INDUSTRIAL PROPERTY

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I. INTRODUCTION

The subject matter of this year's Industrial Property Survey is the field of Copyright. The period covered is from 1967 [1] to mid-1971.

Before this subject is considered, however, it is first necessary to note two events which relate to the entire field of Industrial Property in Canada. The first is the death of Harold G. Fox, Q.C., who died in 1970. Throughout his long life, Dr. Fox contributed an unparalleled amount to the law of industrial property in Canada. It was he who published the basic Canadian texts on patents, trade marks, copyright and industrial design. [2] His passing also brings to an end the series of reports of patent, trade mark, design and copyright cases, which he edited. [3] Dr. Fox will be remembered fondly by the entire profession, and his works will stand as a monument to him.

Another happening which may have profound effects on this area of the law is the publication of the long awaited *Report on Intellectual and Industrial Property* by the Economic Council of Canada. [4] This report makes recommendations as to changes in the law for patents, industrial designs, copyright and trade marks. Most attention has been directed to the Council's recommendations regarding patents. [5] Many of the Council's suggestions have caused extreme concern in the profession. [6] It is not yet known what effect the recommendations of the Council will have on the formation of industrial property legislation by the federal government, but it is strongly urged that all ramifications of the suggestions made by the Council be considered very carefully before they are adopted.

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1 The date of the last revision of the major Canadian text on the subject. See H. FOX, THE CANADIAN LAW OF COPYRIGHT AND INDUSTRIAL DESIGNS (2d ed. 1967).

2 For a complete listing of the text books written by Dr. Fox, see the obituary by Christopher Robinson, Q.C., found at 49 CAN. B. REV. 159 (1971). On the occasion of Dr. Fox's passing, the entire May 1971 issue of the Canadian Bar Review was devoted to Canadian jurisprudence essays dedicated to him.

3 These reports, Fox's Patent Cases, ended with volume 44.

4 Information Canada, Ottawa, Jan. 1971.

5 *See, e.g.*, the working papers dealing with the Council's recommendations as to the patent system, which were presented to the 1971 Annual Meeting of the Patent and Trade Mark Institute of Canada. These working papers will be published in a special edition of the bulletin of the Patent and Trade Mark Institute of Canada in the winter of 1971-72.

6 A certain period of reflection and study is desirable due to the far-reaching significance of these suggestions.

II. COPYRIGHT

The basic Canadian text on the subject was written by Harold G. Fox, Q.C., [7] and the most recent revision of this work was published in 1967. There is also a fairly recent English text, [8] but this is not too useful as regards Canadian law, in view of the fact that the British Copyright Act was repealed and re-enacted in 1956, [9] and the new Act is different from the Canadian Act in many respects.

The Canadian Copyright Act in its present form [10] came into force on January 1, 1924, and has remained since that time with relatively few amendments being made to it. It follows closely in form the provisions of The Imperial Copyright Act of 1911. [11] It is somewhat unusual among Canadian Acts as it is printed in the Revised Statutes of Canada along with two International Conventions which it is intended to implement. [12] The second of these conventions [13] was the occasion for the one major amendment to the Act since its inception. [14]

Although the two International Conventions referred to are set out in schedules to the Copyright Act, the Act does not incorporate them as part of the law of Canada. Instead, two sections [15] authorize the Governor in Council to take such action as may be deemed necessary to secure the adherence of Canada to the two conventions. Canada has ratified its adherence to these conventions. [16] Canada is also a member of the Universal Copyright Convention signed at Geneva in 1952, but has not become a member of the Revised International Copyright Convention formulated at Brussels on June 26, 1948.

The reproduction of the two conventions in appendices to the Copyright Act has given rise to questions as to the effect such conventions have on Canadian law. In several recent cases, provisions of one or other of these conventions were referred to in order to interpret sections of the Canadian Act which were unclear [17] or nugatory [18] if interpreted according to

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[7] H FOX, THE CANADIAN LAW OF COPYRIGHT AND INDUSTRIAL DESIGNS, (2d ed. 1967).

[8] JAMES ON COPYRIGHT (10th ed. Copinger & Skone 1965).

[9] Copyright Act, 4 & 5 Eliz. 2, c. 74 (1956), which came into effect on June 1, 1957, with the exception of certain §§.

[10] The Copyright Act, Can. Stat. 1921 c. 24.

[11] Copyright Act, 1 & 2 Geo. 5, c. 46 (1911).

[12] CAN. REV. STAT. c. C-30, Sched. II & III (1970).

[13] The Rome Copyright Convention 1928.

[14] *See* The Copyright Amendment Act, 1931 Can. Stat. 1931, c. 8.

[15] CAN. REV. STAT. c. C-30 § 47 (1970) with respect to the Berne Convention (Sched. II) and § 51 with respect to the Rome Convention (Sched. III).

[16] The details of such ratifications are found in H. FOX, THE CANADIAN LAW OF COPYRIGHT AND INDUSTRIAL DESIGNS, 38 (2d ed. 1967).

[17] Ludlow Music Inc. v. Canint Music Corp., [1967] 2 Can. Exch. 109, at 114-15, 51 Can. Pat. R. 278, at 286-87.

[18] Composers, Authors and Publishers Association of Canada Ltd. v. CTV Television Network Ltd., [1968] Sup. Ct. 676, at 679-82, 55 Can. Pat. R. 132, at 135-38.

the apparent literal meaning. In one of these cases, the judge gave no authority for the interpretation of the Canadian Act by reference to the International Convention, but merely stated that he assumed, for the purpose of the case, that it was proper to construe the section, which he characterized as "open to a charge of ambiguity" in the light of the convention. [19] In the other case, it was observed that the section being interpreted had been added to the Copyright Act by the same amendment which added the schedule containing the convention. The judge stated that this fact made it obvious that the new section to the act was inspired by a particular paragraph of a particular article of the convention. [20] He then proceeded to note that the convention was signed in French only, and that there was an apparent error in translation in preparing the English version of the convention, which was "obviously carried into the statute intended to implement it." [21]

In one other case, interpretation of the Copyright Act by extrinsic material was carried considerably further. [22] The judge referred not to the Convention itself, but to a French text book which commented on a similar provision adopted by France. It might also be noted that the text to which the judge referred also dealt with the Brussels Convention, of which Canada is not a member. [23] However, this reference was not necessary for the decision of the case, and was not referred to by the Supreme Court on appeal. [24]

It is established law that a statute should be interpreted as far as its language admits to accord with international law. [25] However, where there is clear wording in a statute contrary to a treaty, this wording must be applied by the courts. [26] It would thus seem that the reinterpretation of a section of the Copyright Act, on the basis that its clear and unambiguous meaning does not implement the terms of an International Convention, would be contrary to normal rules of statutory interpretation. Further, the interpretaion of a

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[19] *Supra* note 17, at 114, 51 Can. Pat. R. at 286. The case involved an interlocutory injunction application, and the judge, President Jackett, was not making a definitive finding as to the meaning of the section of the act with which he was concerned, but was merely attempting to find whether there was an arguable case for interpreting it in a certain way.

[20] Supra note 18, at 680, 55 Can. Pat. R. at 136.

[21] *Id.* at 681, 55 Can. Pat. R. at 137.

