held that work has been communicated if user ends up with a new copy of the work that was not there before; court holds this is obiter and does not apply

### “To the Public”

#### Rogers v SOCAN

* **Held: Streaming music to the public is a communication to the public by telecommunication**
* **Public: openly, without concealment, to the knowledge of all**
* Recall: Downloads **do not constitute communication to the public** as per *ESA v SOCAN*
* NOTE: our act now includes “making available” in addition to just communicating

Background:

* Streamed or “rented” songs made available online and can be “pulled” or rented at will (on-demand communication); **this is accepted as a communication**
* **Issue was whether it is a communication to the public**
  + In *CCH*, fax transmissions were not held to be a communication “to the public” (although court left open possibility that a series of repeated transmissions might be)

Held

* **Streams constitute communications of the works**
* **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*

## Right to Reproduce or Substantially Reproduce

### Ladbroke Test for Infringement

**Holistic consideration of the full work, considering:**

1. **Whether it is an original work: does it *as a whole* qualify for copyright?**
2. **Whether it was substantially reproduced *in quality* (not quantity)**
   * Takes into account the A-C-F type of factors at this stage of the test (the “quality” of what was taken) (*Delrina v Triolet*)
   * “substantial” involves quality as well as quantity
     + This is often the most difficult determination
     + Make sure to do a holistic examination of the substantiality of the reproduction
     + Can look to whether what was taken is novel or striking, or merely commonplace

* **Do not dissect the work**
  + As a short cut, *can ask if the part taken would itself be the subject of copyright, but this is only a shortcut*

### Cinar Corp v Robinson (2013 SCC)

* Holistic “substantial reproduction” analysis

Facts

* Copying of TV show idea with similar characters, environment, protagonist, and clear influence on side-kicks; **not a direct copy but clear resemblance**

**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 and personality of protagonist, personalities of secondary characters, appearance of the village
* These are not abstract ideas but are an expression of those ideas, which was a product of the author’s skill and judgment
* General principles affirmed (paras 23-24)
  + Balance of public/author
  + No monopoly over ideas or elements in public domain (desert island, puzzles, etc. are all fine)
  + Act protects expression of ideas in works, not ideas themselves

# Moral Rights

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** s17.1 (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

* **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)

**Requirements for infringement s28**.1 and 28.2

1. Painting, Sculpture, or engraving?
   1. Prejudice is deemed to occur s28.3(2)
   2. Must only **prove that there has been any distortion, mutilation, or other modification of the work**
2. **For everything else:**
   1. **Must prejudice honour or reputation**
      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. **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*

The transfer of medium of his painting might have been a violation of moral rights, **but you can’t get a pre-judgment injunction for moral right – only economic**

## *Snow v Eaton Center*

Background: Flock of geese adorned with ribbons

* Injunction granted to remove ribbons

# Neighboring 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)
* Neighboring 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 people who make sound recordings of works, people who give live performances of works, and 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 Organisations 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).

## Terms

* **S23**
  + **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

## Performer’s Performance

s. 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

S 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 *s26*)

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

S19

* Right to remuneration
  + **Cannot stop performance in public but has a right to be paid for it (license)**
  + For performance or communication to public by telecommunication

### **If not fixe**d (broadcast here)

They essentially get a right of ‘first fixation’

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

S15(1.1) Performances is **Canada,** fixed in sound recording or broadcast here

* Same as above, **plus**
* **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)**

### If fixed

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

S15(1.1) 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)**

## Sound Recordings (Maker’s right)

**S18, right to (or to authorize)**

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

S18(1.1) – if fixed by **maker** who is Canadian citizen or first published here, right to make available and first sale

**S19 Right to remuneration** (same as above – can’t stop but gets paid) or communication to public by telecommunication (split 50/50 with performer/maker)

## Communication Signals

S2: “communication signal = radio waves transmitted through space without any artificial guide, for reception by the public” (**excludes a cable signal)**

s21: Right to (and to authorize)

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

# Ownership & Authorship

AUTHORSHIP SEE ALSO “authorship” under **subsistence of copyright**

## Ownership s13

*Section 13*

* **Author is first owner unless work is made in course of employment under contract of service**
  + If employment or under contract of service, then the employer is the first owner
* NOTE: **photos**
  + Previously, had rule about commissioning photos and ownership – copyright modernization act got rid of this exception so photographers now have same first ownership rights as other artists
  + 32.2(1)(f) allows for private reproduction of photos for personal use (unless photographer says otherwise) even if first copyright is owned by the photographer (but photographers often contract out of this)

### Assignment

* Owner may assign or license, but assignment must be **in writing, signed by owner (s13(4))**
  + No exceptions:
    - No oral assignment
    - Fact that something was purchased does not transfer copyright ownership
    - Commissioning something does not equate to copyright ownership in that thing
  + Recall moral rights cannot be assigned, but may be waived (need not be in writing) (s14.1(2))
* Different rights can be assigned to different owners (e.g. performance, reproduction, fixation etc)
* **Cannot legally transfer rights in a future work, agreement to assign future work is an equitable assignment** (*London University Press*)
  + Equitable assignment: no legally enforceable transfer prior to creation of the work, **but does give the right to request copyright after the work is created**

**Note that unregistered assignments are void against subsequently registered assignments** as per 57(3) – this would only apply if you assigned the same rights twice, though

### Revisionary Right s14

S14: 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

## “Maker”: cinematographic/sound recording

* Author of **cinematographic work undefined**
  + **Producer or director or both**
  + **See s2 “maker” person by whom arrangements necessary for the making of the work are undertaken**
    - **Can be the production company**
  + S11.1 provides different term if dramatic character vs no dramatic character
    - Idea is that for dramatic character there was human intervention and creativity involved (control production, choose which shots to include, how to shoot them, etc.) – this dramatic character justifies the longer copyright?
* **“maker” of sound recording = person who made arrangements necessary for first fixation**

## Ownership and Enforcement

* Ownership is important when considering enforcement issues
  + Legal owners must be **joined as parties to any action**
    - **See section 41.23(2) of the *Copyright Act***
  + Problematic if author cannot be located
  + Therefore very important to obtain proper written assignment of rights

### University of London Press

* Improper assignment (equitable)

Recall: math exams copyrightable, definitely copied, issue here is whether the people involved were “owners” of the copyright

**Determining employee or not for purpose of assignment** (contract of service/contract for service)

* Servant: person who is subject to the commands of his master as to the manner in which he shall do his work **(control test)**
  + **Not in this case:** examiners paid lump sum to set exam; how this was accomplished was left to their discretion

#### Test: Employee or Contractor?

* **Control test does not work well for skilled employees; can consider consider:**
  + Indicia **of contract 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
    - Degree of independence of the person (set times, or freedom to do work as they wish)
    - Place where services are rendered
* **Modern tests look at more factors**
  + Entrepreneur test: is employee in business for his own account?
    - Ownership of tools, chance at profit or risk of loss, who hires and pays helpers
  + Integration or organizational test: consider if employee employed as integral part of employer’s business, or only accessory [difficult to apply]
  + Distinguishing roles: ship’s master, chauffeur and reporter on staff newspaper – contract of service; ship’s pilot, taximan, newspaper contributor – contract for services

Held:

* In this case, the authors were independent contractors; they signed a **contract which is an equitable assignment, not a legal assignment** – they were obliged to assign to the Uni
* **Because the authors had not properly assigned ownership, only the two authors present at the hearing could puruse their claims (author must be present if not assigned properly)**
* Remember that when employer owns copyright the employee is STILL THE AUTHOR and lifetime +50 is measured by LIFE OF THE AUTHOR not the owner

# Joint Authorship

*S2: “work of joint authorship”*: 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 or authors – cannot separate out the contributions of each author

* Generally **can’t “contract into” being an author**
  + This is a legal question, so even if you contract for remuneration for your contributions, this doesn’t necessarily make you a joint author
* **Author must contribute original expression in a fixed form, not merely ideas or scribing *(Neudorf)***
* Policy:
  + Do not want to give credit to someone as joint author if they **only contributed ideas, not actual content –** do not want to protect ideas using IP law
* Interviews: could potentially be joint authorship because it is the combination of questions and answers, not merely one or the other, that result in the creation of the ultimate work

## *Neudorf v Nettwerk Productions*

* **One does not become an “author” by merely contributing ideas or suggestions, nor can one be a “mere scribe”**
  + Author is one who **contributes to the form of the work**
  + Author **is free to accept or reject the mere suggestion of ideas of another**
    - Exercising choice - skill and judgment is being applied to give the work a final form is a good way to distinguish this
    - The author still has total control over what the final product looks like

**Joint Authorship Requires:**

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
   * **Can 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)
   * Draws on US collaboration requirement – statute requires collaboration but the term is somewhat unclear
     + US jurisprudence (goes further than our requirements)
       - S101 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**

# Infringement

* S27(1) *Copyright Act*: **it is an infringement to do anything only the owner of copyright has the right to do**
  + S3 **for works**
  + S15, 18, **for performer’s rights,**
  + S18 **maker’s copyright** in sound recordings
  + S21 **broadcaster’s copyright in communication signal**
  + S28.1 **for moral rights infringement**

## Establishing infringement

**Must Prove that: (*Ladbroke Test as per 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 **(s34.1) (*Grignon v Roussel)***
* **Registration is evidence that copyright subsists s53(2))**

**2) Plaintiff is the owner of copyright in the work**

* Author is assumed to be owner unless proven otherwise (s34.1)
* Registration is evidence that the person registered is the owner **(s53(2))**

