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**ALAI COPYRIGHT ANNUAL MID-YEAR REVIEW**

**2022-2023**

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## TABLE OF CONTENTS

<b>1. SUBSISTENCE OF COPYRIGHT .....</b>	<b>1</b>
<b>a. Originality and authorship .....</b>	<b>1</b>
<i>IMS Incorporated v. Toronto Regional Real Estate Board, 2023 FCA 70.....</i>	<i>1</i>
<i>Audax Architecture Inc. v. McCuaig, 2022 FC 1747 .....</i>	<i>2</i>
<b>b. Joint Authorship.....</b>	<b>3</b>
<i>Whitehall Entertainment Incorporated v. Kafka Pictures Inc., 2022 BCPC 184.....</i>	<i>3</i>
<b>c. Ownership of works .....</b>	<b>6</b>
<i>Fox Restaurant Concepts LLC v. 43 North Restaurant Group Inc., 2022 FC 1149 .....</i>	<i>6</i>
<b>2. INFRINGEMENT .....</b>	<b>7</b>
<b>a. General requirements .....</b>	<b>7</b>
<i>Tremblay v. Beaupré, 2022 NSSC 219 .....</i>	<i>7</i>
<i>Daphnis v. Bello, 2022 QCCS 4790 .....</i>	<i>8</i>
<b>b. Proving Lack of consent.....</b>	<b>9</b>
<i>Whitehall Entertainment Incorporated v. Kafka Pictures Inc., 2022 BCPC 184.....</i>	<i>9</i>
<b>c. When is a work reproduced.....</b>	<b>10</b>
<i>Dermaspark Products Inc v. Patel, 2023 FC 388.....</i>	<i>10</i>
<i>Audax Architecture Inc. v. McCuaig, 2022 FC 1747 .....</i>	<i>11</i>
<b>d. Scope of protection .....</b>	<b>11</b>
<i>Daphnis v. Bello, 2022 QCCS 4790 .....</i>	<i>11</i>
<b>e. Communication to the public and making available to the public .....</b>	<b>12</b>
<i>Society of Composers, Authors and Music Publishers of Canada v. Entertainment Software Association, 2022 SCC 30 .....</i>	<i>12</i>
<i>Rogers Media Inc. v. John Doe 1, 2022 FC 775 .....</i>	<i>16</i>
<i>Linkletter v. Proctorio, Incorporated, 2023 BCCA 160 .....</i>	<i>16</i>
<b>f. Publication/Exhibit in Public.....</b>	<b>19</b>
<i>Whitehall Entertainment Incorporated v. Kafka Pictures Inc., 2022 BCPC 184.....</i>	<i>19</i>
<b>g. Authorizing/inducing infringement .....</b>	<b>20</b>
<i>Society of Composers, Authors and Music Publishers of Canada v. Entertainment Software Association, 2022 SCC 30 .....</i>	<i>20</i>
<i>Voltage Holdings, LLC v. Doe#1, 2022 FC 827.....</i>	<i>21</i>
<b>h. Liability of officer and directors .....</b>	<b>23</b>
<i>Dermaspark Products Inc v. Patel, F.C. June 6, 2022, Judge Trent Horne (unreported) .....</i>	<i>23</i>
<i>Dermaspark Products Inc. v. Prestige MD Clinic, 2022 FC 1550.....</i>	<i>23</i>
<i>Dermaspark Products Inc v. Patel, 2023 FC 388.....</i>	<i>24</i>
<b>i. Certificates of registration/Presumptions .....</b>	<b>25</b>
<i>Daphnis v. Bello, 2022 QCCS 4790 .....</i>	<i>25</i>
<i>Whitehall Entertainment Incorporated v. Kafka Pictures Inc., 2022 BCPC 184.....</i>	<i>26</i>
<b>j. Jury trials for infringement claims .....</b>	<b>28</b>
<i>Henni v Food Network Canada Inc., 2022 BCSC 1711 .....</i>	<i>28</i>
<b>3. DEFENSE TO INFRINGEMENT .....</b>	<b>30</b>
<b>a. Fair dealing .....</b>	<b>30</b>

<i>Linkletter v. Proctorio, Incorporated, 2023 BCCA 160</i> .....	30
<b>b. Jurisdiction</b> .....	<b>31</b>
<i>Daphnis v. Bello, 2022 QCCS 4790</i> .....	31
<b>4. REMEDIES</b> .....	<b>32</b>
<b>a. Statutory damages</b> .....	<b>32</b>
<i>Dermaspark Products Inc v. Patel, 2023 FC 388</i> .....	32
<i>Audax Architecture Inc. v. McCuaig, 2022 FC 1747</i> .....	33
<b>b. Punitive damages</b> .....	<b>34</b>
<i>Dermaspark Products Inc v. Patel, 2023 FC 388</i> .....	34
<i>Audax Architecture Inc. v. McCuaig, 2022 FC 1747</i> .....	35
<b>c. Interim and Interlocutory injunctive relief</b> .....	<b>35</b>
<i>Bell Media Inc. v. Macciachera (Smoothstreams.tv), 2022 FC 1139</i> .....	35
<i>Bell Media Inc. v. Macciachera (Smoothstreams.tv), 2022 FC 1602</i> .....	36
<b>d. Blocking orders</b> .....	<b>38</b>
<i>Rogers Media Inc. v. John Doe 1, 2022 FC 775</i> .....	38
<i>Bell Media Inc. v. John Doe 1, 2022 FC 1432</i> .....	41
<b>5. INFRINGEMENT OF MORAL RIGHTS</b> .....	<b>42</b>
<i>Whitehall Entertainment Incorporated v. Kafka Pictures Inc., 2022 BCPC 184</i> .....	42
<b>6. PROCEDURE</b> .....	<b>43</b>
<b>a. Requirement to join copyright holders in infringement claims</b> .....	<b>43</b>
<i>Dermaspark Products Inc v. Patel, F.C. June 6, 2022, Judge Trent Horne (unreported)</i> .....	43
<b>b. Pleadings</b> .....	<b>43</b>
<i>Dermaspark Products Inc v. Patel, F.C. June 6, 2022, Judge Trent Horne (unreported)</i> .....	43
<i>Fox Restaurant Concepts LLC v. 43 North Restaurant Group Inc., 2022 FC 1149</i> .....	44
<i>Tétreault v. Boisbriand (City), 2023 FC 168</i> .....	45
<b>c. Res Judicata</b> .....	<b>46</b>
<i>Wiseau Studio, LLC v. Harper, 2023 FC 354</i> .....	46
<b>7. STANDARD OF REVIEW</b> .....	<b>47</b>
<i>Society of Composers, Authors and Music Publishers of Canada v. Entertainment Software Association, 2022 SCC 30</i> .....	47

## 1. Subsistence of copyright

### a. Originality and authorship

#### *IMS Incorporated v. Toronto Regional Real Estate Board*, 2023 FCA 70

Did the motion judge err in concluding that a necessary part of the prothonotary's reasoning involved the determination that the works at issue in the action were the same as those at issue in *TREB v. Canada*?

[34] The motion judge's reasoning centred on the determination that the prothonotary's order was premised on the conclusion that the works to which TRREB's statement of claim applied were the same as those considered in *TREB v. Canada*. This determination implicitly involves several legal conclusions, namely that: (1) copyright pertains to works because it protects expression and not ideas; (2) copyright may extend to a compilation of materials drawn from other sources if it is sufficiently original; and (3) the assessment of whether a particular work meets the test for originality must be conducted with reference to the particular work in question. I see no error in any of the foregoing conclusions, which are all so well established as to be axiomatic.

[35] In this regard, it is incontrovertible that copyright protects the expression used by an author or creator as opposed to facts or ideas. Copyright thus pertains to works and not to information: John S. McKeown, *Fox on Canadian Law of Canadian and Industrial Designs*, 4th ed. (Toronto: Thomson Reuters Canada, 2023) at §§ 1:1, 4:2 (Proview); *Deeks v. Wells* (1932), [1932 CanLII 315 \(UK JCPC\)](#), [1933], 1 D.L.R. 353 at 358, 1932 CarswellOnt 119 (Ont. P.C.) (WL Can); *British Columbia Jockey Club v. Standen* (1985), [1985 CanLII 591 \(BC CA\)](#), 22 D.L.R. (4th) 467 at 469, 8 C.P.R. (3d) 283 (BCCA); *Nautical Data International Inc. v. C-Map USA Inc.*, [2013 FCA 63](#), 110 C.P.R. (4th) 317 at paras. 11, 14, leave to appeal refused 2013 CarswellNat 2948, 464 N.R. 400 (note) (WL Can); *Pyrrha Design Inc. v. Plum and Posey Inc.*, [2022 FCA 7](#), 190 C.P.R. (4th) 307 at para. 10.

[36] Under the [Copyright Act](#), copyright subsists in works if they are original and if their authors or creators, at the time the works were created, were ordinarily resident in Canada or another country to which rights under the Act extend ([Copyright Act, s. 5](#)).

[37] In addition, it is indisputable that copyright may exist in compilations as contemplated by [subsection 2.1\(2\)](#) of the [Copyright Act](#),...

[38] Moreover, it is clear that compilations include works resulting from the arrangement or selection of data, as provided by the definition of "compilation" set out in [section 2](#) of the [Copyright Act](#),...

[41] From the foregoing [CCH], it is apparent that the requisite assessment involves consideration of the particular work in question and that originality can only be determined on a case-by-case basis. As this Court noted at paragraph 185 of *TREB v. Canada*, the determination of whether a work is sufficiently original to be copyrightable is "... a highly contextual and factual determination."

[42] I therefore conclude that the motion judge did not err in holding that the portion of the prothonotary's order at issue in this appeal was premised on the determination that the works at issue in this action were the same as the works at issue in *TREB v. Canada*.

*C. Did the motion judge err in concluding that the prothonotary made a palpable and overriding error in finding the works at issue in the action were the same as those at issue in TREB v. Canada?*

[43] I turn next to the motion judge's assessment of the error made by the prothonotary. I agree with the motion judge that the prothonotary made a palpable and overriding error in finding that the works at issue in the case at bar were the same as those at issue in *TREB v. Canada*, but not precisely for the reasons given by the motion judge.

[47] In the case of copyright infringement, the requisite assessment of a prior finding on originality necessarily requires a determination of whether the works at issue in the previous case were the same and thus whether what is being attempted is to reargue a decided matter.

[48] A careful review of the Competition Tribunal's reasons in *Commissioner of Competition v. Toronto Real Estate Board*, 2016 Comp. Trib. 7 (*Commissioner of Competition v. TREB*) and those of this Court in *TREB v. Canada* indicates that the works at issue in that case were not entirely the same as those described by TRREB in its statement of claim in the case at bar.

[49] In this regard, the portion of the TRREB MLS system that was at issue in *Commissioner of Competition v. TREB* and *TREB v. Canada* was described by this Court at paragraph 5 of *TREB v. Canada* as being: "... a database ... of information on properties, including, *inter alia*: addresses, list prices, interior and exterior photographs, length of time for sale, whether the listing was withdrawn or expired, etc." A similar description figures in the reasons of the Competition Tribunal at paragraphs 72 and 75 to 78 of *Commissioner of Competition v. TREB*.

[50] Conversely, the TRREB MLS® System described in TRREB's statement of claim in the instant case includes additional elements, such as what TRREB alleges are "detailed unique property descriptions", and "detailed neighbourhood descriptions listing schools and community features". In addition, several years have elapsed since the *TREB v. Canada* decision was rendered. There is accordingly no basis for concluding that the works at issue in *TREB v. Canada* are the same as those referred to in TRREB's statement of claim.

[52] For these reasons, I conclude that the motion judge did not err in finding that the prothonotary made a palpable and overriding error in her assessment that the works at issue in the case at bar were the same as in *TREB v. Canada*. As this determination was the central point in the motion judge's reasoning, it follows that I would uphold the motion judge's order.

[Audax Architecture Inc. v. McCuaig, 2022 FC 1747](#)

[21] Pursuant to s 5(1) of the [Copyright Act](#), copyright subsists in "every original literary, dramatic, musical and artistic work". [Section 2](#) of the [Copyright Act](#) defines "dramatic work" to include any cinematographic work, which is "any work expressed by any process analogous to cinematography, whether or not accompanied by a soundtrack."

[22] In *CCH Canadian Ltd v Law Society of Upper Canada*, [2004 SCC 13](#), the Supreme Court of Canada defined originality as a non-trivial exercise of skill and judgment in producing a work (para 16):

[...] For a work to be “original” within the meaning of the *Copyright Act*, it must be more than a mere copy of another work. At the same time, it need not be creative, in the sense of being novel or unique. What is required to attract copyright protection in the expression of an idea is an exercise of skill and judgment. By skill, I mean the use of one’s knowledge, developed aptitude or practised ability in producing the work. By judgment, I mean the use of one’s capacity for discernment or ability to form an opinion or evaluation by comparing different possible options in producing the work. This exercise of skill and judgment will necessarily involve intellectual effort. The exercise of skill and judgment required to produce the work must not be so trivial that it could be characterized as a purely mechanical exercise. [...]

[23] There is no dispute that the Applicants hold copyright in the promotional video of Villa Cortile. Its production involved more than a trivial exercise of skill and judgement: Mr. Pugliese hired a professional videographer to record footage using drone technology, spent considerable time reviewing and editing the footage, and personally chose the background music. Furthermore, Mr. Pugliese obtained a certificate of copyright for the video on July 8, 2021.

[24] The British Columbia Supreme Court has confirmed that images of residential properties may benefit from copyright protection (*Century 21 Canada Limited Partnership v Rogers Communications Inc*, [2011 BCSC 1196](#) at para 187).

**b. Joint Authorship**

**[Whitehall Entertainment Incorporated v. Kafka Pictures Inc.](#), 2022 BCPC 184**

Was Ms. Kaffka a maker and/or co-author of the Film?

[263] The defendants submit that the Film, on its own, is an original work and is distinguishable from the Script. They submit that Ms. Kaffka undertook the necessary arrangements, and contributed substantial skill, judgment, and creativity to turn the Script into another work, namely, the Film. They submit that through Ms. Kaffka’s creative, financial, and in-kind contributions, separate from her role as director and producer, she provided more than mere ideas and suggestions for the Film. Accordingly, they submit Ms. Kaffka is a joint author and maker of the Film and thereby is an owner within the meaning of the Copyright Act.

[264] There was considerable evidence about the amount of additional work, over and above her roles as director and producer, which Ms. Kaffka did in preparation for shooting the Film. That additional work included: working on finding locations, revising the Script, setting up social media platforms and revising the budget. Ms. Kaffka did not do this alone as Ms. Whitehall worked on some of those matters as well. Additionally, Ms. Kaffka organized equipment for the Film, booked the majority of the crew, arranged for catering and craft services, arranged for set decorations and props and also made some, and worked with heads of

departments. Further, Ms. Kaffka provided both financial (which the claimants say were unsolicited) and in-kind contributions. She also provided industry contacts.

[265] As noted by the defendants, the term “author” is not defined in the Copyright Act. However, in *Glasz c. Choko*, [2018 QCCS 5020](#), the court noted that the case law recognizes an author as the person who exercised skill and judgment to express an idea and to fix it in material form. In this case, the defendants submit that Ms. Kaffka worked collaboratively with Ms. Whitehall on the Film and that their collaborative work resulted in a work of joint authorship.

[266] In *Seggie c. Roofdog Games Inc.*, [2015 QCCS 6462](#), the court relied on s. 2 of the Copyright Act and on certain principles, which are set out below, to determine whether a video game was a work of joint authorship. Section 2 defines a work of joint authorship as, “a 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.”

[267] The principles distilled from the case law to apply in determining whether a work is created by joint authors are as follows:

- a work will be considered to have been created jointly on the basis of the *Copyright Act* and the facts,
- the contribution of the co-authors need not be equivalent, but the contribution of each must be substantial,
- there must have been some collaboration between the co-authors in the pursuit of a common design,
- it is necessary to prove more than ideas and suggestions, and
- whether or not the parties had a common intention to create a work of joint authorship.