[22] Cuisenaire v. South West Imports Ltd., [1968] 1 Can. Exch. 493, at 512-13, 54 Can. Pat. R. 1, at 19-21 (1967).

[23] *Id.* at 512, 54 Can. Pat. R. at 19. The reference to the Geneva Convention of 1952 should be a reference to the Brussels Convention. The Geneva Convention of 1952 was the Universal Copyright Convention, of which Canada is a member, but this Geneva Convention was not an amendment to the International Copyright Convention, and is completely distinct from it.

[24] Cuisenaire v. South West Imports Ltd., [1969] Sup. Ct. 208, 57 Can. Pat. R. 76 (1968).

[25] Bloxom v. Fauve, 8 P.D. 101, at 107 (1883), *aff'd*, 9 P.D. 130 (C.A. 1884).

[26] Urey v. Lummis, [1962] 1 W.L.R. 826, at 832 (Q.B.), I.R.C. v. Collco Dealings Ltd., [1962] A.C. 1, at 19.

Canadian statute by means of a textbook writing about a French statute based on the same International Convention would appear to be unsupported by authority. This method of interpretation could also be somewhat dangerous, as French and Canadian law are based on different underlying premises, and a particular interpretation of wording in France might not be applicable to Canada. [27]

III. The Subject Matter of Copyright

The Copright Act provides for copright in Canada in every original literary, dramatic, musical and artistic work, if certain requirements as to citizenship, residence and publication are met. [28] It is clear from the Act [29] that the only rights of copyright are those granted by the Act, and this has again been confirmed by the courts in a recent case. [30] It has also been held that articles are not excluded from copyright protection merely because they are partly functional or utilitarian, or because they could be the subject matter of a patent. [31]

The requirement in section 4(1) of the Act that the work must be "original" has been further clarified. [32] The originality has been stated to be not in the sense that the work contains novel ideas but in the sense that it originated with the author who must, in addition, have exercised skill and labour in producing it. The emphasis with respect to the skill and labour was stated to be on the object of the author in creating the work rather than on the reaction of the viewer to it. This is in accordance with authority. [33] The emphasis on the "object" of the author seems unfortunate, as the author's object is usually not to create the work for its own sake, but in furtherance of some other purpose such as giving information or making a profit. The only time when the object would seem to be relevant is when

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[27] It is noted that the textbook reference was used merely to support a conclusion which had already been reached on other grounds, and the judge stated only that he "found some support" for his conclusion in it. Thus, the remarks regarding the text would almost certainly be considered obiter by any subsequent court. *See* Cuisenaire v. South West Imports Ltd., [1968] 1 Can. Exch. 493, at 512, 54 Can. Pat. R. 1, at 19 (1967).

[28] Copyright Act, Can. Rev. Stat. c. 55, § 4(1) (1952).

[29] Copyright Act, Can. Rev. Stat. c. 55, § 45 (1952).

[30] Warner Bros.-Seven Arts Inc. v. CESM-TV Ltd., 65 Can. Pat. R. 215, at 240 (Exch. 1971).

[31] Cuisenaire v. South West Imports Ltd. [1968] 1 Can. Exch. 493, at 506, 54 Can. Pat. R. 1, at 14 (1967).

[32] *Id.* at 505, 54 Can. Pat. R. at 13.

[33] *See* Ladbroke (Football), Ltd. v. William Hill (Football), Ltd., [1964] 1 All E.R. 465, at 478, Lord Devlin stated: "I do not think that it is necessary in this type of case that the work done should have as its sole, or even as its main, object the preparation of a document such as a list or catalogue or race card. It is sufficient that the preparation of the document is an object of the work done. If that be so, the work cannot be split up and parts allotted to the several objects. The value of the work as a whole must be assessed when the claim to originality is being considered."

there is a possibility that the work was created unintentionally or inadvertently. It is submitted that a more relevant consideration is whether or not the work has been carried out before, and, if not, whether or not some skill and labour, as a question of fact, was required to carry it out. [34]

By section 20(3) of the Copyright Act, in an action for infringement where the defendant puts in issue the existence of the copyright, there is a presumption that the work shall, unless the contrary is proved, be presumed to be a work in which copyright subsists and the author shall be presumed to be the copyright owner. The effect of this section was considered in *Cuisenaire v. South West Imports Limited.* [35] It was held that the presumption of section 20(3) only applies when the work falls under one of the heading of section 4(1), and is a literary, dramatic, musical or artistic work. Mr. Justice Noël noted [36] that there is no definition of "work" in the Copyright Act. He stated that, for the presumption to apply, the works involved must clearly fall within section 4(1). Thus, before relying on the presumption, the copyright owner must establish to the satisfaction of the court that his work falls within a statutory category. It would therefore seem that the only benefit of the presumption now will be that the work is presumed to be original, and the author is presumed to be the owner of the copyright, once it is established that the work falls within a statutory category.

The *Cuisenaire* case presented the court with an interesting problem in determining whether the works in question were proper subject matter for copyright protection. The plaintiff had developed a method of teaching arithmetic, which involved the use of coloured rods of various lengths. The length of these rods represented certain arithmetical quantities and the rods were arranged in "families" of particular colours according to the length. The use of the rods was described in a book of which the plaintiff was the undisputed author. The plaintiff's complaint was that the defendant was supplying rods for use in the system. He did not claim that his book was being infringed, although he stated that his book was being used by the defendants to demonstrate their rods.

The plaintiff was faced with the problem that there was already a decided case [37] in Australia, which held that rods identical to those in the present case were not an infringement on the plaintiff's book, and that the plaintiff's rods were not works of artistic craftsmanship subject to copyright protection because they were not artistic. The Australian Copyright Act

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[34] *See* Cramp & Sons v. Frank W. Smythson Ltd., [1944] A.C. 329, at 334, [1944] 2 All E.R. 92, at 97, where Lord Porter stated that "whether enough work, labour and skill is involved, and what its value is, must always be a question of degree."

[35] [1968] 1 Exch. 493, 54 Can. Pat. R. 1, (1967) *aff'd*, [1969] Sup. Ct. 208, 57 Can. Pat. R. 76.

[36] [1968] 1 Can. Exch. 493, at 508, 54 Can. Pat. R. 1, at 16 (1967).

[37] Cuisenaire v. Reed, [1963] Vict. 719 (High Ct.).

contained a definition of "artistic work" identical to that in the Canadian Act but did not have the extended definition of "every original literary, dramatic, musical and artistic work" found in the Canadian act. [38]

Faced with the Australian case, the plaintiff did not pursue the argument that the making of the rods was an infringement of his book by the construction in three dimensions of articles in accordance with the directions in the book. It is clear that production of a work in three dimensions can infringe a two dimensional work. [39] However, a distinction was made in the Australian case between a copying of a two dimensional drawing in three dimensions and the mere carrying out of a set of instructions. Judge Pape expressed the distinction vividly:

> Were the law otherwise, every person who carried out the instructions in the handbook in which copyright was held to subsist in *Meccano Ltd. v Anthony Hordern and Sons Ltd.* (1918), 18 S.R. (N.S.W.) 606, and constructed a model in accordance with those instructions, would infringe the plaintiff's literary copyright. Further, as Mr. Fullagar put it, everybody who made a rabbit pie in accordance with the recipe of *Mrs. Beeton's Cookery Book* would infringe the literary copyright in that book. [40]

He concluded that there must be a clear visual resemblance between the alleged infringement and the work in which copyright is alleged to subsist, anl that there is not such visual resemblance between sets of instructions and the finished product. [41]

In the Canadian case, the plaintiff attempted to get around Judge Pape's holding that the rods were not "works of artistic craftsmanship" because they were not artistic, by referring to the extended version of "every original literary, dramatic, musical and artistic work" found in the Canadian Act. [42] The wording of this section is very broad, and purports to include any original production in the scientific or artistic domain, whatever may be the mode or form of its expression. Such wording was not present in the Australian Act.

