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2017-2018
IPIC President/
Président de l'IPIC, 2017
à 2018

Message from the President

Welcome to IPIC's *Canadian Intellectual Property Review* (CIPR), a double-blind, peer-reviewed professional journal. As you can see, the CIPR starting with Volume 34 has undergone significant changes following recommendations received by Council from the Editorial Board.

As part of the modernization process, all published articles will now be available online for free as an open-access journal. This was one of the Editorial Board's main recommendations. Allowing members of the public to easily access CIPR articles increases the visibility of not only the publication, but also the authors and intellectual property as a whole.

In order for articles to be read and shared in a timely manner, articles will now be published online at cipr.ipic.ca as soon as they are approved by the Editorial Board. This will ensure that the open-access publication remains timely and relevant.

IPIC staff continues to work hard on modernizing the IPIC website and the CIPR database. Scheduled to launch at the end of 2018 or early 2019, the new online database will have improved search functionality and will offer the option to either read the article directly on the webpage or to download a PDF version. We look forward to sharing these new features with you in the coming months.

As you can see, IPIC has also rejuvenated the printed version of the publication. The publication will now be printed in a new magazine format as an annual compilation of the online articles.

These are exciting times for IPIC and for intellectual property (IP). Not only is IPIC continuously improving and expanding its offerings, but Canadian IP is also being modernized and its visibility is growing in the media and in government. With a new Canadian IP Strategy, the creation of a College of Patent and Trademark Agents, the signing of multiple international treaties and the updating of IP legislation, a professional journal like the CIPR is increasingly important as authors provide their views and analysis of this dynamic field.

Grant W. Lynds
2017-2018 IPIC President

Message du président

Bienvenue dans la *Revue canadienne de la propriété intellectuelle* (RCPI), une revue à comité de lecture à double insu de l'IPIC. Vous avez sûrement remarqué que la RCPI a fait l'objet, à partir du numéro 34, d'importantes modifications suite aux recommandations formulées au Conseil par le comité de rédaction.

Une des principales recommandations du comité de rédaction précisait que dans le cadre du processus de modernisation, tout article publié sera également offert gratuitement en ligne à titre de revue à libre accès. Le fait de permettre au grand public de consulter facilement les articles de la RCPI augmente non seulement la visibilité de la publication, mais aussi celle des auteurs et de l'ensemble de la propriété intellectuelle (PI).

Pour favoriser la lecture et le partage opportuns des articles, ces derniers seront désormais publiés en ligne (cipr.ipic.ca) dès leur approbation par le comité de rédaction et ce, pour veiller à ce que la publication à accès libre demeure opportune et pertinente.

Le personnel de l'IPIC déploie tous les efforts nécessaires pour moderniser le site Web de l'IPIC et la base de données de la RCPI. La nouvelle base de données en ligne, dont le lancement est prévu d'ici la fin de l'année ou tôt en 2019, améliorera la fonctionnalité de recherche et offrira la possibilité de lire un article directement sur la page Web ou d'en télécharger une version en format PDF. Nous avons hâte de partager ces options avec vous au cours des prochains mois.

Vous avez sans doute remarqué que l'IPIC a en plus rafraîchi la version imprimée de la publication. Cette dernière sera désormais imprimée dans un nouveau format magazine qui présente une compilation annuelle des articles en ligne.

L'IPIC et la PI traversent une période palpitante. L'IPIC poursuit continuellement l'amélioration et l'expansion de son offre de produits, mais la PI canadienne est aussi en processus de modernisation et sa visibilité est de plus en plus présente dans les médias et au sein du gouvernement. Grâce à une nouvelle stratégie canadienne en matière de PI, la création d'un Ordre des agents de brevets et de marques de commerce, la signature de plusieurs traités internationaux et la mise à jour de la législation sur la PI, une revue professionnelle comme la RCPI devient de plus en plus importante, car ses auteurs y présentent leurs points de vue et leurs analyses de ce domaine dynamique.

Grant W. Lynds
Président de l'IPIC (2017-2018)

Message from the Editor

Welcome to another issue of the *Canadian Intellectual Property Review* (CIPR)!

In terms of the issue before you, we begin with two patent-centric articles. First, we look again at the interesting topic of “file wrapper estoppel” in an article that considers the Canadian and U.K. approaches to the issue (Murphy). Next, we look to the evolution of the law as it relates to utility post-*AstraZeneca* (Bienenstock, Silver and Bernstein).

Turning to a mix of copyright and trademark issues, our next piece looks at how they relate to artistic uses of works and marks, appropriation art in particular (Chung).

Lastly, we end with a note that looks at the treatment of names and surnames under paragraph 12(1)(a) of the Trade-marks Act and proposes revisions to the analysis thereunder (Tseng).

As always, whether you practice in the particular area of intellectual property these pieces relate to or whether you agree with the authors, I hope that these are all works that will make you think and reflect.

Before closing, let me also welcome Chelsea Berry as (among her many roles) the new primary point person at IPIC for CIPR! Chelsea takes over this role from Véronique Coch, who is now the Director of Communications for IPIC. Welcome Chelsea, and thank you Véronique for your many contributions to CIPR.

Happy reading everyone!

Athar K. Malik, Editor-in-chief

Message du rédacteur en chef

Bienvenue dans ce nouveau numéro de la *Revue canadienne de propriété intellectuelle* (RCPI)!

Dans le présent numéro, nous vous présentons d’entrée de jeu deux articles axés sur les brevets. Premièrement, nous jetons un second regard sur un thème intéressant, « la préclusion fondée sur les notes apposées au dossier », dans un article qui considère les approches canadiennes et britanniques sur la question (Murphy). Nous examinons ensuite l’évolution du droit en rapport avec l’utilité suite à la décision rendue dans l’affaire *AstraZeneca* (Bienenstock, Silver et Bernstein).

Pour traiter d’un éventail de questions de droit d’auteur et de marque de commerce, notre prochain article se penche sur leurs rapports avec les utilisations artistiques des œuvres et des marques, plus particulièrement l’art de l’appropriation (Chung).

Enfin, nous présentons une note qui examine le traitement des noms et noms de famille en vertu de l’alinéa 12(1)a) de la *Loi sur les marques de commerce* et qui propose des révisions à l’analyse qui en découle (Tseng).

Comme toujours, peu importe si vous pratiquez dans le domaine particulier de la propriété intellectuelle, ces articles ont un certain rapport entre eux; si vous êtes ou non d’accord avec l’auteur, j’espère qu’ils attiseront vos pensées et vos réflexions.

Avant de terminer, je tiens à souhaiter la bienvenue à Chelsea Berry à titre, entre autres, de nouvelle personne-ressource pour la RCPI au sein de l’IPIC! Chelsea remplace Véronique Coch qui assume maintenant le rôle de directrice des communications de l’IPIC. Bienvenue Chelsea et merci Véronique pour tes nombreuses contributions à la RCPI.

Bonne lecture à tous!

Athar K. Malik, rédacteur en chef



Athar K. Malik,
Editor-in-Chief/
Rédacteur en chef



William J. Murphy

The Use of Prosecution History for Claim Construction in Canada and the United Kingdom:

Is a Patent a Journey or a Destination?*

William J. Murphy**

Abstract

In the last few years, two Federal Court cases have qualified the doctrine of “file wrapper estoppel” to allow prosecution history to be used in the construction of granted patent claims. A third case, while acknowledging that “Canadian law appears quite settled that extrinsic evidence is not relevant to claim construction,” raises the question whether it is time to revisit the rule against using such evidence in claim construction. This article considers Canadian and U.K. approaches to this issue and argues that the use of file wrapper estoppel remains neither correct nor desirable in Canada.

Résumé

Dans les dernières années, deux affaires entendues par la Cour fédérale ont qualifié la doctrine de « préclusion fondée sur les notes apposées au dossier » afin de permettre l'utilisation de l'historique de demandes dans la construction de revendications concernant des brevets. Dans les conclusions d'une troisième affaire, même si on reconnaît que « la loi canadienne semble résolue; les preuves extrinsèques ne sont pas pertinentes à la construction de revendications », on demande tout de même s'il ne serait pas temps de revoir la règle qui interdit l'utilisation de telles preuves dans la construction de revendications. Cet article porte sur les approches du Canada et du R.-U. à ce sujet, et argumente que l'utilisation de la préclusion fondée sur les notes apposées au dossier demeure incorrecte et indésirable au Canada.

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* Submission to the Editor, November 1, 2016.

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1.0 Introduction

In 2000, the Supreme Court of Canada established the current framework for claim construction in Canada with the *Whirlpool*¹ and *Free World Trust*² cases. These cases adopted the U.K. practice of purposive construction set out in the *Catnic*³ and the *Improver*⁴ cases.

However, this has not been the last word and, since then, the issue of claim construction has simmered, occasionally boiling over in a dissenting judgment or article. In the last few years there have been two Canadian Federal Court cases, *Distrimedic*⁵ and *Eli Lilly (Tadalafil)*⁶, in which the same judge for the same reasons has used prosecution history to construe the scope of the granted claims. As acknowledged in the cases themselves, this approach represents a qualification of the established doctrine of excluding the use of “file wrapper estoppel” in the construction of patent claims. In 2016, a third Federal Court case, *Pollard*,⁷ while acknowledging that “Canadian law appears quite settled that extrinsic evidence is not relevant to claim construction,” presents a number of arguments for using file history in claim construction and advocates a reconsideration of the issue.

In addition to judicial comment, interested parties have advocated the use of prosecution history when construing claims. For example, in 2015, Lipkus and Frontini⁸ argued that Canada was out of step with the rest of the world in using prosecution history, and that the principles underpinning Canadian jurisprudence on this issue were based on a misperception regarding U.S. case law.

These cases and opinions furnish a variety of reasons for using file history when construing claims. The main arguments include:

- more information leads to more accurate results;
- applicants/patentees should be held to what they have said and done in the past;
- Canada should conform to international norms; and
- policy should be updated to reflect current norms and practices.

In contrast, this article will argue that affirming the primacy of the claims within the framework of the patent

document alone is a widely accepted and robust principle that provides a fair balance between the rights of the patentee and the rights of third parties.