**3) Defendant copied a substantial part of the work *in quality* (not quantity) *(cite: Cinar v Robinson)***

* Takes into account ACF factors if relevant (*Delrina v Triolet*)
* “Substantial” – holistic examination, can look at what was taken and whether it is novel or striking, or merely commonplace; **qualitative analysis** (see *Grignon v Roussel)*
* **Perspective is a lay person in intended audience** *(Cinar Corp v Robinson*); **however, experts can assist court with seeing things “not evident to untrained eye”**
* Do **not dissect work!**

**4) Access: can be inferred from substantial similarity (**“surprising similarity without other explanation”)

* + Must have actually copied from the author – i.e. must be a connection between author’s work and defendant work (e.g. Delrina where it was substantially the same but not copied)
  + Could use fictitious entries to help prove copying (e.g. *Feist*, phone book with fake entries – couldn’t possibly be included but for the copying)
* **5) Causal link between the two, sufficient to satisfy court that there was no independent creation? (***this step is discussed in Grignon v Roussel*)
* **Do not dissect the work**
  + As a short cut, *can ask if the part taken would itself be the subject of copyright, but this is only a shortcut*

### Substantial Reproduction: Cinar Corp v Robinson (2013 SCC)

* Holistic “substantial reproduction” analysis

Facts

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HELD:

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* General principles affirmed (paras 23-24)
  + Balance of public/author
  + No monopoly over ideas or elements in public domain (desert island, puzzles, etc. are all fine)
  + Act protects expression of ideas in works, not ideas themselves

## Limitation Period

* S 43.1 of the *Copyright Act* 
  + 3 year limitation period for acts of copyright infringement (FROM date the plaintiff learned of the infringement)
  + But discoverability principle applies
    - Time does not start to run until plaintiff knew or could reasonably have known of the infringement
    - E.g. in cases of fraudulent concealment of the infringement

## Possible Defences

* **INDEPENDENT CREATION – complete defence**
* **No copyright**
  + Lack of subject matter, fixation, originality, 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 (*Preston v 20th*)
* **Alternative explanation for similarity** (see e.g. *Delrina*), (see also *Preston v 20th*)
  + Programming conventions, code written by same person, similar source code or common code, etc.
* **Plaintiff not author or owner, or not title/assignment** *(University of London Press)*
* **Fair dealing** (viewed as an exception, rather than a defense: see *CCH)*

## Expert Evidence

* More useful and appreciated by court than in trademark cases, where court feels more comfortable making own determinations
* **Particular use in musical works, cinematographic works**
* **Perspective** is a lay person in the intended audience for the works
  + ***Cinar v Robinson* para 51** – SCC affirms importance of expert evidence to copyright infringement, gives explanation of why it is relevant to copyright
* BUT, there **may be similarities that are not really obvious to the untrained eye** but do contribute to the overall experience of the viewer, and these can be picked up better by experts(E.g. **atmosphere, dynamics, motif, and structure**)
  + So expert role is more to point out these similarities to the court, who then takes it into account in the layperson analysis
* Do not want the perspective for assessing infringement to be a five-year-old child

## Literary Works

* Key issue is **whether the allegedly infringing work substantially reproduces the original** (see above)
* Characters protected **if sufficiently well-developed** and not “classics” (like a bumbling but affable detective)

### Preston v 20th Century Fox

* **Proof of no access is sufficient to defend against infringement**
* Example of common sources, alt explanation for similarity
* Facts
  + Lucas was sued for copyright infringement in Star Wars by author of a script *Space Pets* which had some similar Ewok characters
* Issues/holdings
  + **No access: policy to send back all uninvited scripts**
  + **Substantial reproduction? NO**
    - **Common sources**: folklore, primitive societies and entities, etc.
    - **Alternative explanation for similarities**
      * Came up with name Ewok when interacting with Newak peoples, etc.
  + **Would average lay observer, recognize the alleged copy as having been appropriated?**
    - Both drew on common sources
  + **Ewok character alone not protected by copyright either**
    - You can have copyright in a character, but in that case it has to be well-known prior to the infringement; in this case, they only became known through star wars, so no infringement
* Remember: independent creation is a complete defence, so insulating a person from external influences is a total defence to copyright infringement

### Computer programs

#### SEE: Delrina v Triolet:

* Can abstract concepts from source code to look at overall structure of program
  + *But, use* caution in directly applying abstraction-filtration-comparison test, which is a useful tool but cannot replace holistic substantial reproduction analysis (must be holistic, e.g. as per Cinar)
* Particular considerations:
  + Functional or external limitations on expression
  + Public domain materials
  + Programming conventions

**Not infringing because there were few similarities and those that were there could be explained**

## Dramatic Works

* Abstraction/f/c originated with dramatic works
* Dramatic work can be protected **even if no literal copying of dialogue occurs**

See: Roy Export Co v Gauthier, Cinar v Robinson

## Musical Works

* Not determined by note-by-note comparison, **but is determined by the ear as well as the eye**
  + **Time and rhythm as important as correspondence of notes**
  + **Expert evidence of similarity often used**
* Room for variation in popular music is small
  + **Recognition that small variations may be original (*Grignon v Roussel)***
  + **And similarities may be explained by use of common techniques of composition**

### Grignon v Roussel: Registration after Infringement

* Cannot benefit from presumptions given by registration if reg’d after infringement has already taken place
* Infringement found in musical work

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”)

Held:

* **Evidentiary effect of registration after infringement**
  + **Cannot benefit from presumption in s53(2);** must be registered before the infringement – practically, registration is only useful if it takes place before the infringement
    - **So, originality is not presumed [but found to be present]**
  + **Still benefits from other presumptions** (that it is copyrighted and he is the owner as the author) (34.1)
* **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
* Liable for infringement

## Artistic Works

* Similar principles applied
* Work in 3 dimensions can infringe copyright in 2 dimensional work
* Overlap with industrial design protection
* **Remember: useful items not protected**
  + Many not be infringement of copyright to reproduce a **useful article**
  + **Or to apply features that are dictated solely by a utilitarian function of that article**
  + **See ss64 and 64.1**

### Theberge

* A copy is not ‘infringing’ because it violates moral rights – must violate **economic rights** 
  + S38 gives right to recover possession to ‘owner’ rather than ‘author’
  + Also moral rights only added in 1985 while s38 always present
* Modification without reproduction is dealt with as a moral rights problem (minority would have found reproduction in new medium is still reproduction and thus infringement of economic rights)
  + Dicta suggest this change in physical structure containing the work probably not an infringement of moral rights
  + But artist’s name has been removed – potential infringement
  + **Not an economic rights problem**, for pre-judgment seizure needed economic right infringement, and since he didn’t have that he fails
* No reproduction without multiplication

(dissent: change to medium can infringe s3(1) right of reproduction

## Subconscious Copying

* No *mens rea* or intention requirement for infringement
* Subconscious copying is a possibility
  + BUT need to show proof (or at least strong inference) of *de facto* familiarity with the work alleged to be copied

### Bright Tunes Music Corp v Harrisongs Music (SDNY 1977)

* Harrison knew subconsciously that the hook had already worked in a hit song though his conscious mind did not bring it forward when we wrote *My Sweet Lord*
  + Innocent infringement/lack of intent is not a defence

## Secondary Infringement

S27(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 that the work itself infringes copyright**

* 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 s39(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))**

* 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**

### Roy Export Co v Gauthier

* Secondary infringement under s27(2) for renting out cinematographic works (Charlie Chaplain films) without permission from copyright holder after being given notice of infringement
* Facts
  + Renting out Charlie Chaplin films that he got from the states, where it was in the public domain, in Canada, where it was still copyrighted
  + So in the beginning he had a good faith basis for doing this
  + But the plaintiff sent him a letter telling him he was infringing copyright and then he kept renting it out (so no longer acting in good faith – this establishes knowledge)

Held:

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

## Infringement by Importation

S27(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 that the work itself infringes copyright or would infringe copyright if it had been made in Canada**

* Also a criminal offense s42(1)(e)
* **Infringed by importing copies that would have been infringing, had they been made in Canada**

**Special Remedies for threat of infringing imports** (works that would infringe if made in Canada 44.1(2)(c))

* Requires:
  + Work must have been produced without consent of copyright owner in jurisdiction where made (44.1(2)(b)(i))
  + OR come from a non-Berne country or non-certified country (5(2); 44.1(2)(b)(ii))
* Canadian copyright owner or exclusive licensee can get a court order (under 44.1(3)) for work to be detained
* Action for judicial determination must be brought subsequently to keep goods detained (prove that conditions in s441(2)(b) and (c) are satisfied as per s44.1(5))
* Spplicant may have to put up security for the order (s44.1(5))

### Kraft Canada v Euro Excellence

* **Shuts down attempts to limit ‘grey marketing’** through using parallel import legislation (under s27(2)(e))
* Exclusive **licensee cannot sue copyright owners for infringement of its own copyright (**this fails b/c products were made by the copyright owner) ; only an **owner or assignee of copyright can invoke s27(2)(e)**

Background: Kraft had license to exclusively sell Toblerone in Canada, sued a company getting legitimate bars from Europe, Euro-excellence, for importing same good based on the copyright in the logo/design

Held:

* **Only an owner or assignee of copyright can invoke 27(2)(e), since exclusive licensee cannot sue licensor for infringement of own copyright**
* **Does not infringe because they were made by the copyright owner elsewhere (Europe)**
* **Kraft may have breach of contract claim**
* Fractured judgment
  + Some focused on fact that you can’t use copyright in an image on a product to prevent parallel importation
    - But left open possibility that if there were two different copyright owners (rather than licensees) then might have been able to sue
* Now see s3(1)(j) *Copyright Act* – rights of first sale