In considering this question, Noël noted that merely because the rods were partially functional or utilitarian or might have been the subject of a

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[38] This definition, found in § 2 of the Canadian Copyright Act reads as follows: "Every original literary, dramatic, musical and artistic work" includes every original production in the literary, scientific or artistic domain, whatever may be the mode or form of its expression, such as books, pamphlets and other writings, lectures, dramatic or dramatico-musical works, musical works or compositions with or without words, illustrations, sketches, and plastic works relative to geography, topography, architecture or science."

[39] King Features Syndicate Inc. v. O & M Kleeman Ltd., [1941] A.C. 417, [1941] 2 All E.R. 403.

[40] Cuisenaire v. Reid, [1963] Vict. 719, at 735-36, quoted in Cuisenaire v. South West Imports Ltd., [1968] 1 Can. Ech. 493, at 518, 54 Can. Pat. R. 1, at 25 (1967).

[41] [1963] Vict. 719, at 733 *id.*

[42] *Supra* note 38.

patent was not sufficient to take them out of the ambit of the Copyright Act. [43] He further held that rods were not a proper subject matter for an industrial design. [44] He then went on to say:

> There must, on the other hand, I believe, be some limitation to what is protected by copyright as it cannot conceivably have been the intention of Parliament to protect by way of copyright, material of any kind or any type of object. Nor must it have been intended that all original productions in the scientific field be given protection for the life of the author and 50 years thereafter when they can also be patented as inventions and given protection for 17 years only even if the rights of a patentee are not entirely similar to those of a holder of a copyright. [45]

Mr. Justice Noël then considered the legislative history of the definition of "every original literary, dramatic, musical and artistic work." He noted that the word "scientific" was inserted into the Act in its present form when the 1931 amendments were made to implement the Rome Copyright Convention, and that the definition was probably added to the Act in an attempt to comply with the obligations undertaken by Canada as a member of the Convention. He concluded that the section was ambiguous, and stated that the "somewhat confusing language" used therein indicated "that not too much thought could have been given at the time to its possible effect on the subject-matter of copyright in this country." [46] He invoked the rule of construction which states that a judge should avoid interpreting the language used to reach an absurd result or to conclude that it involves a substantial change in the law which could not have been intended by Parliament. He noted that such products as penicillin, tetracyclin or telephone switchboards with complicated wiring having a colour code would come under the section if it were interpreted broadly, and then noted that "a very close look should, I believe, be taken at this section with a view to restricting it to reasonable proportions and to giving it a meaning in conformity with the object of the Copyright Act and in accordance with the generally accepted scheme of the protection that is to be given to industrial rights in this country." [47] In view of this, he decided that the definition had not altered the law in any substantial way, if at all, and that it was first necessary to find that a work was a literary, dramatic, musical or artistic work, before the definition came into effect. [48]

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[43] Cuisenaire v. South West Imports Ltd., [1968] 1 Can. Exch. 493, 54 Can. Pat. R. 1 (1967).

[44] The significance of this holding is that § 46 of the Copyright Act provides that works which are designs capable of being registered under the Industrial Design Act except designs that, though capable of being so registered, are not used or intended to be used as models or patterns to be multiplied by any industrial process, are not proper subject matter of copyright.

[45] *Supra* note 43, at 507, 54 Can. Pat. R. at 14.

[46] *Id.* at 510, 54 Can. Pat. R. at 17 (1967).

[47] *Id.*

[48] *Id.* at 511, 54 Can. Pat. R. at 18.

Having made this finding, Mr. Justice Noël was then confronted with the problem of what meaning the definition could have. He noted that it should not be presumed that Parliament had spoken uselessly, and went on to say: "I should think that the most that it can mean is that it may, within any one of those four categories, give a more extended meaning to the works included therein because of the words 'whatever may be the mode or form of its expression' or because of the examples given in the subsection than was considered right under the statute as it stood immediately before [the definition] was put in it." [49]

The judge was also faced with what was meant by "plastic works relative to . . . science" in the last line of the definition of "every original literary, dramatic, musical and artistic work." This he interpreted either as being "something that is or has been mouldable or pliable material" (which would have excluded wood) or "which involves the art of shaping or modelling such as in the art of sculpture or ceramics." [50] It is not certain whether he intended both of these definitions to have equal force, but it would seem that the latter is probably more appropriate, as surely the material of which a work is made should have no effect on whether or not it is capable of protection. [51]

After considering the extended definition, Mr. Justice Noël went on to decide whether or not the rods were artistic works, within the definition contained in the Act. [52] He stated that an artistic work would have to be intended primarily as an article regarded as artistic or beautiful in itself. It must be intended to have an appeal to the aesthetic senses, not just incidentally but as an important object or one of the important objects for which the work is brought into being. [53] He noted that the rods in the case were coloured, but the colouring was not done for artistic purposes, but to denote certain families of related mathematical values. He commented: "Further, although these coloured rods set out orderly in a box could be considered as an artistic arrangement, there is no claim to such arrangement here and it is difficult to see how colour through these rods could confer copyright on

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[49] *Id.*

[50] *Id.* at 514, 54 Can. Pat. R. at 22.

[51] Thus, it would be absurd for something to be protectable if made of polyethylene, but not if an identical object were made of wood.

[52] According to § 2 "artistic work" includes works of painting, drawing, sculpture and artistic craftsmanship, and architectural works of art and engravings and photographs. Copyright Act, CAN. REV. STAT. c. 55, § 2 (1952).

[53] Cuisenaire v. South West Imports Ltd., [1968] 1 Can. Exch. 493, at 513-14, 54 Can. Pat. R. 1, at 21-22 (1967). *See* [1968] 1 Can. Exch. at 506, 54 Can. Pat. R. at 14 for the proposition that the mere fact that there is some functional purpose to the object does not preclude it being the subject of copyright protection. However, if it is purely functional, without artistic pretensions, it will not fall within the definition of artistic works. Compare for example Walter v. Lane [1900] A.C. 539, in which a cardboard sleeve designed as a tool rather than as something to be read was not held to be entitled to copyright as a literary work under the British act then in force.

the works even if all these things are claimed in combination." [54] It would thus seem that the mere colouring of objects which are not suitable subjects for copyright protection will not make these objects capable of such protection unless (possibly) the colouring is intended to appeal to the aesthetic senses. It would also seem that there is required to be some sort of arrangement of the colours, before proper subject matter is present. [55]

Finally, Mr. Justice Noël adopted the reasoning of Judge Pape in the Australian case, and held that works, to be of artistic craftsmanship, must both be artistic and must have had craftsmanship involved in their production. [56] He also commented, obiter, on whether any skill or labour was put into the works by the plaintiff and whether he had actually executed the design or actually coloured the rods. It is submitted that this question is irrelevant, if skill and labour was in fact put into the production of the rods. Here the plaintiff's uncontested evidence showed that he created the idea of the rods, and made the final decision as to the colour shades. [57] Under such circumstances, it is submitted that the person who actually did the colouring was a mere amanuensis of the plaintiff, and that the plaintiff should in law be considered the author.