2.0 Establishing the Principles of Claim Construction in Canada

With regard to claim construction in general, and file wrapper estoppel in particular, Canadian courts have rejected the U.S. approach⁹ and have adopted U.K. principles in *Whirlpool*¹⁰ and *Free World Trust*.¹¹

In *Free World Trust*, Binnie J recognized that the case raised important questions about the scope and ambit of a patent owner’s monopoly, stating:

Too much elasticity in the interpretation of the scope of the claims creates uncertainty and stifles competition. Too little protection robs inventors of the benefit they were promised in exchange for making a full and complete disclosure of the fruits of their ingenuity.¹²

Binnie J went on to consider arguments that prosecution history ought to be admissible in some circumstances in the interest of obtaining consistent interpretation of claims here and in the United States, where many Canadian patents have their origin. However, Binnie J rejected this course, stating:

In my view, those references to the inventor’s intention refer to an objective manifestation of that intent in the patent claims, as interpreted by the person skilled in the art, and do not contemplate extrinsic evidence such as statements or admissions made in the course of patent prosecution. To allow such extrinsic evidence for the purpose of defining the monopoly would undermine the public notice function of the claims, and increase uncertainty as well as fuelling the already overheated engines of patent litigation. The current emphasis on purposive construction, which keeps the focus on the language of the claims, seems also to be inconsistent with opening the Pandora’s box of file wrapper estoppel. If significant representations are made to the Patent Office touching the scope of the claims,

¹ *Whirlpool Corp v Camco Inc*, 2000 SCC 67, [2000] 2 SCR 1067 [*Whirlpool*].

² *Free World Trust v Électro Santé Inc*, 2000 SCC 66, [2000] 2 SCR 1024 [*Free World Trust*].

³ *Catnic Components Ltd v Hill & Smith Ltd*, [1982] RPC 183 [*Catnic*].

⁴ *Improver Corp v Remington Consumer Product Ltd* [1990] FSR 181 (CA) [*Improver*].

⁵ *Distrimedic Inc v Dispill Inc*, 2013 FC 1043 [*Distrimedic*].

⁶ *Eli Lilly Canada Inc v Mylan Pharmaceuticals ULC*, 2015 FC 125 [*Tadalafil*].

⁷ *Pollard Banknote Ltd v BABN Technologies Corp*, 2016 FC 883 at para 81 [*Pollard*].

⁸ Nathaniel Lipkus & Matthew Frontini, “Time to Revisit Exclusion of the Prosecution History in Patent Litigation” (2015) 30:2 CIPR 167 [Lipkus & Frontini].

⁹ Lipkus and Frontini (*ibid*) state that the original rationale in *Lovell Manufacturing Co and Maxwell Ltd v Beatty Bros Ltd* (1962), 41 CPR 18 at 38 (Ex Ct) [Lovell] for excluding file wrapper estoppel in Canada was based on misperception of an earlier U.S. case. While *Lovell* may have established the general principle of excluding file wrapper estoppel, in *Free World Trust*, *supra* note 2, Binnie J looked specifically to the English courts rather than the U.S. courts to shape the current Canadian principles of claim construction. This U.K. perspective was overlooked in the Lipkus and Frontini article.

¹⁰ *Whirlpool*, *supra* note 1.

¹¹ *Free World Trust*, *supra* note 2.

¹² *Ibid* at para 3.

the Patent Office should insist where necessary on an amendment to the claims to reflect the representation.¹³

Therefore, to ensure the primacy of the claims, Binnie J elected to follow the U.K. approach. The principles underpinning the U.K. approach were set out in the *Catnic*¹⁴ and *Improver* cases.¹⁵

In *Catnic*, Lord Diplock held that a patent must be read in a “purposive” way that focuses on the essential features of the patent. In particular:

a patent specification is a unilateral statement by the patentee, in words of his own choosing, addressed to those likely to have a practical interest in the subject matter of his invention (i.e. “skilled in the art”), by which he informs them what he claims to be the essential features of the new product or process for which the letters patent grant him a monopoly. It is called “pith and marrow” of the claim. A patent specification should be given a purposive construction rather than a purely literal one derived from applying to it the kind of meticulous verbal analysis in which lawyers are too often tempted by their training to indulge. The question in each case is: whether persons with practical knowledge and experience of the kind of work in which the invention was intended to be used, would understand that strict compliance with a particular descriptive word or phrase appearing in a claim was intended by the patentee to be an essential requirement of the invention so that any variant would fall outside the monopoly claimed, even though it could have no material effect upon the way the invention worked.¹⁶

In 1990, in the *Improver* case, Lord Hoffmann, on behalf of the Patents Court, reformulated the test as a series of three questions to establish whether a variant (or allegedly infringing article) infringes the claims of a patent. These are:

1. Does the variant have a material effect on the way the invention works? If yes, the variant is outside the claim. If no:
2. If the variant has no material effect, would this have been obvious to a reader skilled in the art at the date of the publication of the patent? If no, the variant is outside the claim. If yes:
3. Would a reader skilled in the art nevertheless have understood from the language of the claims that strict compliance with the primary meaning was an essential requirement of the invention? If yes, the variant is outside the claim.

Subsequently, in 2004, in the *Kirin-Amgen* case,¹⁷ Lord Hoffman qualified his previous approach to claim construction (and the approach adopted in Canada) by curtailing the importance of the *Improver* (or “Protocol”) questions, stating:

When speaking of the “*Catnic* principle” it is important to distinguish between, on the one hand, the principle of purposive construction ... , and on the other hand, the guidelines for applying that principle to equivalents, which are encapsulated in the Protocol [or *Improver*] questions. The former is the bedrock of patent construction, universally applicable. The latter are only guidelines, more useful in some cases than in others.¹⁸

Recently, the original *Improver* questions were also reformulated in the 2017 *Actavis* Supreme Court case (discussed further below).

Nevertheless, with *Catnic* reaffirmed and the *Improver* questions still used to a greater or lesser degree, the principles used in Canada and in the United Kingdom are similar and therefore remain comparable. These principles are laid out succinctly in *Free World Trust*:¹⁹

- (a) The *Patent Act* promotes adherence to the language of the claims.
- (b) Adherence to the language of the claims in turn promotes both fairness and predictability.
- (c) The claim language must, however, be read in an informed and purposive way.
- (d) The language of the claims thus construed defines the monopoly. There is no recourse to such vague notions as the “spirit of the invention” to expand it further.
- (e) The claims language will, on a purposive construction, show that some elements of the claimed invention are essential while others are non-essential. The identification of elements as essential or non-essential is made:
 - (i) on the basis of the common knowledge of the worker skilled in the art to which the patent relates;
 - (ii) as of the date the patent is published;
 - (iii) having regard to whether or not it was obvious to the skilled reader at the time the patent was published that a variant of a particular element would not make

13 *Ibid* at para 66.

14 *Catnic*, *supra* note 3.

15 *Improver*, *supra* note 4.

16 *Catnic*, *supra* note 3 at para 242.

17 *Kirin-Amgen Inc & Ors v Hoechst Marion Roussel Ltd*, [2004] UKHL 46, [2005] RPC 9.

18 *Ibid* at para 52.

19 The *Whirlpool* case, *supra* note 1, affirms that the “purposive construction” approach is adopted for both validity and infringement issues, but does not consider prosecution history specifically.

- a difference to the way in which the invention works; or
- (iv) according to the intent of the inventor, expressed or inferred from the claims, that a particular element is essential irrespective of its practical effect;
 - (v) without, however, resort to extrinsic evidence of the inventor's intention.²⁰
 - (f) There is no infringement if an essential element is different or omitted. There may still be infringement, however, if non-essential elements are substituted or omitted.²¹

3.0 U.K. and Canadian Cases Advocating the Use of Prosecution History

Since 2004, a number of cases in Canada and the United Kingdom have reconsidered the issue of the use of prosecution history in claim construction. Different conclusions have led Canada and the United Kingdom to evolve in different directions. In both jurisdictions, there have been strong arguments on both sides that can inform the current debate on the use of prosecution history.

3.1 Actavis (UK)

In 2013, the English High Court decided one case²² of the multi-case Actavis dispute.²³ This case was to go via the Court of Appeal all the way to the Supreme Court. In this case, Eli Lilly's patent was granted with both Swiss-type claims and purpose-limited product claims directed to the use of pemetrexed disodium. The Swiss-type claim read:

Use of pemetrexed disodium in the manufacture of a medicament for use in combination therapy for inhibiting tumor growth in mammals, wherein said medicament is to be administered in combination with vitamin B12 or a pharmaceutical derivative thereof, said pharmaceutical derivative of vitamin B12 being hydroxocobalamin, cyano-10-chlorocobalamin, aquocobalamin perchlorate, aquo-10-chlorocobalamin, perchlorate, azidocobalamin, chlorocobalamin or cobalamin.

A question arose as to whether the claim was limited to pemetrexed disodium or whether other pemetrexed

salts (for example, pemetrexed potassium) would be a variant encompassed by the claim scope.

In this case, Arnold J relied on the prosecution history, and took account of the fact that the claims had been narrowed to pemetrexed disodium during prosecution at the European Patent Office (EPO) in response to objections of lack of clarity and lack of sufficient disclosure. In particular, he stated:

I accept that, for the reasons explained by Jacob J in *Bristol-Myers Squibb* and Lord Hoffmann in *Kirin-Amgen*, courts should be cautious before relying upon prosecution history as an aid to construction. In the real world, however, anyone who is interested in ascertaining the scope of a patent and who is professionally advised will obtain a copy of the prosecution file (most, if not all, of which is generally open to public inspection) and will consider it to see if it sheds light on the matter. In some cases, perhaps not very many, the prosecution history is short, simple and shows clearly why the claims are expressed in the manner in which they are to be found in the granted patent and not in some broader manner. In such a situation, there is no good reason why the court should shut its eyes to the story told by the prosecution file. On the contrary, consideration of the prosecution file may assist in ensuring that patentees do not abuse the system by accepting narrow claims during prosecution and then arguing for a broad construction of those claims for the purpose of infringement. For the reasons discussed below, I consider that the present case provides a good illustration of this.²⁴

As discussed later, this is consistent with some of the reasons presented in the Federal Court of Canada in *Distrimedic* and *Eli Lilly (Tadalafil)* when proposing that the use of file wrapper estoppel can and should be used when construing Canadian claims.

Nevertheless, in the United Kingdom, this judgment was overturned on appeal at the Court of Appeal,²⁵ with Lord Justice Floyd temporarily quashing Arnold J's nascent attempt to introduce file wrapper estoppel.