[268] As previously noted, the claimants dispute and deny that Ms. Kaffka and Ms. Whitehall entered into any kind of business venture, including joint authorship. They reiterate their position that Ms. Whitehall engaged Ms. Kaffka on behalf of Whitehall Entertainment to direct and produce the Film. In addition to this general denial of any kind of business venture, the claimants submit a further principle to be considered when addressing whether a work is one of joint authorship is found in *Neudorf v. Netzwerk Productions Ltd.*, [1999 CanLII 7014](#) (BCSC). In that decision at paragraph 95 the court agreed with the statement, contained in a U.S. decision, that a person should not be elevated to the status of joint author unless each of the collaborators intended the other to be a joint author of the work.

[269] In their argument, the defendants urge this Court to essentially untether the making of the Film from the Script. The defendants rely on the Scottish case *Milligan v. Broadway Cinema Ltd.* (1923), 1920 3S LT 35, for the proposition that when determining the ownership of a cinematographic work, the focus of the inquiry must be on the cinematographic work itself and not on the underlying work.

[270] I conclude, in the circumstances and on the evidence before me, that the approach in *Milligan* is not an appropriate one to apply. Additionally, I must be careful when reviewing foreign cases and applying them in the Canadian context. In this case, we have a very short film with virtually no dialogue, except through dialogue cards. The Film is only approximately 18 minutes long and, as far as I can discern from the evidence submitted, it is substantially based on the Script. That point alone raises the question of whether the Film, on its own, qualifies as an original work. It is clear, that the reason the defendants wish to establish that Ms. Kaffka was an author or a maker is because the author or a maker of an original work is the first owner of the copyright in that work.

[271] In *CCH Canadian Ltd.* the Supreme Court of Canada reviewed some basic principles regarding copyright law. Those principles are:

- a) Copyright under the *Copyright Act* subsists in every original literary, dramatic, musical and artistic work. Accordingly, originality sets the boundaries of copyright law. However, the term “original” is not defined in the *Act*.
- b) After reviewing competing views on the meaning of “original”, the Court concluded that neither the “sweat of the brow” or “industriousness” standard of originality nor the “creativity” approach to originality is applicable in Canada. Instead, the Court concluded that the correct position falls between those two extremes.
- c) Therefore, for a work to be “original” within the meaning of the *Act* it must be more than a mere copy of another work. It need not be creative in the sense of being novel or unique, but there must be exercise of skill and judgment. By “skill” the Court meant the use of one’s knowledge, developed aptitude, or practised ability in producing the work. By “judgment” the Court meant the use of one’s capacity for discernment or ability to form an opinion or evaluation by comparing different possible options in producing the work.
- d) The Court specifically concluded that an “original” work under the *Copyright Act* is one that originates from an author and is not copied from another work. However, in addition an original work must be the product of the author’s exercise of skill and judgment.

[272] Ms. Kaffka testified that she made suggestions and other changes to the Script between the time when she first received it in March 2017 and when the Film shoot was done. In fact, she also testified that she had to make some changes on the fly the first day of shooting. They were told they did not have permission to film at a flower shop. So she ended up having to rewrite the scene and move the shooting of the scene elsewhere. However, given Ms. Kaffka’s concession that she is not claiming copyright in the Script, the suggestions and the revisions she may have made to the Script are not a factor that can be properly considered in determining whether she is an author or co-author of the Film.



[273] Several copies of the Script were filed by both parties as exhibits. My understanding of the evidence is that the basic storyline, including the sequence and the order of the “scenes” and other details in the story arc, did not change substantially from the Script, which Ms. Kaffka received from Ms. Whitehall.

[274] The defendants submit that over and above Ms. Kaffka’s obligations as a director and producer, Ms. Kaffka provided creative, financial and in-kind contributions. Accordingly, they argue that Ms. Kaffka should be considered a maker and/or joint author of the Film as she took the necessary arrangements, and contributed substantial skill, judgment and creativity to turn the Script into a new original work, namely, the Film.

[275] There is no doubt that Ms. Kaffka and Ms. Whitehall worked collaboratively, until the latter stages leading up to the filming weekend. There is also no doubt that in her role as director and producer Ms. Kaffka made important contributions in turning the Script into the Film. However, on the evidence before this Court, I am not able to conclude that Ms. Kaffka’s contributions represent the kind of exercise of skill and judgment that is required for Ms. Kaffka to be considered an author or co-author of the Film. A similar conclusion was reached in *Andrews*, albeit in the context of a copyright dispute regarding a software system.

[276] Additionally, and more importantly, the evidence in this case does not establish that the parties, in particular Ms. Kaffka and Ms. Whitehall, had a common intention to create a work of joint authorship. Accordingly, I do not find that Ms. Kaffka was a maker/author of an original work which was distinguishable from the Script.

**c. Ownership of works**

*Fox Restaurant Concepts LLC v. 43 North Restaurant Group Inc.*, 2022 FC 1149

[19] As for ownership of copyright in the Fox Works, this is addressed at paragraph 10 of the Claim:

10. All of the sales and marketing materials used by Fox to promote its restaurants are created internally by Sam Fox and/or by employees of Fox in the ordinary course of their employment, and constitute “works for hire” under U.S. copyright law. In addition, each employee involved in the creation of copyright protected works has signed an agreement confirming that all rights in such works, including all copyright, belong to Fox. All copyright in Canada is owned by Fox in accordance with the Canadian *Copyright Act* and the *Berne Convention*.

[24] Whether the Fox Works are “works for hire” under United States law is immaterial. Copyright is a statutory scheme; copyright legislation simply creates rights and obligations upon the terms and in the circumstances set out in the statute. The legislation speaks for itself and the actions of a party must be measured according to the terms of the statute (*Compo Co Ltd v Blue Crest Music et al*, 1979 CanLII 6 (SCC), [1980] 1 SCR 357 at 372-373). The *Copyright Act, RSC 1985, c C-42* sets out the conditions for the existence, ownership and enforceability of copyright. What is material is whether the plaintiff can demonstrate ownership pursuant to the terms of the Canadian *Copyright Act*.

## 2. Infringement

### a. General requirements

*Tremblay v. Beaupré*, 2022 NSSC 219

[59] I find the essential element of infringement of copyright are:

1. The existence of a work which can be subject to copyright;
2. The plaintiff is the owner of the copyright;
3. The work or a substantial part thereof has been produced, reproduced, published or performed by a person other than the owner of the copyright;
4. This has been done without the consent of the owner of the copyright.

[62] In describing what is necessary to show an infringement of copyright in *Hutton v. Canadian Broadcasting Corporation*, 1992 ABCA 39, Foisy J.A., in giving the Court's judgment stated:

[4] To show infringement of these rights there must be proof of substantial similarity and copying. This is set out in *Francis Day & Hunter v. Bron*, [1963] 2 All E.R. 16 at 27 (H.L.):

Nevertheless, it is well established that "to constitute infringement of copyright in any literary, dramatic or musical work there must be present two element: First, there must be sufficient objective similarity between the infringing work and the copyright work, or a substantial part thereof, for the former to be properly described, not necessarily as identical with, but as a reproduction or adaptation of the latter; secondly, the copyright work must be the source from which the infringing work is derived.

[5] The requirement of substantial similarity must be apparent when viewing the works as a whole. As was recently stated in *Preston v. 20th Century Fox Canada Ltd.* (1990), 33 C.P.R. (3d) 242 at 273 (F.C.T.D.):

Substantial similarity is not to be measured only by the quantity of matter reproduced from a copyrighted work, though that may be a significant factor.... Of more import may be the quality of matter reproduced. At least in the case of literary or dramatic works assessing similarities may depend upon a number of factors.

Although it may be useful to compare components of each work, the overriding requirement for infringement is substantial similarity of the works as a whole and substantial similarity in the modes of expression.

[6] A causal connexion between 2 works is established by proof of copying or inferred from substantial similarity and access. However, an inference of copying can be rebutted by proof of independent creation. The second work does not infringe the copyright of the first if it was created entirely independently. (Emphasis added)

[65] An essential element of a claim of infringement of copyright, as set out in [section 3](#) of the *Act*, is that the work or a substantial part thereof has been produced, reproduced, published or performed by a person other than the owner of the copyright. Ms. Tremblay is the author of the manuscript which is Exhibit O to her affidavit disposed on December 9, 2021.

[66] Ms. Tremblay's affidavit ends with evidence of events which occurred on March 29, 2016, long before the publication of *The Language of Spirit* in 2018. Ms. Tremblay does not mention *The Language of Spirit* in her affidavit. There is no evidence from the plaintiff about *The Language of Spirit*.

[67] The affidavits of Mr. Beaupré and Renée Hartleib set out the process by which *The Language of Spirit* was written as being a collaboration between Mr. Beaupré and Ms. Hartleib. Ms. Tremblay did not file a responding affidavit. Neither Mr. Beaupré nor Ms. Hartleib were cross examined.

[68] There is no evidence that the manuscript Exhibit O or a substantial part thereof was produced, reproduced, published or performed in *The Language of Spirit* or otherwise by Mr. Beaupré or White Eagle Spirit Talker Incorporated. The only evidence is that *The Language of Spirit* was written by way of a collaboration between Mr. Beaupré and Ms. Hartleib.

[69] There is no evidence of an essential element of the cause of action of infringement of copyright that being that the whole or a substantial part of Exhibit O was produced, reproduced, published or performed by Mr. Beaupré or White Eagle Spirit Talker Incorporated. There being no evidence on this element, Ms. Tremblay has not demonstrated a genuine issue of fact which is material to that essential element.

***Daphnis v. Bello*, 2022 QCCS 4790**

[69] In any event, in the circumstances of the the present case, there can be no infringement of copyright on account of even in the way Book B was created.

[70] I have no reason to doubt the testimony of Mr. Derenoncourt. The latter testified clearly and with calm, giving precise answers that were essentially consistent with the documentary evidence provided. However, he explained that it was he who contacted Ms. Bello to ask her to write short essays about women of the Haitian revolution (which the latter confirmed in its own testimony), in order to transform a lecture he had presented to female students shortly before and whom he had also titled "*Heroes of the Haitian Revolution*"<sup>[46]</sup>. He also has explained that it was he who chose the heroines in question from This lecture that he himself had given and that it was also he who had the idea for the layout of Book B, a full-page text on the left, with a full-page illustration on the right, inspired by a book that his daughter owned and that was about famous women. Furthermore The 8.5" x 11" format is the same as his previous books.

[71] However, there is no indication that Mr. Derenoncourt had access at any time and in any way whatsoever to the written document by Mrs Daphnis during the preparation of Book B. That would be fatal, although obviously, to the plaintiff's recourse, even if she had been the holder a copyright in Book A. It cannot be considered that a "concept" has been illegitimately reproduced by a person who does not never had access before making the contested work. Sometimes people have similar ideas at about the same time and there is then no infringement of any copyright.

[72] In short, according to the evidence, Ms. Bello did not than writing texts at the request of M. Derenoncourt – which do not reproduce in no way those found in Book A–, without being otherwise involved in other elements which, according to the plaintiff, reproduce unlawfully its "concept". For its part, Thorobred Books, which has never had timely access to Book A, is responsible for choices regarding similarities relied on by the plaintiff, whether it is the subject matter dealt with by Book B, the choice of the heroines targeted, as well as the arrangement of the elements (texts and illustrations) contained therein.

[73] In these circumstances, if I had concluded that the plaintiff was the owner of a copyright in Book A, its present However, the court application was reportedly dismissed. [*Microsoft translate*]

**b. Proving Lack of consent**

[Whitehall Entertainment Incorporated v. Kafka Pictures Inc.](#), 2022 BCPC 184

[151] The burden of proof has been considered in several copyright related decisions. In *Harmony Consulting Ltd. v. G.A. Foss Transport Ltd.*, [2011 FC 340](#), Heneghan J. noted that in order to prove a copyright infringement has occurred, a plaintiff must prove that a defendant performed, or authorized, any of the acts set out in s. 3 of the *Copyright Act*. The plaintiff must also prove lack of consent to do the act that is alleged to be a copyright infringement. On appeal of that decision, *Harmony Consulting Ltd. v. G.A. Foss Transport Ltd.* [2012 FCA 226](#), the Court, addressed the plaintiff's (appellant's) argument that the trial judge had misplaced the burden of proof with respect to the element of consent, as follows at paragraphs 31-32:

Writing for the Court in *Positive*, Justice Pelletier held that infringement is defined in the Act in terms of the absence of consent and, consequently, proof of infringement requires proof of lack of consent (see paragraph 39). In my view, this statement can only mean that the plaintiff bears the burden of persuasion with respect to the lack of consent. This is in line with the general principle that a plaintiff must establish on a balance of probabilities all the necessary elements of its claim.

The following extract from a brief article published by David Vaver in reaction to the Federal Court decision in *Aga Khan* summarizes perfectly my thoughts on the matter:

Burden of proof rules allocate the costs and risks of gathering and presenting evidence, and help filter good cases from the bad. They should not be "impractical and unduly burdensome" on plaintiffs and should advance the purposes of the law involved. The *Copyright Act* has special burden of proof rules that give a plaintiff the benefit of presumptions on authorship, copyright and title if the defendant contests them, and presumptions of copyright subsistence and ownership where the right is registered. The latter presumptions satisfy the plaintiff's initial burden to produce some evidence on the issue; they do not shift his legal burden of proof. There is no presumption about consent and no reason to imply one, let alone a more draconian reversal of the legal onus of proof. It is rarely a chore for a plaintiff to prove he gave no express consent: he knows best

whether he did or not. And even if it is a chore, that is a small price to pay for a right that stops people for sometimes over a century from doing what they would otherwise be free to do.

A defendant who says he has the plaintiff's *implied* consent equally puts this point in issue, but then it seems reasonable for the defendant to plead and prove the facts on which he relies, and the inferences to be drawn from them. The plaintiff can then produce whatever tends to rebut this case. That does not change the ultimate legal burden of proof, which remains on the plaintiff throughout. Only the evidentiary burden shifts to the defendant: he needs to produce some evidence of consent or the plaintiff's *prima facie* case succeeds. If, on weighing the evidence, the court is satisfied the plaintiff gave no implied consent, he wins. If the defendant does show implied consent, the plaintiff fails to discharge his onus and loses. In theory, if the evidence is left in a state where the court is unsatisfied that the plaintiff did *not* grant implied consent, the plaintiff also loses. Few cases ever stand on that knife-edge but some can, as this Note later shows.

David Vaver, "Consent or No Consent: The Burden of Proof in Intellectual Property Infringement Suits", (2001) 23 I.P.J. 147 at 148-149.

[152] In *Pinto v. Bronfman Jewish Education Centre*, [2013 FC 945](#), Rennie J. followed *Harmony Consulting* and stated that a party seeking to establish infringement of copyright bears the legal burden of proving he did not consent.

**c. When is a work reproduced**

***DermaSpark Products Inc v. Patel*, 2023 FC 388**

[78] DermaSpark has established—by the evidence of Mr. Ben-Shlomo and Mr. Gurevitch and the exhibits attached to their affidavits—that Pollogen and DermaSpark own the copyright to the various works that Balsam has copied and posted on their own website. Balsam does not dispute that Pollogen owns these works or that DermaSpark is the only authorized Canadian distributor and is licensed to use the works. Balsam's reproduction or copying of five works has been established in the exhibits on the record. Of note, Balsam also copied the indication that these are indeed trademarks.

[79] Balsam focusses only on the OxyGeneo machine and argues that if the machine is real, there would be no impediment to Balsam's use of Pollogen's and DermaSpark's promotional works. However, it has been established that Balsam's machine is not "real." In addition, in oral evidence, Mr. Ben-Shlomo explained that owners of genuine machines still have to pay a fee to use the promotional works.

[80] Mr. Gurevitch provided a screen capture of Balsam's website. The screen capture contains images including the OxyGeneo logo, the Capsugen picture, the NeoBright picture and NeoRevive picture. Mr. Gurevitch states that these images were authored by Pollogen's employees and all rights in and to the images (the "works") are owned by Pollogen. He states that Balsam has no right to use Pollogen's works for any purpose.

[81] The exhibits noted by Mr. Ben-Shlomo also demonstrate that Balsam used the identical images from Pollogen’s and DermaSpark’s promotional materials on the Balsam website. Of note, the “before and after” images are identical.

