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**ALAI COPYRIGHT ANNUAL MID-YEAR REVIEW**

**2023-2024**

**BARRY SOOKMAN**

**MCCARTHY TETRAULT**

**BSOOKMAN@MCCARTHY.CA**

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## 1. Summary of copyright principles

### [Techno-Pieux Inc. v. Techno Piles Inc.](#), 2023 FC 581

[110] In the Summary Judgment Decision, I provided the following summary of the legal principles applicable to an assessment of the Plaintiff’s allegations of copyright infringement:

[113] The [Copyright Act](#) protects the expression of ideas in *original* works, but not the ideas themselves: *CCH Canadian Ltd. v Law Society of Upper Canada*, [2004 SCC 13](#) at para [8](#) [*CCH*].

[114] Copyright subsists in every original literary, dramatic, musical and artistic work if any one of certain enumerated conditions, which are not in dispute on the present Motion, is met: [Copyright Act](#), s 5(1).

[115] For a work to be *original* within the meaning of that legislation, it must be more than a mere copy of another work. However, the work need not be “creative, in the sense of being novel or unique.” Instead, “[w]hat is required to attract copyright protection in the expression of an idea is an exercise of skill and judgment”: *CCH*, above, at para 16. Skill can be demonstrated by “the use of one’s knowledge, developed aptitude or practice ability in producing the work”, whereas judgment is demonstrated through “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”: *CCH*, above, at para 16.

[116] The requisite degree of skill and judgment is something more than something so trivial that it could be characterized as a purely mechanical exercise: *CCH*, above, at para 16.

[117] “Copyright”, in relation to a work, includes the sole right to produce or reproduce the work or any substantial part thereof in any material form whatsoever: [Copyright Act](#), s 3. Consequently, copyright infringement occurs whenever anyone reproduces the copyrighted work, or a substantial part thereof, without the consent of the owner: [Copyright Act](#), s 27(1). The same is true whenever anyone makes a “colourable imitation”: [Copyright Act](#), s 2.

[118] What constitutes a “substantial” part of a work is a flexible notion and is a matter of fact and degree – “[a]s a general proposition, a substantial part of a work is a part of the work that represents a substantial portion of the author’s skill and judgment expressed therein”: *Cinar Corporation v Robinson*, [2013 SCC 73](#) at para [26](#) [*Cinar*].

[119] In considering whether there has been a reproduction of a substantial part of a work protected by copyright, regard must be had to the copyrighted work as a whole, rather than to isolated parts thereof: *Cinar*, above, at paras 35–36. For greater certainty, the focus is not upon whether that which is alleged to have been copied amounts to a substantial part of the defendant’s work: *Cinar*, above, at para 39. Moreover, the alteration of copied features or their integration into a

work that is notably different from the copyrighted work does not necessarily preclude a determination in favour of the plaintiff: *Cinar*, above, at para 39.

[120] A “colourable imitation” of a work is a form of the original work that has been altered or modified in such a way as to deceive: *Rains v Molea*, [2013 ONSC 5016](#) at para 45, quoting May M. Cheng and Michael Shortt, “Colourable Imitation: The Neglected Foundation of Copyright Law” (2012) 17 *Intellectual Property* at 1131.

[121] In the absence of evidence of actual copying, an allegation of copyright infringement may be inferred from evidence of substantial similarity and access to the copyrighted work: *Philip Morris Products S.A. v Marlborough Canada Limited*, [2010 FC 1099](#) at para 320 [*Philip Morris*], *aff’d* [2012 FCA 201](#) at para 119; *Pyrrha Design Inc. v Plum and Posey Inc.*, [2019 FC 129](#) at para 121. However, this inference may be rebutted by establishing that the allegedly infringing work was created independently of the copyrighted work, even though recourse may have been had to common source material: *Philip Morris*, above, at para 320.

[122] Pursuant to paragraph 34.1(1)(b), in any civil proceedings taken under the *Act*, the author is presumed to be the owner of copyright.

## 2. Subsistence of copyright

### a. Originality and authorship

[Arc en ciel RH v. Services Swissnova inc.](#), 2023 QCCA 1151

#### Is the AEC Method a protected work under the A.D.A.?

The respondents assert that the AEC Method is only a concept and not the expression of a concept. Therefore, according to them, the judge erred in concluding that it was a protected work under the *Lda*. They do not, however, further specify their idea, which is in no way convincing.

[ 44 ] It is established that the determination of the original character of a work is a mixed question of fact and law and that the standard of intervention is that of manifest and determining error [\[20\]](#). Did the judge commit an error of this nature in concluding that the AEC Method is a work in itself, protected under the *Lda* ?

[ 45 ] Here are the relevant passages from the judgment:

[54] The particular combination, on the one hand, of all of these elements and, on the other hand, of a synthesis of the basic principles, and this, in an organized and original way resulting from talent and judgment of its author, Fabart, must enjoy protection . Indeed, the Supreme Court recognized the protection of the expression of ideas in the form of combinations in the *Cinar Corporation v. Robinson* :

[...]

[55] It is thanks to his work and his talent that Fabart created his method which uses the choice of colors of a rainbow, each being attributed to personality traits, and this, in an order specific. Its Rainbow Wheel includes a configuration allowing certain results to be visualized in the different profiles used so as to illustrate them in a single dial among those found on the disk. Furthermore, the gradient of the colors of the Rainbow Wheel makes it possible to specify important nuances in the analysis of personality. AEC owns and operates trademarks and industrial designs related to the Arc En Ciel Method. The material and tools used and marketed by AEC as a whole meet the three elements required to be qualified as an original work: it comes from an author; it does not constitute a copy and, finally, it results from the significant exercise of the talent and judgment of the author in question. [21]

[Emphasis added; references omitted]

[ 46 ] I believe that the judge did not err in concluding that the appellants created an “assemblage” or an “arrangement”, which has added value that transcends the simple sum of its components.

[ 47 ] This conclusion is supported by the evidence. This demonstrates that the AEC Method is a combination of Cleaver's questionnaires, two of which were modified by Patrice Fabart, an algorithm allowing these questionnaires to be processed and a system for representing the results which notably includes a colored wheel inspired by of the wheel developed by another company, TTI Success Insights France (“Insights”), for which Mr. Fabart has already worked in the past.

[71] ...these are tests almost identical psychometrics, which measure the same aspects of personality, according to the same theory and present the results in a similar way.

[ 48 ] The finding that an original assembly can be protected by the *Lda* is consistent with the state of the law. Indeed, to qualify as a “work”, a creation must be more than a copy, but does not have to be “innovative or unique” in addition. The essential element “is the exercise of the talent and judgment” of its author, which necessarily implies an intellectual effort. (Google Translate)

## **b. Ownership of works**

### ***GE Renewable Energy Canada Inc. v. Canmec Industrial Inc.*, 2024 FC 322**

[25] Based on the foregoing, Rio Tinto argues that French law should apply with respect to creation and first ownership of copyright in the works said to be authored by Mr. Chatron. On this argument, [subsection 13\(3\)](#) of the *Copyright Act* does not apply to make GE Hydro France the first owner of copyright. Rather, Mr. Chatron was the first owner, and assigned his copyright to GE Hydro France, making him an “assignor” within the meaning of Rule 237(4). Alternatively, Rio Tinto argues that if subsection 13(3) does apply, then the provisions of the agreement between Mr. Chatron and GE Hydro France constitute an “agreement to the contrary” within the meaning of subsection 13(3), such that the subsection does not apply to render GE Hydro France the first owner of copyright.

*(a) The domestic Copyright Act governs initial ownership*

[28] Rio Tinto cites a thoughtful text by Professor Jane C. Ginsburg, *The Private International Law of Copyright in an Era of Technological Change*, 1998 Collected courses of the Hague Academy of International Law, Vol 273, 239–405. Chapter IV of that text addresses choice of law and conflict of law issues relating to ownership of copyright. In addressing the question of first ownership, Professor Ginsburg notes the *Berne Convention* does not expressly dictate the choice of law for initial ownership of non-cinematographic works. She concludes that each *Berne Convention* member is free to apply its own conflicts of laws rules to determine initial ownership of such works.

[29] Professor Ginsburg argues the *Berne Convention* as a whole does not support a “highly territorialist” view of copyright in which the law of the forum of enforcement dictates all matters of copyright authorship and ownership. She suggests that the choice of law rules of member countries should further the overall goal of the Convention, namely promoting the international dissemination of works of authorship. She writes:

Application of a rule of strict territoriality could result in a multiplicity of laws governing copyright ownership; this might so disrupt international commerce in copyrighted works as to defeat one of the principal purposes of the treaty. Moreover, while it has long been recognized that “international copyright” is more accurately understood as a collection of national copyrights conferred on the author (or initial copyright holder) by virtue of bi- and multilateral treaties, that characterization better fits the determination of protectable subject matter and scope of rights than ownership of rights. It makes more sense to conceive of copyright as germinating in a work’s source country, subsequently to flower in all other countries in which the work is protected. The countries that later host the work tend to its growth, but the welcome they extend to the work does not uproot it from its source. The work’s source country (country of first publication, or residence, or domicile, or nationality of the author) thus should determine who is the initial titleholder. Instead of seeking alternative points of attachment for identifying the law competent to designate copyright ownership, “it is simpler and more just simply to refer to the substantive rule as set forth in the national law under whose aegis the work was born”.

[Emphasis added; footnotes omitted; Ginsburg at pp 356–357.]

[30] Professor Ginsburg goes on to note that applying the law of the work’s source country would ensure that the work does not change owners by operation of law each time the work crosses an international boundary, while licensees in all countries would know that they have acquired rights from their owner.

[31] Rio Tinto argues that the applicable law for determining initial ownership of copyright should be assessed by applying Canadian conflicts of laws rules and should consider the “connecting factors” associated with the creation of the work. In the present case, it argues that all of the relevant connecting factors, including the domicile and citizenship of the author, the location of authorship, and the contract of employment, point to France as the appropriate

applicable law for determining first ownership. On Rio Tinto's argument, applying Canadian conflicts of laws rules to the issue of first ownership means that [subsection 13\(3\)](#) of the *Copyright Act*, which represents the Canadian law with respect to first ownership of copyright, does not apply.

[32] Despite the contrary arguments put forward by Rio Tinto and those expressed by Professor Ginsburg, I conclude that [section 13](#) of the *Copyright Act* applies to determine first ownership of the works in question, despite their being authored in France by a French national. I reach this conclusion for the following reasons.

[33] I begin with the proposition, accepted by both parties, that copyright law in Canada is entirely a creature of statute. That is to say, the existence of copyright that is protectable in Canada, and the scope and nature of that protection, is governed exclusively by the *Copyright Act: CCH Canadian Ltd v Law Society of Upper Canada*, [2004 SCC 13](#) at para [9](#). The *Copyright Act* was originally enacted to implement the terms of the *Berne Convention: Society of Composers, Authors and Music Publishers of Canada v Entertainment Software Association*, [2022 SCC 30](#) [*SOCAN v ESA*] at para [78](#). The *Copyright Act* should therefore be interpreted in light of the *Berne Convention* and other applicable treaties, but ultimately the Court is charged with interpreting and applying the *Copyright Act* as drafted by Parliament: *SOCAN v ESA* at paras [43–49](#); *Robertson v Thomson Corp*, [2006 SCC 43](#) at para [94](#).

[34] Part 1 of the *Copyright Act* governs copyright and moral rights in works. Within this Part, section 5 sets out conditions for the subsistence of copyright in Canada, including that the author be a citizen, subject or ordinary resident of a *Berne Convention* or other treaty country at the time of creation: *Copyright Act*, s 5(1)(a). There is no requirement in section 5 that copyright in the work be recognized in its country of origin. Whether Canadian copyright subsists in a work is therefore a matter expressly dictated by the Canadian *Copyright Act*, without reference to the law of the jurisdiction in which the work is created. It is also clear that the *Copyright Act* is expressly intended to govern the works of foreign authors. This is consistent with the statement in Article 5(2) of the *Berne Convention* that the enjoyment and exercise of copyright is independent of the existence of protection in the country of origin of the work.

[35] [Section 13](#) of the *Copyright Act* exists in this statutory context. As set out above, subsection 13(1) provides the general rule that the author of a work is the first owner of copyright therein. The subsection places no limitation on the nature of the work or the nationality of the author. On its face, it purports to apply to all works in which Canadian copyright subsists, and not simply those works created in Canada or by Canadians. In my view, the text, context, and purpose of subsection 13(1) indicate that Parliament intended the first ownership rule to apply to all works, regardless of where they were authored: *CCH* at para 9, citing *Bell ExpressVu Limited Partnership v Rex*, [2002 SCC 42](#) at para [26](#).

[36] Rio Tinto argues that section 13 only applies in circumstances where common law rules regarding conflicts of laws indicate that Canadian law, and not foreign law, applies to the question of first ownership. I cannot agree. Any Canadian common law rules regarding private international law must cede to Canadian legislative provisions. The interpretation of subsection 13(1) that I have reached above inherently ousts the application of any common law conflicts of laws rules that might otherwise prevail. Notably, subsection 13(1) expressly states that the only



limits on the general rule of first ownership are those found in the *Copyright Act* itself: “Subject to this Act, the author of a work shall be the first owner of the copyright therein” [emphasis added].

[37] The only limitation in the *Copyright Act* on the rule of first ownership in a work (as opposed to a performer’s performance, a sound recording, or a communication signal) is that found in subsection 13(3) regarding works made in the course of employment. Again, nothing in the text or context of subsection 13(3) suggests that it is limited to employment relationships governed by Canadian law, to those with a Canadian employer and/or employee, or to works created in Canada. As noted, Part 1 of the *Copyright Act* recognizes and protects copyright in works created by any citizen, subject, or ordinary resident of a treaty country, including works created overseas by foreign authors. Given this, reading subsection 13(3) to apply only in cases where the “author,” the “work,” and/or the “employment” had sufficient connecting factors to Canada would read limitations into the subsection that are simply not supported by the text, the context, or the purpose of the statute. I conclude that subsection 13(3) defines the first owner of Canadian copyright in any work made in the course of employment, regardless of the location of that employment or the nationality or domicile of the employee or employer.