## Authorizing Infringement

S3 gives the copyright holder the exclusive right to ‘authorize’ listed acts

**Authorizing means** to “sanction, approving, or countenancing” (*CCH)* – a strict interpretation

* Photocopiers are ok unless clearly sanctioning infringement (*CCH*)
* Although a filesharing service that only shares infringing files would be authorizing
* Can be infringement if you are sufficiently indifferent

**Requires:**

* More than mere access to infringement tools
* Not infringement to authorize an act that is not direct infringement
* Notices posted warning about copyright **does not constitute** acknowledgement of infringement
* Must exercise **sufficient control** over patrons to be considered authorizing infringement
* Presumption that a person who authorizes does so only as far as is in accordance with the law
* Could be liable if they had sufficient knowledge of acts of infringement and do nothing

Note: similar to UK law; different from Australian (*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 information

### CCH

Background: **Law Society** photocopiers available in the Great Library, with signs posed above them warning about copyright

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**

### Tariff 22 – SoCAN v CAIP

* Not infringement to authorize an act that is not direct infringement
* Presumption that a person who authorizes does so only as far as is in accordance with the law
* Could be liable if they had sufficient knowledge of acts of infringement and do nothing (*Tariff 22)*

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

## Internet Issues (recap of above)

### Providing a Service to Enable Copyright Infringement

* *CMA* makes it infringement to provide a service primarily for infringement: s27(2.3)
* Statutory factors to be considered (s27(2.4)
  + **Promotion for purpose (purpose it is promoted for)**
  + **Knowledge of infringing acts**
  + **Business purpose and economic viability for non-infringing purposes**
  + **Benefits received**
  + **Ability to limit infringing acts**
  + **Significant non-infringing uses**

**SEE ABOVE: authorizing infringement**

### Internet Services

**Providing internet access used for infringement is not *per se* infringement** s31.1(1)

**Caching excepted: s31.1(2)**

**Hosting excepted: s31.1(4)**

* **Except where person providing digital memory knows of a decision of a court of competent jurisdiction (s31.1(5))**
  + For takedown by host, must be notice from an actual host that there is infringement

### Information Location Tools

Limited to injunctive relief against network search tools that reproduce copyright material in a content-neutral manner to search and display information: **s41.27**

* Exception: if content has been removed by the time provider gets notice, limitation not applicable 30 days after notice received

### Notice and Notice regime

S 41.25 and 41.26 **not yet in force**

* Copyright owner can issue notice of alleged infringement to provider, who must forward the notice to the infringing party
* **If provider fails to forward:** only penalty is 5k - 10k fine
* Protects those who provide network services, hosting services, or internet search tools

### Norwich Orders

* **Downloads are not anonymous!**
* Norwich order allows copyright owners to seek order requiring ISP to disclose the identity of customers who are potentially infringing

#### Voltage Pictures v Doe

* **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 with 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**

# Exceptions to Infringement

* *CMA* added numerous new exceptions to infringement
* Broadening in user’s rights both a result of SCC’s more expansive interpretation as well as legislature updating the legislation
  + These exceptions were in part a way to pacify critics of the DRMs and tech protection measure provisions that were included in the bill

## List of Exceptions

**Fair Dealing:**

Purpose of research, private study, education, parody or satire (s. 29)

Purpose of criticism or review (s. 29.1)

Purpose of news reporting or news summary (s. 29.2)

**Non-commercial user-generated content** (the “mash-up” exception) (s. 29.21)

**Reproduction for personal use**

Reproduction for private purposes (s. 29.22)

Recording programs for later listening/viewing (the “time-shifting” exception) (s. 29.23)

Making backup copies (s. 29.24)

**Education**

Educational institutions’ copying for classroom display (s. 29.4(1)) or examination (s. 29.4(2))

Educational institutions’ giving student performances of works (s. 29.5)

Educational institutions’ making temporary copies of news programming for instruction (s. 29.6) or other programming for consideration as instructional aid (s. 29.7)

Educational anthologies including some copyright works among mainly non-copyright matter (s. 30)

Libraries, archives and museums’ making a copy to preserve the original (s. 30.1)

Educational institutions, libraries, archives and museums having a photocopier available on their premises, provided warning of copyright infringement is given to the users (s. 30.3)

**Computer Programs**

Copies of computer programs to adopt the program to the computer, or to back up the program (s. 30.6)

Interoperability of computer programs (s. 30.61)

Encryption research (s. 30.62)

Computer and network security (s. 30.63)

**Incidental and non-deliberate inclusion** of a work or other subject-matter in another work or other subject-matter (s. 30.7)

**Making a copy** of a work to meet the needs of a person with a **perceptual disability** (s. 32)

**Making a copy to fulfill statutory obligations** relating to freedom of information, privacy legislation, other legislation (s. 32.1)

**Making a picture of an architectural work,** or a sculpture or work of artistic craftsmanship permanently situated in a **public place** or building (s. 32.2(1)(b))

**News Reporting**

Publishing by way of news reporting a report of a public lecture (s. 32.2(1)(c))

News reporting of political addresses (s. 32.2(1)(e))

**Public readings** of reasonable extracts from published works (s. 32.2(1)(d))

**Charity**

Non-profit performances of musical works, etc., at agricultural fairs (s. 32.2(2))

Live or recorded performances of musical works for religious, educational or charitable purposes (is infringement, but no liability to pay compensation) (s. 32.2(3))

### “Mash-up exception”: 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 private purposes (s29.22)

#### Onto an Audio Recording Medium (blank CD)

S80(1) : it is not an infringement of copyright to copy a musical work or a performer’s performance of a musical work **embodied on a sound recording,** or the sound recording as such, “**onto an audio recording medium [defined in s79] for the private use of the person who makes the copy”**

* This provision is basically out of date but left in so you can still copy blank CDs
* Part of the regime for imposing a levy on manufacturers and importers of blank audio recording media (s81-82)

#### General Exception for Private Copies (added with CMA 2012)

S29.22(1) It is not an infringement of copyright for an individual to reproduce a work or other subject-matter or any substantial part of a work or other subject-matter if…

1. Original copy not infringing
2. The individual legally obtained the copy of the work from which the reproduction is made; **other than by borrowing it or renting it**, and **owns or is authorized to use the medium or device on which it is reproduced** [29.22(2) medium or device – includes digital memory]
3. Did not circumvent TPMs (as per s41) or “cause one to be circumvented”
4. Do not give the reproduction away
5. Used only for private purposes

* Does not apply to CDs (audio recording medium) in the case of musical work embodied in sound recording, performer’s performance in sound recording
* **Must destroy the copy if the original is sold, rented, or given away**

Example: Can take a song off of a CD you legall bought and put it on your ipod

Goals: Trying to make the legislation more tech-neutral and to capture new types of technology

#### Apple Canada v Canadian Private Copying Collective

* Ipod held to be a digital recording medium, and thus cannot put an “audio recording medium” tariff onto it
* Looked at issue of whether an ipod is a digital recording medium; problem is that it is not just the media itself, but the recording thing as well (like putting tariff on a tape player)
* Held that they cannot certify a tariff on digital audio recorders or the memory permanently embedded within
* This result means that it became unclear whether putting copyrighted audio onto an MP3 player is copyright infringement or not – this is solved by the general exception above

### Time-shifting (s29.23)

* Allowed to record for subsequent viewing; not to keep in personal collection forever

Requires

(a) Communication signal obtained legally

(b) Did not circumvent TPM

(c) Does not apply to content received through on-demand services

(d) Make only one recording

(e) Keep recording only a long as reasonably necessary to view at more convenient time

(f) Not give recording away

(g) Used only for individual’s private purposes

### Backup Copies (s29.24)

Requires 29.24

(a) Person who owns or has license to use can make copy solely for backup purposes

(b) Source copy not infringing

(c) Did not circumvent TPM

(d) Cannot give reproduction away

(e) Destroy all reproductions if person ceases to own or have license to use source copy

* + But backup can become source copy if source is destroyed

## Fair Dealing

### Test

#### Copyright subsists in the work

#### Substantial reproduction has occurred (i.e. there is infringement)

#### Must fall into one of the statutory fair dealing exceptions

* + Note: in Canada, unlike US, if not expressly listed in act, does not qualify as fair
* Exceptions:
  + 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 is on defendant** to show it can rely on the exception
* These are exceptions, **part of the balance of ‘user’s rights’** and thus should be given a **large and liberal interpretation** (unfair uses will be caught in the next step)
  + In contrast to old cases which saw these as defences to be construed narrowly (now they are exceptions to be construed broadly)
* **Perspective is that of the user, not copier** (*Access to Education* – student using the copy for private study, not teacher creating it)

#### The use must be **fair**

* Fairness is a **question of fact to be determined in each individual case**
* Factors to consider in assessing fairness: *CCH* (para 53)– this list is **not exhaustive**, other factors can also be considered
  + **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

### Private Study (Education)

#### Alberta (Education) v Access Copyright (NOTE: Pre-CMA!)

* 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

Background:

* 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

### 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

#### SOCAN v Bell Canada (2012)

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

### Parody/satire

* Previously in Canada no exception for parody
* Compare US (pretty woman parody – *Campbell v Acuff-Rose*: parody for commercial purposes can be fair use)
  + US law encourages transformative use, new creation (see slide!)
* Canada: *Michelin v CAW*
  + Canadian law previously more protective of rights of copyright owner: do not permit appropriation of private property (copyright works) for purposes of expression