Two recent cases have dealt with the question of copyright in plans made by architects or structural engineers. [58] It appears that the plans of architects and structural designers can be considered as literary works, not merely as being items of a technical nature analagous to tools. [59] The sketches and drawings which they contain are also artistic works. Once a building is built from the plan, however, it is an "architectural work of art" as defined in the Copyright Act [60] and protection for it is confined to the artistic character and design, with no protection being given to the building itself.

The question of whether titles of literary works are covered by copyright has been canvassed in several recent cases. The definition of "work" in the Copyright Act [61] is stated to include the title when such title is original and

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[54] *Id.* at 513-14, 54 Can. Pat. R. at 21-22.

[55] It will be evident that this definition cannot be all embracing. Consider for example so-called "kinetic scultures" in which the spatial arrangement of the parts of the sculpture keeps changing, yet such sculptures are clearly designed for artistic purposes.

[56] *Supra* note 53, at 514, 54 Can. Pat. R. at 22.

[57] *Id.* at 499, 54 Can. Pat. R. at 7.

[58] Netupsky v. Dominion Bridge Co., 5 D.L.R.3d 195, 58 Can. Pat. R. 7 (B.C. 1969) *reversing* 56 Can. Pat. R. 134 (B.C. Sup. Ct. 1968), *modifying* 9 D.L.R.3d 182, 61 Can. Pat. R. 150 (B.C. 1969) and Webb and Knapp (Canada) Ltd. v. Edmonton 11 D.L.R.3d 544 *reversing* 3 D.L.R.3d 123 (Alta. 1969).

[59] Netupsky v. Dominion Bridge Co., 5 D.L.R.3d 195, at 215, 58 Can. Pat. R. 7, at 31. Note that the definition of literary work in § 2 includes "maps, charts, plans, tables and compilations."

[60] Copyright Act, CAN. REV. STAT. c. 55, § 2 (1952).

[61] *Id.*

distinctive. In *Cartwright Copyright Holdings Ltd. v. McGraw-Hill Co.,* [62] Mr. Justice Brooke refused to strike out a paragraph alleging copyright in the title of "The Canadian Law List." Mr. Justice Brooke did not direct his mind to whether or not there could be copyright in the title, but merely stated that it was incumbent upon the plaintiff to prove copyright "not only in relation to the contents of this book, but also in relation to the title of this book." In *Flamand v. Société Radio-Canada,* [63] Mr. Justice Reid refused an interlocutory injunction to restrain infringement of the title "Medecine d'Aujourd'hui," on the ground that such a title was not original and distinctive. In discussing whether a title is distinctive, he commented: "*This Hour Has Sixty Minutes* is a title which could not be considered as original and distinctive, whereas *This Hour Has Seven Days* is a title which probably could be considered as original and distinctive, because normally no one expects to hear that an hour is composed of seven days." [64] There is high authority to the effect that copying a title constitutes infringement only when what is copied is a substantial part of the work, such as a title covering a whole page of original matter. [65] By this authority, the title of the work is not to be deemed a separate and independent work. It would seem that the comments of the court in *Flamand* imply that, if the title is original and distinctive, there can be infringement by the taking of the title, whether or not the title is a substantial part of the work. If the reasoning of the *Flamand* case is followed, this could lead to titles being *de facto* a new class of copyrightable works.

It is, of course, accepted law that an action for passing off can lie for the taking of a title if the use of the title is such that a person may be deceived into buying a work of the defendant, under the impression that they are buying that of the plaintiff. [66]

The definition of copyright in a "musical work" [67] was considered by Mr. President Jackett in the case of *Ludlow Music Inc. v. Canint Music Corp.* [68] In that case, the plaintiff was the owner of a copyright in a song, and the defendant sought a compulsory licence to make recordings using the music of the song with a set of parody words. [69] The plaintiff moved for an

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[62] 33 Fox. Pat. Cas. 129 (Ont. Sup. Ct. 1966).

[63] 53 Can. Pat. R. 217 (Que. C.S. 1967).

[64] *Id.* at 225.

[65] Francis Day and Hunter Ltd. v. Twentieth Century Fox Corporation, [1940] A.C. 112, at 124-25, [1939] 4 All E.R. 192, at 199 (P.C.).

[66] *Id.* at 125-26, [1939] 4 All E.R. at 199 (P.C.).

[67] By virtue of § 2, "musical work" means any combination of melody and harmony, or either of them, printed, reduced to writing, or otherwise graphically produced or reproduced, and "every original literary, dramatic, musical and artistic work" includes "musical works or compositions with or without words...." CAN. REV. STAT. c. 55 (1952).

[68] [1967] 2 Can. Exch. 109, 51 Can. Pat. R. 278.

[69] Section 19(1) and Rules 21-26 of the Copyright Rules, P.C. 1954-1854 deal with compulsory licences permitting the holder to make recordings.

injunction on the ground that use of the music of the song with different words was an infringement of its copyright. Mr. President Jackett held that a song is a musical work comprising both words and music. He stated that a song is "melody or harmony or both communicated to the listener's ear by noises in the form of words made by a human voice and is therefore a musical work 'with words'."[70] He stated, without deciding, that where the words and music of a song are composed by different persons, it is probable that there can be three copyrights, one in the words (not as a musical work), one in the tune as a musical work, and one in the single work comprising words and tune, namely the song.[71]

It should be noted that the mere writing of parody words would not be an infringement of the copyright in the song and the sole question at issue would be whether the parody words were sufficiently similar to the original words of the song to constitute an infringement of the literary copyright in such words.[72]

The conditions set forth in section 4(1) of the Copyright Act[73] were also considered in the *Ludlow* case.[74] Mr. President Jackett noted that the section was ambiguous, but that, construed in the light of the Berne Convention,[75] the probability was that residence in a convention country or citizenship in such a country were conditions precedent to the obtaining of the copyright protection. In the case of published works, this requirement would have to be met in addition to the requirement that first publication be in a convention country. The matter arose on an application for interlocutory injunction, and the judge indicated that his decision was not to be conclusive on the point for the purpose of later cases.

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[70] Ludlow Music Inc. v. Canint Music Corp., [1967] 2 Can. Exch. 109, at 124, 51 Can. Pat. R. 278, at 299.

[71] *Id.* at 123-24, 51 Can. Pat. R. at 298-99.

[72] *See* Joy Music Ltd. v. Sunday Pictorial Newspapers Ltd., [1960] 2 Q.B. 60, [1960] 1 All E.R. 703, where publication of parody words was held not to be an infringement of the original words of the song. McNair J. said at 705 "[i]n this case I am concerned not with any infringement of the musical side of the song, but purely with an infringement of the song in its literary aspect, namely as expressed in words."