It is important to note that, in the Court of Appeal's view, although Lord Justice Floyd was clear in his rejection of using prosecution history, this did not affect the actual result of the construction of the claims in suit

²⁰ In *Free World Trust*, *supra* note 2, the headings of subsequent explanatory section headings paraphrase these listed principles. It is important to note that the section heading before paragraph 61 in *Free World Trust* paraphrases principle (e)(v) as "Based on the Patent Specification Itself Without Resort to Extrinsic Evidence" [emphasis added].

²¹ *Free World Trust*, *supra* note 2 at para 31.

²² Actavis UK Ltd & Ors v Eli Lilly & Company, [2014] EWHC 1511 (Pat) [Actavis (High Court)].

²³ Other decisions regarding Eli Lilly's pemetrexed disodium product relate to:

- jurisdiction (first instance: Actavis UK Ltd v Eli Lilly & Company, [2012] EWHC 3316 (Pat); appeal: Actavis UK Ltd & Ors v Eli Lilly & Company, [2015] EWCA Civ 555); and
- how dilution of the product affects infringement (Actavis UK Ltd v Eli Lilly & Company, [2016] EWHC 234 (Pat)).

²⁴ Actavis (High Court), *supra* note 22 at para 111.

²⁵ Actavis UK Ltd & Ors v Eli Lilly & Company, [2015] EWCA Civ 555 [Actavis (Court of Appeal)].

with regard to whether other salts were encompassed. That is, Lord Justice Floyd otherwise confirmed Arnold J's application of the *Improver* questions to similarly find that there was no direct infringement of the claim.

Regarding the first *Improver* question, the parties did not dispute that the variants (that is, the different cations/salts in the Actavis product) had no material effect on the way the invention worked. However, it was found that this would not have been obvious to the person skilled in the art (in this case represented by a hypothetical skilled team including a chemist) without resort to information that would not have been "common general knowledge." In other words, Eli Lilly failed at the second *Improver* question.

Furthermore, in the absence of a doctrine of equivalents, the skilled person would have understood that the claim was clearly limited to the disodium salt. Several parts of the specification supported this inference, including the fact that it referred either to the very broad class of "anti-folates" or to pemetrexed disodium, but not to an intermediate category. So Eli Lilly independently failed to satisfy the third *Improver* question for salts other than pemetrexed disodium.

However, in 2017, the U.K. Supreme Court heard the case and issued a judgment²⁶ that significantly changed the law of patent infringement in the United Kingdom. In particular, the court reformulated the *Improver* questions that have underpinned claim construction in the United Kingdom. The reformulated questions are as follows:

- i) Notwithstanding that it is not within the literal meaning of the relevant claim(s) of the patent, does the variant achieve substantially the same result in substantially the same way as the invention, ie the inventive concept revealed by the patent?
- ii) Would it be obvious to the person skilled in the art, reading the patent at the priority date, but knowing that the variant achieves substantially the same result as the invention, that it does so in substantially the same way as the invention?
- iii) Would such a reader of the patent have concluded that the patentee nonetheless intended that strict compliance with the literal meaning of the relevant claim(s) of the patent was an essential requirement of the invention?²⁷

In order to establish infringement in a case where there is no literal infringement, a patentee would have to establish that the answer to the first two questions was "yes" and that the answer to the third question was "no."

Applied to the facts of this case, the second reformulated question assumes that the person skilled in the art knows that the variant achieves substantially the same result as the invention. This change was implemented to address the Supreme Court's concern that the original second question imposed too high a burden, given that it requires the addressee to figure out for himself whether the variant would work.²⁸ As a result, the Supreme Court concluded that as to the second question, the notional addressee of the patent would appreciate (and would have appreciated at the priority date) that each of the Actavis products would work in precisely the same way as pemetrexed disodium when included in a medicament with vitamin B12.²⁹

Regarding the reformulated third question, Lord Neuberger stated that, in his opinion,

the Court of Appeal adopted an approach which places too much weight on the words of the claim and not enough weight on article 2 of the Protocol^[30] (and it is only right to add that, in doing so, they were, like Arnold J at first instance, following Lord Hoffmann's guidance in *Kirin-Amgen* [2005] RPC 9).³¹

Therefore, this reformulation was recognized as a significant departure and effectively introduced a doctrine of equivalents.³² The reformulated questions and the new "doctrine of equivalents" overturned the Court of Appeal judgment and it was decided that pemetrexed potassium was covered by a claim that recited "pemetrexed disodium."

The Supreme Court judgment in *Actavis* is a significant ruling in the United Kingdom, and the effect of these new questions and the new doctrine of equivalents on infringement and validity will be an important and developing topic for some time to come.

In addition to these important changes regarding equivalents, Lord Neuberger also addressed the issue of prosecution history. It is important to note that the discussion above comes from the portion of the judgment where Lord Neuberger addressed the issue of direct infringement while disregarding the prosecution history.³³

In his conclusions regarding the use of prosecution history, Lord Neuberger stated:

²⁶ *Eli Lilly v Actavis UK Ltd & Ors*, [2017] UKSC 48 [Actavis (Supreme Court)].

²⁷ *Ibid* at para 66.

²⁸ *Ibid* at para 61.

²⁹ *Ibid* at para 69.

³⁰ Article 2 of the Protocol on the Interpretation of Article 69 of the European Patent Convention of 5 October 1973, as revised by the Act revising the EPC of 29 November 2000, which reads: "For the purpose of determining the extent of protection conferred by a European patent, due account shall be taken of any element which is equivalent to an element specified in the claims."

³¹ *Actavis* (Supreme Court), *supra* note 26 at para 71.

³² For a fuller discussion of the doctrine of equivalents aspect, see Gordon D Harris, "Actavis v Eli Lilly – Should We Have Seen It Coming?" (2017) 10:10 CIPA J 29.

³³ *Actavis* (Supreme Court), *supra* note 26 at para 67.

In my judgment, it is appropriate for the UK courts to adopt a sceptical, but not absolutist, attitude to a suggestion that the contents of the prosecution file of a patent should be referred to when considering a question of interpretation or infringement, along substantially the same lines as the German and Dutch courts. It is tempting to exclude the file on the basis that anyone concerned about, or affected by, a patent should be entitled to rely on its contents without searching other records such as the prosecution file, as a matter of both principle and practicality. However, given that the contents of the file are publicly available (by virtue of article 128 EPC 2000) and (at least according to what we were told) are unlikely to be extensive, there will be occasions when justice may fairly be said to require reference to be made to the contents of the file. However, not least in the light of the wording of article 69 EPC 2000, which is discussed above, the circumstances in which a court can rely on the prosecution history to determine the extent of protection or scope of a patent must be limited.

While it would be arrogant to exclude the existence of any other circumstances, my current view is that reference to the file would only be appropriate where (i) the point at issue is truly unclear if one confines oneself to the specification and claims of the patent, and the contents of the file unambiguously resolve the point, or (ii) it would be contrary to the public interest for the contents of the file to be ignored. The first type of circumstance is, I hope, self-explanatory; the second would be exemplified by a case where the patentee had made it clear to the EPO that he was not seeking to contend that his patent, if granted, would extend its scope to the sort of variant which he now claims infringes.³⁴

This approach represents a qualification of previous practice in which using prosecution history was not permitted. Despite this qualification, it is important to note that, in this case at least, Lord Neuberger did not consider that the contents of the prosecution file justified departing from the provisional conclusion he reached without considering the prosecution history.³⁵

To what extent this judgment will open the way to using prosecution history remains to be seen. In adopting a "skeptical" attitude and limiting access to issues that are truly unclear and contrary to public interest, Lord Neuberger appeared to be attempting to reach a cautious compromise on the issue. However, in contrast to absolutist positions, a compromise position is typically more difficult to define. Therefore, it is likely that how and when prosecution history can be used will be argued for

months and years to come in blogs, in academia, and in the courts.

3.2 Distrimedica (Canada)

The patent at issue in the Canadian Federal Court case of *Distrimedica* described a system for preparing a pill dispenser. The system comprised a tray having a number of evenly spaced recesses that was used to support a container-defining sheet made of clear plastic and itself having a corresponding number of evenly spaced cavities embossed therein. The idea was to make a series of containers for holding pills to be taken four times per day (breakfast, lunch, dinner and bedtime) over seven days.³⁶ Alignment of the container-defining sheet with the tray and recesses was ensured using a "positioning means."

In order to overcome prior art, the claim was amended during prosecution to introduce a "wherein" clause reciting that

the positioning means comprises at least one upwardly projecting protuberance provided on the top surface of the recessed support, at least one hole provided into the container-defining sheet and at least one other hole provided in the container-sealing sheet, said at least one hole and one other hole being sized and positioned to correspond to and be engaged by said protuberance.

The question raised was whether the "wherein" clause should be construed as an essential feature of the claim.

Relying on the prosecution history, the Federal Court determined that this feature, because it was added, must be an essential feature. The plaintiff objected to the use of file history (or "file wrapper"), "arguing on the basis of the Supreme Court decision in *Free World Trust* that such use of extrinsic evidence has been rejected."³⁷ However, de Montigny J drew a distinction between claim amendments and other representations made to the Patent Office, stating,

I am not convinced that the letter referred to by the Defendants to the Counterclaim falls squarely within the compass of that exclusion. While statements or admissions made in the course of patent prosecution shall not be used for the purpose of interpreting a claim, this is not what the Court is called upon to do in the case at bar. A change in the wording of a claim as a result of an objection from the Patent Office is an objective fact from which an inference may be drawn, and is not the same as representations made to the Patent Office. A purposive construction should obviously focus on the wording of a claim, obviously,

³⁴ *Ibid* at paras 87-88.

³⁵ *Ibid* at para 89.

³⁶ *Distrimedica*, *supra* note 5 at para 22.