#### Michelin v CAW

* This would probably be covered today under **current parody section,** at the time there was only **criticism**

Facts: Union makes bibendum leaflets parodying Michelin

* **Trademark:** action fails because no “use”
* **Copyright:** action succeeds – union infringed copyright by making leaflets featuring the copyrighted bibendum

**Held**

* Criticism exception does not cover parody (union tries to argue that it is criticism)
  + “criticism” connotes analysis and judgment of another work that sheds light on the original
  + Union’s bibendum was not a new creation, was not sufficient to constitute a new enough work to avoid infringement
* **CAW did not mention source or author’s name**
  + “mention” requires more than passive acknowledgement
* **Did not treat work in a fair manner (good faith)**
  + “good faith” = free from discrimination, dishonest, impartial

# Damages

S41.24 Infringement makes infringer civilly liable in Federal Court or court of province to either **copyright owner (s34(1)) or author if moral rights (s34(2)**

**Innocent Infringement - s39(1)** **IF innocent infringement, only injunction is available unless the copyright is registered s39(2)**

**May elect either profit/loss or stat damages:**

S35(1) Damages caused to the owner as well as such part of the infringer’s profits not taken into account in calculating the damages [can’t double dip one’s losses and infringers profits, though]

S38.1 Statutory damages

* Statutory damages: can be up to 20k per work s38.1(a) for commercial infringement
* *CMA*: $100-$5000 cap for individuals who infringe copyright for non-commercial purposes; plus other plaintiffs cannot sue the same defendant for the other infringements taken place before the action

**Right of Recovery**

S38(1)(a) Right of recovery of the copies “as if those copies were the property of the copyright owner” and plates used to produce copies

## Cinar Corp v Robinson

* Compensatory damages
  + About $600k (not appealed)
* Disgorgement of defendant’s profits (not joint and severally liable, each person is liable for their specific share)
  + $1.7mil
  + Including soundtrack profits because the soundtrack wouldn’t have existed without the defendant’s show (causal connection to the infringement)
* Psychological harm
  + $400k
  + Interesting and unique – not common in copyright law; but the particularly egregious nature of the infringement, denial, and behavior by the defendants were held to justify this; court likens it to a libel case
* Punitive damages
  + $1mil (reduced to $500k)
* Costs on solicitor-client basis $1.5mil
* Personal liability
  + Generally a corporation is considered a separate legal entity, so directors and officers not usually personally liable
  + There are some cases where liability can be imposed on a director or officer of corporation: *Cinar Corp* para 60
    - Must be **deliberate, willful, and knowing pursuit of course of conduct likely to constitute infringement**

# 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 – this is two separate licenses that you will need (plus remuneration to recorders/producers etc)
* Often rights are assigned to collective societies
  + Single point of contact for a person wishing to use any works within the society’s repertoire ; generally have more standardized contracts and whatnot
  + SOCAN – performance rights
* Many different such societies – still a complex task (e.g. still have to go to two different collective societies)
* Plus certain works not included in their repertoire

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# Purposes & Policy

Patents are:

* Form of monopoly for a limited period of time intended to encourage disclosure of useful inventions
  + Period of time is 20 years from the **filing date**
* A type of social contract between the inventor and the state
* An incentive to innovate

# Trade Secrets

* **Trade secrets are protected by the common law** so long as the information remains secret – once it is disclosed no longer covered
* Patents eventually expire, while trade secrets can potentially continue indefinitely
* So for certain things it makes more sense to keep it as a trade secret (e.g. things that cannot be easily reverse-engineered)
  + Some inventions that are not patentable might better be kept as trade secrets (e.g. abstract ideas…)

## *Stac Electronics v Microsoft*

* Two claims
  + **Stac v Microsoft:** Stac had a patent on the data compression software so they sue Microsoft for infringement
    - They win a huge suit against Microsoft for this
  + **Microsoft v Stac**, because Stac’s patent was in part based off of a beta version of the Microsoft’s which was reverse-engineered to make their Stac product compatible while the DOS software was still a trade secret
* Microsoft gets damages for infringement of trade secret, but Stac gets more against them
* This case spurred software companies to pursue patent claims

# Industrial Designs

* In Canada, term of protection is **5 years renewable for a further 5 year term** (in US these are ‘design patents’ and extend for 14 years) – vs 20 years from filing date for patents in Canada
* Protects **visual or aesthetic features of new articles of manufacture** whereas **patent protects functional features**
  + You might be able to get overlapping TM protection, copyright doesn’t protect useful items
* **Often, patents will be filed for the whole object and then for individual features** (so full shoe, side panel, front, heel part, etc. so even if someone reproduces only part of it, it’s still infringement)

# Early Patent Law (UK)

## Crane v Price 1842

**“manufacture” could include *process* in addition to *product***

## *GEC* (1942)

* First use of ‘vendible products” test

## *National development research Corporation’s Application* (Australia)

* Background
  + Australian patent statute defined an invention as ‘manner of new manufacture’ within the meaning of section 6 of the *statute of monopolies*
  + Issue is the “method” claims related to eradicating weeds
* Reasoning
  + Defining manufacture - better not to fetter the term but to interpret it in the relevant context where the issues arise
* **HELD: Expansive interpretation of the ‘vendible products’ test was required** 
  + **Legally, manufacture can include both product and process**
    - In this case, the process is a product creating a state of affairs (no more weeds), plus its vendible (Economic) because it provides a direct economic advantage

# Patentable Subject Matter

S2: “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**

* **CANNOT patent “any mere scientific principle or abstract theorem”** (27(8))

AKA “statutory subject matter”

## General Principles

**Generally Patentable if:**

* Useful art
  + **E.g. cannot** be poisonous or non-active medicine (*Tenessee Eastman)*
* Relates to trade, industry or commerce
* Vendible product
* Field of manual or productive arts
* Field of economic endeavor
* Exhibits some advantage which is material
* Technological
* Should be essentially economic in nature – see *Tennessee Eastman*

**Generally Non-Patentable:**

* Fine art
* Essentially non-economic (*Tennessee Eastman*)
* Non-technological
* **Mere scientific principle or abstract theorem (27(8))**
* **Professional skill** & methods– because these are either non-reproduceable, non-economic, or abstract theories
  + **Methods** of cross-examination
  + **Methods** of subdividing land (*Lawson*)
  + **Methods of doing business** that are merely abstract ideas (*cite me*)
  + **Methods of medical practice or surgery** (see below)
* **Workshop improvements** (*Ernest Scragg*)

## Professional Skills

Professional skills are generally not patentable subject matter, as held by the Exchequer Court of Canada in *Lawson v Commissioner of Patents*. In that case, the court found that a method of subdividing land was not patentable as it did not constitute an “art” or “process” within the meaning of section 2 of the *Patent Act.U*nderlying reasons for the rejection of patents on professional skills also include the fact that they are generally not reproducible in an exact form, as well as the argument that they are essentially non-economic in nature.

* **Professional skill** & methods– because these are either non-reproduceable, non-economic, or abstract theories
  + **Methods** of cross-examination
  + **Methods** of subdividing land (*Lawson*)
  + **Methods of medical practice or surgery** (see below)

### Lawson v Commissioner of Patents (ex ct): **patentability of subdivision method**

New methods of subdividing land are **not patentable, nor are the lots themselves** as per (*Lawson v Commissioner of Patents)***.** In that case, the Exchequer Court of Canada held that a new process of subdividing land into “champagne glass”-shaped lots was not patentable because the division of lots is a professional skill (the skill of a solicitor and conveyancer or a planning consultant and surveyor), and professional skills cannot constitute an “art” or “process” within the meaning of section 2 of the *Patent* Act. Professional skills are not patentable subject matter because they are essentially non-economic in nature (as per *NRDC*).

The case also acknowledged that the subdivided lots themselves are not patentable since they in no way changed the character of the land or the owner’s “ability to deal with it”. What was being claimed was **more approximate to a plan and is thus** not patentable (although possibly copyrightable).

Background:

* Tries to patent “champagne-glass-shaped” lots

Held:

* **The lots themselves are not patentable:** the invention did not change the character or condition of the land itself **(**not a “manufacture within s2)
* **The process of subdivision is not patentable:** this is a professional skill which cannot constitute an “art” or “process” within s2 (professional skills are non-economic subject matter as per *NRDC*
* **Might have been able to get an industrial design patent**
* **Note that in the US they allowed the patent; held that it was a manufacture for the sake of patent** 
  + US courts relied on the *Parkin Theaters* case – invention related to drive-in theaters which terraced the land so that 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 and surgical treatment are not patentable subject matter in Canada as held by the SCC in *Tennessee Eastman v Commissioner* and confirmed by the Supreme Court in *Apotex v Wellcome* foundation (approving of the FCTD judgement in that case)*.* This is primarily based on the reasoning that methods of medical treatment are deemed to be professional skills and essentially non-economic in nature: a process for treating the human body is not a ‘vendible product’ and thus not patentable subject matter. Further, for practical purposes, methods of treatment cannot be reproduced exactly and reliably, and preventing other doctors or surgeons from using a technique would be problematic both in terms of enforcement and policy. This restriction is 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 D”.