[82] Mr. Ben-Shlomo also pointed to an exhibit which shows screen captures of Balsam’s website and explained that the “before-and-after” skin photos are taken from DermaSpark’s website and marketing materials, noting that these were Pollogen’s works. He identified each photo and text as belonging to DermaSpark and Pollogen and noted the use of “TM” beside the name OxyGeneo. These images are displayed on a copy of DermaSpark’s own website. Mr. Ben-Shlomo attested that the animation of “Exfoliate, Infuse, Oxygenate” was designed in 2015 for DermaSpark.

[83] DermaSpark has established that Balsam infringed their copyright for several works.

*Audax Architecture Inc. v. McCuaig*, 2022 FC 1747

[25] According to s 27(1) of the *Copyright Act*, “[i]t is an infringement of copyright for any person to do, without the consent of the owner of the copyright, anything that by this Act only the owner of the copyright has the right to do”. Subsection 3(1) of the *Copyright Act* states that copyright owners have the “sole right to produce or reproduce the work or any substantial part thereof in any material form”.

[26] In *Young v Thakur*, 2019 FC 835 [*Young*], Justice Catherine Kane held that the copyright in a musical composition and sound recording was infringed when the respondents posted a video containing the copyrighted music online in order to advertise their film-making services (paras 28-29):

[...] The Respondents made copies of the Musical Work and Sound Recording by uploading the music video online. The Applicants’ allegation is in essence that the Respondents reproduced the Musical Work and Sound Recording.

The evidence establishes on a balance of probabilities that the Respondents reproduced the Musical Work and Sound Recording by posting them, as part of the music video, on Vimeo and on Badmash Factory’s website.

[27] By the same token, the Respondents’ repeated unauthorized posting of the Villa Cortile promotional video on their Instagram account infringed the Applicants’ copyright in the video.

**d. Scope of protection**

*Daphnis v. Bello*, 2022 QCCS 4790

[64] However, I think it is worth pointing out that, even if I had come to the opposite conclusion, I would still have rejected the Mrs Daphnis asked.

[65] Indeed, even if Book A is probably a original work within the meaning of the LDA[41], The evidence simply does not support the conclusion that there would be Copyright infringement.

[66] In the present case, neither the texts contained in Book A nor have the images been reproduced in any way in the Book B. The texts written (in English) by Ms. Bello are radically different from those found (in French) in Book A, such as their Comparative reading makes it immediately see and what the plaintiff does not does not dispute. Moreover, while the images in Book A are extracted from websites (especially Wikipedia) and that it is very easy to find them there, the illustrations in Book B are original works by Mr. Andre.

[67] The applicant argues, however, that it is its "concept" which would have been reproduced here without right, namely they made a book on Haitian heroines, associating with each has an image of her and a short biography on a page. She insists on the similarity of the titles, the fact that a word in small characters followed the name of each heroine, the disposition she considers similar (association of an image and a short biography) and, finally, on the fact that five of the ten heroines in Book B were part of Book A.

[68] I am far from convinced that these elements are sufficient to satisfy the test of "significant reproduction" in the meaning of LDA[42]. It is well established that one cannot hold copyright in a idea or on what is part of the public domain,[43] including Historical facts:[44] Mrs. Daphnis (assuming she owns the copyright in Book A) does not may prevent another person from writing about Haitian heroines, or have a monopoly on the heroines in question or on historical facts who made them famous. As long as there can be no copyright on a simple idea or historical facts, and in the to the extent that neither the images nor the texts in Book A have been reproduced, in all or in part, it is difficult to see how there could be here Copyright infringement. It is not because the two works, which deal with the same *historical* subject, partly target the same women illustrious (which is perfectly normal for this kind of subject) and associate each with a short text and an image representing it (which also a rather common idea) that there is "reproduction" significant" within the meaning of the LDA. For significant reproduction in this kind of *non-fiction* work, it is necessary either that the text itself has been reproduced in a significant way, i.e. that *original* elements have been copied[45]. The similarities invoked here by the applicant are not of that nature. [Microsoft translate]

e. **Communication to the public and making available to the public**  
*Society of Composers, Authors and Music Publishers of Canada v. Entertainment Software Association*, 2022 SCC 30

[80] The *Berne Convention* needed to be updated again in response to on-demand technologies. By the 1990s, it was clear the *Berne Convention* protected authors when their works were distributed through traditional "push" technologies like radio and cable broadcasts. But it was not clear whether it also protected authors when their works were distributed through newer "pull" technologies like on-demand transmissions. While it was possible to read the *Berne Convention* as applying to on-demand technologies, uncertainty existed: S. Ricketson and J. C. Ginsburg, *International Copyright and Neighbouring Rights: The Berne Convention and Beyond* (2nd ed. 2005 (reprinted 2010)), vol. I, at p. 742; Foong, at pp. 56-57; M. F. Makeen, "Video streaming and the communication to the public right in the United States and European Union", in T. Aplin, ed., *Research Handbook on Intellectual Property and Digital Technologies* (2020), 246, at p. 253; Rogers, at para. 43.

[81] Article 8 resolved this ambiguity: Foong, at p. 60. It clarified that the right of “communication to the public” (an existing *Berne Convention* right) applied to on-demand transmissions:

The WCT’s principal innovation is its specification that the right of communication to the public includes a right of “making available. . .”. This right targets on-demand transmissions (whether by wire or wireless means), for it makes clear that the members of the public may be separated both in space and in time. . . . [I]t was possible to interpret the *Berne Convention* to cover at least wired on-demand transmissions of certain kinds of works, but it was not clear that the *Berne Convention* required member states to extend the communication to the public right to these transmissions. The WCT therefore supplies the missing mandate. . . . [Emphasis in original.]

(Ricketson and Ginsburg, at p. 746; see also explanatory notes on art. 8 (then art. 10) in Diplomatic Conference on Certain Copyright and Neighboring Rights Questions, *Basic Proposal for the Substantive Provisions of the Treaty on Certain Questions Concerning the Protection of Literary and Artistic Works to be Considered by the Diplomatic Conference*, Doc. CRNR/DC/4, August 30, 1996, at notes 10.11 and 10.13.)

[82] Article 8’s first goal was therefore to clarify that the right to communicate works to the public (a performative activity) applied to on-demand technology. This was “neither a reaffirmation nor a novelty, for it resolves an ambiguity as to whether the old communication to the public rights accommodated or excluded ‘pull technologies’”: J. C. Ginsburg, “The (New?) Right of Making Available to the Public”, in Columbia Law School Public Law & Legal Theory Working Paper Group, Working Paper No. 04-78 (2004), at p. 12; see also J. Reinbothe and S. von Lewinski, *The WIPO Treaties 1996: The WIPO Copyright Treaty and The WIPO Performances and Phonograms Treaty — Commentary and Legal Analysis* (2002), at pp. 102 and 109; Makeen, at pp. 253-54; J. S. McKeown, *Fox on Canadian Law of Copyright and Industrial Designs* (4th ed. (loose-leaf)), at § 21:59.

[83] Article 8’s second goal was to ensure that authors could control when their works were made available online. The appellants, respondents, and their experts generally agree that art. 8 requires that member countries give authors the right to control the act of *offering* their works for downloading or streaming. The academic literature overwhelmingly supports this view: Reinbothe and von Lewinski, at p. 108; Bently and Sherman, at p. 45; United States Copyright Office, *The Making Available Right in the United States: A Report of the Register of Copyrights* (February 2016), at pp. 13-14; B. B. Sookman, *Sookman: Computer, Internet and Electronic Commerce Law* (loose-leaf), at § 3:90. As Cheryl Foong explains,

[c]ertain characteristics of the making available right can be outlined. As the provision of mere accessibility is sufficient to infringe the right, it is not necessary to prove that an actual transmission has occurred. In this way, article 8 of the WCT lowered the communication right’s threshold of protection and enlarged its scope. [p. 79]

[84] Similarly, as Ricketson and Ginsburg wrote, “[i]t is not necessary that the offer be accepted: ‘making available’ embraces incipient as well as effected communications” (p. 747).



[85] This persuasively establishes that art. 8 requires that member countries give authors the right to control when and how their work is made available for downloading or streaming. This conclusion is in full accordance with the wording of art. 8, which entitles authors to control the act of making a work available in a way that the public “may access” it. Actual transmission is not required. It is also supported by the explanatory notes accompanying art. 8 (then art. 10), which explain that the relevant act protected by art. 8 is the “initial act” of providing “access” to the work:

10.10 The second part of Article 10 explicitly states that communication to the public includes the making available to the public of works, by wire or wireless means, in such a way that members of the public may access these works from a place and at a time individually chosen by them. The relevant act is the making available of the work by providing access to it. What counts is the initial act of making the work available, not the mere provision of server space, communication connections, or facilities for the carriage and routing of signals. It is irrelevant whether copies are available for the user or whether the work is simply made perceptible to, and thus usable by, the user. [Emphasis added.]

[86] This conclusion is also consistent with the *WIPO Copyright Treaty*’s purpose: to fill potential gaps in the *Berne Convention* created by the emergence of new Internet technologies. There would be significant gaps in protection if copyright owners had no recourse against individuals who illicitly make works available online for downloading or streaming

#### What Is the Correct Interpretation of Section 2.4(1.1)?

[91] With the art. 8 context in mind, the reading that is most consistent with the text, structure, purpose, and context of s. 2.4(1.1) is as follows: s. 2.4(1.1) clarifies that (1) s. 3(1)(f) applies to on-demand streams, and (2) a work is performed as soon as it is made available for on-demand streaming. This interpretation gives effect to Canada’s obligations under art. 8 through a combination of the performance, reproduction, and authorization rights in s. 3(1). In so doing, it also respects the principle of technological neutrality as it ensures that authors retain the same rights and royalties over their works regardless of whether the works are distributed online or offline.

[92] First, s. 2.4(1.1) clarifies that the communication right in s. 3(1)(f) applies to on-demand streams. When the *CMA* received royal assent, it was not clear whether s. 3(1)(f) applied to “pull” technologies like on-demand streams. In *Rogers*, for example, a group of music service providers argued that s. 3(1)(f) did not apply to newer “pull” technologies like on-demand streams. Section 2.4(1.1) ends this debate by clarifying that s. 3(1)(f) applies to on-demand technology, since on-demand technology “allows a member of the public to have access to [a work] from a place and at a time individually chosen by that member of the public”.

[93] The significance of s. 2.4(1.1) was blunted by *Rogers*, which interpreted s. 3(1)(f) as applying to on-demand streaming before s. 2.4(1.1) came into force. However, the *CMA* received royal assent before *Rogers* was released. Just as art. 8 did for the *Berne Convention*, s. 2.4(1.1) was intended to resolve an ambiguity and clarify that s. 3(1)(f) applies to on-demand streams. Had *Rogers* not been decided at the time or had it been decided differently, s. 2.4(1.1) would have significantly clarified the law: see J. de Beer, “Copyright Royalty Stacking”, in M. Geist,

ed., *The Copyright Pentology: How the Supreme Court of Canada Shook the Foundations of Canadian Copyright Law* (2013), 335, at p. 363.

[94] I also note that s. 2.4(1.1) provides slightly broader protection to authors than *Rogers* provides. Section 2.4(1.1)'s language makes clear that a single on-demand stream to a member of the public is a "communication to the public" under s. 3(1)(f). By contrast, the *ratio* in *Rogers* held that on-demand streams could be communications to the public if there was a "series of point-to-point communications of the same work to an aggregation of individuals": para. 52 (emphasis added). Under s. 2.4(1.1) there is no need to prove a "series" of point-to-point communications. A single point-to-point on-demand communication to a member of the public will engage s. 3(1)(f).

[95] Second, s. 2.4(1.1) clarifies that a work is performed as soon as it is made available for on-demand streaming. This interpretation is supported by the text of s. 2.4(1.1), its context, and the broader purpose of the *Copyright Act*.

[96] Textually, s. 2.4(1.1) says that a work is communicated when the work is made available in a way that "allows" a member of the public to access a work from a place and time of their choosing. It does not say that the work needs to be accessed for it to be communicated.

[97] Contextually, art. 8 supports this reading of s. 2.4(1.1). As discussed, art. 8 requires that member countries give authors the right to control the act of making works available, in addition to any resulting download or stream. One way to do so is to clarify that a work is performed as soon as it is made available for on-demand streaming.

[98] Finally, this interpretation is consistent with the purpose of the *Copyright Act* as it promotes technological neutrality. Historically, a work was performed as soon as the public was given the *opportunity* to experience the work for a limited period of time. For example, when a work is transmitted over cable television, the work is performed, regardless of how many customers tune in to the channel. "[T]here need not be an audience listening to the performance, as long as the performance is meant for an audience": Harris, at p. 141. As Ricketson and Ginsburg explain,

[i]f only one person initiates the on-demand transmission at a time (or ever) is there a "communication to the public" within the meaning of the Berne Convention? The number of recipients should not in fact matter; what should count is the availability of the communication to "the public". For example, there is a "communication to the public by wire" of a cinematographic work (article 14<sup>bis</sup>(1)) if a film is transmitted on cable television, even if no viewer in fact selects that channel to watch. What makes the communication "to the public" is the invitation to any member of the public to turn on the television and view the programme. Even when the cable transmission is restricted, for example, to paying subscribers, it still is "to the public" because any member of the public is invited to pay the fee. [Emphasis added; pp. 742-43.]

[99] Section 2.4(1.1) ensures that on-demand streams receive similar treatment. Section 2.4(1.1) makes it clear that a work is performed as soon as it is made available to the public for on-demand streaming because, at that point, users are given the opportunity to temporarily experience the work. Once a work is made available for on-demand streaming, all users have to

do is tune in to the stream to experience the work. This is the digital equivalent of flipping to a 24/7 television channel that is continuously playing — that is performing — a particular work.

[100] This interpretation does not require treating the act of making the work available as a separate performance from the work’s subsequent transmission as a stream. The work is performed as soon as it is made available for on-demand streaming. At this point, a royalty is payable. If a user later experiences this performance by streaming the work, they are experiencing an already ongoing performance, not starting a new one. No separate royalty is payable at that point. The “act of ‘communication to the public’ in the form of ‘making available’ is completed by merely making a work available for on-demand transmission. If then the work is actually transmitted in that way, it does not mean that two acts are carried out: ‘making available’ and ‘communication to the public’. The entire act thus carried out will be regarded as communication to the public”: Ficsor, at p. 508. In other words, the making available of a stream and a stream by a user are both protected as a single performance — a single communication to the public.

**Rogers Media Inc. v. John Doe 1, 2022 FC 775**

[130] As noted above, the Plaintiffs hold the exclusive right to communicate to the public all live NHL games through TV broadcast and online streaming. Pursuant to [section 3](#) of the [Copyright Act](#), the Plaintiffs have the [sole right to broadcast this content](#), or to authorize its communication to the public. Under section 27(1) of the [Copyright Act](#), any person who communicates this content to the public without the owners’ consent is infringing the Plaintiff’s copyright.

[131] The evidence shows that the unnamed Defendants are responsible for the unauthorized communication to the public in Canada of the Plaintiffs’ broadcasts of live NHL games. I agree with the Plaintiffs that the Defendants’ actions do not fall within the statutory exception limiting the liability of those who only provide the “means” of telecommunication, set out in [subsection 2.4\(1\)](#) of the [Copyright Act](#). The evidence shows that the Defendants are not merely the conduit of the transmission of the copyright material; rather, they have pirated it and arranged for members of the public in Canada to gain access to it through the infrastructure that the Defendants have set up. This involves deliberate and elaborate efforts – involving substantial investments – to capture and stream the Plaintiffs’ copyright material.

[132] In summary on this point, and going back to the governing test, I am satisfied, based on a careful and detailed review of the evidence, that the Plaintiffs have demonstrated a very strong likelihood that they would be successful at trial in establishing that the Defendants have breached their copyright. Indeed, the evidence demonstrates that the Defendants are breaching the Plaintiffs’ copyright in an ongoing and flagrant fashion.

[133] It bears repeating that the Third Party ISPs are mere conduits and are not in any way involved in the activities that amount to copyright infringement. Their only involvement is that the unlawful streaming flows to viewers in Canada through the services they provide.

**Linkletter v. Proctorio, Incorporated, 2023 BCCA 160**

*The respondent Proctorio, Incorporated brought an action against the appellant Ian Linkletter in breach of confidence and copyright after he shared links to Proctorio’s unlisted instructional*

videos hosted on YouTube. Mr. Linkletter appeals the denial of his application to dismiss that action under the [Protection of Public Participation Act](#).