³⁷ *Ibid* at para 209.

but this is a far cry from saying that nothing else should be considered.³⁸

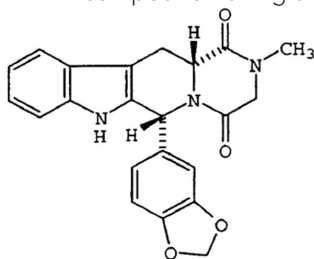
However, even under conventional purposive construction, it seems that in this case this feature should be considered an essential feature because it was explicitly recited in the claim and nothing suggested that it was not essential. That is, the inclusion of this feature in the claim was an express indication of the inventor's intent, from which the skilled person would understand that this particular element was essential, irrespective of its practical effect.³⁹

Although it is true that purposive construction can result in a recited feature in a claim being deemed non-essential, or construed more broadly than simply a literal construction, the principles of purposive construction would indicate that the expression in the claim is to be considered essential unless the context of the claim language dictates otherwise. That is, in order to ensure fairness, the principles of purposive construction demand that the claim be construed through the eyes of a skilled person. Therefore, what is determinative is not what the inventor intended, but what the skilled person understands the inventor to have intended. Thus, even if the "inventor has misspoken [that is, said something other than what was intended] or otherwise created an unnecessary or troublesome limitation in the claims, it is a self-inflicted wound." That is, the "public is entitled to rely on the words used *provided* the words used are interpreted fairly and knowledgeably."⁴⁰

3.3 Eli Lilly (Tadalafil) (Canada)

The patent in the *Eli Lilly (Tadalafil)* case related to pharmaceuticals and in particular to dosage regimes. The patent included the following claim:

1. A pharmaceutical unit dosage form comprising about 1 to about 20 mg of a compound having the structural formula:



said unit dosage form being suitable for oral administration.⁴¹

The question arose as to whether a maximum daily dosage of 20 mg should be considered an essential element of the claims.

It is important to note that, although the claim recited a dosage form of up to about 20 mg, the claim did not recite the maximum daily dose. For example, a patient could potentially take multiple units of 20 mg at a time or at intervals throughout the day.

Relying in part on the file history, the court deemed that the daily dosage was not essential. In doing so, de Montigny J did not provide further arguments or reasons why this approach was desirable or consistent with the Supreme Court cases on claim construction.

Regarding the specific prosecution history in this case, the application as originally filed included claims reciting the method of treating sexual dysfunction as comprising the administration of about 1 to 20 mg tadalafil, up to a maximum total dose of 20 mg per day. These claims were rejected for claiming a method of medical treatment. In response, Lilly redrafted these claims as "use" claims and removed the reference to a maximum total dose per day. Citing his own prior decision in *Distrimedic* (discussed above), de Montigny J held that it was proper to use this file history in interpreting the claims. The removal of the maximum total dose was used to determine that this feature was not an essential feature.

However, even under conventional purposive construction, it seems that this feature should not be considered an essential feature simply because it was not part of the language of the claims. That is, the claim made no explicit or implicit reference to a maximum daily dosage. Therefore, the prosecution history did not need to be considered in order to arrive at the correct conclusion that the maximum daily dosage was not part of the scope of the claim.

3.4 Pollard (Canada)

Unlike in the other Canadian cases, the judge in *Pollard Banknote Ltd v BABN Technologies Corp* did not use prosecution history to construe the claims. Nevertheless, he considered that using prosecution history would have changed the findings in this impeachment proceeding.

The patent in *Pollard* related to instant lottery tickets. Specifically, the application disclosed embodiments that incorporated a bar code (for ticket validation) and game data (to indicate whether or not the player has won) hidden under one or more scratch-off layers. In one embodiment, the game data and the bar code were hidden under separate scratch-off layers; in another embodiment, both game data and bar code were hidden under a single scratch-off layer. Claim 1 recited:

1. A scratch-off lottery ticket comprising:
 - (a) a substrate;
 - (b) a play area on the substrate comprising

38 *Ibid* at para 210.

39 *Free World Trust*, supra note 2 at para 31.

40 *Ibid* at para 51 [emphasis in original].

41 *Tadalafil*, supra note 6, annex.

printed indicia, said printed indicia when present in a desired format may result in a prize being won;

(c) a non-play area on the substrate spaced apart from the printed indicia of the play area and including an authentication means comprising a two dimensional (2D) bar code, said 2D bar code containing all information necessary to authenticate the lottery ticket, said 2D bar code being readable by a reading device by an agent of the lottery ticket, such that when the 2D bar code is read by the reading device, the lottery ticket may be authenticated without the input of additional information provided by the agent of the lottery ticket or directly from the printed document;

(d) a removable continuous scratch-off coating covering both the printed indicia in said play area and the bar code in said non-play area, wherein the absence or alteration of the scratch-off coating covering the bar code may be a determining factor as to whether the lottery ticket is authentic.

The issue of using prosecution history arose around the feature of "a removable continuous scratch-off coating covering both the printed indicia in said play area and the bar code in said non-play area." The key to the parties' difference concerning this element was the meaning of the word "continuous." Pollard argued that this feature "indicates that a single scratch-off coating covers both the printed indicia and the bar code."⁴² In contrast, the co-defendant SG (Scientific Games Products (Canada) ULC) argued that

the word "continuous" does not suggest that there is a single scratch-off coating, but rather that the coating, whether there is only one or more than one, completely hides (is continuous over) each of the printed indicia and the bar code. In support of this argument, SG cites several places in the 551 Patent that refer to the bar code being entirely covered: "entirely covered," "the entire bar code could be hidden from view," "completely covered," "the entire bar code is covered," "covered in its entirety."⁴³

Locke J found SG's construction reasonable but somewhat counterintuitive, saying,

[i]f the inventor's intent had been simply to indicate that each of the printed indicia and the bar code are to be completely covered, I would have

expected him to use words like those cited by SG from the disclosure portion of the 551 Patent. If I were to construe the word "continuous" only in the context of the phrase "a removable continuous scratch-off coating covering both the printed indicia in said play area and the bar code in said non-play area," I would conclude that it suggests a single coating covering both the bar code and the printed indicia.⁴⁴

Despite this difficulty, Locke J found that, without the benefit of prosecution history, the construction argued by SG was more consistent with the inventor's intent as described in the 551 Patent. Accordingly, he concluded that the description "a removable continuous scratch-off coating covering both the printed indicia in said play area and the bar code in said non-play area" indicated that each of the printed indicia and the bar code must be completely hidden. There may be more than one scratch-off coating involved in doing this.

In arguing for the use of file history in claim construction, Locke J provided the following comments:

The SCC did not address the possibility that the Patent Office may fail to insist on amendments to claims to reflect representations made by the applicant. The SCC also did not explain how the patent gives public notice of the claims, but the prosecution history, which is likewise available to the public, does not. I note also that, unlike in 2000, when the *Free World Trust* decision was released, prosecution histories in many jurisdictions (including Canada) are now available on the internet. This raises the question whether it is time to revisit the rule against using extrinsic evidence in claim construction.⁴⁵

and

I would expect that SG's argument would never have made it to a trial in the US where the principle of file wrapper estoppel applies. There, SG would likely not have been allowed to argue a claim construction that attempts to recapture ground conceded during prosecution of the patent application to avoid prior art.⁴⁶

Although SG's argument won the construction battle, the defendants lost the infringement war. Locke J's analysis resulted in the granting of Pollard's request for a declaration impeaching the 551 Patent for lack of obviousness in light of a prior art document.⁴⁷ The prior art document disclosed a lottery ticket that, optionally, was of the scratch-off type. The ticket comprised a play area with printed indicia that indicated whether or not a prize had been won and that

42 Pollard, *supra* note 7 at para 109.

43 *Ibid* at para 111.

44 *Ibid* at para 112.

45 *Ibid* at para 80.

46 *Ibid* at para 238.

47 This decision is under appeal.

were completely covered, as well as a separate non-play area including authentication means (control number 142 in the form of a 1D bar code), which likewise was completely covered.

Two points may be made here. The first is that the claims could legitimately have been construed to be consistent with the judge's desired interpretation. In this case, it is worth noting that the judge's initial reaction was to follow Pollard's suggested construction,⁴⁸ which suggests that this construction was the more natural one. In particular, the issue was apparently to construe the phrase "a removable continuous scratch-off coating covering both the printed indicia in said play area and the bar code in said non-play area." However, the discussion is focused on the word "continuous." In the narrow context, SG may well have been correct in arguing that an essential feature of the claim was that the barcode and the printed indicia were entirely covered, because the purpose of the coating was to conceal the information beneath. However, once we move our focus from the word "continuous" to the phrase as a whole, this aspect of the coating does not appear to fully define the claimed feature. That is, the claim recited "a removable continuous scratch-off coating covering both the printed indicia in said play area and the bar code in said non-play area" (emphasis added). That is, the covering of the printed indicia and the bar code must be performed by a single continuous scratch-off coating.⁴⁹ This is only emphasized by the use of the word "both" in the claim. Therefore, prosecution history is not necessary to arrive at the conclusion that a single coating covered both the indicia and the bar code.

The second point that may be made is that even if a patentee can successfully argue for a different construction of the claim in an infringement case, this would not necessarily benefit the patentee. Because the demands of novelty and inventive step (among others) apply to the patent as well as to the application, arguing for broader construction during an infringement proceeding can lead to an undermining of the patent. In this case, the co-defendants BABN Technologies and SG argued for a narrow construction during prosecution to overcome prior art. When they attempted to recapture the abandoned scope during the infringement counterclaim, they once again brought into play this prior art, which rendered the patent invalid.

It is not uncommon for judgments to express a view on the outcome of a case with different constructions. In *Pollard*, the Locke J noted:

I have concluded that the claims of the 551 Patent

are invalid. Therefore, I grant Pollard's request for a declaration impeaching the 551 Patent. In the event that I am wrong, and the claims of the 551 Patent are valid, I conclude that said claims are not infringed by Pollard. In either case, I dismiss SG's counterclaim for infringement.⁵⁰

These alternative scenarios are not the same, but they are consistent in that in neither case is the alleged infringer liable for the acts carried out. The main difference is the effect on the patent. That is, patent rights are put at risk if the patentee tries to assert an overly broad construction. This in itself should limit the cases in which a patentee tries to circumvent the system as it currently is.