[73] CAN. REV. STAT. c. C-30, § 4(1) (1970) reads as follows:

> Subject to this Act, copyright shall subsist in Canada for the term hereinafter mentioned, in every original literary, dramatic, musical and artistic work, if the author was at the date of the making of the work a British subject, a citizen or subject of a foreign country that has adhered to the Convention and the Additional Protocol thereto set out in Schedule II, or resident within Her Majesty's Realms and Territories; and if, in the case of a published work, the work was first published within Her Majesty's Realms and Territories or in such foreign country; but in no other works, except so far as the protection conferred by this Act is extended as hereinafter provided to foreign countries to which this Act does not extend.

[74] Ludlow Music Inc. v. Canint Music Corp., [1967] 2 Can. Ech. 109, at 114, 51 Can. Pat. R. 278, at 286.

[75] CAN. REV. STAT. c. C-30, Sched. II (1970).

One of the rights comprised in copyright is that of performing the work. [76] It is somewhat difficult for the average copyright owner to enforce this right, as an individual is not usually able to determine when performances have taken place and to obtain licence fees for them. For this reason, most copyright owners, at least in the musical field, assign their right to prohibit performances to performing rights societies. Such societies are permitted under section 48 of the Act. [77] The performing rights societies set fee tariffs for each class of performer which may wish to use performing rights and these fees are approved by the Copyright Appeal Board before they can be put into effect. Once a tariff is put into effect, any performer who pays the applicable fee under it for the class of performer to which he belongs can then perform any of the works for which the society holds the performing rights.

Until 1970, the only performing rights societies in Canada were those which acquired rights from composers, authors or publishers. In 1970, a group of recording companies made application to the Copyright Appeal Board for recognition as a performing rights society. The recording companies referred to section 4(3) of the Copyright Act which states that copyright subsists in records, perforated rolls or other contrivances by means of which sounds may be mechanically reproduced, in like manner as if such contrivances were musical, literary or dramatic works. They took the position that this section established a copyright in recordings and that there must be a performing right comprised in this copyright. [78] If the performing rights tariff was approved by the Copyright Appeal Board, the group of recording companies intended to charge according to that tariff, those who wished to perform their recordings for profit.

The Copyright Appeal Board, after hearing argument as to whether a performing right existed as part of the copyright in sound recording contrivances, set a tariff for the recording manufacturers group. During the course of the hearing before the Board, the Department of Consumer and Corporate Affairs intimated that, if such a tariff were established, legislation would be introduced to abolish performing rights in sound recording contrivances. Legislation was in fact introduced and passed. [79] By its terms, performing rights in sound recordings are abolished. The only act which is now subject to a copyright privilege in respect of records, perforated rolls or other contrivances for reproducing sound is the right to reproduce any contrivance or any substantial part thereof in any material form.

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[76] *Id.* § 3(1).

[77] The two performing rights societies which control most of the musical works in Canada are BMI Canada Ltd. and Composers, Authors and Publishers Association of Canada. (CAPAC).

[78] This view is supported by § 3(1) of the Act, *supra* note 75.

[79] Bill S-9, an act to amend the Copyright Act, proclaimed in force December 23, 1971.

IV. INFRINGEMENT

A number of cases have dealt with interesting points of copyright infringement and the scope of licences to use copyright.

In a British Columbia case [80] copyright infringement was found even though the evidence showed that the alleged infringer had not seen the publication which he was supposed to have infringed, except on rare occasions, and that he obtained the information in his own publication from other sources. [81] The case proceeded on the basis that the parties agreed that infringement had taken place, if the work was one in which copyright subsisted, and the question of whether or not there was copying was never judicially considered. It is submitted that the copying question was the crucial one to the case. It is clear from the authorities that the monopoly in copyright is limited to the right to prevent copying, and that if no copying has taken place, there is no infringement. [82] It is true that there can be indirect copying, where the work is copied from a work which was itself a copy of the original [83] but there was no evidence even of indirect copying in this case.

The question of implied licence to vary copyright material was considered in *Netupsky v. Dominion Bridge Co.* [84] This case was one of a long series of actions arising from a dispute between the structural engineer and other parties involved in the building of the Ottawa Civic Centre. [85] A structural engineer had prepared drawings which had been accepted as the basis for the design of steel to be used in a construction project. Subsequently, disputes developed between the structural engineer and others involved in the project. The architects supervising the project instructed the steel contractor to prepare shop plans which embodied changes from the original plans submitted by the structural engineer. The structural engineer requested a fee to review the changes, and no agreement was reached as to this amount. The architects then appointed another structural engineer, who gave approval to the shop drawings. It was clear that the shop drawings were copies of the plans of the original structural engineer but included modifications not authorized by him. [86] The structural engineer sued for infringement of copyright. The question before the court was whether the steel contractor had the right to make the modification in the plan provided by the structural engineer.

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[80] Ascot Jockey Club Ltd. v. Simons, 64 W.W.R. (n.s.) 411, 56 Can. Pat. R. 122 (B.C. Sup. Ct. 1968).

[81] *Id.* at 414, 56 Can. Pat. R. at 125.

[82] Deeks v. Wells, [1931] 4 D.L.R. 533, at 536 (Ont.), *aff'd*, [1933] 1 D.L.R. 353 (P.C. 1932).

[83] *See* King Features Syndicate Inc. v. Kleeman Ltd., [1940] Ch. 523, at 532, [1940] 2 All E.R. 355, at 359.

[84] 5 D.L.R.3d 195, 58 Can. Pat. R. 7 (B.C. 1969).

[85] *See* 61 Can. Pat. R. 150 (B.C. 1969), *aff'd* [1970] Sup. Ct. 203, 8 D.L.R.3d 351 (1969); and [1971] 1 Ont. 51, all of which are related cases.

[86] 5 D.L.R.3d 195, at 210, 58 Can. Pat. R. 7, at 25.

The court stated that, once copying was established, the onus of proof was on the contractor to show a consent to reproduce the plans. It was noted that such consent could be expressed or implied, and oral or in writing. [87] The engineer took the position that permission was given to the contractor to use the plans but not to materially alter or redesign them. [88] The contractor took the position that there was an implied term of the contract permitting modification in a situation where the engineer failed or refused to make or approve or disapprove of modifications himself. It was submitted that the very substance of the construction project would be jeopardized if such a licence was not implicit, [89] and that business efficacy required it. The court stated that, where the plans are completed, there would be an implied licence for the contractor to use them to make the building, but there was no licence given to vary the plans. Thus, infringement was found. [90]

In the rehearing directed *inter alia* to whether damages for conversion should be awarded, [91] the court stated that the plans had become the property of the building owner when the infringing copies were made. [92] This holding is difficult to reconcile with the previous finding of copyright infringement. It has been held at least once that there can be a division of rights between ownership of a manuscript and copyright in it, [93] but it is submitted that the situation of split rights need not have been invoked here. The court had previously decided that a licence to use the plans had been granted. [94] It could thus have held that all that had been transferred in return for the payment to the structural engineer was the licence to use and retain plan copies, and that the property in the plans themselves had not passed. Alternately, if it had wished to hold that the property had passed, it could have, under the Copyright Act, granted an injunction to the author to restrain mutilation of the work. [95] The holding of infringement was appealed to the Supreme Court of Canada, and was reversed. [95a] The Supreme Court held that, on the facts of the case, the parties contemplated that there would be changes in the plans. The structural engineer, by refusing to make the changes without an extra fee, was in breach of his contract to make changes. When the structural engineer refused to make the changes, he was held to

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[87] *Id.* at 220, 58 Can. Pat. R. at 36.