Were there grounds to believe that the breach of copyright claim had substantial merit?

[34] Proctorio asserts that Mr. Linkletter breached its copyright in the videos by either communicating, reproducing, or publishing them. Although Mr. Linkletter does not dispute that Proctorio owns copyright in the YouTube videos, he says the judge erred in finding there were grounds to believe that an infringement of copyright claim could be made out for two reasons.

[35] First, Mr. Linkletter argues that the judge failed to appreciate that copyright is lost when a work is made available online, since it is being performed to the public at large, relying on *Society of Composers, Authors and Music Publishers of Canada v. Entertainment Software Association*, [2022 SCC 30](#) at paras. 74, 91 [SOCAN]. He says that all he did by sharing a link was to provide a reference letting others know where that publicly available performance of the work could be found—he did not transmit the work to the user. Further, he argues that Proctorio continued to control the ability of the public to view the videos, because it could remove them.

[36] The judge rejected Mr. Linkletter’s argument that, based on the reasoning in *Crookes v. Newton*, [2011 SCC 47](#), his sharing of the link was nothing more than a reference to a publicly available work. He distinguished *Crookes* on the basis that it was a defamation case in which the defamatory comment was located in the original material to which the hyperlink referred. In that case the court concluded that by merely conveying where that material could be found, the defendant was not repeating it because he was not exerting any control over it. The judge stated that in the context of copyright law, that same reasoning did not apply because the wrongdoing did not lie in the original work itself but in the very act of sharing access to it without the owner’s authorization: at para. 90. Furthermore, he observed that Justice Abella writing for the majority in *Crookes* identified a distinction that could be drawn between hyperlinks of the kind in issue in *Crookes* and those like the ones in issue in this case that “automatically display other content”: at para. 43. She observed that such links may attract different treatment.

[37] Nor did the judge accept Mr. Linkletter’s premise—on which his argument drawn from *SOCAN* rests—that the videos were available to the public, given that they were unlisted videos accessible only to those who had been granted access to Proctorio’s Help Centre and given his finding that there were grounds to believe that Mr. Linkletter had acknowledged and agreed to abide by Proctorio’s terms of service before he accessed them: at paras. 65, 93.

[38] The appellant’s second argument is that the judge failed to give effect to the YouTube terms of service to which Proctorio agreed when making use of that service to host its videos. He says that under those terms, by uploading an unlisted video to YouTube, Proctorio granted an implied license to anyone with the links to its videos to share them with others without restriction:

**License to Other Users**

You also grant each other user of the service a worldwide, non-exclusive, royalty-free license to access your content through the service, and to use that content, including to reproduce, distribute, prepare derivative works, display and perform it, only as enabled by a feature of the service (such as video playback or embeds).

For clarity, this license does not grant any rights or permission for a user to make use of your content independent of the service.

[39] Mr. Linkletter also says Proctorio is mistaken in its argument that YouTube’s terms of service cannot override the common law and contractual obligations he undertook to comply with as a result of Proctorio’s terms of service and his use of the Proctorio’s Help Centre. He submits that Proctorio’s copyright claim can have nothing to do with his common law or contractual obligations since it sues pursuant to statute. He says the [Copyright Act](#) only creates liability for unauthorized uses of an artistic work, and that granting of the license to use one's work through YouTube is fatal to a claim under the [Copyright Act](#).

[40] The judge was not persuaded that, simply by having posted the tutorial videos on YouTube, Proctorio effectively granted Mr. Linkletter and other users of YouTube a license to share the links through YouTube’s terms of service: at para. 67. He noted Proctorio’s argument that YouTube’s terms of service also contain provisions that restricted how Mr. Linkletter could use YouTube’s service including the following:

You [in this case, Mr. Linkletter] may access and use the Service as made available to you, as long as you comply with this Agreement and applicable law. You may view or listen to Content for your personal, non-commercial use. You may also show YouTube videos through the embeddable YouTube player.

...

[Emphasis added by the chambers judge.]

[41] The judge concluded that the license relied on by Mr. Linkletter applied to the accessing of YouTube material through YouTube, and did not apply to the accessing of information through Proctorio’s Help Centre, finding that Mr. Linkletter was bound by the Proctorio terms of service when he accessed the videos: at para. 73.

[42] Proctorio submits the judge’s reasoning is sound on this issue. It says that although the language concerning unlisted videos provides that anyone with the URL can reshare it, that cannot allow a user who has agreed to a confidentiality term prior to being given that link to ignore his obligations. In other words, the manner in which the link is obtained comes with restrictions that continue to apply and override the general language of the YouTube terms of service. The obligation of a user to comply with applicable law and to “access and use the service as made available to you” is said to underscore those obligations.

[43] Finally, Proctorio points to some evidence that Mr. Linkletter used the links to the unlisted videos and the unlisted videos themselves independently of YouTube. That line of questioning has not been developed due to the preliminary stage of the action.

[44] I am not persuaded that the judge erred in finding there were grounds to believe the breach of copyright claim had substantial merit. Whether sharing a controlled link to an unlisted video amounts to a publication of the video rather than a mere direction or reference appears to be a novel question which should not be ruled out at this early stage of the proceeding. Nor is it

evident that YouTube's terms of service could not be overridden by an acceptance to maintain as confidential a link that would otherwise be shareable under the YouTube terms of service.

**f. Publication/Exhibit in Public**

***Whitehall Entertainment Incorporated v. Kafka Pictures Inc.*, 2022 BCPC 184**

[316] The claimants also assert that there was an unauthorized screening/posting of a cut of the Film to certain members of the crew. This point could be raised either under posting or screening. I have chosen to address it under screening for convenience. Ms. Kaffka acknowledged that she uploaded the completed Film to Vimeo. This was a password-protected upload. Her email about this dated June 4, 2018, was addressed to the cast and the crew. However, it is unclear whether all the cast was actually included. Ms. Kaffka wrote there would not be an official screening and she wanted them to see what their hard work had created. She noted that the link would expire by midnight the following day. In her testimony, Ms. Kaffka said she also put the Film that was on Vimeo on her personal Facebook page because a few people were not able to view it on Vimeo. That link was available for approximately 12 hours and was password protected. Although Ms. Kaffka acknowledged those postings, she maintained she did not post the Film anywhere for public viewing. Ms. Kaffka had privacy settings in place so that only the people she invited could see the Film.

[317] I was not directed to any definition of "posting" or "screening" or "public" in the *Act*. However, there is a definition of "publication". That definition, found at s. 2.2 of the *Act* states that in relation to works, "publication" means making copies of the work available to the public. I further note that s. 3 (1) (d) of the *Act* provides that copyright, in the case of a dramatic work, includes the right to reproduce, adapt and publicly present the work as a cinematographic work.

[318] In this instance, the Film was posted on Ms. Kaffka's personal website and on Vimeo. Access for both was password protected. The posting of the full Film occurred approximately a year after Ms. Kaffka had received the cease-and-desist notification from the claimants' lawyer. It was also several weeks after the Civil Resolution Tribunal issued its decision on May 22, 2018. The email that Ms. Kaffka sent was addressed to the cast and crew. Based on that email, it appears the link was sent to 23 people. It is not clear how many people actually viewed it on her Facebook page.

[319] Ms. Kaffka's justification/explanation was that it was only cast and crew members who could view the Film. It was password protected on both platforms. Further, Ms. Kaffka believed she was acting within her rights as a director to post certain behind the scene photos on social media.

[320] If the posting had been made immediately after the Film was shot and before the dispute went to the Civil Resolution Tribunal, Ms. Kaffka's explanation might provide a defensible rationale. However, by the point that Ms. Kaffka sent out her email on June 4, 2018, and made the Film available to cast/crew, it was clear that copyright ownership was in dispute. Moreover, by that point a decision had been made at the Civil Resolution Tribunal in favour of the claimants. Whether or not this was known by Ms. Kaffka at the time is not clear. This is not a

case where the Film was shared with one or two people. It was shared with a group of people and posted in a relatively public setting, albeit with privacy settings. Nevertheless, in the circumstances, I conclude that screening/posting the Film as Ms. Kaffka did, on password protected Vimeo and Facebook platforms, constitutes a copyright infringement under the *Act*.

### *Sending Film to film festivals*

[353] Unlike the situation with the posting of the Film on Vimeo and on Ms. Kaffka’s Facebook page, there is no indication of the number of people, if any, who may have viewed the Film. Ms. Kaffka’s testimony is not definitive on that point. However, the burden of proof falls on the claimants to show that the Film was publicly displayed. I cannot reach that conclusion on the evidence before me. Therefore, I find that the claimants have not established that there was an infringement of Whitehall Entertainment’s rights under the *Act* arising from sending the Film to film festivals for consideration.

#### **g. Authorizing/inducing infringement**

##### *Society of Composers, Authors and Music Publishers of Canada v. Entertainment Software Association*, 2022 SCC 30

[101] With this interpretation in mind, I conclude that the *Copyright Act* gives effect to Canada’s obligations under art. 8 through a combination of the performance, reproduction, and authorization rights in s. 3(1).

[102] If works are streamed or made available for streaming, the author’s performance right as illustrated by s. 3(1)(f) is engaged. A user cannot stream a work or make a work available for on-demand streaming without engaging the author’s performance right in s. 3(1).

[103] However, since downloads do not engage s. 3(1)(f) or the author’s performance rights, the *Copyright Act* protects downloads through a different set of rights: the reproduction and authorization rights. If a work is downloaded, the author’s reproduction right is engaged; if the work is made available for downloading, the author’s right to authorize reproductions is engaged. To understand this point, it is necessary to understand the right to authorize reproductions or performances of a work in s. 3(1).

[104] “It is an infringement of copyright for any person to do, without the consent of the copyright owner, anything that by this Act only the owner of the copyright has the right to do”: s. 27(1). This includes the right to “authorize” a reproduction or performance: s. 3(1). To “authorize” means to sanction, approve and countenance: *CCH*, at para. 38, citing *Muzak Corp. v. Composers, Authors and Publishers Association of Canada, Ltd.*, [1953 CanLII 47 \(SCC\)](#), [1953] 2 S.C.R. 182, at p.193. Whether a reproduction or performance has been authorized is a question of fact and can be “inferred from acts that are less than direct and positive, including a sufficient degree of indifference”: *CCH*, at para. 38.

[105] Authorization is a distinct right granted to copyright owners. A user who unlawfully authorizes a reproduction or a performance of a work may be held liable for infringement of that right, regardless of whether the work is ultimately reproduced or performed: *CCH Canadian Ltd. v. Law Society of Upper Canada*, [2002 FCA 187](#), [2002] 4 F.C. 213, at paras. [112-13](#); *Society of*

*Composers, Authors and Music Publishers of Canada v. Canadian Assn. of Internet Providers*, [2004 SCC 45](#), [2004] 2 S.C.R. 427, at para. [120](#); B. Sookman, S. Mason and C. Craig, *Copyright: Cases and Commentary on the Canadian and International Law* (2nd ed. 2013), at p. 1001.

[106] If an individual makes a work available for downloading, that person implicitly authorizes the work's reproduction: *Apple Computer, Inc. v. Mackintosh Computers Ltd.*, [1987 CanLII 9003 \(FCA\)](#), [1988] 1 F.C. 673 (C.A.), at p. 697, aff'd [1990 CanLII 119 \(SCC\)](#), [1990] 2 S.C.R. 209. As the Copyright Board recognized in *SOCAN Statement of Royalties, Public Performance of Musical Works 1996, 1997, 1998 (Tariff 22, Internet) (Re)* (1999), 1 C.P.R. (4th) 417,

“[a]uthorization” constitutes a separate protected use under the *Act*. To authorize is to sanction, approve and countenance. The person who makes a musical work available on an Internet-accessible site authorizes its communication. The work is posted for the sole purpose of being communicated and with full knowledge and intention that such a communication would occur. The person who makes the work available does more than merely provide the means to communicate the work; he/she either controls or purports to control the right to communicate it.

...

Moreover, it is the act of posting that constitutes authorization. By doing so, a person invites anyone with Internet access to have the work communicated to them. [Footnotes omitted; pp. 455-57.]

See also *Warman v. Fournier*, [2012 FC 803](#), 104 C.P.R. (4th) 21, at para. [13](#).

[107] While the above passage refers to communications, the Board's comments are similarly applicable to reproductions. If a person makes a work available for downloading without authorization, that person infringes the copyright owner's right to authorize reproductions. That is so regardless of whether the works are ultimately downloaded.

[108] Together, the performance, reproduction, and authorization rights in [s. 3\(1\)](#) of the *Copyright Act* give effect to Canada's obligations under art. 8 and they do so in a technologically neutral manner. If a work is streamed or made available for on-demand streaming, the author's performance right is engaged. If a work is downloaded, the author's reproduction right is engaged. If a work is made available for downloading, the author's right to authorize reproductions is engaged. There are no gaps in protection.

***Voltage Holdings, LLC v. Doe#1*, 2022 FC 827**

[42] In my view, these comments, which refer back to the objectives of Parliament in implementing the notice and notice regime, highlight that litigation by rights holders against internet subscribers was contemplated if deterrence was not achieved by the notice and notice system. However, it does not suggest an absolute liability framework. As stated, there is a presumption of innocence for internet subscribers. Infringement by internet subscribers (either directly or through authorization), in my view, must still be proven for the claim to succeed.



[43] This same theme was further emphasized at paragraph 41 of *Rogers*, wherein the Court stated:

[41] It must be borne in mind that being associated with an IP address that is the subject of a notice under s. 41.26(1)(a) is not conclusive of guilt. As I have explained, the person to whom an IP address belonged at the time of an alleged infringement may not be the same person who has shared copyrighted content online

[62] While not necessary at the time of pleading, at the time of adjudication, *Salna* implies that the Plaintiff would have evidence to establish that the internet subscriber “possessed sufficient control over the use of his or her internet account and associated computers and internet devices such that they authorized, sanctioned, approved or countenanced the infringements particularized” (paragraph 85).

[63] In this case, the Plaintiff has not provided any such evidence. Instead, it relies on the comments made in *Rogers* at paragraphs [34 and 35](#), relating to the deterrent purpose behind the notice and notice regime, which is premised on the capability of an internet subscriber to stop the continuation of copyright infringement by being able to determine who is using the IP address:...

[67] While *Salna* indicates that the door should not be closed to evolving the law relating to authorization in order to meet the needs of modern technology, there must still be a balanced approach. If one were to apply the Plaintiff’s argument to this action, this would mean that once an internet subscriber is notified of a potential infringement under the notice and notice regime, if the infringement does not cease, they would be liable for authorizing the infringement without the need to establish any control or relationship to the infringer. In my view, this lowers the bar and tips the balance under the [Act](#) in favour of copyright owners.

[68] To establish authorization in this context, in my view, consideration must be given to not only whether the Default Defendant had knowledge of the alleged infringing activity, but also the relationship and extent of control over the user and whether the internet subscriber had some ability to prevent the act of concern.

[69] The Plaintiff provided notices to the Default Defendants through their ISPs, who confirmed that the notices were sent. The confirmations that the emails were sent is sufficient to ground a presumption that the notices were received by the internet subscribers (*Zare v Canada (Minister of Citizenship and Immigration)*, [2010 FC 1024](#) at para [48](#)) and that they had knowledge of the alleged infringing activity.

[70] However, there is no evidence as to the nature of relationship between the internet subscribers identified as Default Defendants and those that actually uploaded the unauthorized content, who as discussed earlier have not been identified. There is also no evidence as to what steps, if any, the internet subscribers have taken to prevent further alleged infringement. As previously noted, some form of discovery could be sought to seek these facts or any others that would support a finding of authorization or allow an adverse inference to be drawn.

[71] On the basis of the record before me, there is insufficient evidence to ground a finding of infringement by authorization.

**h. Liability of officer and directors**

***Dermaspark Products Inc v. Patel, F.C. June 6, 2022, Judge Trent Horne (unreported)***

[64] In order to find an officer or director personally liable, the officer or director must have engaged in the willful and knowing pursuit of a scheme that constituted infringement and that Page: 19 reflected an indifference to the risk of it (*Mentmore Manufacturing Co, Ltd v National Merchandise Manufacturing Co. (1978)*, 40 CPR (2d) 164 at 174 (“Mentmore”).