* *Methods* of medical and surgical treatment are **not patentable** (*Tenessee Eastman)*– THINK: does this require professional skill to administer?
  + *So, e.g.* surgery methods are out, but new use for old medication is OK
  + *Diagnostic methods* 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 the human body
  + Because the whole subject is non-economic

### METHOD vs USE

* Cannot draft “method” claims for medical treatments
  + X method of treating condition Y by administering compound D – not eligible
* **Get around it by drafting use claims**
  + “a use of compound D for treating condition Y”

### Tennessee Eastman Co v Commissioner of Patents (1974 SCC): New method of treatment using old compound not patentable

* Facts: Tries to patent method of using crazy glue to bond skin; can’t patent the glue itself so tries to patent the treatment
  + Exchequer Court held that method was in professional field of surgery and medical treatment, so **not essentially economic in character** & refused on public policy grounds
* *HELD:*
  + ***You can’t get a process patent for new medical/surgical treatment using a pre-existing product;* methods of medical treatment are not contemplated in the definition of “invention” as a kind of “process”**
  + Use of an old substance for a new medical purpose is not patentable because it allows circumvention of (then) s41
  + **Subsequent to this case section 41(1) was repealed so it is unclear whether this case still applies** 
    - **Note that** you can get a patent on a **use of a drug** but not a **process of medical treatment or surgery**
* THINK: does it take professional skill to administer/use? If so, probably not patentable

### Wayne State University (1988 Patent Appeal Board): New use for old compound patentable

* Background:
  + Applicant sought patent for method of slowing rate of cancer cell growth **using a previously discovered drug that hadn’t previously been applied in that way**
  + Method claims refused, but claims to the new use of known compounds for therapeutic purposes was allowed
* Patent Appeal Board relied on decision of SCC in *Shell Oil Co.*
  + In shell oil, they discovered a new use for old compounds
    - SCC says yes this can be patented as an invention (novelty, inventiveness, non-obviousness all residing in the *use of the compound, not the compound itself*)
* **The claim was framed not as a *method* but as a particular *use* of the drug, which is patentable** 
  + Originally their method claims were rejected; when they resubmitted them as use they got the claim approved

### Apotex and Welcome Foundation (SCC): new use for old drug patentable

* AZT developed in the 1960s and never patented as a molecule
  + Not successful for cancer therapy
  + Later approved for treatment of AIDS and patent granted for this new use
    - Apotex argues it is a method patent, but it is upheld as being a **use**

## Living Subject Matter

### Bacteria and Micro-Organisms

Bacteria and Micro-Organisms are patentable subject matter in both Canada and the US.

The Canadian Patent Appeal Board held in *Re Abitibi Co* that a microbial culture system comprising fungi and yeast that was used to break down pulp mill effluent was patentable subject matter. The board held that higher life forms were patentable so long as they were new, non-obvious, useful, and could be reproduced at will; micor-organisms were thus included as patentable. The board also held that disposition of living matter in a culture collection can help to satisfy the description of invention.

The US Supreme Court held in *Diamond v Chakrabarty* that a genetically altered bacterium was patentable subject matter. This decision was based on the finding 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.

*Diamond v Chakrabarty: US (1980)*

* Majority of the USSC held that a **genetically altered bacterium** capable of digesting hydrocarbons **was patentable in the US**
* Reasoning
  + Human intervention was required to make this organism
  + Does not occur in nature
* April 1987 US Patent Office announced that **non-naturally occurring non-human multicellular living organisms including animals can be patented**
* “the grant of an exclusive property right in a human being is prohibited by the US constitution”

*Abitibi (Re Application of Abitibi Co)(1982 Canadian Patent Appeal Board):* ***micro-organisms are patentable***

Background

* Applicant sought patent protection for microbial culture system comprising fungi and yeast used to break down effluent from pulp mills
* The culture **previously existed** but they **acclimatized it**
* Process claims were allowed

Held *(*Patent appeal board):

* **Micro-organisms could constitute patentable subject matter**
* **Higher life forms could be patentable** if they are new, unobvious, useful and can be reproduced uniformly at will
* **Disposition of living matter in culture collection can help to satisfy the requirement to describe the invention fully** 
  + So that after patent expires, people can go to the depository and get samples of the invention rather than having to reproduce it
* Description requirement set forth in section 27(3) of patent act (former section 36)

### Transgenic non-human animals

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) of the court 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…**

*Harvard College v Commissioner of Patents*

* Background
  + Only the claims relating to the onco-mouse itself were problematic; the process of creation claims were granted
  + Trial court held that a complex life form cannot be considered a ‘manufacture’ or ‘composition of matter’ as set forth in section 2 of the Patent Act without ‘stretching the meaning of the words to the breaking point’
* Federal court
  + Rothstein
    - DNA is matter, mouse egg is matter, combining them and producing the mouse = composition of matter
    - The gestational development does not mean it ceases to be a composition of matter as it develops from the egg into the mouse
* SCC: NOT PATENTABLE (5:4 majority)
  + **NOT manufacture or composition of matter within stat definition**
    - However, the mouse egg might come within “composition of matter”; the mouse does not
  + **Not contemplated in *Patent act***
    - *Policy* issues (ethical, environmental concerns) and unique issues not contemplated by the patent act; this would result in an expansion of the patent regime, and without explicit legislative direction they do not want to expand it – lack of contemplation suggests not parliament’s intent
  + **Manufacture: higher forms not “made by man” the same way micro-organisms can be**
    - *Chakrabarty*: production of articles for use from raw or prepared materials by giving to these materials new form, qualities, etc. whether by hand-labour or machinery
      * Higher life forms aren’t “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
      * Seems like the injection into the egg part is a mixture of ingredients
    - ***The issue here seems to be that the egg itself might be a composition of matter, but the resultant mouse itself cannot be understood in these terms***
    - **Higher life forms have characteristics and qualities that appear to transcend the particular matter from which they are composed, makes in hard to conceptualize them as mere compositions of matter**
  + *Further concern*: if accepted, there is no logical reason why it wouldn’t extend to humans, especially when we start putting animal organs or genes into human beings
    - *Not appropriate* for the courts to provide an exception for human life since this begs the question what is human and what aspects of human life should be excluded
* Binnie (dissent)
  + Thinks the matter is straightforward; rejects the ‘disappearing matter’ argument that the egg is a composition but the resulting mouse is not – not to be found in the legislation
  + Rejects the idea that mouse is not composition of matter because it is *something more*
  + Rejects distinction between higher and lower life forms, says it is a matter of opinion and not tenable
  + *Says that if we want it not to be patentable then parliament should change the act*
  + *“manufacture”*
    - Doesn’t matter if it is a manufacture because it is already a composition of matter

#### Diamond v Chakrabarty (1980 USSC):

* Patentable subject matter is “anything under the sun”
* April 7, 1987 US patent office announced it considered ‘non-naturally occurring non-human multicellular living organisms, including animals, to be patentable subject matter’
* Granted patent to Harvard college for the mouse (& all non-human mammals altered in the same way)
* Patented animals in states include sheep, mice, rats, rabbits, goats, cows

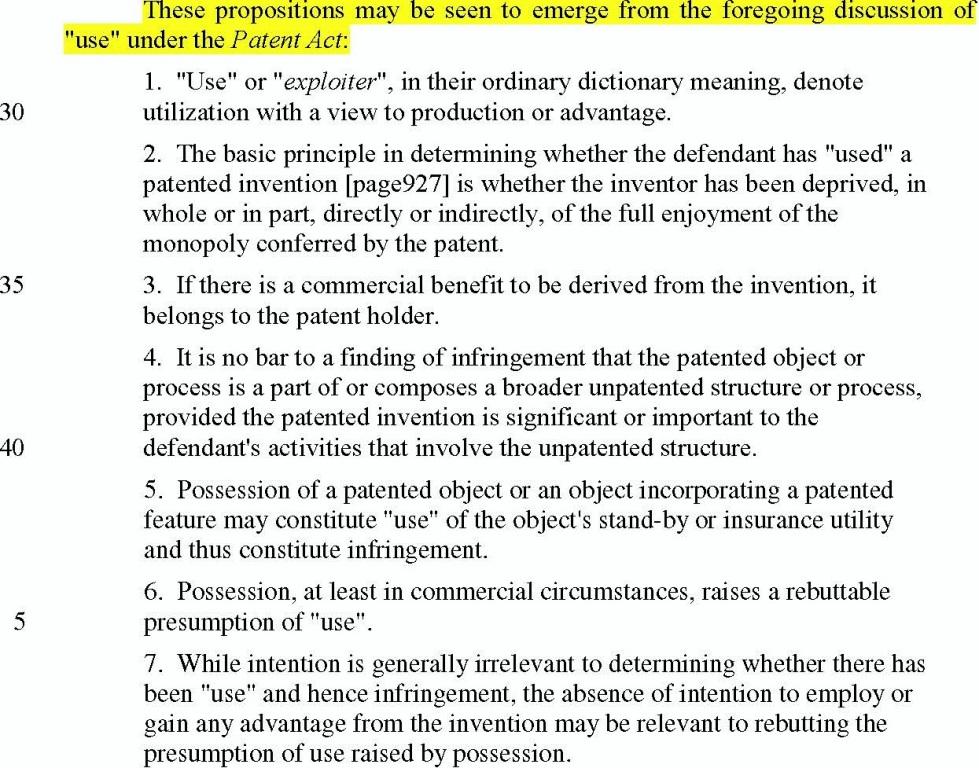
### Seed Traits: seeds not patentable but internal traits are