[38] As Professor Ginsburg notes, this interpretation may mean that the owner of Canadian copyright in a work is different than the owner of copyright in the same work in another country. However, this can always be the case since copyright in different territories can be assigned or transferred independently. In any event, the language chosen by Parliament effectively makes the legislative choice that first ownership of copyright protected in Canada will be governed by Canadian law, regardless of any resulting differences with the laws of other jurisdictions. While international licensees may have to ensure they are licensing from the owner of copyright in each applicable country, this is the inherent result of copyright being protected internationally through the application of multiple domestic laws. Conversely, Rio Tinto’s approach does not necessarily result in the simplicity sought by Professor Ginsburg, as it would result in a situation where a party looking to license or enforce Canadian copyright in multiple works would have to undertake separate inquiries into the domestic law of the country of origin of each work rather than simply looking to the rules of the *Copyright Act*.

[39] I am supported in this conclusion by the recent decision of this Court in *Fox Restaurant Concepts LLC v 43 North Restaurant Group Inc*, 2022 FC 1149. There, Associate Judge Horne addressed a motion to strike certain paragraphs in a statement of claim that asserted infringement of copyright and trademark. The statement of claim included an allegation that the works in which copyright was asserted, termed the “Fox Works,” constituted “works for hire” under United States copyright law. In finding that the claim did not meet the requirements of [Rule 174](#) of the *Federal Courts Rules*, Associate Judge Horne found the following:

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 [...]. The *Copyright Act* [...] 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.

[Emphasis added; citations omitted; *Fox Restaurant* at para 24.]

[40] Despite the fact that the “Fox Works” in question were apparently authored in the United States, Associate Judge Horne referred to subsection 13(3) and its statutory requirements, concluding that the statement of claim failed to allege employment or a contract of service, or to identify the authors of the works: *Fox Restaurant* at paras 25–26. While it does not appear that the arguments put forward by Rio Tinto on this motion were put before Associate Judge Horne, I agree with his conclusion that it is the *Copyright Act* that governs the existence and ownership of copyright in Canada, rather than the domestic law of the jurisdiction where copyright was created.

[41] While my conclusion is based on the Canadian *Copyright Act*, it is also supported to some degree by the French approach to ownership of foreign works. As set out in Me. Georges-Picot’s affidavit, France’s Cour de Cassation has concluded that in French copyright law, the laws of the country where protection is claimed, and not the country of origin of the work, determines ownership of copyright of a work: Cass Civ 1re, 10 avril 2013, n° 11-12.508, ECLI:FR:CCASS:2013:C100347. The Cour de Cassation based its conclusion on Article 5(2) of the *Berne Convention*, finding that the conflicts of laws rule in that article applies equally to the determination of first ownership of a work. The Cour de Cassation thus reached the opposite construction of Article 5(2) to that proposed by Rio Tinto in this case. As GERIC points out, this means that if the situation were reversed and this action were proceeding in France, the French courts would apply French domestic law, rather than [section 13](#) of the *Copyright Act*, to determine first ownership of copyright in any subject works, including those authored in Canada.

[42] I therefore conclude that subsection 13(3) applies to the determination of first ownership of the works said to be authored by Mr. Chatron. There is no dispute that Mr. Chatron was employed by GE Hydro France and that the works he is said to have authored were made in the course of such employment. GE Hydro France is therefore the first owner of Canadian copyright in those works, absent an “agreement to the contrary.”

#### Comments:

*Itar-Tass Russian News v. Russian Kurier* 153 F.3d 82 (2d Cir. 1998)

“Copyright is a form of property, and the usual rule is that the interests of the parties in property are determined by the law of the state with “the most significant relationship” to the property and the parties. See *id.* The Restatement recognizes the applicability of this principle to intangibles such as “a literary idea.” *Id.* Since the works at issue were created by Russian nationals and first published in Russia, Russian law is the appropriate source of law to determine issues of ownership of rights. That is the well-reasoned conclusion of the Amicus Curiae, Prof. Patry, and the parties in their supplemental briefs are in agreement on this point. In terms of the United States Copyrights Act and its reference to the Berne Convention, Russia is the “country of origin” of these works, see [17 U.S.C. § 101](#) (definition of “country of origin” of Berne

Convention work); Berne Convention, Art. 5(4), although "country of origin" might not always be the appropriate country for purposes of choice of law concerning ownership.”

***Canadian Standards Ass'n v. P.S. Knight Co.* 1:20-cv-01160-LY (W.D. Tex. Feb. 9, 2022)**

“For foreign works, copyright ownership is determined by the law of the country in which the work is created, and infringement is governed by the law where the infringement took place. *See Alameda Films SA de CV v. Authors Rights Restoration Corp.*, [331 F.3d 472, 476](#) (5th Cir. 2003) (addressing plaintiffs' rights in Mexican films under Mexican copyright law); *Saregama India Ltd. v. Mosley*, [635 F.3d 1284, 1290](#) (11th Cir. 2011) (“Initial ownership of a copyrighted work is determined by the laws in the work's country of origin.”) (citation omitted); *Edmark Indus. SDN. BHD. v. S. Asia. Int'l (H.K.) Ltd.*, [89 F.Supp.2d 840, 843](#) (E.D. Tex. 2000) (citing *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, [153 F.3d 82](#) (2d Cir. 1998)).”

***Dish Network L.L.C. v. TV Net Solutions, LLC* Case No: 6:12-cv-1629-Orl-41TBS (M.D. Fla. Nov. 25, 2014)**

“Where a copyrighted work was created abroad, courts undertake a choice of law analysis to determine which country's law governs each element of a copyright infringement claim. *See Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, [153 F.3d 82, 88-92](#) (2d Cir. 1998); *see also Saregama India Ltd. v. Mosley*, [635 F.3d 1284, 1290-91](#) (11th Cir. 2011). The first element, the ownership element, may be governed by a different country's law than the second element, the infringement element. *See Itar-Tass*, [153 F.3d at 90-91](#). Significantly, the Copyright Act provides no guidance regarding choice of law. *Id.* at 90. Where there is no statutory directive, courts look to the country with the "most significant relationship," which is ascertained by consulting the general factors set forth in Section 6 of the Restatement (Second) of Conflict of Laws (the "Restatement"). *See id.* 90-91 (applying federal common law, which follows the Restatement, because the Copyright Act lacks a choice of law rule); *see also Chau Kieu Nguyen v. JP Morgan Chase Bank, NA*, [709 F.3d 1342, 1345](#) (11th Cir. 2013) (noting that federal common law "follows the approach of the Restatement (Second) of Conflict of Laws"). Those factors include: (1) "the needs of the interstate and international systems"; (2) "the relevant policies of the forum"; (3) "the relevant policies of other interested states and the relative interests of those states in the determination of the particular issue"; (4) "the protection of justified expectations"; (5) "the basic policies underlying the particular field of law"; (6) "certainty, predictability and uniformity of result"; and (7) "ease in the determination and application of the law to be applied." Restatement (Second) of Conflict of Laws § 6 (1971).”

“In light of these principles, the Eleventh Circuit has held that “[i]nitial ownership of a copyrighted work is determined by the laws in the work's country of origin.” *Saregama*, [635 F.3d at 1290](#) (quoting *Lahiri v. Universal Music & Video Distribution, Inc.*, [513 F. Supp. 2d 1172, 1176](#) n.4 (C.D. Cal. 2007)).”

### 3. Infringement

#### a. Implied Licenses

*Mullett v. Frigon*, 2023 BCCRT 1116

18. The parties agree that each of their photoshoots was conducted on a “TFP” basis. However, they disagree about what that acronym stands for and the specific terms of such an arrangement.

19. The applicant described TFP as a “Trade for Portfolio” arrangement, while the respondent says TFP means “Time for Print”. The Wikipedia and Google search evidence the respondent provided suggests that TFP can mean either of those, as well as other terms such as “Trade for Photo” or “Time for Portfolio”. In any event, I find they all effectively mean the same thing. The consistent feature of TFP agreements is that the photographer and model exchange their time and services for free, which is what undisputedly occurred here.

20. The issue is what the parties agreed about how the photos generated from the photoshoots could be used. The applicant says that with a TFP agreement, each party can post the photos on free social media sites but that neither party can make money off the photos by selling them or posting them on paid sites. In contrast, the respondent says the “industry standard” is that both the model and photographer receive full rights to use the photos, including the right to benefit financially from them.

30. As noted above, section 27(1) of the CA requires a person to have the copyright owner’s consent to do anything the owner is entitled to do with the photos. This means that it would be copyright infringement if the respondent posted the applicant’s photos on a paid site without the applicant’s consent to do so. I find the respondent bears the burden to prove they had the applicant’s consent here.

31. Based on the circumstances set out above, I find the respondent has established they had the applicant’s implied consent to use the photos without restriction, including by posting them on paid sites. That is, I accept the respondent’s evidence that the parties did not have any specific discussions about how the photos could and could not be used. I find this is the most reasonable explanation for the respondent’s actions in posting the photos and their response to the applicant’s objections after the fact. I note that I find the applicant’s evidence that he specifically told the respondent they did not have his consent to post the photos on paid sites is inconsistent with his admitted agreement with other models to the contrary.

32. In the absence of any express discussion or agreement about not posting the photos on specific sites, I find it was implied that the respondent could use them without restriction. Therefore, I find the respondent did not infringe the applicant’s copyright by posting them on a paid site. I dismiss the applicant’s claims.






**b. When is a work reproduced**

*Techno-Pieux Inc. v. Techno Piles Inc.*, 2023 FC 581

**Table 3 – The Plaintiff’s Copyrighted Works**

Logo TMA562798	Logo TMA638884	Post Design
		

**Table 4 – Comparison of the Disputed Works**

Techno Pieux Work	Techno Piles Logos	Techno Piles’ Alleged Model
		
		

[126] For the following reasons, I find that the Defendants’ Techno Piles design logo infringes the Plaintiff’s design logos registered as TMA562798 and TMA638884, which are reproduced in Table 4 above. However, I find that the Defendant’s stylized helical pile design does not infringe the Plaintiff’s helical pile design, which are reproduced in Tables 4 and 6 above.

[127] Insofar as the disputed design logos are concerned, I consider that they have a very high degree of similarity, despite the differences discussed at paragraph 123 above. This is readily apparent upon viewing the size-by-side portrayal in Table 4. When taken together, the specific similarities listed below give rise to an overall very substantial degree of similarity. In particular, the disputed design logos:

- Have the same first word, in lower case font, portrayed in essentially the same way;
- Have the stylized helical pile placed within the second word, which begins with a capital letter “P”;
- Have grey shading around the words, in a similar rectangular shape;
- Have somewhat similar stylized piles – in terms of their shape, their proportions relative to the words, their orientation (point coming down on the left-hand side), the white shading going down the left-hand side, and their dual rings at the top.

[128] Having regard to the foregoing, I consider that the disputed design logos bear a much closer resemblance to each other than either of them do to any of the third party design logos depicted in Table 5 above. This is so despite the differences identified by the Defendants, including regarding to the colours used in the logos (red versus green) and the fact that the Defendants' stylized helical pile has a unique mathematical sign (<).

[129] Considering the very high degree of similarity between the disputed design logos, the Defendants have not rebutted the inference of copying that arises from a demonstration of such similarity and their access to the Plaintiff's logos: see cases cited at paragraph 121 of the Summary Judgment Decision, reproduced at paragraph 110 above. Although the Defendants have provided evidence of independent creation their stylized helical pile (see discussion below), they have not provided any material evidence of their independent creation of their logo.

[130] For essentially the same reasons set forth at paragraph 127 above, I also find that the Defendants have copied a "substantial part" of the Plaintiff's design logos. That is to say, the parts of the Defendants' Techno Piles logo that I find have been copied from the Plaintiff's Copyrighted design logos constitutes a substantial part of the Plaintiff's design logos.

[131] I reach a different finding with respect to the disputed helical pile images. Taken by themselves, the side-by-side comparison reflected in the top row of Table 4, above does not leave the viewer with an impression of a degree of similarity that is materially greater than what each of them have to the various stylized piles of third parties that are depicted in Tables 5 and 6, above. Indeed, I agree with the Defendants that the Plaintiff's stylized pile bears a closer resemblance to at least two of the other piles set forth in Table 5, above – namely, those of Post Tech Screw Piles and Pro Post Foundations, than to the Defendants' stylized pile.

[132] When just the helical piles are viewed side by side, the presence of the mathematical sign (<) in the Defendants' logo, is striking. This difference from the Plaintiff's stylized pile is accentuated by the differences in colour (red versus green), and, to a lesser extent, by the number of holes at the top of the vertical pile. Based on the evidence of Mr. Bergevin and Ms. Bertram with respect to the creation of their stylized helical pile, as well as the prevalence of other stylized helical piles in their industry, I find that the Defendants' stylized pile was created independently, without any conscious or unconscious copying of the Plaintiff's stylized helical pile. For greater certainty, the Defendants have rebutted any presumption of copying that may have arisen based on their access to the Plaintiff's Copyrighted Works.

***Arc en ciel RH v. Services Swissnova inc.*, 2023 QCCA 1151**

[ 81 ] Indeed, according to the teachings of the Supreme Court, in the analysis of counterfeiting, the real question is whether a " *significant part* " of the work has been copied:

[25] However, the Act does not protect every "tiny part" of the original work, "every little detail which, if appropriated, is not likely to have an impact on the value of the original work. " "work as a whole": Vaver, p. 182. Article 3 of the *Copyright Act* in fact confers on the copyright owner the exclusive right to reproduce "[a] work[. . .] or a significant part thereof."