[65] It is well established that the directing minds of corporations cannot be held civilly liable for the actions of the corporations they control and direct unless there is some conduct on the part of those directing minds that is either tortious in itself or exhibits a separate identity or interest from that of the corporations such as to make the acts or conduct complained of those of the directing minds (*Tommy Hilfiger Licensing Inc v Produits de Qualité IMD Inc, 2005 FC 10* at paras 140-142).

[66] The mere fact that individual defendants may be sole shareholders and directors of a company is not, by itself, enough to support an inference that the company was their agent or instrument in the commission of acts of infringement, or that they authorized such acts, so as to make themselves personally liable (*Mentmore* at para 24; *Petrillo v Allmax Nutrition Inc, 2006 FC 1199* at para 32).

[67] Personal liability of directors is exceptional, even if it appears to a plaintiff that an individual’s conduct is deliberate and uncooperative (*Monsanto Canada Inc. v Schmeiser, (2001) 12 CPR (4th) 204* at para 114; *aff’d 2002 FCA 309* and *2004 SCC 34*).

[68] While the Proposed Claim makes a number of allegations against the personal defendants, the pleaded misconduct is in relation to the operation of the business. The Proposed Claim does not contain sufficient material facts to establish that the actions of the individual defendants were independently tortious, that the corporation was used as a shield to protect them from liability, or that the corporate veil should be pierced. Their inclusion as parties gives the impression of an aggressive litigation tactic. Given the number of opportunities the plaintiffs have had to particularize these allegations and have not done so, I am not persuaded that there is even a scintilla of a cause of action against the individual defendants. These allegations will be struck without leave to amend.

***Dermaspark Products Inc. v. Prestige MD Clinic, 2022 FC 1550***

[19] The CMJ cited the legal principles from *Mentmore* at para 174; *Tommy Hilfiger Licensing Inc v Produits de Qualité IMD Inc, 2005 FC 10* [*Tommy Hilfiger*] at paras 140-142; *Petrillo v Allmax Nutrition Inc, 2006 FC 1199* at para 32; and *Monsanto Canada Inc. v Schmeiser, (2001) 2001 FCT 256 (CanLII)*, 12 CPR (4<sup>th</sup>) 204 at para 114; *aff’d 2002 FCA 309* and *2004 SCC 34* correctly, all of which apply to the requirements for personal liability of directors of a corporation. He made no error of law when he stated the principles from this jurisprudence. However, he misapplied these legal principles to the case at hand.

[20] [Subsection 10\(1\)](#) of the [Partnerships Act, RSO 1990, c P-5](#) [[Partnerships Act](#)] provides that every partner in a general partnership is liable jointly with the other partners for all debts and obligations of the firm incurred while the person is a partner.

[21] Pursuant to [section 11](#) of the [Partnerships Act](#), where any wrongful act or omission of a partner acting in the ordinary course of business, or with the authority of his co-partners, causes loss or injury to a person who is not a partner of the firm, or any penalty is incurred, the firm is liable to the same extent as the partner committing the wrongful act or omission.

[22] Under section 13 of the [Partnerships Act](#), every partner is jointly and severally liable with its co-partners for everything for which the firm, while the person is a partner, becomes liable under section 11.

[23] By treating the Individual Defendants akin to officers and directors of a corporation, the CMJ erroneously concluded that the Proposed Claim did not plead sufficient material facts to establish a cause of action in respect of the Individual Defendants. He was looking for material facts relating to independent tortious action by the Individual Defendants in line with the principles set out in *Mentmore* and *Tommy Hilfiger* instead of applying the principles set out in [subsection 10\(1\)](#) and [sections 11](#) and [13](#) of the [Partnerships Act](#). In my view, this amounted to an error of mixed fact and law that was palpable and overriding error in nature as it was at the core of why the claim against the Individual Defendants was struck without leave to amend.

**[Dermaspark Products Inc v. Patel, 2023 FC 388](#)**

[151] In *Biofert* at paras [161–162](#), the Court noted the principles in *Mentmore*:

[161] The leading case on personal liability for infringements by a corporation is *Mentmore Manufacturing Co. v National Merchandise Manufacturing Co.* (1978), [1978 CanLII 2037 \(FCA\)](#), 40 CPR (2d) 164 (FCA) [*Mentmore*]. Justice Le Dain noted there is a “general rule” that officers, directors, and shareholders “enjoy the benefit of the limited liability afforded by incorporation” (*Mentmore* at 171). On the other hand, there is a “principle that everyone should answer for his tortious acts.” This is a case-specific balancing act, where “room must be left for a broad appreciation of the circumstances of each case to determine whether as a matter of policy they call for personal liability.” Justice Le Dain summarized the test (at 174):

... in my opinion there must be circumstances from which it is reasonable to conclude that the purpose of the director or officer was not the direction of the manufacturing and selling activity of the company in the ordinary course of his relationship to it but the deliberate, wilful and knowing pursuit of a course of conduct that was likely to constitute infringement or reflected an indifference to the risk of it.

[162] The *Mentmore* test has been consistently applied by this Court to scrutinize the facts and to assess whether they meet the threshold for personal liability. The *Mentmore* test has also been adopted by the Supreme Court of Canada (*Cinar Corporation v Robinson*, [2013 SCC 73](#) at para [60](#)). When there are multiple individuals behind a corporate veil, this Court has at times applied the *Mentmore* test to find some of the individuals personally liable and others not liable

(1429539 Ontario Ltd. v Café Mirage Inc., [2011 FC 1290](#) at paras [139–140](#); *Driving Alternative Inc. v Keyz Thankz Inc.*, [2014 FC 559](#) at paras [38–45](#)).

[152] In *Trans-High*, the Court also relied on the *Mentmore* case and concluded at para 25:

[25] Having reviewed the evidence of the corporate Respondent’s corporate documents and social media postings, which clearly indicate that the two individual Respondents are the owners and directing minds of the corporate Respondent, and having found that their willful infringement of the Applicant’s trademarks rights cannot be a legitimate exercise of their corporate duties as officers, directors or the controlling minds of the corporate Respondent, I find each individual Respondent personally liable for the infringing activities described below.

[153] The guidance from *Mentmore* calls for a “case specific balancing act” that considers all the circumstances. In the present case, DermaSpark notes that Ms. Patel was the owner, operator, sole shareholder and directing mind of the corporation operating as Balsam Day Spa. Ms. Patel’s evidence is that she made all the decisions, although her husband helped as she requested. I agree that the evidence supports finding that Ms. Patel was the “directing mind” and operated the business in a very “hands-on” manner. As noted above, she contends that she “came across” a presentation by DermaSpark and was impressed. She stated that she decided to purchase the machine and that she looked on eBay and Amazon. She stated that she decided to purchase the products via Alibaba after being advised by her husband that this website offered a machine for sale. Her evidence is that she did not make any further inquiries, purchased the device, used it and also used DermaSpark’s promotional materials on Balsam’s website. She also acknowledged that she was aware of DermaSpark as the distributor of the machine, treatments and products in Canada. She contends that she did not see any warnings about counterfeit products on the Pollogen or DermaSpark website, but acknowledges that she did not look at the website at the time she purchased via Alibaba. The exhibits on the record establish that there were such warnings. The decisions made by Ms. Patel and no one else resulted in Balsam’s use of counterfeit products and breach of copyright. She was indifferent to the risks arising from her conduct and she should be responsible for the consequences. In these circumstances, Ms. Patel is jointly and severally liable for the damages awarded to DermaSpark.

**i. Certificates of registration/Presumptions**

**[Daphnis v. Bello, 2022 QCCS 4790](#)**

[50] The first issue to be examined is that of the copyright owner. Indeed, if Ms Daphnis does not hold the copyright in Book A, her claim is clearly unfounded and must be rejected.

[51] However, even if the evidence clearly shows that the author of Book A is indeed Mrs. Daphnis, the question of whether it is the owner of the copyright that may be attached to it rises.

[52] First of all, nowhere in the document is the name of Ms. Daphnis is not indicated as the author of the document. In addition, the bottom of each page of Book A contains the following indication:

© Sole Modern Traditional Dance 2018

[53] In such a situation, the LDA establishes a presumption that copyright belongs to the person whose name appears to the document. Subparagraphs (a) and (b) of the second paragraph of the article 34.1 read:

In any [proceeding where the defendant challenges the status of the applicant][38], where no act of assignment of copyright or license granting an interest in copyright has not been registered under The authority of this Act

(a) if a name appearing to be that of the author of the work, the performer of the performance, the producer of the recording sound or broadcaster of the communication signal is printed there, or otherwise indicated, in the usual manner, the person whose name is so printed or indicated is, until proven otherwise, presumed to be the author, performer, producer or broadcaster;

(b) if no name is printed or indicated in that way, or if the name so printed or indicated is not the real name of the author, the performer, producer or broadcaster, as the case may be, or the name by which it is generally known, and whether a name appearing to be that of the publisher or copyright owner is printed there, or otherwise indicated in the usual manner, the person whose name is thus printed or indicated is, in the absence of proof to the contrary, presumed to be the holder of the copyright in question ...

(emphasis added)

[54] In the present case, all the conditions laid down To trigger the second of these presumptions are satisfied: the Applicant's status as owner of the copyright is disputed, there is no registration of a deed of assignment or license, The name of the author does not appear on the document and the name of the troupe appears at the bottom of each page, being preceded by the character "©", notoriously known to mean "*copyright*".

[55] There is therefore a presumption that the right of author on book A belongs to the dance troupe Sole and not to Mrs. Daphnis. I would point out that, according to the case-law, although a "author" must necessarily be a natural person, nothing nevertheless, a legal person is presumed to be the holder of the right author of a work as a publisher or, quite simply, as the owner of This right, the word "person" in subparagraph (b) not specifying not that it must be a natural person[39]. [*Microsoft translate*]

**[Whitehall Entertainment Incorporated v. Kafka Pictures Inc.](#), 2022 BCPC 184**

Who owns copyright in the Film - Registration under s. 53 as proof?

[177] The claimants rely on a certificate of registration of copyright issued under s. 53 of the Act. The claimants assert this Court can come to a conclusion that Whitehall Entertainment is the owner of the copyright in the Film by relying only on the certificate of registration of copyright. However, they also rely on the fact that Ms. Kaffka did not file her own application of copyright registration in the Film. They also point to Ms. Kaffka's acknowledgement in cross-examination that she did not own the Script.

[178] The defendants submit the issue in dispute in this case is primarily over the ownership of the Film and the copyright in the Film. They maintain that Ms. Kaffka and Ms. Whitehall entered

into an undocumented business venture for the purpose of turning the Script into the Film. They further say that Ms. Kaffka and Ms. Whitehall collaborated together until their relationship broke down. In particular, the defendants say this Court should not be beguiled by the claimants' simplistic assertion that the certificate of registration of copyright is the easy and straightforward solution to the issues raised by the parties. The defendants say that the certificate of registration merely creates a rebuttable presumption. It can only be proof of ownership in copyright to the extent that there is no contrary evidence.

[179] In *Andrews v. McHale*, [2016 FC 624](#), the court considered two presumptions found in the Copyright Act. One of the presumptions is in s. 34.1 of the Act. That section, among other things, provides that the author of the work is presumed to be the owner of the copyright, unless the contrary is proved. The other presumption is found at s. 53 (1) of the Act. That section provides that a certificate of registration of copyright is evidence that the copyright subsists and that the person registered is the owner of the copyright. In this case, the certificate of registration of copyright shows that the owner of the copyright is Whitehall Entertainment. As noted, no evidence was produced at trial about how this came about or the underlying documentation filed with the CIPO.

[180] In the *Andrews* case the court relied on an earlier case, *Close Up International Ltd. v. 144953 Ontario Ltd.* (2006), 151 A.C.W.S. (3d) 513, for the proposition that a plaintiff who produces a certificate of registration has adduced some evidence in support of his case. However, the court would only uphold the certificate as proof of such interest, in the absence of any evidence to contradict it.

[181] In *Close Up* the presumption being considered was under s. 53 (2.2), which deals with grants of a licence. However, Southcott J. in *Andrews* considered that the analysis in *Close Up* was equally applicable to the presumption in s. 53 (2) of the Act. He concluded that while Mr. Andrews was entitled to the benefit of the presumption, as a result of the certificates of registration he had attached to an affidavit, the court should only rely on such certificates as proof of ownership to the extent that there is no contradictory evidence.

[182] On the issue of whether the presumption in the Copyright Act resolves the issue of ownership in the copyright of the Film, I accept the submission of the defendants that it is not quite as straightforward as the claimants assert. The six days of evidence heard by this Court at trial and the subsequent extensive written submissions, which the parties provided to this Court, clearly establish the complexity of the issues and the fact there is disagreement between the parties on many points. In order to make a finding of ownership by simply relying on the statutory presumption, I would have to totally disregard the evidence of Ms. Kaffka, and her husband, as well as the acknowledgements made in cross-examination by Ms. Whitehall that there is nothing in writing between the parties acknowledging their agreement, and that Ms. Whitehall did not obtain any release from Ms. Kaffka before the preparation for and the shooting of the Film began.

[183] In the matter before this Court, I am satisfied that the defendants have introduced evidence that may rebut the presumption in s. 53 (2) of the Act. That evidence is the testimony of Ms. Kaffka and Mr. Kaffka to the effect that an agreement was made with the principal of Whitehall Entertainment, Ms. Whitehall. The alleged agreement was that Ms. Kaffka would be a

co-author and co-owner of the Film and thus of copyright in the Film. Moreover, the defendants also gave evidence and made submissions asserting that Ms. Kaffka was a joint author or maker of the Film and/or was in a joint venture with Ms. Whitehall in making the Film.

[184] Since the certificate of copyright registration was issued long before work on the Film began and before the Film was shot, it would be imprudent and inappropriate to rely on the statutory presumption before considering the other issues raised at trial. This is particularly significant in the circumstances of this matter as the copyright issues initially raised by the parties pertained to two potentially original works, namely, the Script originally conceived by Ms. Whitehall and her sister, and the Film, in which there appears to have been some degree of collaboration between Ms. Whitehall and Ms. Kaffka.

[185] I am satisfied that there is sufficient contradictory testimony before this Court to make it imprudent to rely on the statutory presumption in s. 53 of the Copyright Act and on that basis alone to decide who owns the Film. I consider the evidence called on behalf of the defendants to be enough to rebut the presumption under s. 53 (2) of the Copyright Act. Accordingly, I must reach my conclusions based on the totality of evidence available and not simply rely on the presumption under the Act.

**j. Jury trials for infringement claims**

***Henni v Food Network Canada Inc.*, 2022 BCSC 1711**

[2] The underlying action is primarily a copyright infringement claim that arises out of the plaintiffs' submission of a television show concept called "Food Factories" to the defendant, Food Network Canada Inc. ("Food Network"). The plaintiffs allege that Food Network rejected their submission, but then commissioned a program called "Food Factory", which they say is virtually identical to "Food Factories".

[76] The defendants say that the complexities of the copyright issues in this case make it inappropriate for trial by jury. In this regard, they point to a host of intricate issues that will need to be determined, consistent with copyright law as articulated in the jurisprudence (see *e.g. Pyrrha* at paras. 124–125), including:

- a) whether the Demo was sufficiently original to attract copyright protection;
- b) are the defendants' programs sufficiently original to also attract copyright protection, thereby negating any possibility of infringement;
- c) did the defendants copy a substantial part of the original, copyrighted elements of the Demo;
- d) if copying did occur, does it constitute infringement of the plaintiffs' copyright;
- e) if copyright infringement is made out, how are the profits allocated between original and non-original elements of the Demo; and

- f) if infringement is made out, which seasons of the defendants' programs and which defendants are liable.

[77] Concepts unique to copyright law such as the protection of expression instead of ideas, originality, and the "substantiality" of the alleged copying, will all need to be considered. The trier of fact will need to determine whether a substantial part of the Demo was copied and whether that part was original. This requires a qualitative analysis and is an issue in respect of which expert evidence is commonly led: *Pyrrha*, at paras. 124–131; *Cinar* at paras. [33, 35–36](#). As the Federal Court's *dicta* in *Pyrrha* suggests, assessing substantial similarity is not a matter for the untrained eye:

[131] Substantial similarity is to be assessed from the perspective of someone who can assess and appreciate all the relevant aspects of the work (*Cinar* at para. [51](#)). This is the task of the trial judge, possibly assisted by expert evidence on the relevant art, but based on the evidence available to the judge as to the relevant aspects of the work.