*Monsanto Canada v Schmeiser (SCC)*

* Background
  + Monsanto owns the patent on roundup ready canola
  + *Issue* was whether the farmer **used** the patent contrary to M’s rights when he saved and re-used the seeds (meaning of **s42 of the Patent Act)**
  + Note that the claim was for the *genes* or the *cells containing the genes*, not the plant itself
  + *Trial court*: concerned that the inventors did not exercise control over the characteristics of the mouse **as a whole**; did not meet standard of human control and reproducibility necessary to constitute a patentable invention
* Judges all agree the **patent is valid,** scope of protection was only issue between majority and minority

**Did Schmeiser “use” the patent by reproducing seeds?**

* McLachlin (5:4 majority)
  + **USE under s42:**
    - Defendant has **used an invention when the defendant has deprived the inventor, either directly or indirectly, of the full enjoyment of the monopoly conferred by the patent**
    - Use **does not require use for intended purpose** – even if he didn’t put roundup on it, still infringing
      * “possession as a stand-by insurance value” e.g. fire extinguisher
    - Does not matter if it is part of a larger, unpatented thing
    - **Rebuttable presumption is that mere ownership or possession = use**
      * This can be rebutted by showing no intention to cultivate the seeds, accidental seed contamination, attempts to remove, or concentrations were low (‘blow-by’)
  + Lego block analogy:
    - The patented genes and cells are not merely part of the plant
    - If an object were build with lego blocks, it would not be a bar to infringement that only the blocks were patented; it couldn’t’ exist apart from the blocks
* Schmeizer could not rebut the presumption of intended use
  + A famer might be able to prove this unintended use by demonstrating their acting to arrange for the removal (Monsanto offered to remove the canola from his farm but he refused) or taking precautionary measures
  + **Knowledge of infringement is not a necessary component of infringement** so you can sue someone for infringement even if they didn’t realize it was infringing
    - **However, in this case**, knowledge of infringement or lack thereof might allow rebuttal of the presumption of use flowing from possession
* Dissent
  + “use” under s42 should be constrained by the subject matter of claims
  + Patent on cells and genes of plant cannot give indirect patent protection to the plant itself, as it is a higher life form under *Harvard Mouse*

**

### 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…**

#### Re Application for Patent of Connaught Laboratories (1982 CPR) – cited in Harvard v Commissioner (dissent)

* In that decision, the Patent Appeal Board allowed that cell lines derived from “higher life forms” were patentable

*Moore v Regents of University of California*

* Background: doctor took Moore’s cells during treatment, created and patented a cell line based on them which was licensed to a pharma company
* HELD:
  + **Cannot claim tort of conversion for human tissue – no property right in the cell line**
  + Doctor is liable for breach of fiduciary duty

### 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. 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 recently 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. 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…**

* + Overturned in the US by *Myriad Genetics* for naturally-occurring DNA
  + No clear precedent or legal change in Canada as of yet
* Human genes used in tests have been patented in Canada (e.g. *Myriad Genetics BRCA1/2*)

#### Harvard v Commissioner of Patents

* Deals with ‘higher life form patenting’ of oncomouse
* (dissent) “The patent office regularly allows patents on human genes, proteins, cells and DNA sequences

*Myriad Genetics (USSC) [Association of Molecular Pathology v Myriad Genetics]*

* US: judicial exceptions saying **you cannot patent things naturally occurring in nature/product of nature**, natural processes, etc. – we don’t have the same provision in Canada
* HELD:
  + **DNA naturally occurring – not patentable**
  + **Isolated DNA – not something new – still not patentable**
    - Separating a gene from its environment was not enough to make it “new compositions of matter”
    - Might have gotten it if they relied on the chemical changes that occurred
  + **cDNA is patentable**
    - “cDNA is an exons-only molecule that is not naturally occurring” (coded portions only)
* Notably, it is longstanding in patents that you can patent something that is isolated e.g. special bacteriums coming from specific soil samples

## Software & Business Methods

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. In *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. 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. In this case…

In the US, the Supreme Court has refused to “categorically reject” business methods as patentable subject matter (*Bilski* cited in *Myriad Genetics*). In *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 matter, based in part on a finding that the door opening was a sufficiently practical application of the formula. In *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…**

**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.]

#### Stac Electronics v Microsoft (see in: trade secrets)

### CANADIAN LAW

#### Schlumberger Canada v Commissioner of Patents (FCA)

* Background
  + Applicant sought patent protection for a method of obtaining useful information about geological formations
  + **The court found the ‘invention’ was in analyzing the data and producing useful results**

**Two-step test for determining whether the claim related to statutory subject matter**

**1) “What, according to the application, has been discovered?” [look *only* at the application as per (*Amazon)]***

**2) “Is that discovery patentable regardless of whether a computer is or should be used to implement the discovery”?**

* + The formulas were what was actually new here, since they could have been done without a computer – therefore, they are more like theorems or principles
* **HELD: not patentable**

#### Amazon “one-click” case [Canada (AG) v Amazon.com (FCA)]

* Background
  + Amazon tries to patent their ‘one-click’ shopping system
  + Canadian Patent Appeal Board held that business methods do not qualify for patent protection and claimed the method related to “non-technological” subject matter; also no transformation physically
* HELD:
  + **Business methods are not per se unpatentable** but can’t merely be an idea or ‘scheme’
  + No requirement that an invention be “technological”
  + A patentable ‘art’ is **something with physical existence or that manifests a discernable effect or change**
    - * *(think: Lawson case/subdivision of land into champagne glass shapes)* – no physical change of property or object
    - **Practical application is not sufficient** (a la Schlumberger), must have a more real-world result
* **Result: sent back for consideration but Amazon amends the claim and it is accepted**
* After Amazon some new patent office guidelines came out which change how it is interpreted
  + Published in March 2013, dealing with
    - Purposive construction of patent claims
    - Computer-implemented inventions

### American Law

#### Diamond v Diehr (SCOTUS)

* Background
  + Product 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 by 4 judges
    - 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) – expands software patentability in US (then RESTRICTED in Bliski)

“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 because it produces a “useful, tangible result” (final share price)

* Background
  + 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’)

#### Bilski v Kappos (SCOTUS) – CURRENT US TEST

* Background
  + Invention is method of hedging risks in commodities trading
    - Patent application claims a procedure for buyers and sellers to protect against risk of price fluctuations
  + **Method of doing business**
* HELD
  + NOT patentable: **abstract idea**
    - **Hedging** is a concept or abstract economic theory
  + Machine or transformation test is a useful tool but **not the sole test for determining patentable subject matter**
    - *MOT test:* process must be either
      * 1) tied to a particular machine or apparatus
      * 2) transform a particular article into a different state or thing
  + Business methods can be patentable process (as per *Diamond v Diehr*) **but not if they are abstract ideas**
  + *Declined to specifically endorse the State Street test*

# 1. Novelty

Section 2 of the Patent Act 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.**

S 28.2(1)the subject matter defined by a claim in an application for a patent in Canada must not have been disclosed

* 1. more than one year before the filing date by the applicant, or by a person who obtained knowledge, directly or indirectly, from the applicant, in such a manner that the subject-matter became available to the public in **Canada or elsewhere**
     + This gives you a 1-year grace period to file your patent if your invention was disclosed by yourself
     + This grace period only applies to Canada, and many countries do not have such grace periods (so, if you disclose today and file in Canada tomorrow, you cannot subsequently file in Europe etc.)
  2. Before the claim date by a person not mentioned in paragraph (a) in **such a manner** thatthe **subject matter** became **available to the public in Canada or elsewhere**
     + **You must file** before the invention is disclosed anywhere in the world
     + **Can be by any means**: written, oral, any kind of disclosure
     + If this happens even a day before your filing then your filing date is after the date it became available to the public
  3. **in an application for a patent** filed in Canada by a person other than the applicant and has a filing date that is before the claim date, or
     + First to file system
  4. in an application (the “co-pending application”) for a patent that is filed in Canada by a person other than the applicant and has a filing date that is on or after the claim date if
     + (i) the co-pending application is filed by
       - (A) a person who has, or whose agent, legal representative or predecessor in title has, previously regularly filed in or for Canada an application for a patent disclosing the subject matter defined by the claim, or
       - (B) a person who is entitled to protection under the terms of any treaty or convention relating to patents to which Canada is a party and who has, or whose agent, legal representative or 15 predecessor in title has, previously regularly filed in or for any other country that by treaty, convention or law affords similar protection to citizens of Canada an application for a patent disclosing the subject-matter defined by the claim, 20
     + (ii) the filing date of the previously regularly filed application is before the claim date (s 28.1 – earlier of actual Canadian filing date or date of previous application for same invention if on priority) of the pending application,
     + (iii) the filing date of the co-pending application is within twelve months after the filing date of the previously regularly filed 25 application, and
     + (iv) the applicant has, in respect of the co-pending application, made a request for priority on the basis of the previously regularly filed application.
* *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
* Only the federal court can impeach a patent for all parties (s60 of the act)