[26] The concept of "significant part" of the work is flexible. It is a question of fact and degree. " The question of whether a game is material is qualitative rather than quantitative": *Ladbroke*

(*Football*), Ltd. vs. *William Hill (Football), Ltd.* , [1964] 1 All ER 465 (HL), p. 481, Lord Pearce. What constitutes a significant part is determined based on the originality of the work that must be protected by the *Copyright Act* . Generally, a significant part of a work is one that represents a significant portion of the author's talent and judgment expressed in the work.

[27] It is not just the words on the page or the brushstrokes on the canvas that can constitute an important part of a work. The Act protects authors against both literal and non-literal reproduction, provided that the reproduced material constitutes a significant part of the infringing work. [...]

[ 82 ] Thus, for the purposes of the exercise aimed at determining whether a “ *significant part* ” of the work of the AEC Group has been plagiarized, it is appropriate to adopt the approach that the Supreme Court of Canada describes as “ global”:

[35] [...] Overall, Canadian courts have adopted a qualitative and holistic approach to assessing the importance of the reproduced portion of the work. “The court will examine the nature of the works and, in all cases, it will examine not isolated extracts, but the two works as a whole to determine whether the defendant's project unduly infringed the plaintiff's right” : J. S. McKeown, *Fox on Canadian Law of Copyright and Industrial Designs* (loose-leaf), p. 21-16.4 (emphasis added).

[36] In general, it is important not to analyze the importance of the reproduced characteristics by examining each one in isolation: *Designers Guild* , p. 705, Lord Hoffman. If adopted, the approach proposed by the Cinar appellants would risk leading to the dissection of Mr. Robinson 's work into its constituent elements. The "abstraction" which would consist of reducing Mr. Robinson 's work to the very essence of what makes it original and the exclusion of elements not likely to be protected *from the start of the analysis* would have the effect of prevent the judge from carrying out a truly global assessment. This approach would place undue emphasis on whether each part of Mr. Robinson 's work , taken *individually* , is original and protected by copyright law. Rather, one must examine the cumulative effect of the reproduced features of the work in order to decide whether they constitute a significant part of the skill and judgment demonstrated by Mr. Robinson throughout his work.

[ 83 ] The judge followed these lessons by carrying out an overall analysis of the situation, to conclude that the AEC Method and the NOVA 2.0 Profile are almost identical psychometric tests, and this analysis is flawless:

[70] Furthermore, the conclusion proposed by Longpré is also verified in practice because the users of these tests who came to testify on this subject highlighted the similarity, even the confusion, between the two profiles. They indicate that the NOVA 2 and Arc En Ciel profiles assess the same aspects and in the same way a profile of Jung's four colors and eight personality types. Some users have even expressed surprise that the certification of one does not apply to the other. Moreover, from 2015, and in particular in Jasmine's communication of August 19, 2015, Swissnova offers the NOVA 2 profile as an evolution or improvement of the initial profile, which, of course, was an AEC profile, although under the NOVA name .

[71] In short, whether the visual presentation is somewhat different and whether a language or a distinct programming method is used, there is infringement here because, according to the overall analysis of the situation, these are tests almost identical psychometrics, which measure the same aspects of personality, according to the same theory and present the results in a similar way. Swissnova therefore failed to rebut the presumption provided for in the law.

[73] Consequently, it must be concluded that the Arc en Ciel Method is made up of three distinct parts but all three equally essential: the questionnaires, the algorithms and the results. Even if the questionnaires do not constitute an important part of the method and even if the algorithms of the operating software are completely different, in the end NOVA 2 does indeed constitute a copy of the work of AEC . The Court accepts both the opinion of the Longpré expert and that of ordinary witnesses who know the two profiles and who do not see any real difference. (Google Translate).

**c. Scope of protection**

***Deslauriers v. Michaud*, 2023 QCCS 3340**

[[63] The plaintiffs submit, bluntly, that infringement is related to the Deslauriers Method, adding that the Deslauriers make up the whole of the work represented by the Method Deslauriers.

[[64] They refer to the Portfolio as the Infringement of the teaching method embodied in a work literature, mainly in the book "Accounting for Your success."

[[65] In order to demonstrate this infringement, the Applicants have produced tables comparing the elements of the Portfolio with the Deslauriers Method.

[[66] There is no doubt that the appeal refers to one method, the Deslauriers Method. Thus, the originating application refers to a teaching methodology that would have been created, developed and taught by Deslauriers, with emphasis on the Method Deslauriers.

[[67] The defendants, for their part, submit that the plaintiffs want to monopolize the idea of explaining to students how to Take a step back and look at the solutions of the case, how they are where the student is wrong, what he has done wrong, where he has where are its strengths and where are its weaknesses.

[[68] In fact, Deslauriers describes the Method Deslauriers as a "way of analyzing" cases and "analyzing our performance in a case", to self-assess after writing a cases.

[[69] In the present case, after examining the Appendix C and the tables, the Tribunal is of the view that the applicants allege a violation of ideas, concepts and methods. It is not a question of alleging a violation of the Work.

[[70] Thus, Appendix C, attached to the judgment, a enumeration of the elements that Deslauriers alleges to be included in the Portfolio, part of the Deslauriers Method, demonstrates that it is ideas and concepts.

[[71] It is necessary to see the elements of the table of Appendix C, attached to the judgment



[113] Accordingly, the Tribunal is satisfied that the rights sought by the plaintiffs to protect by reason of infringement, are ideas, concepts, methods, ways of doing things.

[[114] Following the teachings of the Supreme Court in *CCH*, an author does not have rights to an idea, but only to an idea. his expression. Despite the fact that the idea is original and fixed in material form In a literary or other work, copyright does not entitle the author to to monopolize the use of the idea, which belongs to all.

[[115] For example, a jewellery manufacturer does not can claim a monopoly on the method it uses to mould the jewelry or its concept of jewelry making <https://www.canlii.org/fr/qc/qccs/doc/2023/2023qccs3340/2023qccs3340.html?autocompleteStr=2023%20qccs%203340&autocompletePos=1&resultId=cb404132c9354602abb5fe8dfa10e7b0&searchId=2024-04-07T14:46:11:279/0c980079cc7f410cbf58ca862e36a638 - ftn69>

**d. Authorizing/inducing infringement**

**[Voltage Holdings, LLC v. Doe #1](#), 2023 FCA 194**

[61] The Supreme Court’s decision in *Rogers* is largely dispositive of the appellant’s argument with respect to its claim of direct infringement. The Supreme Court there acknowledged “that there will likely be instances in which the person who receives notice of a claimed copyright infringement will not in fact have illegally shared copyrighted content online” (*Rogers* at para. 35). An internet subscriber therefore cannot be assumed to be the individual responsible for any infringing activity connected to their internet account (*Rogers* at para. 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. It is also possible that an error on the part of a copyright owner would result in the incorrect identification of an IP address as having been the source of online copyright infringement.

[22] First, subsection 3(1) of the [Act](#) grants a copyright owner the exclusive right to produce (or reproduce), perform, or publish their work. It also grants a copyright owner the sole right to “authorize any such acts.” Accordingly, anyone who authorizes any of these expressions of the copyrighted work, absent a licence to do so, infringes the copyright owner’s exclusive authorization right (the [Act, ss. 3\(1\)](#) and [27\(1\)](#)).

[23] Second, and relatedly, authorizing infringement requires that the authorizer hold themselves out as capable of granting one of the copyright owner’s exclusive rights (Barry Sookman, Steven Mason & Carys Craig, *Copyright: Cases and Commentary on the Canadian and International Law*, 2nd ed. (Toronto: Carswell, 2013) at 1001):

To authorize an act, the alleged infringer must grant or purport to grant, either expressly or by implication, the right to do the act complained of. Further, the grantor must have some degree of actual or apparent right to control the actions of the grantee before he will be taken to have authorized the act. An act is not

authorized by somebody who merely enables or possibly assists or even encourages another to do that act, but who does not purport to have any authority which he can grant to justify the doing of the act.

[24] Third, in copyright law, to “authorize” means to “sanction, approve and countenance” (*CCH* at para. [38](#)). Although “countenance” in this definition may initially appear to include some degree of passivity within the scope of “authorization”, the Supreme Court has confirmed that the term “countenance” here “must be understood in its strongest dictionary meaning, namely, ‘[g]ive approval to; sanction, permit; favour, encourage’” (*CCH* at para. [38](#)).

[25] Fourth, there are certain objective factors that, on their own, do not amount to authorizing infringement. An individual who provides the means or equipment to infringe another’s copyright has not necessarily authorized the infringement, for example (*ESA* at para. [106](#); *CCH* at para. [38](#)). Similarly, upon receiving a warning notice, an internet subscriber is not automatically assumed to have been responsible for the asserted copyright infringement; the mere association with an IP address is not conclusive of guilt (*Rogers* at para. [41](#)).

[26] Fifth, the law of authorizing infringement relies in part on a subjective standard. The knowledge that someone might be using neutral technology for infringing activity is not necessarily sufficient to establish authorization, and courts presume that an individual who authorizes an activity does so only so far as it is in accordance with the law (*SOCAN* at para. [127](#); *CCH* at para. [38](#); *Sookman* at 1002). In some cases, however, a “sufficient degree of indifference” may allow a court to infer that the individual has indeed authorized the infringement (*CCH* at para. [38](#); *SOCAN* at para. [127](#)).

[27] Sixth, in authorization analyses, courts have historically considered the relationship between the alleged authorizer and the person who infringes as a result of the authorization. A “certain relationship or degree of control” existing between these parties may rebut the presumption that a person who authorizes an activity has only authorized lawful forms of that activity (*CCH* at para. [38](#)). Control over the means by which the infringement occurred may also warrant a finding of implicit authorization; additionally, authorization may be inferred where the supply of such means was “bound to lead to an infringement and was made specifically for that purpose” (*Sookman* at 1002). These factors suggest that the alleged authorizer played an active role in leading the other party to infringe the copyright owner’s exclusive rights under [subsection 3\(1\)](#) of the [Act](#). *Society of Composers, Authors and Music Publishers of Canada v. Entertainment Software Association*, [2022 SCC 30](#), 471 D.L.R. (4th) 391

[28] My final preliminary observation, and to foreshadow my reasoning, is that the jurisprudence on authorization, particularly the Supreme Court’s decision in *ESA*, provides a clear answer against the appellant’s argument that the respondents have authorized infringement.

[29] “Authorization” is a statutory term of art, integral to the operation of the Act and the identification of copyright infringement. The scope of authorizing infringement has been considered by the courts in different contexts, from a library’s provision of self-service photocopiers to an ISP’s knowledge of infringing content on their facilities. However, the plain and ordinary meaning of the word “authorization” also evokes a different response—a simple grant of permission. The premise of the appellant’s argument relies on this plain and ordinary

meaning of the word “authorization”, which leads it to assert that there are two groups of infringers in the present appeal: internet users who have directly infringed its copyright, and internet subscribers who enable, or authorize, the infringement. The argument before the Federal Court and the Federal Court’s reasons were framed on this understanding as well, which results in a conflation of these two concepts of “authorization” with respect to copyright infringement.

[30] The decision of the Supreme Court in *ESA*—rendered six weeks after the release of the decision under appeal—illustrates this conflation. *ESA* is clear that authorization, in the context of online copyright infringement, is directed to and only possible in respect of those who make the copyrighted material available for downloading. While the appellant’s argument takes a two-track approach to establish infringement, either direct or authorizing, the law with respect to authorization requires that its position distill to only a single argument of infringement; the appellant’s arguments with respect to authorizing infringement are, in essence, evidentiary arguments in support of its claim of direct infringement. As I will explain, the appellant’s theory of what I will characterize as “third party authorization”—which involves a subscriber’s consent to sharing access to their internet account, and indifference to the purposes for which it is used—does not fit into the law of copyright as it is currently understood.

[31] The Supreme Court in *ESA* reiterated that, pursuant to [subsection 3\(1\)](#) of the [Act](#), authors have only three copyright interests in their works: the right to produce or reproduce a work in any material form; the right to perform a work in public; and the right to publish an unpublished work (*ESA* at para. [54](#)). An activity that engages one of the three copyright interests under subsection 3(1) is an infringement of copyright, pursuant to [subsection 27\(1\)](#) of the [Act](#), since the activity would be something that only the owner of the copyright has the exclusive right to do (*ESA* at para. [104](#)). On the other hand, an activity that does not engage one of the three copyright interests under subsection 3(1), or the author’s moral rights, “is not a protected or compensable activity under the [[Act](#)]” (*ESA* at para. [57](#)). **This distinction confirms that non-infringing activities end, and infringing activities begin, upon the triggering of a copyright interest in subsection 3(1).**

[32] The Supreme Court then linked various infringing activities to the specific copyright interest triggered by each infringement, by examining what that activity does to the copyrighted work (*ESA* at para. [56](#)). As Rowe J. explained, if a work is streamed or made available for on-demand streaming, the author’s performance right is engaged; if the work is downloaded, the author’s reproduction right is engaged; and, importantly, “if the work is made available for downloading, the author’s right to authorize reproductions is engaged” (*ESA* at paras. [8](#), [103](#), [106-108](#)).

[33] The Supreme Court endorsed the Copyright Board’s determination that “it is the act of posting [the work] that constitutes authorization”, because the person who makes the work available “either controls or purports to control the right to communicate it”, and “invites anyone with Internet access to have the work communicated to them” (*ESA* at para. [106](#)). The authorizer is the individual directly engaging with the copyrighted material. This close relationship between the authorizer and the copyrighted material is emphasized and repeated throughout the Supreme Court’s reasons (*ESA* at paras. [8](#), [103](#), [106-108](#)).