[78] For their part, the plaintiffs say that juries frequently deal with complex issues and that the judge will be able to explain the applicable principles of copyright law to the jury. However, the plaintiffs are unable to point to any instance in which a claim under the *Copyright Act* has been tried by jury. As the defendants note, copyright claims are not ordinarily tried by jury, and there are no reported cases in this jurisdiction where copyright claims have been found appropriate for a jury trial. In my view, this is illustrative of the complexity of such claims and their resulting unsuitability for determination by way of a jury trial.

[79] Indeed, relatively few copyright claims are brought in this Court. Rather, most copyright claims are brought in Federal Court due to its expertise, expediency, national coverage, and power to expunge, vary, or rectify any copyright register under [s. 20\(1\)\(b\)](#) of the *Federal Courts Act, R.S.C. 1985, c. F-7*: David Vaver, *Intellectual Property Law*, 2d ed. (Toronto: Irwin Law, 2011) at 608. All matters before the Federal Court are heard and determined without a jury: [Federal Courts Act, s. 49](#).

[80] Further, in the event that the defendants are found liable for copyright infringement under the *Act*, the plaintiffs' damages will then need to be assessed. Section 35 of the *Act* provides that where a person infringes copyright, they are liable to pay damages and also "such part of the profits that the infringer has made from the infringement and that were not taken into account in calculating the damages". Subsection 35(2) then provides that in calculating profits, the plaintiff is required to prove revenues derived from the infringement, but the defendant then must prove "every element of the cost" claimed in respect of those revenues.

[82] Regardless, the fact that both parties intend to tender expert opinion evidence on damages and the challenges experienced to date by Mr. MacKay in formulating his opinion, are in my view indicative that any such assessment will be intricate and complex in nature. I am satisfied that such an assessment will not be as simple as the plaintiffs contend and that it is likely to require a complex apportionment of net profits from different revenue streams and programs depending on which defendants, if any, are found liable to the plaintiffs and for which cause(s) of action.



[85] Similarly, I am of the view that the intricacy and complexity of the issues raised by the plaintiffs in this case—particularly with respect to their copyright claim and the apportionment of damages if that claim is made out—will impede and undermine the efficacy of the trial process and the confidence that the parties can have in the trial’s outcome if it were to proceed as a jury trial. Assessing the plaintiffs’ damages under the *Copyright Act* would also give rise to a level of factual intricacy similar to that in *Shaw*. Together with the complexity of the liability issues in play in this case, this would require a complex jury charge that may be difficult to formulate into appropriate questions for the jury. Difficulty framing questions for a jury is an indicator of sufficient complexity to warrant striking a jury notice: *Rados BCSC* at para. 34; *Rados BCCA* at paras. 6–7.

[86] In my view, these issues would benefit from the additional time for reflection and deliberation that trial by judge alone provides

[87] In the result, I find that it would be exceptionally difficult for a judge to be able to adequately instruct a jury with respect to the intricacies of liability in copyright law and the apportionment of damages required under the *Act* if liability were to be found. I am also not satisfied that a jury, once instructed, would be able to retain and apply such instructions adequately or have the opportunity given the constraints inherent in jury deliberations to give the issues put before them sufficient and reasoned consideration. In the circumstances, I am satisfied that the issues raised in this case are of sufficient complexity that they cannot conveniently be determined by a jury. I therefore find that the jury notice ought to be struck pursuant to Rule 12-6(5)(a)(ii).

### 3. Defense to infringement

#### a. Fair dealing

##### *Linkletter v. Proctorio, Incorporated*, 2023 BCCA 160

[2] Proctorio has developed a software product designed to monitor or “proctor” students writing examinations on their computers at home. Since the COVID-19 pandemic, which forced many courses online and prevented in-person examinations, Proctorio’s software has been used increasingly by educational institutions across North America.

[45] I turn next to the appellant’s argument that the judge erred in finding that Mr. Linkletter did not have a valid defence to the copyright infringement.

[46] Mr. Linkletter submits that the judge erred in finding there were grounds to believe that he did not have a valid defence of fair dealing. He says the *Copyright Act* is designed to strike an appropriate balance between “promoting the public interest in the encouragement and dissemination of works of arts and intellect and obtaining a just reward for the creator”: *Théberge v. Galerie d’Art du Petit Champlain inc.*, 2002 SCC 34 at para. 30. Under the fair dealing exception to infringement, Parliament expressly excepted acts of research, private study, education, parody or satire, criticism, and news reporting from the scope of copyright infringement as long as they are done fairly: *Copyright Act*, ss. 29–29.2. Mr. Linkletter asserts that, although the judge correctly identified the factors to be considered in determining whether a fair dealing defence has been made out, relying on *CCH Canadian Ltd. v. Law Society of Upper*

*Canada 2004 SCC 13* at paras. 103, 105, he failed to assess the fairness of Mr. Linkletter's use of the material in light of the overarching purpose of the *Copyright Act* of balancing protection of the creator's economic objectives and the rights of users with regard to the public interest.

[47] I see no merit in this ground of appeal. In effect, the appellant challenges the judge's findings of fact, and in particular his finding that the criticism would have been equally effective if it did not actually reproduce the copyrighted work it was criticizing. The judge concluded that all but one of the six factors to be considered favoured a finding that the sharing of the unlisted videos was not fair and was not necessary to serve the public interest that is the focus of the *Copyright Act*. These findings are accorded deference.

**b. Jurisdiction**

***Daphnis v. Bello*, 2022 QCCS 4790**

[40] What is the situation, however, of the hypothesis that the copies of a Canadian work were made or manufactured outside Canada but that they were then presented to the Canadian public? Is there at this time a "real and important link" with Canada making the LDA applicable?

[41] In *Pourshian v. Walt Disney Co.*, [32] the judge Favreau of the Ontario Divisional Court (a division of the Court Superior of this province), recently ruled that the "offence of "Counterfeiting" (a "statutory wrong") occurs including where counterfeit goods are displayed to the public. In As a result, such an offence occurs in Canada (in this case, it was Ontario) where the infringing product or communication is received or distributed, even when the acts of plagiarism have been made abroad. He writes [33]:

[...] In a copyright infringement case, as held by the Supreme Court of Canada in *SOCAN*, the infringement can occur where the communication was transmitted from or where it was received. Based on *SOCAN* and analogous analysis in the context of tort claims, if the communication or product originated in another jurisdiction but is ultimately made available in Ontario, Ontario is one of the places where copyright infringement occurred as it is one of the jurisdictions substantially affected by the copyright infringement.

[42] Although in this case, the question that arises raised was that of the jurisdiction of the Ontario courts, which the same reasoning applies to determining the application of the LDA to a given case. Indeed, as we have just seen in *SOCAN*, the LDA was found to be applicable on the basis that the telecommunications at issue, although from abroad, were received in Canada, which was sufficient to create a "real and important connection" with it.[34] If we apply the same kind From analysis to the "offense of counterfeiting", it is allowed to consider that it occurs both at the place where the plagiarism is done (i.e. where the substantial reproduction of the protected work is made) than to the place where the infringing product is communicated or distributed to the public. In effect, since the author's right entails the exclusive right to produce or reproduce all or a substantial part of the work and the publish or present it to the public[35], An important element of the "counterfeiting offence" is therefore the presentation or distribution to the public of the communication or product counterfeit. It is therefore logical to conclude that this offence occurs as much as at that place than the place where the copies were made.

[43] In short, from the moment a work or a product that infringes Canadian copyright is sold or distributed in Canada, a Canadian court validly seized of the dispute can apply the LDA without it confer extraterritorial scope because there is then a "real and important" with Canada, even if the acts of plagiarism or copies occurred abroad.

[44] In the present case, *a priori*, there is nothing to show that the plagiarism alleged by the applicant occurred in Canada: Ms. Bello lives in Haiti and it is there that the plaintiff would have shown him Book A and it is also in Haiti that Mrs. Bello wrote the texts for Book B; Thorobred Books has also produced and published Book B in the United States.

[45] However, the evidence reveals that several cities North American were visited as part of a promotional tour of the Book B and that this tour stopped in Montreal, where there is a significant Haitian community[36].

[46] Book B was therefore presented and offered to the public in Canada and, in light of the principles enunciated by the Supreme Court of Canada in *SOCAN* and by the Ontario Divisional Court in *Pourshian*, I consider that this is sufficient to make the LDA applicable to the present because there is a real and important connection to Canada.[37] *[Microsoft translate]*

#### 4. Remedies

##### a. Statutory damages

##### *DermaSpark Products Inc v. Patel*, 2023 FC 388

[124] In *Rallysport*, the Court noted, at paras 12–13, that the defendants have the burden of establishing that a total award of statutory damages sought would be “grossly out of proportion to the infringement,” which would encompass being too high or too low. Justice Fuhrer noted the lack of guiding jurisprudence and found that the jurisprudence on the meaning of “grossly disproportionate” in the context of [section 7](#) of the *Canadian Charter of Rights and Freedoms* was helpful and that an individualized analysis is called for.

[125] In the present case, DermaSpark originally sought \$16,000 per infringement of copyright in five works, resulting in a claim of \$80,000. At trial, DermaSpark agreed that this amount was too high, taking into account the principles enunciated in *Rallysport*. DermaSpark now submits that although \$16,000 per infringement may be too high, the lower end of the scale, or the exceptionally low amount of \$200 per infringement, is also not just. DermaSpark notes that Balsam’s conduct was at least reckless, if not intentional. DermaSpark further submits that if a lower amount per infringement is awarded, the Court should also award punitive damages.

[126] Balsam submits that if any damages are awarded for breach of copyright, the damages should be only a single amount in the range of \$200-\$500. Balsam submits that the Court should consider that Balsam’s conduct was not deliberate.

[127] Balsam’s submissions on damages overlook and conflate the distinction between breach of copyright and trademark infringement. Balsam again focusses on the OxyGeneo machine and submits that damages should be assessed only with respect to Balsam’s use of this machine. This ignores the fact that Balsam used DermaSpark’s works in promotional materials and that statutory damages for breach of copyright may be imposed on a “per work” basis.

[128] I find that Balsam has breached the copyright in five works. Balsam has not established that an award pursuant to subsection 38.1(1) would be grossly disproportionate. I have considered all relevant factors, including: the need to deter copyright infringement; Balsam's reckless or willfully blind behaviour and lack of due diligence in purchasing via Alibaba, despite being aware of DermaSpark's products in Canada and their price; and, also acknowledge that Balsam appears to have promptly complied with DermaSpark's demand to cease using the products after January 30, 2020 and removed promotional material from the Balsam website. I find that \$1,000 per infringement for a total of \$5,000 for statutory damages for breach of copyright is appropriate. This amount is not grossly disproportionate to the infringements that have been established.

*Audax Architecture Inc. v. McCuaig*, 2022 FC 1747

[31] Subsection 38.1(1) of the Copyright Act permits a copyright owner, at any time before judgment is rendered, to elect to recover an award of statutory damages instead of actual damages and profits. If the infringements are for commercial purposes, the range prescribed by statute is a minimum of \$500 and a maximum of \$20,000 for each work (Copyright Act, s 38.1(1)(a)). If the infringements are for non-commercial purposes, the range prescribed by statute is a minimum of \$100 and a maximum of \$5,000 (Copyright Act, s 38.1(1)(b)).

[32] Mr. McCuaig maintains that his posting of the Villa Cortile promotional video was not for commercial purposes: "Eden [T]ree did not engage in any commercial activities nor was there any personal gain to its director nor corporate gain to Eden Tree, but rather [the posting was] intended to obtain proper credit for its work."

[33] The Federal Court of Appeal has confirmed that "statutory damages can be awarded even if no monetary damages are suffered and no business is lost" (*2424508 Ontario Ltd v Rallysport Direct LLC*, 2022 FCA 24 at para 29, aff'g 2020 FC 794 [*Rallysport*]). For example, in *Young*, Justice Kane held that the copyright infringement of a video used to advertise services served a commercial purpose, even if no actual profit was made from these services (at para 45).

[34] Here, the dispute is between two competing architectural agencies. The Respondents infringed the Applicants' copyright in the promotional video, at least in part, in order to obtain credit for and thereby promote Eden Tree's services. I am satisfied that the infringing actions were for the commercial benefit of Eden Tree, and the Applicants are entitled to statutory damages.

[44] None of the parties' reputations emerges unscathed from this unfortunate episode. The entire dispute could likely have been avoided if the Applicants had credited Eden Tree for its contribution to the Villa Cortile project when asked to do so. Despite the Court's encouragement that the parties settle their differences without judicial intervention, they were unable or unwilling to do so.

[45] Were it not for aggravating and mitigating factors, the Applicants would be entitled to modest statutory damages in the region of \$1,000 (*Young* at para 64). However, there are some aggravating aspects of the Respondents' behaviour to support a higher award.

[46] The calculation of statutory damages in the absence of evidence of actual loss or gain is necessarily an imprecise task. Taking all of the relevant factors into account, I set the statutory damages payable to the Applicants by the Respondents at \$5,000. This is consistent with *Young*, but also recognizes the aggravating conduct of the Respondents and the need for some level of deterrence.

**b. Punitive damages**

***Dermaspark Products Inc v. Patel*, 2023 FC 388**

[145] In *Biofert Manufacturing Inc v Agrisol Manufacturing*, [2020 FC 379](#) [*Biofert*], the Court, McVeigh J., addressed the imposition of punitive damages at paras 226-227:

[226] Punitive damages are reserved for situations of “malicious, oppressive, and high-handed” conduct that “offends the court’s sense of decency” (*Hill v Church of Scientology of Toronto*, [1995 CanLII 59 \(SCC\)](#), [1995] 2 SCR 1130 at para [196](#)). The purposes of these damages are retribution, deterrence, and denunciation. Punitive damages are only to be awarded if compensatory damages are insufficient to accomplish these objectives (*Whiten* at para 94). *Whiten* at para 113 sets out several factors that “may” influence the level of blameworthiness (citations omitted):

- (1) whether the misconduct was planned and deliberate;
- (2) the intent and motive of the defendant;
- (3) whether the defendant persisted in the outrageous conduct over a lengthy period of time;
- (4) whether the defendant concealed or attempted to cover up its misconduct;
- (5) the defendant’s awareness that what he or she was doing was wrong;
- (6) whether the defendant profited from its misconduct;
- (7) whether the interest violated by the misconduct was known to be deeply personal to the plaintiff.

[227] In addition to blameworthiness, the award must be proportionate to the degree of vulnerability of the Plaintiff, the harm directed at the Plaintiff, the need for deterrence, and the advantage wrongfully gained, and it must also be appropriate in light of the other penalties likely being inflicted for the same misconduct (*Whiten* at paras 114–125).

[146] I find that Ms. Patel’s evidence demonstrates that she was reckless in her purchase and ignored red flags that would have alerted a reasonable buyer to make inquiries and/or to not purchase the products. She was aware of the price of the OxyGeneo machine and accompanying

products and she wanted these OxyGeneo products to enhance the services provided to her clients. However, she did not want to pay the price. Her goal appears to have been to find similar products at a lower price, given that she stated that she looked on eBay and Amazon and did not find them, then turned to Alibaba after her husband found, what Ms. Patel contended were the same products. Balsam used the counterfeit products for two years. Ms. Patel's attitude regarding the need for a Class III medical license was cavalier. The net revenue from the counterfeit products and services, as set out in the exhibit provided, was approximately \$2,000. It does not appear from the sales record of clients that received the purported OxyGeneo treatments that Balsam enjoyed significant profits from their infringing conduct. Although there is no evidence to confirm Ms. Patel's statement that the machine was disposed of, there is no suggestion that the counterfeit machine still exists or that Balsam used it after January 30, 2020, or at the latest, March 2, 2022. Ms. Patel continued to deny infringement until the hearing of DermaSpark's claim. As noted, Ms. Patel's evidence was inconsistent, vague and evasive. She is not simply naïve; she is a business owner with responsibilities that she ignored.

[147] I find that the statutory damages (\$5,000) and nominal damages (\$20,000) awarded are not sufficient to sanction Balsam's conduct. Given all the relevant factors, punitive damages of \$20,000 are warranted.