## Anticipation and prior art

Anticipation requires both (*Apotex v Sanofi)*

1. **Prior disclosure of the claimed invention**
   1. Must be in a single prior publication of the “exact invention” *(Apotex v Sanofi)*
   2. “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 cited in Apotex)*
   3. Skilled person would have been led inevitably to the invention **without the use of inventive skills** (*Apotex v Sanofi)*
   4. *No trial and error allowed at this stage (Apotex v Sanofi)*
   5. Location of the disclosure and actual use by anyone is **irrelevant:** even if on a book in a library that is never read, if it is available to the public it is disclosed (*Lux cited in Baker Petrolite)*
2. **Enablement - a person skilled in the art would have been able to perform the invention**
   1. **Some trial and error experimentation is permitted at the enablement stage,** the prior art disclosure must have been sufficient to enable a skilled person **to** perform or make the claimed invention **without “undue burden”** *(Apotex v Sanofi)*
      * **Undue burden** takes into account **the nature of the invention**: depending on the field, more trial and error acceptable (e.g. pharma) *(Apotex v Sanofi)*
   2. **Reverse engineering is acceptable regardless of difficulty** (*Baker Petrolite)*
      * **Complexity or time and work involved** are not relevant – what matters is whether inventive skill must be used
      * **Does not need to figure out how it works** or be able to re-create the entire product containing the patented material; just know what it is (i.e. what chemicals are in the compound) (*Baker Petrolite)*
   3. **Mere sale** is not sufficient to meet this requirement (e.g. black box invention) (*Baker Petrolite)*

### Apotex Inc v Sanofi-Sythelabo Canada (2008 SCC)

* Facts
  + Sanofi had a broader patent covering a class of compounds; one compound was a mix of two isomers, one of which was found to be useful
  + Issue was whether they could patent the smaller compound previously contained within the broader patented class of compounds
* **Test for anticipation is refined in this case**
  + Anticipation requires both
    - **1) prior disclosure of the claimed invention**
      * Must be in a single prior publication of the “exact invention”
      * “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)*
      * *No trial and error at this stage*
    - **2) enablement which means that a person skilled in the art would have been able to perform the invention**
      * **While some trial and error experimentation is permitted at the enablement stage, the prior art disclosure must have been sufficient to enable a skilled person to perform or make the claimed invention without “undue burden”**
  + Held
    - **Earlier patent did not disclose the special advantages of the compound so it did not cause prior disclosure**
    - It was predicted at the time of the broader patent, but not made and not disclosed

“The list is not exhaustive. The factors will apply in accordance with the evidence in each case.

1. **Enablement is to be assessed having regard to the prior patent as a whole including the specification and the claims**. 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**. Common general knowledge means knowledge generally known by persons skilled in the relevant art at the relevant time.
3. **The prior patent must provide enough information to allow the subsequently claimed invention to be performed without undue burden**.
   1. When considering whether there is undue burden, **the nature of the invention must be taken into account**. For example, if the invention takes place in a field of technology in which trials and experiments are generally carried out, the threshold for undue burden will tend to be higher than in 25 circumstances in which less effort is normal. If inventive steps are required, the prior art will not be considered as enabling. However**, routine trials are acceptable and would not be considered undue burden. But experiments or trials and errors are not to be prolonged even in fields of technology in which trials and experiments are generally carried out**. No 30 time limits on exercises of energy can be laid down; however, 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.**

### Baker Petrolite v Canwell Enviro-Industries Ltd. (FCA 2002)

#### Anticipation by prior sales made in the US

* 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 s28.2(1)(a) of the *Patent Act*
* Federal court of appeal
  + An **“enabling”** disclosure is required; mere sale is not sufficient
  + If 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 the inventive skill* (reverse engineering is OK) then the invention may be found to be anticipated**
    - Doesn’t matter how hard the reverse engineering might be
* Held: Patent not valid
  + 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)
    - Person does not have to actually conduct analysis of the product; sufficient that they could have done so

### Ernest Scragg & Sons v Lessona Corp (1964 Ex Ct) – early test

* Facts
  + Plaintiff sought to impeach the validity of two Canadian patents for yarn crimping process based on inventions lacking novelty because of prior art (two publications and a claim of use)
* HELD:
  + Test is an extremely high bar; the prior art was not sufficient to prove disclosure so the patent is valid
* **Test for “anticipation” (lack of novelty)**
  + Prior art must **provide ‘clear and unmistakable directions’** in order to anticipate the invention
    - “information as to the invention **[must]… show everything that is essential to it** so that **a workman of ordinary skill in the relevant art** would at once have perceived, understood and **been able to practically apply the invention without the necessity of further experiment**…”
  + **Anticipation must be found in a *single prior art document* – the teachings of multiple documents cannot be combined**
  + **Not enough** that the information was there without the indication as to how it be used (there must be “clear and unmistakable direction” as to the purpose or use)
  + Cites *Reeves Brothers:* **the prior art must…[meet one]**
    - 1) give an exact prior description
    - 2) give directions which will inevitably result in something within the claim
    - 3) give clear and unmistakable directions
    - 4) give information which for the purpose of practical utility is equal to that given by the subject patent
    - 5) convey information so that a person grappling with the same problem must be able to say “that gives me what I wish”
    - 6) give information to a person of ordinary knowledge so that he must at once perceive the invention
    - 7) in the absence of explicit directions, teach an ‘inevitable result’ which can only be proved by experiments
    - 8) satisfy all these tests in a single document without making a mosaic
    - *Tye-sil corporation*  clarified that only one of these various things must be met

### Anticipation by Single Prior Sale

#### Gibney v Ford Motor Co of Canada (Ex ct. 1967)

* Facts
  + Plaintiff owned a patent for a protective shield for a car generator, sues Ford for infringement; Ford claims it is invalid because plaintiff disclosed more than 2 years prior to registration
  + Inventor had made a prototype of the invention and disclosed it to a single customer more than 2 years prior to the patent filing date
    - Previously you had a 2-year grace period to patent (now you have 1)
* HELD:
  + Patent lacked novelty due to prior public use
  + **Disclosure of an invention on a non-confidential basis to a single member of the public may render a patent invalid** 
    - If no steps taken to avoid disclosure (e.g telling customer to keep it secret)
    - **If disclosure** is sufficiently enabling (see Baker Petrolite)
  + **Does not fall under** the experimental use exception
    - 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, like investors)
    - **If he had been more clear about it from the beginning (told the customer not to share it, specified it was experimental, etc.) it might have been easier for him to argue this**
    - This exemption was also designed when the act had different language – now it requires availability to the public by any means and has the additional enablement requirements; **so some suggest it may not apply to the new act**

### Proctor & Gamble v Nabisco (US)

* Facts:
  + Dough-based ready-to-bake cookie with chewy inner part and crispy outer part
  + “a method of making a laminated dough structure”
* HELD:
  + Novelty problem because of prior recipe for “railroad cookies” which involved similar “laminated dough structure”
  + **Need clear and unmistakable directions – can be from a cookbook!**
  + Settled out of court

## Concealed Use

* Canadian law now clearly requires an ‘enabling disclosure’, namely a disclosure by which information sufficient to enable a person skilled in the art to practice the invention has been ‘made available to the public”
* **So a ‘black box’ invention that is release but you can’t see what it does is not sufficient for disclosure** 
  + “sale to the public or use by the public alone is insufficient to prove anticipation” (*Baker Petrolite)*

# 2. Non-Obviousness

🡪 Difficult test to satisfy

“[The issue of obviousness] is as fugitive, impalpable, wayward, and vague a phantom as exists in the whole paraphernalia of legal concepts” (*Harries v Air King)*

28.3 The 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, having regard to

1. information **disclosed more than 1 yr before filing date by applicant,** or by person who obtained knowledge from applicant in such a manner that the info became available to the public in Canada or elsewhere; and
2. i**nformation disclosed before the claim date by a person not mentioned in paragraph (a)** in such a manner that he information became available to the public in Canada or elsewhere

## *Apotex v Sanofi-Synthelabo Canada (SCC 2008)*

* Background: see previous (Mixture of compounds was patented; tries to get a separate patent on one isolated compound)

**Test for Obviousness**

* Adopted the four-step test in *Windsurfing/Pozzoli*
  1. (a) identify the notational **“person skilled in the art”**

(b) Identify the relevant **common general knowledge of that person**

* 1. Identify the **inventive concept of the claim in question** or if that cannot be readily done, construe it;
  2. Identify **what, if any, differences exis**t between the matter cited as forming part of the ‘state of the art’ and the inventive concept of the claim
  3. Viewed without **any knowledge of the alleged invention**, 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?
     + **If obvious to try test is warranted, consider the 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)*
       - Note: just because there are known methods, does not meana skilled person would necessarily think to apply them in a given context – must be self-evident to try them
  + **Invention may be “obvious to try” if it is more or less self-evident that what is being tried ought to work**
    - However, mere possibility of finding an invention is not enough
    - **Not self-evident from the broader patent or common knowledge that the selected isomer ought to work** (i.e. that it would perform the unique function they were trying to patent it for)
* Held
  + Just because there were techniques for separating the isomers does not mean it will work and that you will end up with a better compound; not obvious to try those techniques in this case

## *Windsurfing International v Trilantic Corp (FCA 1985)*

* Background
  + All of the component elements of the invention were known in prior art
  + Plaintiff obtained a patent on basis that the invention was a new and inventive combination
  + Trial court held it was obvious because of Darby sailboard described in *Popular Science* magazine (which had some similar and some different elements)
* HELD (FCA)
  + Advantages of the Marconi rig (new sail) **were not obvious to the inventor of the prior art** (Darby), who the court considered to be skilled in the art, **suggesting they were not obvious for the sake of this test**
    - E**ven though it might have been obvious to the applicants** (and anyone else who ‘applied their mind to it’)
  + **Secondary consideration =** commercial success of their invention vs Darby board
    - Long-felt need (not in this case, but it’s another one): if there is a problem that has been around for a long time, if someone comes up with a solution it generally implies the solution was non-obvious

## *Ernest Scragg v Lessona (1964 Ex Ct)*

Facts: sought to impeach patents for yarn-crimping methods based on lack of novelty or obviousness (see lack of novelty above)