[34] **There is no question, based on *ESA*, that the person using the respondents’ internet accounts to make the Work available for download via BitTorrent is authorizing infringement. This**

situation is the precise example of authorizing infringement described throughout *ESA* (*ESA* at paras. 8, 103, 106-108). However, the appellant's claim of authorizing infringement does not mirror this example. *ESA* says that an authorizer permits reproduction; the appellant says that an authorizer is someone who permits someone to permit reproduction. And, as Rowe J. observes, subsection 3(1) of the Act "exhaustively" sets out the scope of copyright interests (*ESA* at para. 54).

[79] The appellant contends that the Federal Court erred by requiring that the appellant establish the scope of control that the respondents had over the person who posted the Work online prior to granting default judgment. The appellant also argues that the respondents were wilfully blind to the infringement of its copyright, in light of the continued infringement despite having received two notices alleging infringing activity at their IP addresses. The appellant submits that its evidence—that two notices were sent to the respondents, and that the respondents are the internet subscribers associated with the offending IP addresses—is sufficient to conclude that the respondents exercised control over the use of their internet account and the devices connected to it so as to have authorized the infringement.

[80] These arguments fail for two reasons.

[81] The first is rooted in the Supreme Court's definition of "authorize" (*CCH* at para. 38):

"Authorize" means to "sanction, approve and countenance". Countenance in the context of authorizing copyright infringement must be understood in its strongest dictionary meaning, namely, "[g]ive approval to; sanction, permit; favour, encourage": see *The New Shorter Oxford English Dictionary* (1993), vol. 1, at p. 526. Authorization is a question of fact that depends on the circumstances of each particular case and can be inferred from acts that are less than direct and positive, including a sufficient degree of indifference. However, a person does not authorize infringement by authorizing the mere use of equipment that could be used to infringe copyright. Courts should presume that a person who authorizes an activity does so only so far as it is in accordance with the law. This presumption may be rebutted if it is shown that a certain relationship or degree of control existed between the alleged authorizer and the persons who committed the copyright infringement.

[Citations omitted, emphasis added.]

[82] "Authorization" therefore depends on the alleged authorizer's control over the person who committed the resulting infringement; it does not depend on the alleged authorizer's control over the supply of their technology (*CCH* at paras. 38 and 45; *Sookman* at 1002). Allowing the "mere use of equipment that could be used to infringe copyright", which at best is all we have here, does not fall within the legal definition of "authorizing" (*CCH* at paras. 38, 42-43). The Federal Court adhered to this principle, and found that the appellant had not proven any activity beyond the respondents' sharing of their internet accounts (*Reasons* at paras. 59, 68 and 70).

[84] The second reason for the failure of the appellant's claim of authorizing infringement is, as discussed already, the Supreme Court's decision in *ESA*.

[85] ESA establishes clear guidance as to the legal and evidentiary requirements of infringement in the context of online infringement. To establish an infringing activity, there must be evidence that what the activity does to the work engages one of the three interests in subsection 3(1) of the Act (ESA at paras. 56-57). Posting a work online and inviting others to view it engages the author's authorization right; however, sharing internet access after receiving notices of alleged infringement does nothing to the work in question, and does not therefore engage any copyright interest granted to the author exclusively (ESA at paras. 56-57, 106; the Act, ss. 3(1) and 27(1)). Because the latter scenario arises here, the activity asserted by the appellant as "authorization" cannot justify protection under the Act.

**e. Liability of officer and directors**

**Techno-Pieux Inc. v. Techno Piles Inc., 2023 FC 581**

[135] It is common ground among the Parties that the test for imposing personal liability on a director and/or officer of a corporation is as follows:

[T]here 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. The precise formulation of the appropriate test is obviously a difficult one. 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. [Emphasis added.]

***Mentmore Manufacturing Co. v National Merchandise Manufacturing Co.*, 1978 CarswellNat, 14 at para 142; (1978), 1978 CanLII 2037 (FCA), 89 DLR (3d) 195 at 204–205 (FCA) [Mentmore]:**

[136] The first sentence of the passage quoted immediately above was adopted in *Cinar Corporation v Robinson*, 2013 SCC 73, at para 60: see also *Dunn's Famous International Holdings Inc v Devine*, 2021 FC 64, at para 20; and *Tommy Hilfiger Licensing Inc v Produits de Qualité IMD Inc*, 2005 FC 10 at paragraph 142.

[137] In the course of reaching the conclusion set forth in the quoted passage above, the Court in *Mentmore* cited (at paragraph 140) the following passage from *Normart Management Ltd v West Hill Redevelopment Co*, [1998], 1998 CanLII 2447 (ON CA), 37 OR (3d) 97 (OCA), at 102 ["*Normart*"]:

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: see *Scotia McLeod Inc. v. Peoples Jewellers Ltd.* (1995), 1995 CanLII 1301 (ON CA), 26 O.R. (3d) 481 at p. 491, 129 D.L.R. (4th) 711 (C.A.). [Emphasis added.]

[See also *Living Sky Water Solutions Corp v ICF Pty Ltd*, [2018 FC 876](#) [*Living Sky*], at paras [38-39](#).]

[145] For the following reasons, I find that the test for imposing personal liability on the Individual Defendants is not met.

[146] The conduct that was the focus of the Plaintiff's submissions on this issue is summarized at paragraph 71 above.

[147] The evidence does not establish on a balance of probabilities that Ms. Bertram or Mr. Bergevin deliberately, wilfully or knowingly engaged in any conduct that was directed towards infringing the Registered Marks or the Copyrighted Works. Nor does the evidence establish that Ms. Bertram or Mr. Bergevin were indifferent to the risk of infringing the Registered Marks or the Copyrighted Works. Instead, they appear to have held an honest, albeit mistaken, belief that the TECHNO PILES/Techno Piles trademarks/trade names and design logos were sufficiently different from the Registered Marks and the Copyrighted Works to not constitute infringing works...

[149] Likewise, I find that the conduct of Ms. Bertram and Mr. Bergevin did not "exhibit a separate identity or interest" from the interests of the Principal Corporate Defendants: *Living Sky*, above, at para [39](#); see also *Normart*, above. At all times, they appear to have been entirely focused on the interests of the Principal Corporate Defendants.

[150] Based on all of the foregoing, I conclude that Ms. Bertram and Mr. Bergevin are not personally liable for the infringing conduct of the Principal Corporate Defendants or for the conduct that I have found constitutes a contravention of the passing off provisions in paragraph 791)(b) of the [TM Act](#).

**f. Copyright Pre-emption**

[\*Alberta v. Canadian Copyright Licensing Agency \(Access Copyright\)\*, 2024 FC 292](#)

[224] To interpret the *Copyright Act* as allowing equitable remedies that permit recovery of a remedy provided for under subsection 68.2(1), but not otherwise available to Access Copyright under the *Copyright Act* (because the Plaintiffs were not licensees), would be incompatible with the object of the *Copyright Act* and result in absurdity. Parliament has struck a careful balance between users' and creators' rights, as well as with respect to the risk of collective societies developing monopolistic powers. In striking that balance, Parliament chose to make statutory licenses voluntary. To permit Access Copyright to obtain through equity what it cannot obtain under the *Copyright Act* would turn the copyright regime on its head, by effectively making voluntary statutory licences mandatory through the use of equitable remedies. Under the circumstances, it is "irresistibly clear" that the statutory scheme precludes Access Copyright from seeking the equitable remedies it claims in the circumstances of this proceeding [see *Moore*, *supra* at para [70](#)].

[228] Through its equitable claims, considered *collectively*, Access Copyright ultimately seeks payment by the Plaintiffs of an amount equivalent to the royalties the Plaintiffs would have owed

had they been licensees, which would result in the inequities and absurdities addressed above. However, I would also note that each of Access Copyright's equitable claims considered *individually* also conflict with the object and scheme of the statute and cannot succeed:

1. **Unjust enrichment:** as explained above, if this Court were to grant Access Copyright restitution in the amount sought, it would duplicate the remedy available under [subsection 68.2\(1\)](#) of the *Copyright Act* and allow Access Copyright to recover a statutory remedy to which it is not entitled. To do so would render a voluntary licence *de facto* mandatory. Further, inequities would result from this Court either improperly binding the rights of Affiliates to recover for copyright infringement under [section 34\(1\)](#) of the *Copyright Act* (when they are not parties to this action) or (in the alternative) opening the door to double recovery as against the Plaintiffs.
2. **Estoppel by representation:** Access Copyright is effectively asking this Court to find that even though the Plaintiffs' conduct did not amount to an "offer to pay" under the statute—as I held under issue number one, above—the Plaintiffs should nevertheless be estopped from asserting they did not offer to pay because of their conduct. Given my interpretation of "offer to pay" under issue number one, Access Copyright's argument with respect to estoppel by representation, if accepted, would result in absurdity.
3. **Equitable election:** applying the doctrine of equitable election in this case would directly contradict the terms of the Approved 2010-2015 Tariff (a statutory instrument under the *Copyright Act*). Under issue number one, I found that section 15(5) of the Approved 2010-2015 Tariff allows the Plaintiffs to recover a refund for their overpayments without becoming a licensee for the full six-year term of the tariff, as permitted (but not required) under section 15(4). Applying the doctrine of equitable election in the manner Access Copyright requests would, in effect, render a voluntary licence *de facto* mandatory, contrary to the scheme and object of the *Copyright Act*.

[229] For these reasons, I conclude that, in the circumstances, it is not open to this Court to award the equitable remedies sought by Access Copyright as to do so would turn the copyright regime on its head.

[GE Renewable Energy Canada Inc. v. Canmec Industrial Inc.](#), 2024 FC 322

See above.

**Comment:**

Section 301 of the U.S. Copyright Act states:

On and after January 1, 1978, all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106 in works of authorship that are fixed in a tangible medium of expression and come within the subject matter of copyright as specified by sections 102 and 103, whether created before or after that date and whether published or unpublished, are governed exclusively by this title. Thereafter, no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.

[Best Carpet Values Inc. v. Google, LLC](#), No. 22-15899 (9th Cir. Jan. 11, 2024)  
(preempting unjust enrichment and implied-in-law claims)

"We have adopted a two-part test to determine whether a state law claim is preempted by the Act." *Laws v. Sony Music Entm't, Inc.*, 448 F.3d 1134, 1137 (9th Cir. 2006). "First, we decide whether the subject matter of the state law claim falls within the subject matter of copyright as described in 17 U.S.C. §§ 102 and 103. Second, assuming it does, we determine whether the rights asserted under state law are equivalent to the rights contained in 17 U.S.C. § 106, which articulates the exclusive rights of copyright holders." *Maloney*, 853 F.3d at 1010 (internal citations and quotation marks omitted).

The panel applied a two-part test to determine whether plaintiffs' statelaw claim was preempted by the Copyright Act. Applying step one, the manner that plaintiffs' websites were displayed fell within the subject matter of federal copyright law. Applying step two, the rights asserted by plaintiffs' implied-in-law contract and unjust enrichment claim were equivalent to the rights provided by federal copyright law. In addition, plaintiff's state-law claim did not carry "an extra element" as compared to a federal copyright claim. Accordingly, the panel concluded that plaintiffs' state-law claim was preempted by federal copyright law.

[ML Genius Holdings LLC v. Google LLC](#), No. 20-3113 (2d Cir. Mar. 10, 2022)  
(preempting contract and unfair competition claims).

The first prong of the statutory preemption inquiry, which we have called the "subject matter" requirement, "looks at the work that would be affected by the plaintiff's exercise of a state-created right, and requires (as an essential element of preemption) that the work 'come within the subject matter of copyright as specified by sections 102 and 103.'" *Id.* at 42 (quoting 17 U.S.C. § 301(a)). "[I]f the work against which the plaintiff claims rights is a 'literary work,' a 'musical work,' a 'sound recording,' or any other category of 'work of authorship' within the 'subject matter of copyright' (even if the subject of the claim is for some reason ineligible for copyright protection) the plaintiff's claim is subject to the possibility of statutory preemption." *Id.* at 42-43 (quoting 17 U.S.C. § 102(a)). In analyzing this prong, we focus on "the gravamen of the claim and the allegations supporting it." *Id.* at 47.



"The scope of copyright for preemption purposes ... extends beyond the scope of available copyright protection." *Forest Park v. Universal TV Network, Inc.*, 683 F.3d 424, 429-30 (2d Cir. 2012). "The reason for our broad interpretation of the scope of copyright preemption is that Congress, in enacting section 301, created a regime in which some types of works are copyrightable and others fall into the public domain." *Id.* at 430. "Section 301's preemption scheme functions properly only if the 'subject matter of copyright' includes all works of a type covered by sections 102 and 103, even if federal law does not afford protection to them." *Id.*

**Andersen v. Stability AI Ltd. 23-cv-00201-WHO (N.D. Cal. Oct. 30, 2023)**

Defendants move to dismiss plaintiffs' unfair competition claim ("UCL"). That claim is asserted under the Lanham Act, under the common law, and under [California Business & Professions Code section 17200](#), including unlawful prong claims based on copyright infringement and violation of the DMCA. Compl. ¶¶ 223-226.

As an initial matter, plaintiffs cannot tie their unlawful prong UCL claim to purported copyright violations. Those claims are preempted by the Copyright Act. "To the extent the improper business act complained of is based on copyright infringement, the claim was properly dismissed because it is preempted." *Sybersound Recs., Inc. v. UAV Corp.*, [517 F.3d 1137, 1152](#) (9th Cir. 2008) (dismissing UCL claim based on copyright infringement).