[Audax Architecture Inc. v. McCuaig](#), 2022 FC 1747

[47] The Applicants also seek punitive damages in the amount of \$50,000. Punitive damages are “very much the exception rather than the rule” (*Bauer Hockey Corp v Sport Maska Inc (Reebok-CCM Hockey)*), [2014 FCA 158](#) at para 26, citing *Whiten v Pilot Insurance Co*, [2002 SCC 18](#) [*Whiten*] at para 94). They should be awarded only where there has been high-handed, malicious, arbitrary or highly reprehensible conduct that departs to a marked degree from the ordinary standards of decent behaviour. Punitive damages straddle the frontier between civil law, *i.e.*, compensation, and criminal law, *i.e.*, punishment (*Whiten* at para 36).

[48] I have considered the conduct of all parties in assessing the award of statutory damages. I am not persuaded that an additional award of punitive damages is appropriate or necessary to punish the Respondents, or to act as a deterrent against future infringement (*Patterned Concrete Mississauga Inc v Bomanite Toronto Ltd*, [2021 FC 314](#) at para 72).

**c. Interim and Interlocutory injunctive relief**

[Bell Media Inc. v. Macciachera \(Smoothstreams.tv\)](#), 2022 FC 1139

[61] The Plaintiffs submit that the Defendants should identify this third party so he may be implicated in this action. According to the Plaintiffs, it would be more just and efficient to complete this task while the pleadings are not yet closed, rather than wait for the discovery process. I agree. The Interim Order enjoined and restrained the Defendants, by themselves or by any company, partnership, trust, entity or person under their authority or control, from “selling, assigning, alienating, transferring, or otherwise disposing of their assets.” The Defendants were also required to provide all necessary information to assist the persons enforcing the Interim Order, including disclosing any other premises under the Defendants' control or “through any person or entity related to them or to the SSTV Services.” In the circumstances, I agree that an explicit order as requested by the Plaintiffs should be granted.

*Bell Media Inc. v. Macciachera (Smoothstreams.tv)*, 2022 FC 1602

[110] Based on the evidence before me, which is not challenged by the Defendants, I find that the execution of the Interim Order directly corroborates and bolsters the evidence presented at the *ex parte* motion before Justice Rochester. A strong case has been established by the Plaintiffs that the Defendants have infringed the Plaintiffs' copyrights. I further find that in the absence of an interlocutory injunction enjoining the Defendants from being involved in unauthorized subscription services, the Plaintiffs will suffer irreparable harm that cannot be adequately compensated in damages. Finally, I conclude that the balance of convenience favours granting the interlocutory injunction on the terms requested by the Plaintiffs.

**THIS COURT ORDERS that:**

6. The Defendants shall:

- a) provide to ISS Drapeau the identity of the registrar accounts with which the domains and subdomains listed in **Schedule I** attached to this Order are registered, and provide to ISS Drapeau the login credentials for each of these accounts that have not already been provided;
- b) provide to ISS Drapeau the identity and location of the servers and hosting provider accounts for the servers associated with the SSTV Services and/or with the domains and subdomains listed in **Schedule I** to this Order, and provide to ISS Drapeau the login credentials and any other credentials necessary to access the highest available privilege level for these servers and accounts that have not already been provided; and
- c) disclose to ISS Drapeau and the Plaintiffs' solicitors any other domain, subdomain, registrar account, hosting provider account, and server associated with the development, hosting, operation, promotion and sale of the SSTV Services and/or any other Unauthorized Subscription Service under the Defendants' control, which shall then be treated as being part of **Schedule I** for the purpose of this Order that have not already been provided.

7. ISS Drapeau is authorized to:

- a) log into the accounts and servers referred to in paragraph 5 above, using the credentials provided by the Defendants;
- b) modify these login credentials; and
- c) deactivate any domain, subdomain or server referred to in paragraph 5 above, including the domains, subdomains and servers listed at **Schedule I**.

7. ISS Drapeau is authorized to delegate tasks authorized under this Order to computer forensic experts and/or private investigators. Any reference to ISS Drapeau in this

Order includes by reference the individuals to whom ISS Drapeau may delegate his duties.

8. ISS Drapeau shall **act as custodian of the accounts**, domains, subdomains, servers referred to in paragraph 5 above, including of the credentials as modified pursuant to paragraph 6, including by transferring domains or subdomains to a registrar account that is in the control and custody of the independent supervising solicitor.
9. The Plaintiffs' solicitors shall send out the "Notice to Providers" attached as **Schedule II** of this Order to the providers for the domains, subdomains and servers listed in **Schedule I** to ensure that the terms of this Order and the tasks undertaken pursuant to this Order can have their full intended effect and are not interfered with by the Defendants or third parties.

**10. The Defendants shall disclose to ISS Drapeau and the Plaintiffs' solicitors:**

a) the existence of any assets, revenues, expenses and profits derived from the **operation of the SSTV Services or other Unauthorized Subscription Services**, whether located in Canada or abroad, including but not limited to bank account or account from any other institutions or persons that deal in financial matters; safety deposit boxes; investment accounts; brokerage accounts; financial instruments or other assets within the control of a bank, financial or similar institution; cryptocurrency; and any other asset that is owned by, directly or indirectly controlled by or registered to the Defendants, by themselves or through any person or entity related to them or to the SSTV Services or any other Unauthorized Subscription Services that have not already been provided;

b) all information pertaining to the assets identified pursuant to subparagraph (a), including the identity of their owner, account number, type, creation date, transaction history, value and balance, including by providing all documents likely to contain this information, such as financial records, banking statements, invoices, and other similar documents that have not already been provided; and

c) the identity and contact information of the bank(s), financial institution(s) or other service provider(s) with which these assets are registered or through which they are controlled that have not already been provided.

11. The Defendants shall provide their written consent, in the form of **Schedule III** of this Order (with the necessary modifications as appropriate), to authorize the bank(s), financial institution(s) or other financial service provider(s) identified pursuant to this Order to disclose to ISS Drapeau and the Plaintiffs' solicitors all information pertaining to their assets, including but not limited to the types of information listed at subparagraph 10(b) above that have not already been provided.
13. The Defendants shall provide to ISS Drapeau any **login credentials or other means necessary to access the content of and/or decrypt any encrypted device**, as necessary



to inspect or copy evidence that has been preserved pursuant to this Order or the Interim Order;

**d. Blocking orders**

**Rogers Media Inc. v. John Doe 1, 2022 FC 775**

[9] I am granting a mandatory interlocutory injunction to the Plaintiffs, although not on the terms they had proposed. I am satisfied that they have established a very strong *prima facie* case that the unknown Defendants are engaging in ongoing breach of their copyright in the broadcasts of live NHL games. I am also satisfied that the Plaintiffs will suffer irreparable harm if this is allowed to continue. Finally, I find that appropriate conditions can be imposed to minimize the risk of over-blocking of legitimate content and to reduce the burdens imposed on the innocent Third Party Respondents.

[10] The concerns expressed by the Third Party Respondents and Interveners about the scope, reach and implications of the dynamic site blocking order sought here are valid and merit serious attention. In the particular circumstances of this case, however, these concerns do not tip the balance in favour of denying the Plaintiffs' the relief they seek. First, by the time this decision is issued, the NHL playoffs will be underway, and so the number of games being played – and broadcast – is significantly reduced, and will continue to decline until only two teams are playing in the Stanley Cup final. Second, the Third Party Respondents will only have to block to the limits of their current technical capacity to do so, and they will be indemnified (to a capped amount) by the Plaintiffs for the costs they incur in complying with the Order. Third, the Plaintiffs will retain and pay for an independent expert to verify that the IP addresses identified for blocking fit within the strict criteria defined in the Order, and to monitor the Third Party Respondent's implementation to identify any practical difficulties they encounter. This expert will provide a confidential report to the Court and the parties, and later a public report will be released and posted on the Parties' websites.

[11] The dynamic blocking Order granted in this case is unprecedented in Canada. I am satisfied that, in the circumstances of this case, it is just and equitable to grant this relief, subject to the very specific terms and restrictions set out in the Order.

[285] While the Court's jurisdiction to issue the requested relief does not lie in the provisions of the *Copyright Act*, I am persuaded that the balance of rights and interests set out in that statute is a relevant consideration in the exercise of my discretion whether to grant the relief and in setting its terms. The same applies for the provisions of the *Telecommunications Act*, in particular net neutrality and the importance of competition in the market.

[286] To be clear, the Court is not constrained from exercising its discretion by virtue of these statutes; rather, they help to set the context within which the Court will assess whether to grant the equitable relief sought, and on what terms. This is consistent with the holding in *GoldTV FCA*, and is particularly apt here given the unprecedented nature of the relief requested and the rights and interests affected.

[287] In addition, the impact of any order on freedom of expression is an important factor. However, it is of limited significance to the outcome here, given the restraints in the Order to be

granted and the fact that the focus of the activity is on unlawful streaming of broadcasts which have been found to constitute a strong *prima facie* case of copyright infringement. The concerns expressed by CIPPIC about the lack of ongoing judicial oversight are valid, but will be addressed in other ways, as explained below.

[288] Considering the impact of the Order that will be granted on the interests of the Plaintiffs and the Third Party Respondents, as well as its impact on the rights and interests of the viewing public in Canada, I am satisfied that this factor is not a basis to reject the Order sought. The rights and interests of all concerned can, in the very particular circumstances now facing the Court, be balanced and protected in a manner that meets the requirements of copyright enforcement, without unduly interfering with the ISPs operations or interests, or significantly interfering with the freedom of expression interests of the affected viewers.

[289] Some of these considerations have been discussed previously. It is not necessary to repeat that here, so I will only add a few points to address the remaining elements.

[290] On the issue of net neutrality, I am not persuaded by the Plaintiffs' assertion that the principle is not affected by the Order. Any requirement that ISPs consciously interrupt or interfere with a subscriber's access to their services *prima facie* implicates the principle of net neutrality, which generally means, "that all traffic on the Internet should be given equal treatment by ISPs. In other words, there should be no manipulation, preference, or discrimination, either through technical or economic means" (CRTC Telecom Regulatory Policy 2017-104 at para 10). The fact that the content is said to be illegal does not prevent the principle from being affected, but neither is it entirely irrelevant that the content to be blocked here has been found to constitute a blatant and ongoing infringement of the Plaintiffs' copyright in live NHL broadcasts.

[291] Each situation should be assessed on its own merits, and in this case I am persuaded that net neutrality should not prevent the limited blocking to be required by the Order here. I find that the safeguards put in place by the Order, including the specific requirements imposed on the Plaintiffs regarding the selection of the services to be identified for blocking and the extent to which this will result in under-blocking rather than over-blocking, will sufficiently protect net neutrality.

[292] In addition, I am also not persuaded by the Plaintiffs' argument that the Order does not engage the very strong protection for freedom of expression enshrined in the [Charter](#). As with *GoldTV FC*, I find that freedom of expression – particularly the access to information aspect of the freedom – is an important consideration in assessing whether to grant or deny the remedy requested, but in the end it does not weigh in favour of not denying the relief.

[293] First, the Plaintiffs have established a strong *prima facie* case that the content to be blocked constitutes an ongoing infringement of their copyright. This is not simply an assertion of the Plaintiffs; I have already found that the activity of streaming this content is *prima facie* unlawful. As stated in *Google*, at paragraph 49: "[e]ven if it could be said that the injunction engages freedom of expression issues, this is far outweighed by the need to prevent the irreparable harm that would result from Google's facilitating Datalink's breach of court orders."

[294] Second, the nature, scope and duration of the blocking is limited and subject to a specific and detailed Order. The Order seeks to limit its impact on the interests of any member of the viewing public who wants to access legitimate content, and extends only to those who seek access to unauthorized content that is subject to the specific terms of the blocking Order. I am satisfied that the risks of over-blocking are minimal.

[295] Third, the Order will require independent expert monitoring and verification of the steps taken under it. Although that is a *post-facto* measure (i.e. it will not prevent any infringement of freedom of expression), it will serve to encourage all parties to pay scrupulous attention to the very specific details set out in the Order, and it will ensure a degree of transparency for the parties, the Court and the wider public.

[296] On balance, I am satisfied that any potential infringement of freedom of expression guarantees under the [Charter](#) will be limited, proportionate and justified.

[327] Unlawful streaming of live NHL games is, on the evidence before the Court, a significant and ongoing breach of the Plaintiffs' copyright in these broadcasts. It is, undoubtedly, a blatant infringement of their interests and they are entitled to a remedy to seek to thwart it.

[328] By the same token, the Third Party Respondents that will be affected by the Order granted are entirely innocent of any wrongdoing, drawn into this matter simply because their networks are the conduits through which the unlawful streaming occurs. Although they earn income from their subscribers, at least some of whom are likely engaging in the unlawful activity, there is no evidence that any of the Third Party Respondents have encouraged or otherwise supported their customers' behaviour. Having become ensnared in all of this, the Third Party Respondents also have legitimate rights and interests they seek to protect, and the Order is tailored to reflect these and to seek to minimize the burden imposed on the innocent parties.

[329] In addition, the wider public interest is implicated, including the balancing of rights and interests reflected in the statutes that otherwise govern the affairs of the parties here – namely the [Copyright Act](#) and the [Telecommunications Act](#) – as well as the fundamental guarantee of freedom of expression set out in the [Charter](#).

[330] For the reasons set out above, I have concluded that the procedure – as it actually transpired -was not unfair to the Third Party Respondents, and thus the relief is not denied on that ground.

[331] Applying the three-part test that governs mandatory interlocutory injunctions, and in particular following the general guidance set out in *GoldTV FC* and *GoldTV FCA*, I find that the Plaintiffs have established a strong *prima facie* case of copyright infringement by unknown Defendants who almost exclusively operate overseas and take steps to hide their identities. I also find that the Plaintiffs have established irreparable harm because of the ongoing infringement of their copyright through the unlawful streaming of broadcasts of live NHL games, and that the Order of the kind sought by the Plaintiffs is necessary to try to stop it.

[332] Finally, applying the factors set out in the jurisprudence, which collectively seek to ensure that any order imposed is proportional to the harm sought to be prevented, I find that the balance

of convenience weighs in favour of the Plaintiffs, in the particular circumstances of the case at the time the Order is being issued.

[333] As explained in the reasons set out above, the Order proposed by the Plaintiffs was modified to take into account the interests of the Third Party Respondents, as well as the wider public policy considerations relevant to the dynamic site blocking order awarded here and identified by CIPPIC. Some important limitations were included, such as the requirement that ISPs only block up to their then-current capacity. Some limits arose simply by virtue of circumstance, most importantly that the number of games broadcast on any given night was significantly reduced because the NHL playoffs had begun by the time the Order is issued. In addition, some elements were added to ensure greater transparency, in light of the important public interests implicated by the Order.

***Bell Media Inc. v. John Doe 1*, 2022 FC 1432**

[1] In this Order, “**FIFA World Cup Live Match**” refers to the live footage of a FIFA World Cup Qatar 2022 match and/or the live television program produced by adding text, images, videos, commentaries and/or animations to said footage, and which is produced and/or broadcast by the Plaintiffs in Canada under exclusive license from Fédération Internationale de Football Association (FIFA).

[2] Subject to the terms of this Order, the Third Party Respondents shall, during each of the FIFA World Cup Live Match Windows (as this term is defined in Confidential Schedule 2 of this Order) specified in Schedule 1 of this Order, block or attempt to block access, by at least their residential wireline Internet service customers, to each of the IP addresses for the Target Servers (as this term is defined in Confidential Schedule 2 of this Order and as may be hereafter varied) which the Plaintiffs or their appointed agent have notified to the Third Party Respondents in accordance with this Order.

[3] The Plaintiffs shall collectively appoint a single agent to fulfill the duties outlined in this Order (the “Agent”).

[4] The Agent may notify to the Third Party Respondents an IP address to be blocked as a Target Server pursuant to paragraph 2 of this Order if:

- (a) The Agent has detected that the IP address is being used:
  - (i) during a FIFA World Cup Live Match Window to communicate a FIFA World Cup Live Match to the public by telecommunication without authorization; or
  - (ii) during the Pre-Monitoring Period (as defined in Confidential Schedule 2 of this Order) to communicate to the public by telecommunication without the Plaintiffs’ authorization a station on which a FIFA World Cup Live Match is scheduled to be broadcast during the FIFA World Cup Live Match Window; or
  - (iii) in a manner that meets one or more of the detection conditions specified in paragraphs 2(c) and (d) of Confidential Schedule 2 of this Order; and

- (b) the Agent has concluded that at the time of the detection the IP address satisfies the safeguard requirements of paragraphs 2(e) and (f) of Confidential Schedule 2 of this Order.