4.0 Arguments For and Against

There are a number of factors to consider in deciding whether the Canadian Federal Court was correct to use prosecution history to interpret the claims in *Distrimedic* and *Eli Lilly (Tadalafil)*. First, there is the question whether these cases are contrary to the prohibition within the text of the leading Supreme Court of Canada cases. This aspect relates to whether the Supreme Court definition of extrinsic evidence covers all evidence outside the patent document or whether, in the words of de Montigny J, extrinsic evidence does not cover "objective fact[s] from which an inference may be drawn."⁵¹ Second, we should consider whether the Federal Court adequately addressed the reasons provided by the courts in prohibiting file wrapper estoppel. These reasons include such considerations as ensuring fairness for the patentee and third parties and helping reduce burdens on the courts and other interested parties. Proponents of using prosecution history have tended to downplay the additional burden, and have construed fairness to mean that justice is best served by ensuring that the patentee has maintained a consistent view of the scope of the claimed features. Conversely, opponents of using prosecution history have tended to emphasize the additional burden, and have construed fairness to mean that the patent document should be easily and simply understandable in its own right.

4.1 The Scope of the SCC Prohibition

Free World Trust, in its canons of claim construction, stated that the claim should be construed "based on the patent specification itself without resort to extrinsic evidence."⁵² A straightforward reading of this suggests that the specification is all that should be considered, and that anything that is not the specification is extrinsic evidence (that is, outside the patent specification

⁴⁸ *Pollard*, supra note 7 at para 112.

⁴⁹ I appreciate that the indefinite article may refer to one or more objects. However, for multiple objects to fall within the scope of a claimed feature, each must satisfy the requirements of that feature. For example, a person has two cars: one has a tow bar and no sunroof, and the other has a sunroof but no tow bar. The person could legitimately answer "yes" to the question, "Do you have a car?" However, the person could not answer "yes" to the question, "Do you have a car comprising both a tow bar and a sunroof?"

⁵⁰ *Pollard*, supra note 7 at para 2.

⁵¹ *Distrimedic*, supra note 5 at para 210.

⁵² *Free World Trust*, supra note 2, header of section starting at para 61.

itself). Binnie J clarified this view by giving examples of extrinsic evidence as “statements or admissions made in the course of patent prosecution.”⁵³ It was with these examples of extrinsic evidence that de Montigny J in *Distrimedic* drew a distinction, stating,

[w]hile statements or admissions made in the course of patent prosecution shall not be used for the purpose of interpreting a claim, this is not what the Court is called upon to do in the case at bar.⁵⁴

However, as noted above, statements or admissions made in the course of patent prosecution are *examples* of extrinsic evidence, not an exhaustive list. Therefore, simply because amendments were not listed as examples of extrinsic evidence does not mean that they are not extrinsic evidence.

Indeed, because amendments are not part of the patent specification itself, it seems clear that they are extrinsic evidence. Therefore, it appears that the Federal Court in *Distrimedic* and *Eli Lilly (Tadalafil)*, by using amendments to the claims made during prosecution to interpret the claims, did not act in accordance with the principles of purposive claim construction set down in *Free World Trust*.

4.2 Policy Considerations

Regardless of whether the *Distrimedic* and *Eli Lilly (Tadalafil)* cases did in fact undermine the Supreme Court of Canada’s direction, there remains the objective question whether using prosecution history is sound policy when construing claim scope.

4.2.1 Public Notice Function

The reasons given in *Distrimedic*, and reused in *Eli Lilly (Tadalafil)*, for using prosecution history rely mainly on the argument that more information makes for better judgments. De Montigny J appeared to consider claim amendments to be particularly useful, arguing that each amendment is “an objective fact from which an inference may be drawn.”⁵⁵

The UK Actavis High Court and Supreme Court judgments bolster this type of argument by emphasizing the accessibility of the information relating to prosecution history. The High Court noted that “anyone who is interested in ascertaining the scope of a patent and who is professionally advised will obtain a copy of the

prosecution file (most, if not all, of which is generally open to public inspection),” and that where “the prosecution history is short, simple and shows clearly why the claims are expressed in the manner in which they are to be found in the granted patent and not in some broader manner,” there is “no good reason why the court should shut its eyes to the story told by the prosecution file.”⁵⁶ The Supreme Court reiterated these points, noting that “the contents of the file are publicly available (by virtue of article 128 EPC 2000) and (at least according to what we were told) are unlikely to be extensive.”⁵⁷ Similar arguments were made in *Pollard*, in which the judge highlighted the availability of the prosecution histories on the Internet.⁵⁸

However, these arguments were anticipated by *Kirin-Amgen* and *Free World Trust*, and refuted (ultimately unsuccessfully) in the *Actavis* appeal. In *Kirin-Amgen*, Lord Hoffmann noted that “file wrapper estoppel means that the true scope of patent protection often cannot be established without an expensive investigation of the patent office file.”⁵⁹ Lord Hoffmann also argued that “the meaning of the patent should not change according to whether or not the person skilled in the art has access to the file and in any case life is too short for the limited assistance which it can provide.”⁶⁰

In the appeal of *Actavis*, Arnold J stated, “firstly [file wrapper estoppel] assumes that the skilled reader will always read the prosecution history. I do not see why this should be so, given the limited value which, at least before the judgment in this case, it was generally recognised to have.”⁶¹

The court in *Free World Trust* echoed this sentiment, noting that “to allow such extrinsic evidence would undermine the public notice function of the claims.”⁶² This reference to the “public notice function” appears to limit what should be used in claim construction in two ways: the information should form part of a single “notice,” and the information should be accessible (public).

Regarding the first limitation, it has been argued that, by using what the skilled person would do, the court has full freedom to decide what can be considered because the skilled person must have some legal awareness.⁶³ That is, the hypothetical skilled person will use the prosecution history if he is given licence to do so by the courts, just

53 *Ibid* at para 66.

54 *Distrimedic*, *supra* note 5 at para 210.

55 *Ibid* at para 210.

56 *Actavis* (High Court), *supra* note 22 at para 57.

57 *Actavis* (Supreme Court), *supra* note 26 at para 87.

58 *Pollard*, *supra* note 7 at para 80.

59 *Kirin-Amgen*, *supra* note 17 at para 39.

60 *Ibid* at para 35.

61 *Actavis* (Court of Appeal), *supra* note 25 at para 58.

62 *Free World Trust*, *supra* note 2 at para 66.

63 J Turner, “Purposive Construction: Seven Reasons Why Catnic Is Wrong” [1999] EIPR 531. Turner argued that “[i]t is circular for patent law to refer the interpretation of patent claims to the person skilled in the art” because the “skilled person has to refer back to the lawyer to find out what the claims are for” (reason 1).

as he is now imagined as reviewing the description to clear up ambiguities in the claims. Nevertheless, because the claims are published as part of a patent, complete with description and drawings, it seems reasonable to allow those unified aspects to be used in construing the claims, but nothing more. This “public notice” concept is analogous to the discussion in the U.K. *Telsonic* case,⁶⁴ where, in expressing reluctance to accept that file wrapper estoppel has any part to play in construing a patent and its claims, Laddie J held that patents and their claims are meant to be statements made by the patentee to the relevant public, and that their meaning and effect should be discernible from the face of the (single) document. The fact that other information relating to the patent is publicly available or accessible, as argued in the *Actavis* High Court case and in *Pollard*, addresses the second “publicly accessible” aspect of what should be used, but it does not address the first unified “notice” limitation.

Norman Siebrasse takes a different tack on the public notice function, arguing in his blog, *Sufficient Description*, at the time of the earlier *Distrimedic* case that file wrapper estoppel “would not undermine the notice function, because it operates purely as an estoppel” because “[t]he use of prosecution history can only narrow the claims, not expand them.”⁶⁵ In other words, because file wrapper estoppel can only narrow the claims, a person operating outside the claim construed without the file wrapper would necessarily be outside the claim construed with the file wrapper.

Using an “estoppel” approach like this (where prosecution history can only narrow the claims) would prevent the problem identified: that of third parties mistakenly believing they are safe when they are operating outside the scope of the claims as construed in light of the specification alone. However, this argument itself appears to acknowledge that the patentee may gain an unfair advantage by encouraging third parties to act outside a broader claim scope than is actually warranted.

4.2.2 Patent Office Prosecution

A common complaint about excluding prosecution history from the construction of claims is that it allows patentees to present very different arguments post-grant from those presented during prosecution of the application. The motives for this are clear. In its interaction with the patent office in the application stage, the applicant is mainly trying to establish validity (for example, by overcoming prior art), and so a narrower construction may aid the issuing of a patent. In contrast, after grant, the patentee generally wants

its monopoly to be as big as possible and so would like as broad a construction of its claims as possible.

In the United Kingdom, Lord Justice Jacob memorably drew attention to this validity–infringement dichotomy by referencing the vivid simile of another intellectual property professor, saying, “Professor Mario Franzosi likens a patentee to an Angora cat. When validity is challenged, the patentee says his patent is very small: the cat with its fur smoothed down, cuddly and sleepy. But when the patentee goes on the attack, the fur bristles, the cat is twice the size with teeth bared and eyes ablaze.”⁶⁶

In *Pollard*, Locke J looked enviously to the United States, where, he said, the patentee “would likely not have been allowed to argue a claim construction that attempts to recapture ground conceded during prosecution of the patent application to avoid prior art.”⁶⁷ Likewise, in the *Actavis* High Court case, Arnold J noted that

consideration of the prosecution file may assist in ensuring that patentees do not abuse the system by accepting narrow claims during prosecution and then arguing for a broad construction of those claims for the purpose of infringement.⁶⁸

These arguments were anticipated in the Canadian *Free World Trust* case, where Binnie J noted:

If significant representations are made to the Patent Office touching the scope of the claims, the Patent Office should insist where necessary on an amendment to the claims to reflect the representation.⁶⁹

That is, the onus is on the Patent Office to ensure that the claims are patentable. Locke J noted in *Pollard*⁷⁰ that errors of the Patent Office were not considered by the Canadian Supreme Court. However, even in cases where the Patent Office errs and the patentee is attempting to abuse the system, this can be corrected in a post-grant invalidity action.

In the *Actavis* appeal, Lord Justice Floyd also noted that it will be a rare case where using prosecution history will assist the court in preventing abuse in this way.⁷¹ For example, under the current *Free World Trust* system, in order to allow a patentee to reclaim scope abandoned during prosecution,

- the claim language must support multiple constructions, including a narrower scope and a broader scope;
- the applicant must have indicated that the narrower scope was sought during prosecution; and

⁶⁴ *Telsonic's Patent*, [2004] RPC 38.

⁶⁵ Norman Siebrasse, “Use of Prosecution History in Claim Construction: The First Crack in the Free World Wall?” (14 February 2014), *Sufficient Description* (blog), online: <www.sufficientdescription.com/2014/02/use-of-prosecution-history-in-claim.html>.