"The second prong" of the statutory preemption test, which we have called the "equivalence" or "general scope" requirement, "looks at the right being asserted (over a work that comes within the 'subject matter of copyright') and requires (for preemption to apply) that the right be 'equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106.'" *Id.* at 43 (quoting 17 U.S.C. § 301(a)). Section 106 of the Copyright Act "defines the 'exclusive rights' granted by the federal copyright law, which consist of the rights 'to do and to authorize' the reproduction, distribution, performance, and display of a work, and the creation of derivative works based on a work." *Id.* (quoting 17 U.S.C. § 106). "The general scope requirement is satisfied only when the state-created right may be abridged by an act that would, by itself, infringe one of the exclusive rights provided by federal copyright law." *Briarpatch*, 373 F.3d at 305. For preemption to apply, "the state law claim must involve acts of reproduction, adaptation, performance, distribution or display." *Id.*

Even if a claim otherwise satisfies the general scope requirement, a claim is not preempted if it "include[s] any extra elements that make it qualitatively different from a copyright infringement claim." *Id.* at 305. But "not all 'extra elements' are sufficient to remove the claim from the 'general scope' of copyright." *Jackson*, 972 F.3d at 43. "The critical inquiry is whether such extra elements of the state law claim beyond what is required for copyright infringement change the nature of the action so that it is qualitatively different from a copyright infringement claim." *Id.* at 43-44. "To determine whether a claim is qualitatively different, we look at what the plaintiff seeks to protect, the theories in which the matter is thought to be protected and the rights sought to be enforced." *Briarpatch*, 373 F.3d at 306. The "extra element" inquiry is not "mechanical." *Jackson*, 972 F.3d at 44 n.17. "While we have inquired into the existence of extra elements in determining whether preemption applies," this inquiry "requires a holistic evaluation of the nature of the rights sought to be enforced, and a determination whether the state law action is qualitatively different from a copyright infringement claim." *Id.*

"[W]e take a restrictive view of what extra elements transform an otherwise equivalent claim into one that is qualitatively different from a copyright infringement claim." Briarpatch, 373 F.3d at 306 . "[E]lements such as awareness or intent" do not save a claim from preemption because they "alter the action's scope but not its nature." Comput. Assocs. Int'l, Inc. v. Altai, Inc., 982 F.2d 693, 717 (2d Cir. 1992). And "[i]f unauthorized publication is the gravamen of [the plaintiffs'] claim, then it is clear that the right they seek to protect is coextensive with an exclusive right already safeguarded by the Act-namely, control over reproduction and derivative use of copyrighted material." Harper & Row Publishers, Inc. v. Nation Enters., 723 F.2d 195, 201 (2d Cir. 1983), rev'd on other grounds, 471 U.S. 539 (1985).

**Tremblay v. Openai, Inc. 23-cv-03223-AMO (N.D. Cal. Feb. 12, 2024)**

“Assuming the truth of Plaintiffs' allegations - that Defendants used Plaintiffs' copyrighted works to train their language models for commercial profit - the Court concludes that Defendants' conduct **may constitute an unfair practice**. Therefore, this portion of the UCL claim may proceed.

As OpenAI does not raise preemption, the Court does not consider it. However, the Court notes the possibility that to the extent the UCL claim alleges the same violations as the copyright claim, it may be preempted by the Copyright Act.”

“Because Plaintiffs fail to adequately **allege the negligence and unjust enrichment claims**, the Court need not reach the preemption issue at this time.”

**g. Notice and Notice Regime**

**Voltage Pictures, LLC v. Salna, 2023 FC 893**

[71] Voltage’s litigation plan relies heavily on the notice-and-notice regime to facilitate service and advance the prosecution of its class proceeding. **The Interveners dispute that Voltage may use the notice-and-notice regime in the Copyright Act to require ISPs to effect service on its behalf and at the ISPs’ expense.**

[75] **In response, Voltage asserts that its proposed use of the notice-and-notice regime to send certification notices is consistent with Parliament’s desire for “marketplace solutions”, and imposes no obligations on ISPs beyond those that currently exist in law.**

[77] **According to Voltage, Parliament intended copyright owners to have significant freedom to choose what message to convey to alleged infringers.** It did not impose restrictions on the form of copyright infringement notices under the notice-and-notice regime, despite the submissions of ISPs. It is clear from the data retention obligations that Parliament intended the notice-and-notice regime to work in conjunction with litigation. Voltage therefore regards a certification notice as a “natural fit” with the existing notice-and-notice procedure.

[78] I disagree. **In my view, a “notice of claimed infringement” in the Copyright Act must be given a limited meaning.** Subsection 41.25(2) prescribes what information a notice must contain, while s 41.26(1) draws a clear distinction between an anonymized notice of alleged infringement and subsequent litigation. Data retention is required only to create a record that “could be used if court proceedings were to follow at some time in the future” (“Bill C-11: An Act to amend the

Copyright Act”, 2nd reading, *House of Commons Debates*, 41-1, No 78 (10 February 2012) at 5127 (Scott Armstrong)).

[79] The notice-and-notice provisions of the *Copyright Act* do not impose a duty on ISPs to take active steps to stop or limit acts of copyright infringement. If Parliament had intended ISPs to take an active role in limiting acts of copyright infringement, or for notices to include information about legal proceedings, or for notices to attach legal process or court documents, then it would have done so explicitly. In the words of counsel for CIPPIC:

If Parliament wanted notice-and-notice to be used as a tool to create consequences for infringers, Parliament could have provided for the inclusion of actionable clauses in notices, or legislated positive obligations on recipient subscribers, or other enforcement mechanisms (or even penalties on, for example, repeat receipt of notices). Parliament chose not to do so. Rather, the notice-and-notice regime as set out in the *Copyright Act* precludes the possibility that notices include settlement offers, or requests or demands, and the Act imposes no duty to act or other enforcement mechanism or penalty on subscribers in receipt of a notice.

[85] Voltage’s proposed use of the notice-and-notice regime is contrary to s 41.25(3) of the *Copyright Act*, rendering the litigation plan unworkable. In particular, the proposed “Certification Notice” contains prohibited text that cannot be sent pursuant to the notice-and-notice regime. The “Certification Notice” contains:

(a) a demand that recipients click on a “hyperlink” to visit a website, which will presumably require disclosure of personal information to enable Class Counsel to communicate with notice recipients;

(b) a demand that recipients send personal information to an email account in order to opt-out of the class, which will disclose not only their email addresses but also their names and any metadata that might be imbedded in the email;

(c) a demand that recipients contact Class Counsel to provide evidence that the alleged infringement has ceased, coupled with a threat that any failure to do so will be used against the recipient; and

(d) an opportunity to opt-out of the litigation and provide evidence that infringement has ceased and steps have been taken to mitigate damages, contrary to the prohibition on offering settlement in a notice.

[86] The motion for certification must therefore be refused on the ground that the litigation plan does not set out a workable method of advancing the proceeding on behalf of the Class, and of notifying Class Members of how the proceeding is progressing (Rule 334.16(1)(e)(ii)).

#### 4. Defense to infringement

##### a. Intermediary liability

[Videotron Ltd. v. Konek Technologies Inc.](#), 2023 FCA 92

[[25] Paragraph 2.4(1)(b) of the Copyright Act provides that certain activities are exempt from the application of the Copyright Act...

[[26] This paragraph was interpreted by the Supreme Court of Canada in *Society of Composers, Authors and Music Publishers of Canada v. Canadian Internet Providers Assn.*, 2004 SCC 45, [2004] 2 S.C.R. 427 (SOCAN), and recently by this Court in *Bell Canada v. Lackman*, 2018 FCA 42, [2018] F.C.R. 199 (*Lackman*). The principle set out in paragraph 2.4(1)(b) of the Copyright Act can be summarized as follows: an intermediary who merely acts as a "conveyor belt", ignorant of the content and allows others to communicate without affecting the content, will be considered an "agent" and as such, will benefit from the protection afforded by paragraph 2.4(1)(b) of the Copyright Act and therefore will not be unfairly subject to the definition in paragraph 3(1)(f) above (SOCAN at paras. 90, 92, and 101; *Lackman* at paras. 4:27-33).

[[27] Finally, subsection 31.1(1) of the Copyright Act contains another exception that may be invoked in respect of certain activities of Internet retransmitters to avoid the application of the Copyright Act:

#### Network services

Network services

**31.1 (1)** A person who, in providing services related to the operation of the Internet or another digital network, provides any means for the telecommunication or the reproduction of a work or other subject-matter through the Internet or that other network does not, solely by reason of providing those means, infringe copyright in that work or other subject-matter.

“...all things considered, it is clear from all the evidence that Libéo subscribed to Videotron's television services through the rental of ILLICO set-top boxes; it therefore receives the signal and illegally retransmits it, including TVA Group stations, on Konek services. Accordingly, I am of the view that the evidence establishes Libéo's direct involvement, and Libéo is therefore not in a position to rely on the exceptions set out in the Copyright Act.”

**Comment:**

[American Broadcasting Companies, Inc. v. Aereo, Inc.](#), 573 U.S. 431 (2014)

**b. Copyright Misuse**

**[Millennium Funding, Inc. v. Bell Canada](#), 2023 FC 764**

[30] The defence of misuse of copyright while mentioned within Canadian jurisprudence has yet to be adjudicated under Canadian law. In *Havana House Cigar & Tobacco Merchants Ltd v Worldwide Tobacco Distribution Inc*, [2008] FCJ No 1828 [*Havana House*], the Court declined to strike portions of a responding affidavit that sought to raise misuse of copyright, leaving open its possible application as a defence to copyright infringement.

[31] In *Euro-Excellence Inc v Kraft Canada Inc.*, [2007 SCC 37](#) [*Euro Excellence*] at paragraph 98, the Supreme Court of Canada recognized misuse of copyright as a “developing doctrine” in the United States [US] that acts as a sort of equitable defence when a copyright holder attempts to extend his copyright beyond the scope of his exclusive rights in a manner that violates antitrust law or the public policy embodied in copyright law. However, it deferred commenting on the possible application of the doctrine in Canada to another day.

[34] As outlined in William F Patry, *Patry on Copyright* (Thomson West) (looseleaf) 2021 [*Patry on Copyright*], at §10A:1, with reference to comments made by Judge Wardlaw of the ninth Circuit Court: “[t]he copyright misuse doctrine “forbids the use of the copyright to secure an exclusive right or limited monopoly not granted by the Copyright Office.” *Lasercomb*, 911 F.2d at 977 (alterations omitted). The defence is often applied when a defendant can provide either: (1) a violation of the antitrust laws; (2) that the copyright owner otherwise illegally extended its monopoly; or (3) that the copyright owner violated the public policies underlying the copyright laws. *Soc’y of Holy Transfiguration Monastery, Inc. v Gregory*, 689 F.3d 29, 65 (1st Cir. 2012).”

[35] Misuse does not require that the defendant be prejudiced by the conduct in question, it is enough that a public policy embodied in the grant of copyright is violated: *Havana House* at para 12, citing *Patry on Copyright*; *Lasercomb* at 979.

[36] However, the defence of copyright misuse acts as a complete bar to maintaining an infringement action: *Havana House* at para 12, citing *Patry on Copyright*. When copyright misuse applies, enforcement of copyright is not permitted for the period of the misuse. As the remedy for copyright misuse is equitable, US courts have commented that it makes little sense to allow an independent claim for copyright misuse when there has been no allegation of copyright infringement: *Altera Corp v Clear Logic Inc*, 424 F3d 1079 (9<sup>th</sup> Cir. 2005).

[42] The CMJ asserts that the action is a simple matter of recovery of statutory damages under [section 41.26](#) of the [Act](#), and that the allegation of misuse of copyright is a matter of policy that is misplaced in the present action. However, Bell argues it should have the freedom to defend itself on its own terms. As long as it does not raise an allegation that is frivolous or vexatious, its novel defence of misuse of copyright should be entitled to stand and should be dealt with by the trial judge.

[43] Policy issues are central to the balancing of creators’ rights and users’ rights under the [Act](#): *Thèberge v Galerie D’Art du Petit Champlain Inc*, [2002 SCC 34 \(CanLII\)](#), [2002] 2 SCR 336 at para [31](#); *CCH Canadian Ltd v Law Society of Upper Canada*, [2004 SCC 13](#)

([CanLII](#)), [2004] 1 SCR 339 at para [24](#); *Keatley Surveying v Teranet*, [2019 SCC 43 \(CanLII\)](#), [2019] 3 SCR 418 [*Keatley*]. As stated in *Keatley* at paragraph [46](#), “all provisions of the [Copyright Act](#)... must be interpreted with this balance in mind so that the [Copyright Act](#) continues to further the public interest.” With respect to sections 41.25 and 41.26 this involves balancing the interests of all stakeholders in the copyright regime, including Internet intermediaries such as ISPs: *Rogers* at para [25](#). The allegations made by Bell in support of its misuse of copyright defence raise policy concerns with the application of sections 41.25 and 41.26 and its impact on ISPs.

[44] In my view it was an error to suggest that because the arguments raised involve matters of policy that they cannot be asserted in support of a misuse of copyright defence.

[45] Further, in my view, it was an error to conclude in effect that the doctrine of misuse of copyright could never extend to a section 41.26 action. In this respect, the reasoning of Justice Rennie (as he then was) in *Merck & Co v Apotex Inc*, [2012 FC 454](#) applies. The allegation of copyright misuse is based on a recognized doctrine in the US that has found application where a copyright owner violates the public policies underlying copyright law. The full merits and intricacies of the doctrine are beyond the scope of a motion to strike such as this. Although the underlying action is not one for infringement, Bell nonetheless is affected by the enforcement of copyright under the CEP and is subject to damages as a result of that enforcement pursuant to [section 41.26](#) of the [Act](#). Whether the doctrine can extend to an action under [section 41.26](#) of the [Act](#) is not, in my view plain and obvious.