[88] *Id.*

[89] *Id.* at 221, 58 Can. Pat. R. at 37.

[90] For another recent case in which infringement was found based on the use of a plan, see Webb & Knapp (Canada) Ltd. v. Edmonton, 72 W.W.R. (n.s.) 500 (1970), 11 D.L.R.3d 544; *rev'g* 72 W.W.R. (n.s.) 425, 3 D.L.R.3d 123 (Alta. 1969).

[91] 9 D.L.R.3d 182, 61 Can. Pat. R. 150 (B.C. 1969).

[92] *Id.* at 187, 61 Can. Pat. R. at 155.

[93] *See Re* Dickens, [1935] 1 Ch. 267 (C.A.), 104 L.J. 174 (1934).

[94] *Supra* note 86, at 219, 58 Can. Pat. R. at 35.

[95] Section 12(7) of the Copyright Act gives an author the right to restrain mutilation of his work, even when he does not own copyright in it. However, this section is silent as to damages.

[95a] Netupsky v. Dominion Bridge Co., 3 Can. Pat. R. (2d) 1.

have given an implied consent to the contractor to make the changes which he himself had refused to make.

Compulsory licences to make recordings of a musical work [96] were considered in the *Ludlow* case. [97] Such licences are granted for the making of recordings (or other contrivances for mechanically reproducing sound) in Canada, when such contrivances have previously been made with the consent of the owner of the copyright, and the person wishing to make them gives the prescribed notice and pays the prescribed royalties. [98] Mr. President Jackett noted that the legislation providing compulsory licences is a cutting down of the copyright, and that it must be interpreted strictly. The "prescribed notice" is required to be sent before any works which would otherwise be infringements have been delivered to a purchaser. [99] The judge noted that the wording of the rules implementing the provision estops a person from obtaining a licence if he has previously delivered infringing records to a purchaser. The rules are incorporated by reference into the act by the words "prescribed notice." [100] In view of this case, great care should be taken to ensure that any notice given pursuant to an application for compulsory licence be given the required number of days before the first delivery of any records to purchasers. Further, the notice must be in exact conformity with the rules, as it will not be possible to send a new or amended notice once records have been sold.

The question of infringement of copyright by means which had not been developed when the act was written, has been considered in several recent cases. The United States Supreme Court considered the question of whether community antenna television infringes copyright in the material broadcast by television stations. [101] This question had been considered by the Exchequer Court of Canada some years before, [102] and the Exchequer Court had decided that no infringement was involved, as the transmission of signals by cable was not "radio communication" within the meaning of

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[96] These are granted under § 19 of the Copyright Act.

[97] Ludlow Music Inc. v. Canint. Music Corp., [1967] 2 Can. Exch. 109, 51 Can. Pat. R. 278.

[98] For the method of giving notice and the form of the notice, see Rules 21 and 22 of the Copyright Rules, P.C. 1954-1854.

[99] *Id.* Rule 22.

[100] It is an open question whether the legislature intended by these words to give to the rule-making authority the power to attach a substantive condition, that of previous noninfringement, to the grant of a compulsory license. The argument that the rule was ultra vires was not raised.

[101] Community Antenna T.V. (CATV) is a system where a single antenna picks up a signal and distributes it to subscribers by cable. It is sometimes known as "Cable TV."

[102] Canadian Admiral Corp. v. Rediffusion Inc., [1954] Can. Exch. 382, 20 Can. Uat. R. 75.

section 3(*f*) of the Copyright Act, [103] and in addition did not contravene any other part of section 3. The Supreme Court of the United States reached a similar conclusion. [104] It was noted by Mr. Justice Stewart, speaking for the majority, that: "the essence of a CATV system is no more than that it enhances the viewers' capacity to receive the broadcaster's signals." [105] In a strong dissent, Mr. Justice Fortas stated that CATV was performing a function different from a simple radio antenna, as it provided broadcast material beyond the normal broadcast area which the station would reach. [106] He noted that the concept of cable television was never within the minds of the drafters of the United States Copyright Act, which was drafted in 1909, and that the objective of the Supreme Court should be to do as little damage as possible to traditional copyright principles and to business relationships, until Congress legislates on new developments. The fact that the subject matter had not been the contemplation of the drafters of the act also concerned the majority of the court. Mr. Justice Stewart commented:

> [I]t is clear that the petitioner's systems did not "perform" the respondent's copyrighted works in any conventional sense of that term, or in any manner envisaged by the Congress that enacted the law in 1909. But our inquiry cannot be limited to ordinary meaning and legislative history, for this is a statute that was drafted long before the development of the electronic phenomena with which we deal here. [107]

In Canada the court was recently asked to deal with the question of whether the taping of programs on videotape, transporting these programs to a distant place and then playing them over a CATV system was copyright infringement. [108] The defendant argued that the Broadcasting Act [109] defined radio frequencies as public property [110] and that the defendant's act in taping programs which had gone out over such radio frequencies was therefore mere use of subject matter in the public domain. The defendant also submitted that it had been licensed by the Department of Transport to operate a cable television system, and that the Department was aware of the source of the programmes which it used. Mr. Justice Cattanach compared the licence granted by the Department of Transport to a driver's licence. He noted that a possession of a driver's licence would be a defence to driving without a permit, but it cannot be a defence to a charge of driving an auto-

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[103] This section gives the exclusive right to the owner of copyright in the case of any literary, dramatic, musical or artistic work, to communicate such work by radio communication.

[104] Fortnightly Corp. v. United Artists, 392 U.S. 390, 20 L. Ed.2d 1176 (U.S. Sup. Ct. 1968).

[105] *Id.* at 397, 20 L. Ed.2d at 1183.

[106] *Id.* at 401, 20 L. Ed.2d at 1187

[107] *Id.* at 395, 20 L. Ed.2d at 1181.

[108] Warner Bros.-Seven Arts Inc. v. CESM T.V. Ltd., 65 Can. Pat. R. 215 (Exch. 1971).

[109] CAN. REV. STAT. c. B-11 (1970).

[110] Broadcasting Act, Can. Stat. 1967-68 c. 25, § 2(*a*).

mobile without consent of the owner. He then went on to state that "Similarly the fact that defendant has a licence under the statute to operate a cable television system, does not constitute a defence to an action for infringement of copyright." [111] Mr. Justice Cattanach also referred to section 2(c) of the Broadcasting Act, which makes the right of freedom of expression and the right of a person to receive programs subject to generally applicable statutes and regulations, and pointed out that the Copyright Act was a generally applicable statute as contemplated by that section. [112] He then went on to decide that the making of the videotape was an infringement of copyright in view of section 3(1)(*d*) of the Copyright Act, which gives the owner of copyright the sole right in the case of a literary, dramatic or musical work to make any record, perforated roll, cinematographic film or other contrivance by means of which the work may be mechanically performed or delivered.