⁶⁶ *European Central Bank v DSS*, [2008] EWCA Civ 192 at para 5.

⁶⁷ *Pollard*, *supra* note 7 at para 238.

⁶⁸ *Actavis* (High Court), *supra* note 22 at para 111.

⁶⁹ *Free World Trust*, *supra* note 2 at para 66.

⁷⁰ *Pollard*, *supra* note 7 at para 80.

⁷¹ *Actavis* (Court of Appeal), *supra* note 25 at para 58.

- the broader scope argued post-grant must satisfy the requirements of the *Patent Act* (regarding novelty, obviousness, double patenting, etc.) to avoid being invalidated.

If these conditions are satisfied, the patentee may be able to expand the scope of protection. It is arguable, however, that the patentee may have been entitled to this additional scope had the patentee recognized it earlier (for example, during prosecution or even reissue proceedings).⁷²

Furthermore, introducing a construction practice that allows for errors in Patent Office practice rather than one that simply corrects Patent Office errors when they occur may implicitly encourage such errors. For example, in any case where claim construction is an issue, a claim may appear to support more than one construction. If this ambiguity is recognized during prosecution, under the current system the Patent Office should remedy the situation by requiring the applicant to clarify the claim. However, if admissions made during prosecution were binding on future constructions, an examiner could legitimately rely on admissions made during prosecution to resolve such apparent ambiguous constructions. This may lead to the granting of claims that have a different scope from what might be expected on the basis of the patent document alone. This would be unfair for third parties.

4.2.3 Increases in Uncertainty and Effects on Litigation

Other arguments provided against the use of prosecution history are not addressed in those cases that promote the use of prosecution history. For example, *Free World Trust* and *Kirin-Amgen* were both concerned with the effect on the court system. In *Kirin-Amgen*, Lord Hoffman quoted his counterpart Lourie J in the United States (where prosecution history is used) in saying that

the only settled expectation currently existing is the expectation that clever attorneys can argue infringement outside the scope of the claims all the way through this Court of Appeals.⁷³

In *Free World Trust*, the more general comment was made that using extrinsic evidence would “increase uncertainty as well as fuelling the already overheated engines of patent litigation.”⁷⁴

There are, of course, a variety of ways in which uncertainty in claim construction might affect the courts. Uncertainty may result in more cases being brought to court because each side may believe it has an arguable

case. Likewise, as alluded to in the quotation from Lourie J above, uncertainty may result in more cases being appealed. The other effect of introducing additional matter to be considered when construing the claims is that each case will take longer and the costs for each party will be greater. These additional costs would apply to all cases where the claims are construed, not just those in which patent prosecution might adjust the scope of a claim. Therefore, even if the additional cost for an individual case were incremental, the cumulative cost for all such cases would represent a significant extra burden in exchange for limited benefit.

Increasing the burden and uncertainty on claim construction also affects normal business transactions. For example, due diligence exercises on assignments and licence agreements would necessarily become more arduous if the file history had to be routinely considered when construing the scope of a patent. *Free World Trust* also highlights the risk of potential competitors being deterred from lawfully working in areas that are not in fact covered by the patent. This means that competition is “chilled” and the patent owner gets more of a monopoly than the public bargained for.⁷⁵

4.2.4 International Consistency

Lipkus and Frontini have argued Canada is “out of step with how the rest of the world treats patent prosecution histories.”⁷⁶ Their argument was based on a 2003 survey of intellectual property professionals representing 40 countries, which, the authors claim, illustrates that Canada is also an outlier with respect to its exclusion of the prosecution history in interpreting the scope of the patent.⁷⁷ Lipkus and Frontini state:

Some countries have a formal doctrine of file wrapper estoppel; members of another group of countries indicated that the prosecution history may be relevant in interpreting claims, while members of a third group regularly resort to the prosecution history for interpreting claims. Canada was the sole country in which the prosecution history was described as “irrelevant and inadmissible for the purposes of determining the scope of protection granted by a patent.”⁷⁸

However, this may oversimplify the results of this survey. That is, those who performed the survey recognized that there was “a wide range of answers” to the question, “Does the prosecution history play a role in determining the scope of patent protection?”⁷⁹

72 Section 47(1) of the *Patent Act*, RSC 1985, c P-4.

73 *Kirin-Amgen*, *supra* note 17 at para 39.

74 *Free World Trust*, *supra* note 2 at para 66.

75 *Ibid* at para 42.

76 Lipkus & Frontini, *supra* note 8 at 168.

77 “Summary Report Q175: The Role of Equivalents and Prosecution History in Defining the Scope of Patent Protection” (2003 Executive Committee Meeting of the International Association for the Protection of Intellectual Property [AIPPI], Lucerne, Switzerland, 25-29 October 2003) at 4-6, online: AIPPI <<https://aippi.org/download/committees/175/SR175English.pdf>> [Q175 Report].

78 Lipkus & Frontini, *supra* note 8 at 169-70.

79 Q175 Report, *supra* note 77 at 4-6.

Among the wide range of answers:⁸⁰

1. About 17 countries (including the United States and Japan) indicated that prosecution history did play a role. It should be noted that this group is by no means monolithic in its use of prosecution history.⁸¹
2. For about 13 countries (including India, Brazil and Australia), it was not clear whether they would use prosecution history or not. This lack of clarity arose for a variety of reasons, including a lack of a precedential case touching on this issue, and prosecution history not being used for interpretation because it is not publicly available. For those countries that indicated a lack of a precedential case (around eight countries), five indicated that they believed that prosecution history could be used, one indicated that it believed that prosecution history could not be used, and two were unwilling to speculate.
3. About seven countries (including Canada, the United Kingdom⁸² and Germany) indicated that prosecution history would not play a role in claim construction.
4. About two countries (Belgium and Italy) indicated that, for national filings, prosecution history would not be used because substantive examination did not take place.

Taken together, the survey results indicate that Canada is in fact well within the global spectrum of responses to this issue. A significant minority of countries do not allow prosecution history to be used in construing claims. Indeed, as noted in *Free World Trust* in 2000, the principles of the U.K. *Catnic* case had already been adopted in New Zealand, Australia, South Africa and Hong Kong.⁸³

Furthermore, because of the wide range of responses, it is unclear what changes in claim construction Canada could make in order to help achieve a global consensus. Indeed, de Montigny J's view in *Distrimed* that the use of prosecution history should be restricted to changes in claim wording (as opposed to, for example, representations

to the Patent Office) would result in Canada occupying a more isolated (albeit more intermediary) position on the file wrapper estoppel spectrum.

In the U.K. *Actavis* Supreme Court case, Lord Neuberger directly addressed international consistency within the European context, stating,

[w]hile the French courts appear to be more ready to refer to the prosecution file on issues of interpretation or scope than the German or Dutch courts, it is unclear how much, if any, difference there is in outcome. The position in relation to the Italian courts is more unclear, and it may well be that the effect of the approach of the Spanish courts is the same in outcome as that of the German and Dutch courts. In those circumstances, particularly as it may be inevitable that there is a degree of difference in the approach of different national courts on such an issue, there is nothing in the French, Italian, or Spanish jurisprudence which causes me to depart from the conclusion expressed by Lord Hoffmann.⁸⁴

That is, although the Supreme Court recognized that different European jurisdictions approach the issue of using prosecution history differently, the differences can be subtle and the outcome is, in any case, more or less the same.

Another issue touching on harmonization is that each patent system may have one or more counterbalances to curb some of the effects of a particular principle or doctrine. With respect to claim construction, in the United States, for example, as recognized in *Free World Trust*,⁸⁵ flexibility on claim construction is achieved using a doctrine of equivalents that counteracts the effects of considering all elements as "material" (as opposed to considering the "essentiality" of each element). In this context, it is interesting to note that, in the *Actavis* case, the U.K. Supreme Court opened the door for a doctrine of equivalents and the use of prosecution history simultaneously. Therefore, if Canada were to adopt certain principles from our international neighbours in a piecemeal manner, although we may achieve consensus in the narrow sense regarding those principles adopted, it may lead to a divergence of practice when taken as a whole, as the adopted principles may operate unfettered by any non-adopted counterbalances.

⁸⁰ The Q175 Report was a free-text survey. Therefore, the numbers given here are approximate because there appeared to be some discrepancies in how the questions were interpreted. For example, some respondents appeared to be considering prosecution history in general, whereas others appeared to be considering U.S.-style file wrapper estoppel specifically.

⁸¹ For example, some countries stated that they do not have "file wrapper estoppel," but went on to say that prosecution history would play a part in construing claims.

⁸² With the *Actavis* (Supreme Court) decision discussed above, the UK approach may be more accepting of prosecution history in certain limited cases, although even this possibility is contested: see "An Improved Improver? – Part 2" (17 July 2017), *The IPKat* (blog), online: <ipkitten.blogspot.ca/2017/07/an-improved-improver-part-2.html>.

⁸³ *Free World Trust*, *supra* note 2 at para 39.

⁸⁴ *Actavis* (Supreme Court), *supra* note 26 at para 86.

⁸⁵ *Free World Trust*, *supra* note 2 at para 38.

5.0 Conclusions

It is my view that in *Distrimedic* and *Eli Lilly (Tadalafil)* the Federal Court of Canada has erred in using file wrapper estoppel because the prosecution history is extrinsic evidence.

Regarding the Federal Court's reasons for doing so, and for advocating a reconsideration of the issue in *Pollard*, there appears to be an emphasis on the view that more information leads to more correct decisions. While this is a tempting argument, it ignores other mediating influences, such as limiting the burden on third parties in determining what a patent covers, and facilitating speedy and efficient trials.

Furthermore, in *Distrimedic* and *Eli Lilly (Tadalafil)*, as well as in the U.K. Supreme Court *Actavis* case, the use of file wrapper estoppel did not mean that the construction of the claim was any different from what it would have been if file wrapper estoppel had not been used. In *Pollard*, the patentee faced the same dilemma that it had faced during prosecution: it could pursue a narrow valid scope or a broader invalid scope. In prosecution, the patentee argued for a narrow claim, which resulted in the patent issuing; in court, it argued for a broader scope and the patent was duly invalidated. Regardless of which option the patentee chose, the infringement action would have foundered. Although not a definitive proof, this lends credence to the claim that file wrapper estoppel is of limited use when construing claims and establishing claim scope.