## 5. Remedies

### a. Statutory damages

#### [Vidéotron Ltée v. Konek Technologies Inc.](#), 2023 FC 741

[104] The plaintiffs submit that subsection 38.1(3) does not apply in the present case because the infringing works are not found in a single “medium” (“*support matériel*” in French). Indeed, Konek and Hill Valley do not keep copies of the programs that they retransmit. Therefore, these programs would not exist in a single medium at the same time.

[105] I reject this interpretation of subsection 38.1(3). I would point out that the purpose of this provision is to prevent a mechanical application of section 38.1 from leading to the awarding of disproportionate sums. It would be paradoxical if the purpose of this provision could be frustrated by interpreting it in a too technical or mechanical fashion. The concept of “medium” must be applied while taking into account the wide variety of types of works that can be subject to copyright and the growing diversity of technological means of reproducing or retransmitting these works. In my view, a pragmatic approach is called for.

[106] Moreover, I do not see anything in the wording of subsection 38.1(3) that requires works to be present simultaneously on a single medium, such as a hard drive or RAM. In my view, a “single medium” includes any technological infrastructure that makes it possible to reproduce, display or retransmit several works one after another. This is the situation in this case: the medium is Konek’s and Hill Valley’s network infrastructure, which makes it possible to retransmit several works one after another.

[107] There is little case law dealing with the application of subsection 38.1(3) to electronic means of communication, and there are no decisions that support a requirement of simultaneity. In *Trader Corp v CarGurus Inc*, [2017 ONSC 1841](#) at paragraphs 57–58, the court gave a broad interpretation to the concept of “single medium” and applied it to a collection of photographs available on a website. In *Thomson*, this Court applied subsection 38.1(3) to obituaries reproduced on a website without there being evidence establishing the conditions under which this information was recorded. In *Telewizja Polsat*, this Court applied subsection 38.1(3) to the retransmission of television programs over the Internet. The plaintiffs are seeking to distinguish this case, pointing out that it concerned an on-demand retransmission system and that the defendant kept all the programs on its server. I am not convinced that such a distinction is relevant; indeed, following the plaintiffs’ argument would lead to the conclusion that the defendant in *Telewizja Polsat* acquired the benefit of subsection 38.1(3) by retaining copies of the infringing works, which seems absurd to me.

[108] The plaintiffs are seeking an amount of \$1,000 for each of the 8,000 programs broadcast on the TVA channels, for a total amount of \$8,000,000. If the minimum amount of \$500 per infringing work is used, the total amount is \$4,000,000. In my view, such an amount is grossly out of proportion. Even taking into account the defendants’ bad faith and their conduct to the extent mentioned above, as well as the need to deter, it is not necessary to award such a significant amount in order to achieve the objectives of denunciation and deterrence.

[114] For the reasons set forth at paragraph [109], I find that a symbolic amount is sufficient. Moreover, insofar as the retransmission of the TVA channels before February 3, 2021 is a reprehensible act that needs to be denounced and deterred, the statutory damages awarded in respect of the retransmission of the TVA Sports channels are more than sufficient to accomplish these purposes. I therefore award an amount of \$1 per program, for a total amount of \$8,000.

[111] I reach a different conclusion with respect to the TVA Sports channels. Applying the minimal amount of \$500 to each of the 1,090 programs covered by the claim leads to an amount of \$545,000. This is about five times the approximate damage suffered by the plaintiffs. I would perhaps not have awarded so high an amount had I applied the ordinary principles governing damages. However, in light of the factors analyzed above and of the necessity to denounce the defendants’ conduct and to deter any similar conduct, I am unable to find that this amount is “grossly out of proportion.”

[112] With respect to the retransmission of the TVA Sports channels, I award an amount of \$500, which is the lower limit of the range of statutory damages, for each of the 1,090 programs. In my view, such an amount is more than sufficient to compensate for the damage and to accomplish the purposes of denunciation and deterrence.

[113] In contrast, with respect to the retransmission of the TVA channels, applying the minimum amount of statutory damages would result in an award that is “grossly out of proportion.” Subsection 38.1(3) then allows me to award damages “that the court considers just”. When exercising this discretion, I must take into account the factors listed in subsection 38.1(5) as well as the other relevant factors, which I have analyzed above.

[115] I therefore award an amount of \$553,000 in statutory damages.

*Burberry Limited v. Ward*, 2023 FC 1257

[113] Statutory damages for copyright infringement are awarded on a scale from \$500 to \$20,000 per work infringed. Pursuant to [subsection 38.1\(5\)](#) of the *Copyright Act*, the Court is required to consider all relevant factors in exercising its discretion to award statutory damages, including:

- a) the good or bad faith of the defendant(s);
- b) the conduct of the parties before and during the proceedings; and
- c) the need to deter other infringements of the copyrights in question.

[114] In awarding statutory damages under the *Copyright Act*, the Court has considered: the conduct of the defendant before and during the proceeding and whether they have continued the infringing activity through the proceeding; whether the defendant has acted in bad faith or has been dismissive of the law; and the importance of deterrence (see, e.g. *Microsoft* at paras [109-115](#); *Yang* at paras [21-26](#); *Singga* at paras [157-159](#); *Wang* at paras [196-198](#)).

[115] In this case, the Ward Defendants have acted in bad faith, choosing to continue their infringing activities despite knowledge of the Plaintiffs' demands that they cease to do so and despite being served with the Statement of Claim. The Ward Defendants have acted with disrespect for the law and for the process of the Court and have wilfully sought to evade detection by the Plaintiffs and by CBSA. This conduct warrants a higher award of statutory damages.

[116] The BURBERRY branded products that are the subject of copyright protection are highly-valued by consumers. However, the continuing infringement of this and similar high-end fashion accessories with similar copyright protection diminishes the position that legitimate copyrighted products hold in the marketplace. I agree with the statement of Justice Snider in *Yang* (at para [25](#)) that the erosion of the market for which Burberry has worked very hard is a serious consequence of the continuing behaviour of the Ward Defendants and others who may infringe the BURBERRY Copyrighted Works.

[117] The Court in *Yang* in 2007, *Singga* in 2011 and again in *Wang* in 2019 awarded the maximum amount of statutory damages with respect to the relevant copyrighted works. I see no reason to deviate from this approach. The Ward Defendants have infringed copyright in each of the six BURBERRY Copyrighted Works and I will award Burberry statutory damages at the maximum amount of \$20,000 for each BURBERRY Copyrighted Works infringed, for a total award of \$120,000.

[118] In aggregate, the Burberry Plaintiffs are entitled to compensatory damages of \$515,000 (\$395,000 + \$120,000).

*Arc en ciel RH v. Services Swissnova inc.*, 2023 QCCA 1151

[ 87 ] It is accepted that such damages can be awarded even if no loss or damage has been established .



[ 88 ] In this case, it is logical for the appellants to seek statutory damages in a case like this where they would have had to exert considerable effort to attempt to estimate the actual damages caused by the activities infringement of the respondents. Moreover, the illicit profits of the respondents to which the appellants would otherwise be entitled under section 35 of the *Act* cannot be accurately determined.

[ 89 ] The appellants argue that they are entitled to pre-established damages for each violation of their copyright, that is, for each infringing copy, invoking a decision of the Superior Court having concluded that “[t]he article 38.1 (1) of the *Act* specifies that all violations are punishable by statutory damages of at least \$500 »<sup>[54]</sup>. Being unable to quantify the number of violations, they argue that the respondents have likely sold the NOVA 2.0 Profile several times, since they declare net revenues of \$80,000 in 2015 and approximately \$150,000 in 2016 in link with the marketing of the Profile<sup>[55]</sup>.

[ 90 ] They are wrong<sup>[56]</sup>. On the subject of statutory damages provided for by the *Lda*, author Jean-Philippe Mikus writes the following:

For a commercial infringer, statutory damages vary between \$500 and \$20,000 for all acts of infringement committed with respect to each infringed work, subject to certain reductions in quantum. The calculation of statutory damages for a commercial defendant is done on a per-work basis and not on the basis of each infringing copy. As a result, a plaintiff benefits from the statutory damages regime if the plaintiff's infringing acts involve multiple works, as opposed to a large number of infringing acts of a single work.

[ 92 ] Thus, as we see, the calculations carried out are not made based on the number of times that the same work has been infringed, but rather on the number of infringed works. Indeed, each sale of a counterfeit product does not give rise to the statutory damages provided for in subsection 38.1(1) of the *Act*. All violations that can be associated with a work within the meaning of the *Lda* are therefore treated as a whole in the award of statutory damages.

[ 95 ] The respondents should have limited themselves to suing the appellants for damages for the abusive and untimely unilateral termination of the 2011 contract, and avoided knowingly infringing the AEC Method, thus acting contrary to the requirements of good faith and causing prejudice to the appellants <sup>[62]</sup>. It is therefore appropriate to order the respondent companies to pay the maximum amount for copyright infringement, namely \$20,000 as pre-established damages. However, I consider that there is no reason to personally condemn Guy Bélanger and Jasmine Bélanger to pay these sums, since the counterfeiting was made through these commercial entities, without specific proof that would justify their personal condemnation has not been brought.

***Techno-Pieux Inc. v. Techno Piles Inc.*, 2023 FC 581**

[189] Considering all of the foregoing, I find that the award of \$10,000 requested by the Plaintiff is reasonable. In summary, while the Defendants' conduct cannot be described as “blatant”, “reprehensible” or as having been in “bad faith”, their market communications were “inaccurate, sloppy and even irresponsible”: see para 148 above. In addition, the Defendants persisted with their infringing activities for approximately one year after having been

advised by the Defendant to stop using the Plaintiff's works. Finally, I find that there is a need to deter others from engaging in similarly infringing conduct. This is so despite the fact that the Defendants rebranded to "Screw Pile Pros", and thereby ceased their infringing activities, after the Summary Judgment Decision was issued.

## Commentary

[\*Sony Music Entm't v. Cox Commc'ns, Inc.\*](#), 464 F. Supp. 3d 795 (E.D. Va. 2020) rev'd in part, [\*Sony Music Entm't v. Cox Commc'ns\*](#), No. 21-1168 (4th Cir. Feb. 20, 2024)

### b. Punitive damages

[\*Vidéotron Ltée v. Konek Technologies Inc.\*](#), 2023 FC 741

[116] In addition to statutory damages, the plaintiffs are also claiming punitive damages. They are relying on [subsection 38.1\(7\)](#) of the [Copyright Act](#), which provides that the awarding of statutory damages does not preclude the awarding of punitive damages.

[117] However, if statutory damages include a significant punitive component, awarding punitive damages would be redundant. This punitive component must not go beyond what is required to achieve the purposes of denunciation and deterrence: [Civil Code of Québec](#), art 1621; *Whiten v Pilot Insurance Co.*, [2002 SCC 18](#) at paragraphs [71 and 74](#), [2002] 1 SCR 595. If what is necessary has already been awarded, it is difficult to see how the awarding of an additional amount would be required in order to meet the same objectives. To that effect, see *Telewizja Polsat* at paragraph [52](#); in *Rallysport*, punitive damages were awarded solely because of the defendants' efforts to insulate themselves from the consequences of a judgment.

[118] This is the situation in this case. Although the plaintiffs suffered appreciable damage on account of the retransmission of the TVA Sports channels, the awarding of statutory damages mainly fulfils a punitive function. It is not necessary to award an additional amount as punitive damages in order to achieve the same purpose.

[119] It is true that punitive damages are often awarded in trademark infringement cases. In those cases, however, the lump sum damages only serve a compensatory purpose, and an award of punitive damages is not redundant: *Lululemon* at paragraph [41](#).

[\*Burberry Limited v. Ward\*](#), 2023 FC 1257

[120] Punitive damages are an exceptional remedy to be awarded where a party engages in malicious, oppressive and high-handed behaviour that offends the Court's sense of decency (*Whiten v Pilot Insurance Co.*, [2002 SCC 18](#) at para [36](#) (*Whiten*)) and where other remedies are insufficient to accomplish the objectives of retribution, deterrence and denunciation (*Young v Thakur*, [2019 FC 835](#) at para [52](#); see also, *Yang* at paras [46-51](#); *Singga* at paras [163-164](#); *Wang* at paras [182-183](#)). The determination of whether an award of punitive damages is appropriate and, if so, the amount of punitive and exemplary damages, is a highly contextual exercise. Factors to consider in assessing the appropriateness and quantum of a punitive damages award include whether the misconduct was planned and deliberate; the defendant's intent and motive; the scope

of the conduct; whether the conduct was persistent after the filing of a statement of claim and/or was concealed; and the defendant's awareness that what they were doing was wrong (*Whiten* at paras [112-113](#); *Chanel S de RL v Lam Chan Kee Company Ltd*, [2016 FC 987](#) at paras [49](#), [56](#), aff'd *Lam Chan Kee FCA #2* at paras 10-11, 13).

[121] The Ward Defendants' infringing conduct was and is planned and deliberate. It is properly characterized as recidivist in nature. The Ward Defendants took steps in order to conceal their activity after initial discovery and have persisted in their behaviour after accepting service of the Statement of Claim. They have disregarded the Plaintiffs' rights and the Court's proceedings and have profited from their misconduct. This type of behaviour has been found to warrant sanction through punitive damages in previous counterfeiting cases (*Yang* at paras [48-49](#); *Wang* at paras [186-192](#); *lululemon* at paras 58-64; *Rosales* at paras [59-64](#)). An award of compensatory damages alone is not sufficient to redress the Ward Defendants' wilful infringement or to deter future similar conduct by the Ward Defendants and others who might be inclined to adopt their business model.

[122] The question is the quantum of the award. The Plaintiffs request an award of punitive damages of at least \$250,000.