This decision of Mr. Justice Cattanach is distinguishable from the earlier decison of Mr. Justice Cameron in *Canadian Admiral Corp v. Rediffusion Inc.*, [113] as there was no reproduceable record, such as a videotape, made by the defenlant in *Admiral*. It is somewhat surprising, however, that Mr. Justice Cattanach did not refer to *Admiral*, as it dealt with several of the same points which were before him. He did refer to the United States Supreme Court decision which dealt with the same issues. [114]

Another novel type of infringement situation came before the courts in *Composers, Authors & Publishers Association of Canada Ltd. v. CTV Television Network Ltd.* [115] In that case, the plaintiff performing rights society had licensed the producer of a telecast, and had licensed the television stations which ultimately broadcast this telecast to the public. The action was brought against a television network which had relayed the telecast material by means of microwave signal to the member television stations. These stations converted the signal received to a television signal, which was sent out to viewers.

The reason behind the bringing of this case requires explanation. The performing rights society tariff gives to the society a certain percentage of the gross revenues of the licensed performer. The society therefore was entitled to collect a certain percentage of the revenue of the producer, [116]

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[111] 65 Can. Pat. 215, at 238.

[112] *Id.*

[113] Canadian Admiral Corp. v. Rediffusion Inc., [1954] Can. Exch. 382, 20 Can. Pat. R. 75.

[114] Fortnightly Corp. v. United Artists, 392 U.S. 390, 20 L. Ed.2d. 1176 (U.S. Sup. Ct. 1968). In *Fortnightly* Admiral had been cited by both the District Court (1966) 255 F. Supp. 177, at 212-12 (S.D.N.Y.) and the Court of Appeal, 377 F.2d 872, at 879 (2d Cir. 1967).

[115] 48 Can. Pat. R. 246 (Exch. 1966), *aff'd*, 55 Can. Pat. R. 132 (Sup. Ct. 1968).

[116] In actual fact the productions complained of were produced in the U.S., so that an affiliated society collected this revenue.

and to collect a percentage of the gross revenue of the television station which finally distributed the work to viewers. However, advertising was obtained by the network, and only some of the advertising revenue was passed onto the stations, in the form of a fee paid by the network to the stations for showing the productions concerned. The action was therefore an attempt by the performing rights society to obtain a percentage of the revenue obtained by the network from advertising and not passed onto the the stations.

The plaintiff based its argument of infringement on an allegation that the defendant had communicated a musical work by radio, thus infringing one of the rights which belongs to a copyright owner. [117] The judge assumed, without deciding, that there was a communication by radio of a musical work to persons who listened to the individual television stations, but stated that there was no transmission, much less communication, of the work by microwave. He noted:

> What had happened was that, as a result of electrical apparatus and phenomena, there had been created in Winnipeg a fundamental electrical signal that was an exact replica of the one in Toronto and it was that replica that had been delivered by wire to the local station in Winnipeg. Even if that be notionally regarded as a transmission of the original fundamental electrical signal, from Toronto to Winnipeg, the signal is not the musical work, whether the musical work be thought of as the written or other graphic representation of the melody and harmony, as the statute defines it, . . . or the audible "performance" of them. The signal is merely an electrical phenomenon whereby suitable apparatus can be made to produce an acoustic representation of the musical work or, in other words, to perform the work. [118]

The court also noted that there was no "communication" of the musical work because all that happened was that an electrical current having a signal impressed upon it had reach the electrical apparatus of the local broadcasting station, and that nothing had been communicated to anyone. It noted that a musical work is not communicated unless there is a recipient upon whose ears it falls. [119] The plaintiff also claimed that the network had authorized infringement, contrary to section 3(1) of the Copyright Act, but this argument also failed. The judge noted that the individual television stations, by carrying the work, were only doing what they were entitled to do by the terms of their licence with the plaintiff. He pointed out that authorizing the affiliated stations to make the use of the subject matter that the plaintiff himself had authorized them to make could not be a tort. [120]

The decision was appealed to the Supreme Court of Canada, where the wording of section 3(1)(*f*) of the Copyright Act was considered in great

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[117] Copyright Act, CAN. REV. STAT. c. 55, § 3(1)(*f*) (1952).

[118] 48 Can. Pat. R. at 255.

[119] *Id.* at 256.

[120] *Id.* at 257.

detail. Mr. Justice Pigeon stated that there was no communication of musical works, which are graphical presentations of melody and harmony, [121] and that all that was communicated was "a performance of the work." [122] The question had been raised in the court below, but the judge had not found it necessary to decide it. [123]

In an attempt to give meaning to section 3 (1))(*f*), Mr. Justice Pigeon noted that the section was a translation of the French word "radiodiffusion" in the international convention set out in the third schedule of the Copyright Act. After considering the phrase as translated, he came to the conclusion that it was aimed at public performance or representation by radio broadcasting. Even on this reading, however, the case for the plaintiff failed.

The reinterpretation of section 3(1)(*f*) of the Copyright Act by Mr. Justice Pigeon gives meaning to a section which would otherwise be of very limited scope. [124] The meaning assigned is that copyright includes the exclusive right of public performance or representation by radio broadcasting. [125] As Mr. Justice Pigeon himself noted, [126] this is a substantial departure from the text as written. An argument can be made that Parliament did not intend to follow the meaning of the International Convention in enacting the section, and the Convention cannot be used to interpret it. [127] Still, it is helpful to have a meaning given, by unanimous decision of the highest court in the land, to a section which is ambiguous on its face and which had not previously been interpreted.

The three year limitation period for copyright actions [128] has been considered recently. It was previously held that this period does not apply where the infringement has been concealed. [129] This holding has now been extended to say that the period is not applicable if the wrong is unknown to the plaintiff, and the plaintiff could not, by the exercise of due care and

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[121] See the definition of "musical work" in the Copyright Act, CAN. REV. STAT. c. C-30, § 2 (1970), which reads as follows: "musical work" means any combination of melody and harmony, or either of them, printed, reduced to writing, or otherwise graphically produced or reproduced.

[122] 55 Can. Pat. R. 132, at 136.

[123] *See* 48 Can. Pat. R. 246, at 254-55 f.n.

[124] Possibly the communicating by television of pictures of a musical score would come within the section.

[125] The consideration of the section as being directed to public performance by radio broadcasting may limit its applicability as broadcasts received by private homes only have been held to be private performances. *See* Canadian Admiral v. Rediffusion Inc., [1954] Can. Exch. 382, at 407-08, 20 Can. Pat. R. 75, at 101-02.

[126] Composers, Authors and Publishers Association of Canada Ltd. v. CTV Television Network Ltd., [1968] Sup. Ct. 676, at 681, 55 Can. Pat. R. 132, at 137.

[127] The article of the Convention on which Mr. Justice Pigeon bases his interpretation of the §, article 11 (bis) is contained in sched. III to the Copyright Act. This article does not refer to musical works at all; but only to literary and artistic works.

[128] This is provided by § 24 of the Copyright Act.