[5] Upon the conclusion of each FIFA World Cup Live Match Window, the Agent shall give notice to the Third Party Respondents in accordance with this Order to unblock all Target Servers that have previously been notified for blocking during the FIFA World Cup Live Match Window. The Third Party Respondents shall use reasonable efforts to un-block as soon as reasonably practical after the end of the FIFA World Cup Live Match Window.

[6] The Third Party Respondents have no obligation to verify whether the IP addresses to be blocked as Target Servers notified by the Agent pursuant to this Order have been correctly identified, and are wholly reliant on the Plaintiffs or their appointed agent accurately identifying and communicating to the Third Party Respondents such IP addresses in compliance with this Order.

[7] A Third Party Respondent will be deemed to have complied with paragraph 2 of this Order if it uses either manual or automated IP address blocking, or an alternative or equivalent technical means (provided that the Third Party Respondent provides reasonable notice to the Plaintiffs of said alternative or equivalent means). If a Third Party Respondent is unable to implement either manual or automated IP address blocking, or IP address rerouting, or alternative or equivalent technical means, that Third Party Respondent shall, within fifteen (15) business days of this Order, notify the Plaintiffs, of the step(s) it has taken and why it will be unable to comply with the Order.

[8] When blocking access to an IP address pursuant to paragraph 2 of this Order, the Third Party Respondents shall use reasonable efforts, subject to the limits of their networks and resources, to disable access to the IP address as soon as practicable following the notification by the Plaintiffs or their appointed Agent pursuant to this Order. A Third Party Respondent will be deemed to have complied with paragraph 2 of this Order if it uses the technical means set out in paragraph 7 of this Order within thirty (30) minutes of the start of a FIFA World Cup Live Match Window and at least every thirty (30) minutes thereafter until the end of the FIFA World Cup Live Match Window, or according to such other schedule as may be agreed between the relevant Third Party Respondent and the Plaintiffs in writing. For greater certainty, the Third Party Respondents are not required to make capital investments to acquire additional software and/or hardware to implement the present Order.

## 5. Infringement of moral rights

### *Whitehall Entertainment Incorporated v. Kafka Pictures Inc.*, 2022 BCPC 184

[376] In this case, although Ms. Whitehall candidly acknowledged that she had not seen the Film, she asserts that her moral rights as an author have been breached. However, other than her subjective evidence there is little, if any, relevant evidence regarding how her honour and reputation have been affected by the activities of which she and Whitehall Entertainment complained. Moreover, and more importantly, there was no expert or public opinion evidence placed before this Court that would meet the objective evaluation of prejudice required to determine whether Ms. Whitehall's moral rights have been infringed or otherwise violated.

Accordingly, in the absence of such an objective evaluation, Ms. Whitehall has not established an infringement of her moral rights under the *Copyright Act*. Therefore, her claim in that regard is dismissed.

## 6. Procedure

### a. Requirement to join copyright holders in infringement claims

*Dermaspark Products Inc v. Patel, F.C. June 6, 2022, Judge Trent Horne (unreported)*

[35] Pursuant to section 41.23, a person deriving an interest by grant in writing (e.g. a license) may bring a proceeding for infringement of copyright, however the default position is that the copyright owner shall also be made a party to the proceedings. While the Court has the ability to order that the copyright owner not be a party to the proceedings, Dermaspark has not moved for such relief.

### b. Pleadings

*Dermaspark Products Inc v. Patel, F.C. June 6, 2022, Judge Trent Horne (unreported)*

[38] The Proposed Claim identifies and describes the works in issue as follows:

21) Defendants have repeatedly advertised, offered and sold their services of a counterfeit Pollogen Product, as well as reproduced and published copyrighted material developed by Plaintiffs for marketing purposes (hereinafter referred to as the “Copyrighted Works”).

22) Said Copyrighted Works are comprised of original works of authorship available and published on Pollogen’s website (<https://pollogen.com>), for which the exclusive right to reproduce, perform, publish or translate, in Canada, had been granted to Dermaspark, including, the original literary work describing the Geneo+/OxyGeneo Products available at <https://pollogen.com/products/geneo/>.

23) All such Copyrighted Works are owned by the plaintiff Pollogen.

24) Plaintiff Pollogen's own employees, created the Copyrighted Works and assigned the same to Plaintiffs. Page: 12 [39] These allegations are new; until the delivery of the Proposed Claim, the works alleged to have been infringed were not identified or particularized at all.

[40] Pointing to a website, without more, is inadequate. A website can be dynamic, with the content changing from time to time. Websites can also include a wide array of literary and artistic works. The defendants should not be required to guess what literary or artistic works on the Pollogen website are alleged to have been reproduced by the defendants without authorization, and which ones are not. A blanket statement that the works were created by Pollogen employees and assigned to Pollogen, without more, is insufficient. In these circumstances, particularly where a limited number of works appear to be in issue, the defendants are entitled to know, before filing a defence, at least: the specific works that are in issue; the identity of the authors of each work; whether Pollogen’s claimed ownership in the

works arises by operation of law or assignment (or both); whether any of the works are licensed to Dermaspark; and how or where the copyrighted works are alleged to have been misused. Anything less would impair the defendants' ability to prepare an informed defence, and would not adequately frame the issues for documentary and oral discovery. [41] Given the absence of adequate and complete information in the Proposed Claim as to the copyrighted works in issue, the copyright claims must be struck.

*Fox Restaurant Concepts LLC v. 43 North Restaurant Group Inc.*, 2022 FC 1149

[14] Paragraph 1(a)(i) of the Claim requests a declaration that copyright subsists in original literary and artistic works depicted in an attached schedule A. The works are defined as the "Fox Works", and identified as excerpts from the plaintiff's websites, menus, promotional items and logos.

[15] Paragraph 1(d) of the Claim states that there are five Fox Works.

[16] Schedule A to the Claim is described as a side-by-side comparison of some of the egregious examples of defendants' blatant copying, showing Fox's original copyrighted material, trademarks and trade dress elements next to the infringing versions adopted and used by the defendants.

[17] In schedule A, the left column is entitled "Fox restaurant concepts, including North Italia, DoughBird and Culinary Dropout". The right column in the schedule is entitled "43 North Restaurant Group, including Dough Box and Culinary Dropout". The schedule is not limited to illustrating the allegations of copyright infringement.

[18] Schedule A includes about 11 logos, images and website excerpts. It is not apparent from the Claim, including the schedule, what the five Fox Works are.

[22] The plaintiff's allegations of copyright infringement do not meet the requirements of Rule 174.

[23] It is not clear what five literary or artistic works are included in the definition of Fox Works. Unless there is a closed and specific list of the works that the plaintiff includes in its definition of "Fox Works", the issues are not adequately framed for discovery and trial.

[25] Pursuant to [subsection 13\(3\)](#) of the *Copyright Act* (referred to by the plaintiff in argument, but not referenced in the Claim), where the author of a work was in the employment of some other person under a contract of service, and the work was made in the course of employment by that person, the employer is the first owner of copyright, subject to any agreement to the contrary.

[26] Paragraph 10 of the Claim reproduced above does not expressly state that Sam Fox is an employee of the plaintiff. There is no reference to a contract of service. The authors of each of the Fox Works is unknown. Even if the Claim had set out a closed list of what was included in the definition of Fox Works, I am not persuaded that the plaintiff has pleaded sufficient material facts to establish ownership of the works to sustain a claim for copyright infringement.

[27] Some of the issues on this motion are similar to a ruling I made in *Sony Music Entertainment Canada Inc v SUVA Beauty Inc* (T-1256-21) dated January 31, 2022 (“*Sony*”). That was a copyright infringement proceeding alleging unauthorized use by the defendants of popular music in social media advertising.

[28] As in *Sony*, I have absolutely no doubt that the defendants in this proceeding know the nature of the case against them. In addition to allegations that the defendants copied the names of the plaintiff’s restaurants, there are examples in the schedule to the Claim where it appears that the defendants copied the plaintiff’s website content word for word.

[29] In *Sony*, I struck the statement of claim with leave to amend. The statement of claim was struck, in part, because the plaintiff did not expressly plead that its right or interest by grant (*i.e.* the license) was in writing, as required by [subsection 41.23\(1\)](#) of the [Copyright Act](#). The requirements of pleading a copyright case are not relaxed or modified where the defendant is alleged to be a knowing and deliberate infringer. The same conclusion applies here.

[30] While there are shortcomings in the Claim, it will not be struck without leave to amend. There is more than a scintilla of a cause of action for copyright infringement. Any defects can be cured by an amendment.

[32] To avoid further motions related to the statement of claim, any amended pleading shall include: (a) a closed list of the “Fox Works” that are in issue; (b) the authors of each work; (c) whether the plaintiff’s claimed ownership in the works arises by operation of law or assignment (or both); and (d) how or where each of the copyrighted works are alleged to have been reproduced, in whole or in substantial part, by the defendants.

**[Tétreault v. Boisbriand \(City\)](#), 2023 FC 168**

[43] Ultimately, the Associate Judge found that the Plaintiff failed to allege what part of the alleged Work had been reproduced by Forestia. The Associate Judge found that while the Plaintiff alleged that the notion of an agricultural component to the Forestia Project was borrowed from his work, this was an allegation based on an idea rather than one based on the expression of an idea. Associate Judge Steele relied on the following paragraph from *Cinar Corporation v Robinson*, [2013 SCC 73](#):

[24] The [Copyright] Act protects original literary, dramatic, musical, and artistic works: s. 5. It protects the expression of ideas in these works, rather than ideas in and of themselves: *CCH Canadian Ltd. v. Law Society of Upper Canada*, [2004 SCC 13](#), [2004] 1 S.C.R. 339, at para. 8. An original work is the expression of an idea through an exercise of skill and judgment: *CCH*, at para. 16. Infringement consists of the unauthorized taking of that originality.

[44] The Associate Judge noted that an action based on the infringement of copyright requires an allegation that a defendant has reproduced a work or a substantial portion of a work, rather than an idea or a concept. She determined that the Plaintiff did not allege that the Defendants plagiarized specific passages of one or more texts, drawings, or plans, but rather he alleged they plagiarized a central theme or concept being that of an agricultural component to the project.



[45] Associate Judge Steele found that the absence of allegations to the effect that the Defendants had reproduced all or part of the alleged literary and artistic work was fatal to the claim. Consequently, Associate Judge Steele concluded that the Plaintiff's action for copyright infringement reveals no reasonable cause of action, is doomed to fail, and thus must be struck.

[47] Having carefully read both the Statement of Claim and the Amended Statement of Claim, I am not persuaded that Associate Judge Steele committed a palpable and overriding error with respect to her appreciation and characterization of the contents of the Plaintiff's pleadings.

[48] What the Plaintiff appears to fail to appreciate is that despite the very large volume of material in his Statement of Claim, Amended Statement of Claim, and attached documentation, he fails to allege with any detail how the Work, or a substantial part thereof, was reproduced. He makes numerous general allegations that "his intellectual property had been misappropriated by the Defendants" but never states that a specific part of the Work was copied beyond a general concept or idea, namely the agricultural component.

**c. Res Judicata**

***Wiseau Studio, LLC v. Harper*, 2023 FC 354**

[13] The Plaintiff asserts that Associate Judge Horne made a palpable and overriding error when he found that the causes of action in the former action and the current matter are not separate and distinct. The Plaintiff submits that circumventing technical protection measures in contravention of sub-[section 41.1\(1\)](#) of the *Act* is a completely different wrong from the generally accepted concept of copyright infringement. Although the matter has not been discussed in the case-law, the Plaintiff notes that in one decision dealing with this new provision, *Nintendo of America Inc v King*, [2017 FC 246](#) [*Nintendo*], the company listed both copyright infringement and breach of technical protection measures as separate causes of action in its Statement of Claim, and the court dealt with them that way in its assessment of remedies (paras 2 and 126).

[24] In *The Doctrine of Res Judicata* (5<sup>th</sup> ed), in Chapter 3, Part 3, the authors state "(a) cause of action is the facts which give a person a right to judicial relief against another person." The text continues:

A new legal theory in a second action, such as tort rather than contract, marshalling the combination of facts from the first action in a different way, will not create a separate and distinct cause of action.

The question to ask is: "Are the facts upon which the defendant was found liable to the plaintiff in the first action substantially the same and in issue in the second action?" If the answer to this question is yes, then cause of action estoppel applies to the second action...

[27] I agree with Associate Judge Horne's finding that the current action involves the same parties, the same wrongdoing, and the same harm to the Plaintiff. The Plaintiff is not complaining that its movie, which was hitherto "locked", has made available to the world by defeating the digital lock, contrary to sub-[section 41.1\(1\)](#) of the *Act*. Rather, it argues that the Defendants have breached its copyright by "ripping" portions of *The Room* from the Blu-ray disc and including those in their documentary. The Plaintiff's claim underlying both actions is

based on “substantially the same facts” and I am unable to find any error in Associate Judge Horne’s conclusion that the doctrine of cause of action estoppel applies to bar the Plaintiff’s action before this Court.

## 7. Standard of review

### *Society of Composers, Authors and Music Publishers of Canada v. Entertainment Software Association*, 2022 SCC 30

#### (1) Prior Jurisprudence Needs to Be Reconsidered in Light of *Vavilov*

[22] Prior to *Vavilov*, the Board’s decisions on the scope of rights in the *Copyright Act* were reviewed on the standard of correctness: see, for example, *Rogers*, at paras. 10-20; *Canadian Broadcasting Corp. v. SODRAC 2003 Inc.*, 2015 SCC 57, [2015] 3 S.C.R. 615 (“*CBC*”), at para. 35.

[23] These pre-*Vavilov* cases held that correctness was appropriate because the Board and courts have concurrent first instance jurisdiction over some aspects of the *Copyright Act*. In infringement actions, the scope of rights under the Act is routinely brought before courts for interpretation. Similarly, the Board may need to decide the scope of rights in the Act in order to set tariffs, as occurred in this case: *Rogers*, at paras. 12-13. Given this shared jurisdiction, the pre-*Vavilov* cases concluded that correctness was appropriate because it minimized the risk of conflicting statutory interpretations and gave effect to legislative intent: *Rogers*, at paras. 12-15; *CBC*, at para. 35.

[24] In *Vavilov*, this Court reconsidered its standard of review jurisprudence. It simplified the law by holding that courts should review administrative decisions on a standard of reasonableness except when doing so would undermine legislative intent or the rule of law: paras. 17 and 69.

[25] *Vavilov* overtook the prior jurisprudence: para. 143. Cases from this Court applying a correctness standard to the Board’s decisions therefore need to be reconsidered in light of *Vavilov*.

#### (2) Concurrent First Instance Jurisdiction Should Be Recognized as a Sixth Category of Correctness

[26] *Vavilov* recognized five categories for correctness review: legislated standards of review, statutory appeal mechanisms, constitutional questions, general questions of law of central importance to the legal system as a whole, and questions related to the jurisdictional boundaries between two or more administrative bodies (paras. 17 and 69). None of these categories justifies applying a correctness standard of review to situations of concurrent administrative and court first instance jurisdiction.

[27] Nevertheless, I would apply a correctness standard of review to the Board’s decision. *Vavilov* did not “definitively foreclose the possibility that another category could be recognized as requiring a derogation from the presumption of reasonableness review”: *Vavilov*, at para. 70. In rare and exceptional circumstances, new correctness categories can be recognized

when applying reasonableness would undermine legislative intent or the rule of law in a manner analogous to the five correctness categories discussed in *Vavilov* at paras. [23](#) and [70](#).

[28] This is one of those rare and exceptional circumstances where it is appropriate to recognize a new category of correctness review: when courts and administrative bodies have concurrent first instance jurisdiction over a legal issue in a statute. Applying correctness to these issues accords with legislative intent and promotes the rule of law.

[40] Recognizing concurrent first instance jurisdiction between courts and administrative bodies as a sixth category of correctness review gives effect to legislative intent and promotes the rule of law. I will therefore review the Board's decision under the standard of correctness.