[123] In my view, most of the factors presented in *Whiten* are reflected in this case as are those found in the recent cases of counterfeit merchandise referred to in this judgment. In *Yang*, punitive damages of \$100,000 were awarded while in *Singga*, punitive damages against three groups of defendants were awarded in the amounts of \$200,000, \$250,000 and \$50,000. In *Lam Chan Kee FCA #2*, the FCA endorsed an award of punitive damages of \$250,000 in spite of the fact that the compensatory damages were relatively light.

[124] I find that an award of punitive damages in the amount of \$100,000 is appropriate and proportionate and meets the dual objectives of denunciation and deterrence. The context of this case includes the fact that an individual, J. Ward, is at the centre of the infringing online business, operating from a residential showroom in Edmonton. I have weighed this fact against J. Ward's intentional and evasive conduct and the considerable reach of her infringing activities.

## 6. Infringement of moral rights

### [French v. Royal Canadian Legion \(Dominion Command\)](#), 2024 FCA 6

[29] Nevertheless, we still have the question as to what limits Parliament intended to place on the defence against infringement provided for in subsection 64(2). If the defence was intended to be available in respect of all acts of infringement, then presumably Parliament would not have chosen such detailed and careful wording. The answer to the limits that Parliament intended to place on the defence provided for in subsection 64(2) does not come from that provision. It comes from another provision of the *Copyright Act*, [subsection 14.1\(1\)](#), which defines an author's moral rights as follows:

14.1 (1) The author of a work has, subject to section 28.2, the right to the integrity of the work and, in connection with

14.1 (1) L'auteur d'une oeuvre a le droit, sous réserve de l'article 28.2, à l'intégrité de l'oeuvre et, à l'égard de

an act mentioned in section 3, the right, where reasonable in the circumstances, to be associated with the work as its author by name or under a pseudonym and the right to remain anonymous.

tout acte mentionné à l'article 3, le droit, compte tenu des usages raisonnables, d'en revendiquer, même sous pseudonyme, la création, ainsi que le droit à l'anonymat.

[31] Subsection 14.1(1) contemplates two aspects of moral rights: integrity of the work and authorship. Only the authorship aspect is relevant in this appeal. The text relevant to authorship is limited to a right “in connection with an act mentioned in section 3”. Section 3 of the *Copyright Act* defines the rights associated with copyright, including the sole right to produce, reproduce, perform and publish the work, and to authorize any of the foregoing activities. The reference in subsection 14.1(1) to these rights ties an author’s moral rights to copyright in the work in much the same way that subsection 64(2) is tied to a use of copyright. This suggests that the defence to infringement of moral rights provided for in subsection 64(2), including paragraph 64(2)(d), is intended to cover any infringement of the author’s moral rights. For there to be an infringement of moral rights, it must be in connection with the copyright; if there is no act in connection with copyright, there is no infringement of moral rights. Though it is not binding on this Court, I note that a similar view of the law was expressed in *Dolmage v. Erskine*, 2003 CanLII 8350 (ON SCSM), 23 C.P.R. (4th) 495, [2003] O.J. No. 161 at paras. 77–80 (Ont. Sup. Ct., Sm. Cl. Div.). This interpretation of subsection 64(2) and the scope of moral rights is also consistent with the broad purpose and general idea of subsection 64(2) as described in paragraph 4 above.

## 7. Procedure

### a. Pleadings

*GE Renewable Energy Canada Inc. v. Canmec Industrial Inc.*, 2024 FC 187

[28] GEREK also seeks to amend paragraph 28 of the Amended Statement of Claim as follows:

28. Without GEREK’s authorization or consent, Canmec improperly copied, produced or reproduced, and/or authorized others to carry out such acts, and/or distributed or possessed for the purposes of such distribution, the GEREK Designs, or substantial parts thereof, in preparing and submitting the Canmec Bid, as well as in relation to drawings and plans, including but not limited to drawings and plans in electronic, paper and any other format, including 2D CAD files, 3D CAD files, other electronic files, printouts of any of the foregoing and hand-written documents or sketches, and including all electronic and hand-written amendments to any and all of the foregoing, that Canmec prepared and/or used for the refurbishment of Units 3 to 12 of the Isle-Maligne Plant, and the production of, or authorization to produce, Canmec’s butterfly valves and related embedded components (“Canmec’s Infringing Activities”).

[46] As Canmec points out, this Court recently addressed the requirements of an adequate pleading in a copyright infringement action in the *Fox Restaurant* case cited above. There, the claim asserted infringement of copyright in five literary or artistic works defined as the “Fox Works,” but referred to a schedule showing about 11 logos, images, and website excerpts. Case

Management Judge Horne concluded the claim did not meet the requirements of Rule 174, since it was unclear what works were included in the definition of Fox Works. He held that “[u]nless 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”: *Fox Restaurant* at paras 22–23. He therefore struck the claim with leave to amend.

[47] The approach in *Fox Restaurant* is consistent with that in *Netbored*, where Justice Hughes noted that a copyright infringement pleading should state the identity of the work, the nationality of the author, and the place of first publication: *Netbored Inc v Avery Holdings Inc*, [2005 FC 1405](#) at para 45; see also John S McKeown, *Fox on Canadian Law of Copyright and Industrial Designs*, 4th ed (Toronto: Thomson Reuters Canada, looseleaf) at §24:22, citing *Netbored*.

[48] GEREK points to this Court’s earlier decision in *Diamant Toys*, where the plaintiff sought to amend its claim in a copyright infringement action at the outset of trial: *Diamant Toys Ltd v Jouets Bo-Jeux Toys Inc*, [2006 FC 457](#). The amendments sought to expand the works at issue from a list set out in a Schedule to the claim, to a broader set of works defined through a description of the works and reference to a “representative sample” in an amended Schedule: *Diamant Toys* at para 7. Justice Martineau accepted the amendments, concluding that the new allegations did not raise new causes of action, when read in conjunction with the remainder of the claim and in the context of the defendants’ knowledge of the case through earlier motions and a joint statement of issues: *Diamant Toys* at paras 13–17.

[49] What is clear from *Diamant Toys* and *Fox Restaurant* is that assessing the adequacy of a pleading or proposed amendment is context-dependent. It involves reading the particular allegations at issue in the context of the pleading as a whole, the claims at issue, and the broader context of the litigation to assess whether the pleading defines the issues with sufficient precision to make the pre-trial and trial proceedings manageable and fair, and puts the opposing party on notice of the case it has to meet: *Mancuso* at paras 16–20; *McCain* at para 23. As the Court of Appeal put it in *Enercorp*, “the question of whether the pleadings are sufficient is to be assessed in light of all the circumstances including the respective means of knowledge of the parties”: *Enercorp* at paras 36–37.

[50] In the present case, I conclude that GEREK’s proposed amendments, as drafted, are inadequate to meet the requirements of a sustainable pleading. I agree with Canmec’s characterization that GEREK’s proposed amendment to paragraph 12 seeks to expand its list of allegedly copyrighted and infringed works at issue in the case “from one involving 33 identified manufacturing drawings to one encompassing an unknown number of unidentified and unspecified works.” The remainder of the claim provides no greater specificity that would allow Canmec, or Rio Tinto as third party, to know what the case is about. Rather, as noted above, some of GEREK’s other proposed amendments simply confuse the matter further.

**b. Discovery**

[Governing Council of the University of Toronto v. Easy Group Inc. \(Easy Education\)](#), 2024 FC 206

**THIS COURT ORDERS that:**

1. Regarding items numbers 5, 7 to 10, 14, 15, and 18 to 22 in Category I in the refusals chart that is Schedule A to the defendants' written representations, which category is entitled "Plaintiffs' Asserted Works & Draft Infringement Table", the rulings below shall apply to questions concerning the following topics:

A. *any other author(s) in addition to the three Professors* – This topic is relevant.

B. *creation date* – This topic is relevant.

D. *if the document relates to a course offered by the University, details relating to that course including year, course code, instructor(s), faculty, and the campus* – The year of the course and the course code is relevant.

E. *match, element-by-element, the portions of the purportedly infringed document with the portions of the purportedly infringing document* – Questions on this topic are not appropriate and need not be answered.

F. *the portion of the page, and of the document, the university asserts has been copied* - Questions on this topic are not appropriate and need not be answered.

c. *Jurisdiction of Courts*

*Society of Composers, Authors and Music Publishers of Canada v. Vidéotron Ltée*, 2023 FC 1385

[63] Does section 41.24 of the Copyright Act grant jurisdiction to the Federal Court over a case that is in essence a claim by a collective society for the enforcement of a contract pertaining to copyright royalties? In deciding whether the answer to this question is plain and obvious, it is relevant to note that section 41.24 and its reference to the "civil remedies provided by this Act" is found in Part IV of the Copyright Act, entitled "Remedies," and, in particular, in the section of Part IV entitled "Civil Remedies." That section also includes subsection 34(4), which provides that certain proceedings for civil remedies may be commenced by way of application or action:...

[64] While subsection 34(4) is procedural in nature, it suggests that Parliament considered proceedings taken in respect of either an approved tariff *or* an agreement referred to in subsection 67(3)—*i.e.*, an agreement by a collective society for the purpose of establishing royalties with respect to rights administered by the collective society—to be proceedings in respect of civil remedies under the Copyright Act. Thus, contrary to Québecor's arguments, the grant of jurisdiction in section 41.24 is not plainly and obviously limited to claims of copyright infringement, to the exclusion of contractual claims, at least as it relates to collective societies.

[65] Québecor argues the 2018 Agreement cannot be an "agreement referred to in subsection 67(3)" since it was entered into before that subsection came into force and thus before SOCAN could enter into such an agreement. This argument does not assist Québecor. It is also contrary to Québecor's primary argument that the 2018 Agreement establishes royalties and that the royalties it owed in respect of Tariff 17 were therefore contractual. In other words, if the 2018 Agreement is *not* an agreement referred to in subsection 67(3), this simply reinforces that

SOCAN's claim is for the enforcement of a statutory copyright tariff approved and enforceable under the [Copyright Act](#). If it is an agreement "referred to" in subsection 67(3)—even if it was not entered into pursuant to that subsection—then enforcement of the agreement is referred to in subsection 34(4) and appears to be recognized as "enforcement of a provision of [,] or of the civil remedies provided by," the [Copyright Act](#).

[66] I open a parenthesis to note that even under the pre-2019 provisions of the [Copyright Act](#), [subsection 34\(4\)](#) referred to proceedings taken in respect of certified tariffs and those taken in respect of "agreements referred to in [section 70.12](#)," *i.e.*, agreements between collective societies and users setting out royalties by licence. Thus, since at least 1997, proceedings to enforce collective societies' royalty agreements have been expressly referred to in the [Copyright Act](#)'s provisions on civil remedies.

[67] I therefore conclude it is not plain and obvious there is no statutory grant of jurisdiction to the Federal Court over SOCAN's claim, regardless of how its essential nature is characterized.

[73] In the present case, the [Copyright Act](#) creates the scheme for the collective administration of copyright through collective societies such as SOCAN; it allows SOCAN to file tariffs to establish royalties; it allows SOCAN to collect royalties specified in an approved tariff, or to recover them in court in case of a default of payment; it allows SOCAN to collect royalties in accordance with a previously approved tariff where a proposed tariff has been filed; it prevents SOCAN from bringing proceedings in infringement where a person has paid or offered to pay royalties under an approved, prior, or proposed, tariff; it also (now) permits SOCAN to enter agreements establishing royalties with respect to rights it administers. In my view, it is arguable that this detailed federal regulatory scheme has sufficient application to the 2018 Agreement that, even if SOCAN's claim were characterized as one in contract, it would be sufficient to satisfy the second branch of the *ITO* test.

[74] With respect to Québecor's argument that the doctrine of set-off is one of provincial law, the Federal Court of Appeal's recent decision in *Inuksuk I* is instructive. There, the Court of Appeal concluded the Federal Court did not have jurisdiction to address the defendants' defence of equitable set-off. However, this conclusion was not based on the Federal Court's inability to deal with matters of set-off, but on its inability to deal with the subject matter of the defendants' claim on which the asserted set-off was based: *Inuksuk I* at paras 54–59.

[75] Without needing to address whether Québecor's defence is truly one in "set-off," it is clear that the source of the amounts it says it was entitled to deduct from the royalties payable in 2018 was amounts it had previously paid under a statutory tariff, Tariff 22.D.1. To the extent that Québecor is asserting a claim against SOCAN that it purports to apply as set-off against SOCAN's claim, it is a claim for reimbursement of amounts paid under a statutory copyright tariff, based on an agreement about how to calculate amounts payable under that and other tariffs. Again, although the nature of the agreement may need to be considered to determine that issue, it is not plain and obvious that such a claim goes beyond the jurisdiction of this Court in matters of copyright.

[76] I am therefore satisfied that it is not plain and obvious that the second branch of the *ITO* test is not met.

[Mullett v. Frigon](#), 2023 BCCRT 1116

10. As noted, the applicant argues the respondent was not entitled to profit from the photos because the respondent does not own the copyright in them. Copyright is governed by the [federal Copyright Act](#) (CA). In a previous CRT decision, a tribunal member (now vice chair) held that the CRT does not have jurisdiction over alleged copyright infringement under the CA. Section 41.24 of that Act grants concurrent jurisdiction to the Federal Court and “provincial courts” to hear and determine all proceedings for the enforcement of the CA and available civil remedies. As the CRT is not a “court”, the tribunal member refused to resolve the applicant’s claim for copyright infringement (see *1316633 B.C. Ltd. v Windsor-Martin*, [2022 BCCRT 979](#)). Previous CRT decisions are not binding on me.