Reasons against using file wrapper estoppel such as these can be found in cases in both the United Kingdom and Canada and suggest that the current practice as set out in *Free World Trust* represents a fair and consistent balance between the competing interests of patentees, third parties, and other interested parties (for example, the judiciary and the Canadian Intellectual Property Office). Practice regarding the use of prosecution history in other jurisdictions and at other times indicates that there may be other compromise positions available that represent different ways of providing balance in the patent system. Given that claim construction underpins many other aspects of patent law, such as statutory subject matter,⁸⁶ infringement and validity, the use of prosecution history is an issue that should be discussed widely, considered carefully and, in my view, not introduced lightly. Given that the prohibition on using prosecution history comes from the Supreme Court, any attempt to introduce such use in Canada could and should come only through legislation or another Supreme Court decision.

⁸⁶ Two patent notices, "Examination Practice Respecting Medical Diagnostic Methods – PN 2015-02" (29 June 2015) and "Examination Practice Respecting Computer-Implemented Inventions – PN 2013-03" (8 March 2013), apply a problem-solution approach to purposive claim construction to determine subject-matter eligibility.



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Promise Doctrine: Made to be Broken? Patent Law after *AstraZeneca**

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Abstract

In *AstraZeneca Canada Inc. v. Apotex Inc.*, 2017 SCC 36, the Supreme Court of Canada finally examined, and overturned, the Promise Doctrine. The Promise Doctrine had gradually emerged as the standard by which the Federal Courts determined whether a patent met the utility requirement for patentability. In this article, we examine the Supreme Court of Canada's decision and its new framework for utility, where the focus of the analysis is now the "subject-matter of the invention as claimed in the patent." We argue that with a renewed focus on the claims, this new framework paves the way to a more harmonious approach to patent law in Canada – one where the same "invention" is assessed for all purposes, and the "patent bargain" reflects not what is written in the patent itself, but rather the conditions for patentability in the *Patent Act*. We also address how the Federal Courts have interpreted the Supreme Court's decision since its release.

Résumé

Dans l'affaire *AstraZeneca Canada Inc. c. Apotex inc.*, 2017 CSC 36, la Cour suprême du Canada a finalement examiné et renversé la doctrine de la promesse. La doctrine de la promesse est progressivement devenue la norme adoptée par les tribunaux fédéraux pour déterminer la question à savoir si un brevet satisfait l'exigence d'utilité à titre de condition de brevetabilité. Dans cet article, nous examinons la décision rendue par la Cour suprême du Canada et son nouveau cadre d'utilité dans lequel l'emphase de l'analyse est désormais « l'objet de l'invention qui est revendiqué dans le brevet ». Nous prétendons qu'en raison de l'emphase réorientée des revendications, ce nouveau cadre ouvre la voie vers une approche plus harmonisée sur le droit des brevets au Canada – une approche selon laquelle la même « invention » est évaluée à toutes fins et le « pacte du brevet » ne reflète pas le libellé du brevet, mais plutôt les conditions de brevetabilité énoncées dans la *Loi sur les brevets*. Nous traiterons également de la façon dont les tribunaux fédéraux ont interprété la décision de la Cour suprême depuis sa publication.

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** Yael, Jon, and Andrew are litigation lawyers at Torsys LLP. They have contributed this paper to provide their thoughts on recent cases, not so it can be cited against them in future ones. Obviously the law will continue to evolve and develop, and they will have to take various positions on behalf of their clients that may or may not be consistent with their own private opinions on this subject. So please don't throw the paper into your next argument case against our firm and tell the Court "even counsel for ... thinks ..." That just discourages the bar from contributing to thinking in this area, which seems to us to be an undesirable outcome. Thanks!

1.0 Introduction

In the early 2000s, the Promise Doctrine gradually emerged as the standard by which the Federal Courts determined whether a patent met the utility requirement for patentability. The doctrine had a plausible jurisprudential basis, most notably in the Supreme Court of Canada's decision in *Consolboard*. It also had a plausible theoretical basis in the "patent bargain" theory, in which the disclosure of an invention was viewed as the figurative *quid pro quo* for the patent monopoly. However, after several years of over-literal application by the Federal Courts, primarily in the context of pharmaceutical patents, it became clear that the doctrine led to absurd results. Patents for extremely useful inventions, where utility was not based on speculation but rather on a compound's biological activity, were invalidated on the basis of so-called "promises" made in the specification. These promises were typically based on language that spoke to the invention's potential benefits, such as fewer side effects, or the ability to be used chronically. The doctrine also often led to different inventions being assessed for different purposes: for novelty and non-obviousness, courts focused on the claimed invention; however, for utility, the "invention" could include a number of other properties and advantages based on "promises" made in the specification. Where those promises were not met at the time of filing (because they were not demonstrated and could not necessarily be soundly predicted), the "invention" lacked utility and the patent was invalid.

In *AstraZeneca Canada Inc. v. Apotex Inc.*,¹ the Supreme Court of Canada finally examined, and overturned, the Promise Doctrine. In doing so, the Court set out a new framework for utility, where the focus of the analysis is the "subject-matter of the invention as claimed in the patent." As we explain below, with a renewed focus on the claims, this new framework paves the way to a more harmonious approach to patent law in Canada – one where the same "invention" is assessed for all purposes, and the "patent bargain" reflects not what is written in the patent itself, but rather the conditions for patentability in the *Patent Act*.

2.0 The Rise and Fall of the Promise Doctrine

In 2002, the Supreme Court of Canada issued its landmark decision in *Apotex Inc. v. Wellcome Foundation Ltd.*² In the decision, the Court confirmed that the relevant time for assessing the utility of an invention was not when the patent was challenged. Rather, utility had to be either demonstrated or soundly predicted at the time the patent was filed.³ Of

course, that led to the question "what is it that has to be demonstrated or predicted?" Beginning in the early to mid-2000s, courts began to answer that question using what became known as the "Promise Doctrine."⁴

The utility requirement stems from section 2 of the *Patent Act*, which defines an "invention" as something "new and useful."⁵ Historically, the standard for utility was fairly low – as long as the invention had a "scintilla" of utility, the requirement was satisfied.⁶ While the Supreme Court's decision in *Wellcome* established that the time for assessing the utility requirement was at the time of filing (as opposed to the time of the challenge), the Promise Doctrine set out a new standard for utility. It required that in order to establish utility, the invention had to do what the "patent promises" it would do. As the Federal Court of Appeal explained:

Where the specification does not promise a specific result, no particular level of utility is required; a "mere scintilla" of utility will suffice. However, where the specification sets out an explicit "promise", utility will be measured against that promise.⁷

The combination of the requirement that utility be assessed at the time of filing and the emergence of the Promise Doctrine proved to be a potent combination for invalidating patents, especially in pharmaceutical cases. Since patents are typically filed in the early stages of drug development, only limited data is usually available to the inventors at the time the patent is filed. The Promise Doctrine allowed challengers to argue that the patent contained numerous "promises" that set thresholds for utility that were out of touch with the reality of drug development. Since the available data could often not form the basis for soundly predicting that these promises would be met, the patents were invalid. For example, in his 2013 article on the Promise Doctrine, Norman Siebrasse concluded that of the 20 cases since 2005 in which the promise of the patent was a live issue, the courts construed the promised utility against the patentee in 12 cases, leading to a finding of invalidity in five cases.⁸

2.1 The Promise Doctrine: A Promising Beginning

When it was first argued and accepted by the Federal Courts, the Promise Doctrine appeared to have two important ingredients that would lead to its adoption by Canadian courts: it had some basis in the jurisprudence, and (at least at first glance) appeared consistent with the

1 2017 SCC 36 [*AstraZeneca SCC*].

2 2002 SCC 77 [*Wellcome*].

3 The doctrine of sound prediction has its roots in *Monsanto Company v. Commissioner of Patents*, [1979] 2 S.C.R. 1108, where the Supreme Court of Canada held that claims could only be rejected for lack of utility if there is evidence of lack of utility in respect of some area covered by the claim, or if there is no sound prediction.

4 See for example, *Apotex Inc. v. Wellcome Foundation Ltd.*, [2001] 1 FC 495, at para. 53 (F.C.A.); *Bayer AG v. Apotex Inc.*, 2003 FC 1199, at paras. 21, 83; *Aventis Pharma Inc. v. Apotex Inc.* 2005 FC 1283, at paras. 276-280.

5 *Patent Act*, R.S.C. 1985, c. P-4, s. 2.

6 See *Fox on the Canadian Law of Patents*, 5th ed. by Donald H. MacOdrum, (Toronto: Thomson Reuters, 2013) (loose-leaf revision 2018-1) at §6:6, citing *Prentice v. Dominion Rubber Co.*, [1928] Ex. C.R. 196 ("A definite amount of utility is not required by law to sustain an invention; a slight amount of utility is sufficient.").

7 *Eli Lilly Canada Inc. v. Novopharm Limited*, 2010 FCA 197, at para. 76.

8 Norman Siebrasse, "The False Doctrine of False Promise" (2013), 29 C.I.P.R. 3 at 33.

long-standing idea of a patent as a “bargain” between an inventor and the public.

The promise doctrine’s kernel of jurisprudential support arose from Supreme Court of Canada (and U.K.) jurisprudence.⁹ While there is support for the doctrine in earlier cases, courts have most frequently relied on the Supreme Court’s decision in *Consolboard*.¹⁰ In that case, Justice Dickson was describing the disclosure requirements under the pre-1989 *Patent Act*. He held that a patentee does not need to disclose the utility of an invention in the specification.¹¹ In reaching this conclusion, Justice Dickson defined “not useful” to mean “that the invention will not work, either in the sense that it will not operate at all or, more broadly, that it will not do what the specification promises that it will do.”¹² Although this definition was not at issue in the case, *Consolboard* planted the seed of the Promise Doctrine in Canada.

The Promise Doctrine also had some intuitive appeal. It appeared to be consistent with the “bargain theory” of patent law where the “bargain” is that an inventor makes a new invention and discloses it to the public in a patent application, and in exchange, gets a temporary monopoly over its use. But, of course, that disclosure has to be accurate. An inventor who “over-promises and under-delivers” in his patent specification should not, according to this theory, be permitted to keep the monopoly that was granted in reliance.