[129] Massie & Renwick v. Underwriter's Survey Bureau, [1940] Sup. Ct. 218, [1940] 1 D.L.R. 625.

diligence have discovered it, even if the defendant does not actively suppress the facts. [130] On the facts, the defendant had not taken any special steps to conceal his activities, and indeed, had disclosed them to at least one company which was contractually obligated to inform the plaintiff. [131] This decision is to be regretted as reducing the certainty of the law and as preventing a defendant from relying on a statutory bar to action, merely because the plaintiff did not know of the acts complained of, even when the defendant has not been guilty of fraud or deliberate concealment.

V. Remedies for Infringement

Several cases have considered the damages and other remedies available in copyright infringement situations. It was again stated that there is a presumption that the invasion of exclusive rights will cause damage. [132] The Act provides that a person may be liable to pay such damages as the owner of the copyright has suffered due to the infringement, and in addition, such part of the profits as the infringer has made from such infringement as the court may decide to be just and proper. [133] It was held that when an infringer has made a loss on the venture, no profits are to be awarded under this section. [134]

In the *Netupsky* case, the plaintiff asked for damages equivalent to the loss of profits which he would have made had he carried on the work and made the modifications to the drawings which were made by the defendant, and had been paid for such modifications. It was held that this amount did not represent his actual damages. Instead, his damages were merely a reasonable fee which he could have charged to permit others to use and modify the drawings.

The plaintiff in *Netupsky* petitioned for a rehearing on damages, and at that time asked for damages in conversion as well. [135] It was held that damages for conversion and infringement are cumulative, not alternative. [136] The damages for conversion differ from those for copyright infringement in that they are based on the value of the article converted at the time of the

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[130] Warner Bros.-Seven Arts Inc. v. CESM T.V. Ltd., 65 Can. Pat. R. 215, at 245 (Exch. 1971).

[131] *Id.* at 246.

[132] Netupsky v. Dominion Bridge Co., 5 D.L.R.3d 195, at 227-28, 58 Can. Pat. R. 7, at 44 (B.C. 1969).

[133] Copyright Act, § 20(4).

[134] *Supra* note 132.

[135] 9 D.L.R.3d 182, 61 Can. Pat. R. 150 (B.C. 1969). The claim for damages in conversion is based on § 21 of the Copyright Act, which deems infringing copies to be the property of the copyright owner.

[136] *Id.* at 186, 61 Can. Pat. R. at 154, applying Caxton v. Sutherland, [1939] A.C. 178.

conversion, and the cost of the article to the infringer is not relevant. [137] However, the court must take care to avoid awarding damages for conversion which overlap the damages awarded for infringement of copyright. [138] In the circumstances of the *Netupsky* case, the court held that there would be complete duplication if damages were given both for infringement of copyright and for conversion, and it therefore declined to give conversion damages.

In the *Netupsky* rehearing, the plaintiff also asked for the delivery of infringing copies. The court stated that such delivery up is discretionary, and will not be ordered when it would not be ordered in a detinue case. [139] Further, it noted authority stating that it was relevant to consider whether the infringing copies were intended for sale. [140] In the *Netupsky* situation, it was held that it would work a hardship on the defendant to make an order for the delivery up of infringing copies, and that the order would be of no benefit to the plaintiff, whose rights were protected adequately by the injunction given. In addition, it was noted that it had been contemplated by the parties that the defendant would produce some plans, and that the only thing which was done which was an infringement was in the incorporation of modifications without the approval of the plaintiff. These modifications comprised only a relatively small portion of the plans produced.

The question of damages was also considered in two Quebec performing rights cases. It was held that the plaintiff performing rights society was entitled to its licence fee as damages, and that it was entitled to an injunction. However, it was not entitled to further damages for infringement without proof of such damages. [141] The plaintiff society did not argue that it was entitled to a portion of the defendant's profits. In the second case, exemplary damages of $500 were granted, on a showing that the action was the fourth which the plaintiff had to institute against the defendant within an eighteen month period. [142] The plaintiff also sought profits, but this claim was dismissed as unsupported by evidence.

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[137] The cost to the infringer is of course relevant when the infringer's profits are being sought under § 20(4) of the Copyright Act. By this section, the plaintiff seeking profits need only prove the receipts or revenues of the infringer from the infringing work, and the infringer can then prove his costs, to mitigate the amount of profits awarded.

[138] *Supra* note 135, at 188-89, 61 Can. Pat. R. at 156-57.

[139] The conditions under which delivery up will be granted in a detinue case are set out in Whitley Ltd. v. Hilt, [1918] 2 K.B. 808 (C.A.). Delivery up will not be granted where the subject matter is an ordinary article of commerce of no special value or interest, and is not alleged to be of any special value to the plaintiff, and if damages will compensate fully.

[140] Zamacois v. Douville, 2 Can. Pat. R. 270, 3. Fox Pat. Cas. 44 (Exch. 1943).

[141] Composers, Authors and Publishers Association of Canada v. D'Aoust, 54 Can. Pat. R. 164, 38 Fox Pat. Cas. 60 (Que. C.S. 1968).

[142] Composers, Authors and Publishers Association of Canada v. Keet, 1 Can. Pat. R.2d 283, at 286 (Que C.S. 1971).

The tendency of the Quebec courts recently in performing rights cases has been to grant injunctions extending to all works of the plaintiff performing rights society, not just the works of which infringement is proved. [143]

In one recent case, [144] the criteria for granting an interlocutory injunction were considered. It was held that the balance of convenience only becomes relevant when there is a fairly arguable question. Where there is no arguable question, other criteria apply. Mr. President Jackett stated:

> On the other hand, where, on an application of this kind it appears to the court, as it does in this case, that the plaintiff is very probably the owner of the copyright and it is quite improbable that the defendant has any right to use the copyrighted work, then it seems sufficiently probable that the plaintiff is entitled to relief that it ought to have an interlocutory restraining order regardless of the balance of convenience. The reason for this latter conclusion is simply that, as I view the matter, a person who has no fairly arguable right to use property should not be able to put himself in a position where the Court will aid him in using the property as against the person who is apparently the owner by embarking on an enterprise that involves such a use of the property that he will lose money or fail to make an anticipated profit if he is not permitted to use the property. In effect, as it seems to me, it is a proper exercise of judicial discretion that has no apparent justification, and, in particular, to protect copyright against what appears to be piracy. [145]

Thus, the possibility arises of an interlocutory injunction despite the balance of convenience, where it appears that the defendant cannot successfu llydispute the validity of the copyright or the fact of copying. This fact should be considered carefully by potential copiers.

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[143] Such injunctions were granted in the cases referred to *supra* notes 141 and 142. *See also* Composers, Authors and Publishers Association of Canada v. Yvon Robert Lounge, 51 Can. Pat. R. 302, 35 Fox Pat. Cas. 172 (Que. C.S. 1967) and Composers Authors and Publishers Association of Canada v. Cafe Rugantino Inc., 54 Can. Pat. R. 16, 35 Fox Pat. Cas. 171 (Que. C.S. 1967).

[144] Ludlow Music Inc. v. Canint Music Corp., [1967] 2 Can. Exch. 109, 51 Can. Pat. R. 278.

[145] *Id.* at 301.