11. I find the CRT has jurisdiction to hear and decide claims for copyright infringement. I rely on the reasoning set out by the Supreme Court of Canada in *Desputeaux v. Éditions Chouette (1987) inc.*, [2003 SCC 17](#) at paragraphs [38 to 46](#), which does not appear to have been argued before the tribunal member in *Windsor-Martin*. In *Desputeaux*, which is binding on me, the court held that because the CA did not assign jurisdiction to a specific provincial court, the reference to “provincial courts” was sufficiently general to include arbitration procedures created by provincial statute. I find that the CRT was similarly created by provincial statute to be a part of this province’s justice system. As the CA does not expressly exclude tribunals from deciding claims under that Act, I find the CRT can decide copyright infringement disputes within its small claims jurisdiction. So, I have considered the applicant’s claim for alleged copyright infringement below.

[Alberta v. Canadian Copyright Licensing Agency \(Access Copyright\)](#),  
[2024 FC 292](#)

[215] As evidenced by the Federal Court of Appeal’s decision above in *Apotex*, the mere grant of equitable jurisdiction under [section 20\(2\)](#) of the [Federal Courts Act](#) does not establish that this Court has the jurisdiction under the [Copyright Act](#) to award the remedies sought by Access Copyright. Rather, this Court must interpret the [Copyright Act](#) to determine whether the equitable remedy sought by Access Copyright is available in the circumstances of this case.

**8. Tariffs**

[Alberta v. Canadian Copyright Licensing Agency \(Access Copyright\)](#),  
[2024 FC 292](#)

[170] “Offer to pay” is a statutory term found in [section 70.17](#) of the [Copyright Act](#) and thus the words must be interpreted in accordance with the modern principle of statutory interpretation, “in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament” [see *Canada v Bezan Cattle Corporation*, [2023 FCA 95](#) at paras [49-51](#)].

[171] As noted by the Supreme Court in *York University*, “[i]n the context of the provisions at issue in this case, a person who has paid or offered to pay the royalties under s. 70.17 has become a licensee and may be liable for defaulted payments under s. 68.2(1). A person who has not paid or offered to pay is not licensed and may be liable for infringement” [see *York*



*University, supra* at para 34]. The *Copyright Act* therefore vests a collective society such as Access Copyright with a right to bring an enforcement proceeding for payment of royalties against a person who has offered to pay for a statutory licence, but failed to follow through with payment.

[172] The Supreme Court has also acknowledged that “[p]aying or offering to pay is a permissive act triggering licence acquisition in both cases” [see *York University, supra* at para 38]. As such, this Court must interpret the meaning of “offer to pay” in light of the voluntary nature of the licensing regime.

[173] “Offer to pay” must also be interpreted in accordance with the Supreme Court’s finding that a licensee must be able to review the terms and conditions of a tariff before agreeing to its terms, which (as noted above) is a critical component of what it means to be a voluntary licensee [see *York University, supra* at paras 27, 37; *SODRAC, supra* at para 108]. The timing of the conduct is therefore a relevant consideration.

[174] I accept that, theoretically, an “offer to pay” could be made by way of conduct. However, it must be recalled that the Supreme Court has held that “[w]here Parliament sees fit to create a mandatory duty to pay, it does so with ‘clear and distinct legal authority showing that this was Parliament’s intent’” [see *York University, supra* at para 32, citing *SODRAC, supra* at para 107]. The financial burden of a statutory licence is significant. As such, I find that any “offer to pay” by conduct would have to be clear and unequivocal so as not to bind a party to a statutory licence involuntarily and foist an obligation to pay on an unwilling user.

[175] Access Copyright urges the Court to consider various individual acts of the Plaintiffs, not all of which were directed at Access Copyright and none of which on their own could constitute a clear and unequivocal offer to pay, to find that, when pieced together like a jigsaw puzzle, the conduct demonstrates an objective intention to be bound by a statutory licence. I cannot accept that proceeding in this manner is consistent with the scheme of the *Copyright Act*, the object of the *Copyright Act* or the intention of Parliament. If Parliament intended that a user could be bound to a voluntary statutory licence and its associated financial burden by an objective review of the person’s collective course of conduct, Parliament would have clearly said so, which it has not done.

[176] I would expect that an “offer to pay” for a statutory licence under the *Copyright Act* would typically be made in writing by the party and addressed directly to the collective society concerned. I anticipate that it will be extremely rare that a court need consider a party’s conduct to determine whether an offer to pay had in fact been made. However, the issue is now before me and, as such, I will turn to consider whether the Plaintiffs’ conduct constituted an “offer to pay” for a statutory licence.

[177] I will begin by considering what conduct is relevant when considering whether the Plaintiffs made an “offer to pay”. As noted above, a licensee must be able to review the terms and conditions of a tariff before agreeing to its terms. There is a dispute between the parties as to when the terms and conditions of the Approved 2010-2015 Tariff were available to the Plaintiffs for review. In their written representations, Access Copyright asserts that the relevant date is

February 19, 2016, when the Board certified the Approved 2010-2015 Tariff, whereas the Plaintiffs assert that the relevant date is January 19, 2018.

[182] The Plaintiffs' failure to execute "an alternative mechanism to lawfully clear their admittedly compensable copying beyond the tariff route" does not constitute an offer to pay for a statutory licence. Access Copyright appears to be asserting that compensable copying triggers obligations under the tariff, which is incorrect. The only way to obtain a licence under the tariff is for a party to pay or offer to pay. Any "compensable copies" that were made, which infringe the intellectual property rights of copyright owners, are properly the subject of a copyright infringement action brought by the copyright owner or its exclusive licensee or assignee under [section 34\(1\)](#) of the *Copyright Act*. Put differently, acts of infringement do not turn infringers into licensees so as to make them liable for the payment of royalties. To interpret the Plaintiffs' conduct as Access Copyright asks this Court to do would render the tariff *de facto* mandatory, contrary to the Supreme Court's decision in *York University*. Thus, any compensable copying the Plaintiffs have engaged in would properly be subject to an action in copyright infringement by the copyright owners, or their exclusive licensees or assignees, not by way of pursuing remuneration for default licence fees.

## 9. Designs of useful articles

### [Keezio Group, LLC v The Shrunks' Family Toy Company Inc.](#), 2024 BCSC 64

[5] In its notice of civil claim, Keezio alleges, among other things, that The Shrunks made unfounded complaints to Amazon and posted a negative review online, causing Keezio to lose business. It alleges that The Shrunks also made disparaging remarks about Keezio to Keezio's primary manufacturer.

[42] As with the Trademark Infringement Complaint, the issue of whether the Copyright Infringement Complaint was false is largely a legal question.

[43] [Section 64\(2\)](#) of the [Copyright Act, R.S.C. 1985, c. C-42](#) provides...

Non-infringement re certain designs

(2) Where copyright subsists in a design applied to a useful article or in an artistic work from which the design is derived and, by or under the authority of any person who owns the copyright in Canada or who owns the copyright elsewhere,

(a) the article is reproduced in a quantity of more than fifty, or

[44] Therefore, when a useful article is reproduced in a quantity of more than fifty (and it is clear that The Shrunks' inflatable beds falls within this criterion), it is not an infringement of copyright to reproduce the article's design. It follows that The Shrunks' complaint that Keezio infringed its copyright was false.

*French v. Royal Canadian Legion (Dominion Command)*, 2024 FCA 6

[4] Based on statements and debates from around the time that subsection 64(2) was introduced into the [Copyright Act](#), the broad purpose of this provision was to limit the scope of copyright and moral rights for designs applied to certain products that are reproduced in industrial quantities. Paragraphs 47 to 50 of the respondent’s memorandum of fact and law cite some of these statements and debates. The general idea was that such designs should instead be protected by registration of an industrial design, which has a much shorter life than copyright.

[5] However, the wording Parliament chose for subsection 64(2) is more nuanced than the broad purpose and general idea described above. Parliament did not simply provide that a design that is, or could be, the subject of an industrial design could not be enforced through the [Copyright Act](#). In fact, that is essentially the approach the *Copyright Act* took prior to the introduction of subsection 64(2) in its current form: *Copyright Act*, R.S.C. 1970, c. C-30, s. 46. The text of subsection 64(2) does not simply state that there can be no copyright or moral rights infringement at all of a design that is contemplated therein. Rather, Parliament chose to exclude certain activities from infringement and carefully crafted wording both for the kinds of designs that are covered by subsection 64(2) and for the activities that are shielded thereby from infringement. The care with which subsection 64(2) was drafted is further demonstrated by the significant structural difference between the English and French versions of the provision. Despite this significant structural difference, I see no difference in substance between the two versions that is relevant to this appeal.

[6] Subsection 64(2) contemplates “a design applied to a useful article” in which “copyright subsists”, where that article has been “reproduced in a quantity of more than fifty” “by or under the authority of any person who owns the copyright.” There is no dispute that the product in issue in this appeal meets these criteria.

[7] Subsection 64(2) goes on to provide that it shall not be an infringement of copyright or moral rights for anyone to do the things indicated in paragraphs (c) and (d) thereof. This is where the dispute in this appeal lies.

[8] This appeal concerns the Poppy Puppy, a plush toy created by the appellant, Leonard B. French, in 1998. Essentially, it represents a Dalmatian dog whose spots appear as poppies. The Poppy Puppy is the object of industrial design and copyright registrations in Canada. The industrial design registration, No. 97954, expired in 2013. Mr. French also obtained a design patent and a copyright registration in the United States in relation to the Poppy Puppy.

[13] In support of his allegation of infringement of moral rights, Mr. French cited the statement in the Legion Supply Catalogue reproduced in paragraph 10 above, which he argued was a false claim of authorship of the Poppy Puppy. He argued that the statement infringed his right to be associated with his work as its author or to remain anonymous, as contemplated in [subsection 14.1\(1\)](#) of the *Copyright Act*.

[14] The Federal Court found it unnecessary to decide the question of moral rights infringement because it found that any acts by the Legion that might otherwise have constituted infringement fell within [subsection 64\(2\)](#) of the *Copyright Act*, and hence avoided infringement.

[29] Nevertheless, we still have the question as to what limits Parliament intended to place on the defence against infringement provided for in subsection 64(2). If the defence was intended to be available in respect of all acts of infringement, then presumably Parliament would not have chosen such detailed and careful wording. The answer to the limits that Parliament intended to place on the defence provided for in subsection 64(2) does not come from that provision. It comes from another provision of the *Copyright Act*, [subsection 14.1\(1\)](#), which defines an author's moral rights as follows:

14.1 (1) The author of a work has, subject to section 28.2, the right to the integrity of the work and, in connection with an act mentioned in section 3, the right, where reasonable in the circumstances, to be associated with the work as its author by name or under a pseudonym and the right to remain anonymous.

14.1 (1) L'auteur d'une oeuvre a le droit, sous réserve de l'article 28.2, à l'intégrité de l'oeuvre et, à l'égard de tout acte mentionné à l'article 3, le droit, compte tenu des usages raisonnables, d'en revendiquer, même sous pseudonyme, la création, ainsi que le droit à l'anonymat.

[30] [Section 28.1](#) of the *Copyright Act* defines infringement of moral rights:

28.1 Any act or omission that is contrary to any of the moral rights of the author of a work or of the performer of a performer's performance is, in the absence of the author's or performer's consent, an infringement of those rights.

28.1 Constitue une violation des droits moraux de l'auteur sur son oeuvre ou de l'artiste-interprète sur sa prestation tout fait — acte ou omission — non autorisé et contraire à ceux-ci.

[31] Subsection 14.1(1) contemplates two aspects of moral rights: integrity of the work and authorship. Only the authorship aspect is relevant in this appeal. The text relevant to authorship is limited to a right "in connection with an act mentioned in section 3". [Section 3](#) of the *Copyright Act* defines the rights associated with copyright, including the sole right to produce, reproduce, perform and publish the work, and to authorize any of the foregoing activities. The reference in subsection 14.1(1) to these rights ties an author's moral rights to copyright in the work in much the same way that subsection 64(2) is tied to a use of copyright. This suggests that the defence to infringement of moral rights provided for in subsection 64(2), including paragraph 64(2)(d), is intended to cover any infringement of the author's moral rights. For there to be an infringement of moral rights, it must be in connection with the copyright; if there is no act in connection with copyright, there is no infringement of moral rights. Though it is not binding on this Court, I note that a similar view of the law was expressed in *Dolmage v. Erskine*, [2003 CanLII 8350 \(ON SCSM\)](#), 23 C.P.R. (4th) 495, [2003] O.J. No. 161 at paras. [77–80](#) (Ont. Sup. Ct., Sm. Cl. Div.). This interpretation of subsection 64(2) and the scope of moral rights is also consistent with the broad purpose and general idea of subsection 64(2) as described in paragraph 4 above.

[32] Given the limited scope of moral rights contemplated in subsection 14.1(1), I cannot see how the false statement by the Legion concerning authorship could fall outside paragraph 64(2)(d) as Mr. French argues (because it was not associated with a reproduction of the design of the Poppy Puppy), and yet still be an infringement of moral rights. Either paragraph 64(2)(d) benefits the Legion as a defence to infringement of moral rights (if the false statement was associated with a reproduction of the Poppy Puppy), or there was no infringement of moral rights in the first place (because the false statement was not associated with a reproduction of the Poppy Puppy). Either way, the Legion is not liable for infringement of Mr. French's moral rights. It is not necessary to decide whether a reproduction of the Poppy Puppy actually appeared in the Legion Supply Catalogue.

[33] Though the Federal Court's analysis of the application of subsection 64(2) in this case was insufficient, it is my view that it made no reviewable error in dismissing Mr. French's claim of infringement of moral rights.

**10. Contempt – penalties**

*Bell Canada v. Adwokat*, 2023 FCA 106

*Warner Bros. Entertainment Inc. v. White (Beast IPTV)*, 2023 FC 907