* **Objective test: whether alleged invention would have been obvious to a person of ordinary skill in the art but no inventive ingenuity at all**
  + A “mere scintilla” or slightest trace of inventiveness **is sufficient to prove non-obviousness**
* **“hindsight analysis” should be avoided** – many important inventions seem obvious in hindsight
* **Workshop improvements not patentable**
* **Do not do this subjectively!**

# Utility

* Section 2: “an invention means any new and **useful** art, process…etc”
* An invention **is not useful if:**
  + **It will not operate at all**
  + **Will not do what the patent specification promises it will do**
    - E.g. poisonous medicine *(Tennessee Eastman)*

**Utility or Sound Prediction**

TEST for utility *(X v Commissioner of Patents*)

**Can the effects which the patentee professed to produce be produced when the directions on the patent are followed?**

* MUST either demonstrate the utility or give a “sound prediction” that it will work
  + Courts are now using this against patentees who claim promised utilities and then cannot later actually demonstrate that (*Apotex)*

#### Requirements for Sound Prediction (Apotex v Wellcome)

1. **must be a factual basis for the prediction**
2. **inventor must have an articulable reasoning from which the desired result can be inferred**
   1. E.g. reasoning grounded in the “architecture of chemical compounds” (*Monsanto v Burton Parsons)*
3. **must be proper disclosure**
   * **Does not need to provide a theory of why the invention works, but that it does work and how to work it**
   * **“doctrine of sound prediction” accepts the fact that there is further work to be done**

* **IF THE PRODUCT DOES NOT FUNCTION AS PREDICTED THEN IT THE PATENT IS INVALID *(Apotex v Wellcome)***

## X v Commissioner of Patents

* Facts
  + Guy tries to patent a ‘death ray’; he says he can demonstrate that it works but hasn’t been able to test it because he needs access to nuclear facilities
* Held
  + Has not demonstrated that the invention was useful, since it was inoperable for the purpose for which it was designed
  + He hasn’t actually made it and it is not clear whether it actually works – it is mere prediction without any supporting evidence
* TEST:
  + **Depends on whether following the directions of the specification, the effects which the patentee professed to produce can be, in fact, produced.**
  + MUST either demonstrate the utility or give a “sound prediction” that it will work
    - Courts are now using this against patentees who claim promised utilities and then cannot later actually demonstrate that

## Doctrine of Sound Prediction

### Apotex v Wellcome Foundation: new use for old compound

* Facts
  + AZT: invented back in the day but its usefulness for HIV was not known until after the original patent expired; sought a ‘new use’ for an old compound
  + Filed patent application once testing for retroviral use had begun on mice and human cell lines but no tests on humans yet
* Held
  + When the application was filed Wellcome had sufficient information about AZT and its activity against HIV to make a sound prediction that it would be useful for treating AIDS in Humans
    - Human cell line and mouse data
    - A theory with some science about how it might work
    - This together was enough to satisfy the sound prediction requirements

#### Requirements for Sound Prediction

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# Patent Application Components

Remember: what is not claimed is **disclaimed** (*Electric & Musical Industries v Lissen)*

* **Specification** = **disclosure or description** (i.e. the descriptive portion of the patent application) **& the Claims** (numbered paragraphs which define the scope of the patent monopoly)
* **Purpose of disclosure is to describe the invention in sufficient detail to allow someone to reproduce the invention once the patent lapses or expires**
  + Disclosure is addressed to a person ‘skilled in the art’, not the average layperson

## Elements:

* Field of invention
  + General field of art to which it pertains (e.g. sailboats, land vehicle sails)
* Abstract
  + Usually just a few line summary
* Background of the invention
  + This usually describes what already exists in the field (prior art), how the current invention overcame problems in the prior art
  + **These sections are not required and the background in particular is often left out for fear of admitting too much similarity with prior art**
* Description of the preferred embodiment
  + Explains the diagrams and invention in a form that allows for reproduction upon expiration of the patent
* Claims
  + Generally, you want to list a number of claims beginning with the broadest ones and getting more specific – cover as much ground as possible; but **don’t be overbroad!** (*Noranda Mines v Minerals Separation North America*)
  + Scope of patent is defined by the claims
  + You may want patents on specific parts in order to use them in other stuff
  + Can also patent methods or processes for certain use of a thing
  + **Anything not specifically claimed in your application is considered “disclaimed” and you cannot enforce it – EVEN IF DESCRIBED IN DISCLOSURE or illustrated in drawings**
    - **So if it is shown in figure three, if it isn’t covered by the patent claims it isn’t patented**
  + **May cover actions (methods, processes, uses) as well as things (apparatuses, compositions, products)**
* **27(3) The specification of an inventor must (a) correctly and fully describe the invention and its operation or use as contemplated by the inventor…**

## Not only WHAT but also HOW it is claimed

* Must look at both **form and substance of the patent**
  + If your patent is rejected, you may be able to claim almost the same subject matter if you change the form
  + **E.g. instead of claiming something as a medical use, claim it as a general use claim (use of a drug for a purpose)**

## 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**

## Required amount of Disclosure

### Teva v Pfizer

**You cannot obfuscate your claims to avoid truly disclosing the product**

* Facts
  + Pfizer patented *sildenafil*, Viagra’s active ingredient, for treating ED
  + Patent specifications says that “one of the ‘preferred compounds’ works to treat ED” **but does not specify which compound on the application it actually is**
  + Claim covers 260 quintillion compounds, with 2-5 narrowing the list and 6/7 claiming one compound each – sildenafil and one other ineffective one
  + Out of all of these, only sildenafil was shown to be effective
* Held
  + Lebel J: unanimous
    - **We must look to the whole of the disclosure and claims to determine the nature of the invention…**seeking a construction which is reasonable and fair to both patentee and public
      * **Where the language** can reasonably be interpreted as affording the inventor for that which “he has actually in good faith invented” then the court will generally try to give that construction
    - Patent does not satisfy disclosure
    - **Patent specification failed to meet disclosure requirement because a person skilled in the art would need to conduct further tests to determine which one of the (2) compounds (6 or 7) was actually effective**
  + **Policy:**
    - **The court basically thought Pfizer did this intentionally to obfuscate**
    - **“public’s right to proper disclosure was violated”**

# 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)

* 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

* 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

55

1. damages for infringement after patent issued (liable for all damage sustained after the grant of the patent by reason of infringement)
2. reasonable compensation for activities occurring after the date of “laying it open” (publication) to the date of grant
   1. Usually published 18 months after, but you can ask for it faster so this will apply

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

### Competing policy issues

* Predictability
  + *Electric & Musical Industries*: “the function of the claims is to define clearly and with precision the monopoly claimed, so that others may know the exact boundaries of the area”
  + Courts are generally more concerned with this than with fairness
* Fairness
  + *Incandescent Gas Light Co*: it is seldom that the infringer does the thing, the whole thing, and nothing but the thing claimed; usually adds or varies it, but the court must determine in good sense whether the substance of the invention has been pirated

## Use

SEE: *Monsanto v Schmeiser*

## Test for Patent Infringement

### McPhar Engineering v Sharpe

* 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
* Reasoning
  + **“literal” or “textual” infringement occurs** where the defendant’s actions include all of the limitations set forth in the claims
  + **“substantive” infringement:** occurs **where the defendant’s apparatus or activity differs from the claimed invention in minor respects but is otherwise substantially the same** (e.g. omission of a non-essential element with a functional equivalent)
    - “it has long been established that if a person takes the substance of an invention he is guilty of infringement even if his act does not [expressly violate all claims] – stated as early as 1875 in *Clark v Adie*
    - This is known as “doctrine of equivalents” in the US
    - *Graver Tank v Linde Air*: SCOTUS said accused device is equivalent under consideration if the device “**performs substantially the same function in substantially the same way to obtain substantially the same result”**
* Held
  + The transmitter coil hanging freely is not an essential feature of the claim; so the defendants were liable
    - They have infringed on the **substance of the invention**

# Construction of Claims – intention for essential parts

Relevant for validity and infringement issues

## Whirlpool v Camco (SCC)

* Facts
  + Whirlpool owns three patents relating to dual action agitators for washing machines
  + Accused of ‘double patenting’
    - So defendant was arguing for broad construction of the second patent as basis for claiming the third patent was invalid due to double patenting
  + Has to do with ‘flexible veins’
* Held
  + *Catnic* one-stage“**purposive construction**” approach to patent claims, not merely literal interpretation which **takes into account** whether a similarly-placed person would **intend a part to be essential** (not inconsistent with *McPhar*)
    - “Whether **persons with practical knowledge and experience** of the kind of work in which the invention was intended to be used, **would understand that strict compliance with a particular descriptive word of 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)

## *Free World Trust v Electro-Sante (2000 SCC)*

* Facts:
  + Patent claims relating to a “circuit means” for controlling electro-magnetotherapy
* Held
  + Proper test does not separate literal from substantial infringement – endorsed “one stage” *Catnic* approach to purposive construction
  + **Essential or 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 without affecting the working of the invention**
      * **Ie.** Invention would perform substantially the same function in substantially the same way to produce substantially the same result
  + What is an ‘essential element’ is to be construed purposively **based on knowledge in the art at the time the invention was patented**
* Appeal dismissed, did not show all essential elements were copied
* Policy:
  + **Predictability is achieved** by tying a patent to its written claims
  + **Fairness** is achieved by giving the claims a purposive interpretation “through the eyes of the skilled addressee”