This all sounds good or, dare we say, promising. The problem turned out not to be in the theory, but rather in the application. Instead of a common-sense reading of patent applications as reflecting useful inventions and aspirations for their application, courts, spurred on by patent challengers and their experts, began to read patent specifications as actual contracts, with a literalism previously unknown to law (or common sense). Worse yet, like contracts, the courts began to “imply” obligations that the inventors never intended and then invalidated patents on this basis. This caused the Promise Doctrine to spiral out of control, wreaking havoc with the Canadian patent system and earning Canada a reputation as an unfriendly country for innovators.¹³ As a unanimous Supreme Court recently concluded, at the end of the day, the promise doctrine was “not good law.”¹⁴

2.2 *AstraZeneca Canada Inc. v. Apotex Inc.*: the End of the Promise Doctrine

The Promise Doctrine finally met its end in the Supreme Court of Canada’s decision in *AstraZeneca Canada Inc. v. Apotex Inc.* AstraZeneca is the owner of the patent that claims the optically pure salts of the (-) enantiomer of omeprazole, esomeprazole. Esomeprazole is a proton pump inhibitor that was commercialized under the name Nexium®. It is used in the reduction of gastric acid, reflux esophagitis and related maladies. Apotex brought a generic version of esomeprazole to market, and AstraZeneca commenced an action for patent infringement.¹⁵ Apotex counterclaimed on the basis that the patent was invalid.

2.2.1 The Federal Court and the Federal Court of Appeal Decisions

Justice Rennie, a well-respected and thoughtful Federal Court judge, later promoted to the Federal Court of Appeal, heard the infringement action and found that while the invention was not obvious, the patent was invalid for lack of utility.¹⁶

Applying the Promise Doctrine, Justice Rennie explained that “the promise of the patent is the yardstick against which utility is measured.”¹⁷ Both sides’ experts agreed that the patent promised that the compounds would be useful as a proton pump inhibitor. But they disagreed on whether the patent’s promise of improved metabolic and pharmacokinetic properties included an improved therapeutic profile such as a lower degree of interindividual variation.¹⁸ The case turned on a single passage in the disclosure:

It is desirable to obtain compounds with improved pharmacokinetic and metabolic properties which will give an improved therapeutic profile such as a lower degree of interindividual variation. The present invention provides such compounds, which are novel salts of single enantiomers of omeprazole. (‘653 patent, page 1, lines 18-22; emphasis added).

⁹ Norman Siebrasse has outlined the history of the Promise Doctrine in detail in his article, *ibid*. He notes that this doctrine existed in England because courts were unwilling to second-guess the Crown’s exercise of discretion in granting a patent. This patent system is no longer the law in England.

¹⁰ E. Richard Gold and Michael Shortt, “The Promise of the Patent in Canada and Around the World” (2014), 30 C.I.P.R. 35 at 54; *Consolboard Inc. v. MacMillan Bloedel (Sask.) Ltd.*, [1981] 1 S.C.R. 504 [*Consolboard*].

¹¹ *Consolboard*, *supra* note 11, at 526.

¹² *Consolboard*, *supra* note 11, at 525 [emphasis added].

¹³ In the 2015 Special 301 Report of the Office of the United States Trade Representative, Canada continued to appear on the “Watch List,” in part because “courts have invalidated valuable patents held by U.S. pharmaceutical companies on utility grounds, by interpreting the ‘promise’ of the patent and finding that insufficient information was provided in the application to substantiate that promise.” The report notes that these “recent decisions, which have affected products that have been in the market and benefiting patients for years, have led to uncertainty for patent holders and applicants, including with respect to how to effectively meet this standard.”

¹⁴ *AstraZeneca SCC*, *supra* note 2, at para. 51.

¹⁵ A previous application by AstraZeneca for an order prohibiting the Minister of Health from granting a notice of compliance to Apotex for its esomeprazole product under the *Patented Medicines (Notice of Compliance) Regulations*, SOR/93-133, was dismissed by the Federal Court in *AstraZeneca Canada Inc. v. Apotex Inc.*, 2010 FC 714.

¹⁶ *AstraZeneca Canada Inc. v. Apotex Inc.*, 2014 FC 638 [*AstraZeneca FC*].

¹⁷ *Ibid*, at para. 86.

¹⁸ *Ibid*, at paras. 101-105.

Justice Rennie interpreted this passage to mean that the patent *promised* reduced interindividual variability.¹⁹ Justice Rennie further concluded that the promise of the improved therapeutic profile was not demonstrated at the filing date and could not be soundly predicted. Justice Rennie therefore found the patent invalid.²⁰

In a brief decision, a unanimous Court of Appeal affirmed Justice Rennie's decision. The Court held that Justice Rennie did not err in grouping the claims when construing the promises (rather than assessing promise on a claim-by-claim basis),²¹ appropriately resorted to the disclosure in construing the promises²² and purposively construed the promises.²³ The Court also rejected the argument that the inventive concept and the patent's utility had to be the same.²⁴

2.2.2 Supreme Court of Canada

Once the Promise Doctrine was placed squarely before the Supreme Court of Canada, the Court unequivocally rejected it. Justice Rowe, writing for the unanimous Court, examined the arguments for and against the Promise Doctrine and concluded that it is "not good law."²⁵ The Court therefore allowed the appeal.

In overruling the Promise Doctrine, the Supreme Court of Canada articulated a myriad of problems with it as it had been applied by the Federal Courts: it was "incongruent with both the words and the scheme of the *Patent Act*;"²⁶ it conflated section 2 of the Act, which requires an "invention" to be useful, and 27(3) of the Act, which requires full and correct disclosure;²⁷ it was "excessively onerous" in that it measures utility "by reference to the promises expressed in the patent" and that in cases where there are multiple "promises," it required "that all be fulfilled for the patent to be valid"²⁸; and by discouraging a patentee from disclosing too much, it was inconsistent with the purpose of section 27(3) of the Act, which requires an inventor to fully describe the invention and its operation or use.²⁹

With the Promise Doctrine discarded, Justice Rowe set out a new approach to utility. He wrote that the subject-matter of an invention must be useful in a manner related to the nature of the invention. To assess utility, a court must first identify the subject-matter of the invention as claimed in the patent and then determine whether it is useful. He explained that an invention is "useful" when it is "capable of a practical purpose (i.e. an actual result)" or "carries out some useful known ob-

jective." He also recognized that "a scintilla of utility will do." Finally, he cautioned that "utility is to be interpreted in line with its purpose: to prevent the patenting of fanciful, speculative or inoperable inventions."³⁰

Applying this new framework to the facts, he found AstraZeneca's patent to be valid and allowed the appeal. At the time of filing, it was soundly predicted that the optically pure salts of the enantiomer of omeprazole would be useful as a proton pump inhibitor. No further analysis was required.³¹

3.0 Promise Doctrine by Another Name?

Despite its clear view that the Promise Doctrine was problematic, Justice Rowe's reasons appear to leave open the possibility for it to remain part of patent law, albeit under a different name. In addressing Apotex's concerns that the Promise Doctrine protects against patentees "overpromising" in their patent applications, Justice Rowe explained at paragraph 46 of the decision that the "mischief of overpromising" may be caught under sections 27(3) and 53 of the *Patent Act*:

The scheme of the Act treats the mischief of overpromising in multiple ways. There are consequences for failing to properly disclose an invention by claiming, for instance, that you have invented more than you have. A disclosure which is not correct and full, or states an unsubstantiated use or operation of the invention, may be found to fail to fulfill the requirements of s. 27(3). An overly broad claim may be declared invalid; however, under the operation of s. 58 of the *Patent Act*, remaining valid claims can be given effect. As well, this mischief may result in a patent being void under s. 53 of the Act, where overpromising in a specification amounts to an omission or addition that is "willfully made for the purpose of misleading."³²

As set out below, although parties have since tried to resurrect the Promise Doctrine under these provisions, Justice Rowe's reasons are clear: the promise doctrine is "not good law." Whatever the Court intended in paragraph 46 of the decision, it could not possibly have been saying that the "Promise Doctrine as it has been applied up until now is good law but should really be argued under different sections of the *Patent Act*." As of the time of writing, the Federal Courts have so far agreed – in the months since

19 *Ibid*, at paras. 122, 126.

20 For conclusions on utility, see *AstraZeneca FC*, *supra* note 17, at paras. 214-218.

21 *AstraZeneca Canada Inc. v. Apotex Inc.*, 2015 FCA 158, at paras. 7-8 [*AstraZeneca FCA*]

22 *Ibid*, at para. 12.

23 *Ibid*, at para. 13.

24 *Ibid*, at paras. 10-11.

25 *AstraZeneca SCC*, *supra* note 2, at para. 51.

26 *Ibid*, at para. 36.

27 *Ibid*, at para. 38.

28 *Ibid*, at para. 37.

29 *Ibid*, at para. 51.

30 *Ibid*, at paras. 53-57.

31 *Ibid*, at paras. 61-63.

32 *Ibid*, at para. 46.

AstraZeneca was released, they have rejected arguments of “promise by another name.”

The first two decisions to engage with AstraZeneca concerned Pfizer’s patent for Pristiq®, an anti-depressant.³³ Two generic drug manufacturers, Apotex and Teva, each sought to produce generic versions of Pristiq®. Pfizer thus brought applications to prevent Apotex and Teva’s generic versions of Pristiq® from receiving notices of compliance from the Minister. After the hearing, but before the decisions, the Supreme Court released its reasons in AstraZeneca. Thus, Justice Brown provided an opportunity for the parties to make additional submissions. Apotex approached this by recasting its utility arguments as arguments under section 27(3).³⁴ Teva also addressed section 27(3) when given this new opportunity, even though it had not raised section 27(3) earlier.³⁵

Justice Brown of the Federal Court rejected these arguments. As he wrote in *Apotex Pristiq*, “[i]f the Supreme Court intended to say, in effect, that the Promise Doctrine was not good law in terms of utility under s 2, but was good law in terms of patent specifications under subsection 27(3) it could have done so; it did not.”³⁶ Justice Brown noted that he was “unable to see a rationale for the argument that the Supreme Court of Canada removed the Promise Doctrine from the utility analysis yet simultaneously required it to be considered, in the manner Apotex proposes, in the specification analysis.”³⁷

Justice Phelan reached a similar conclusion in another recent decision, *Hospira Healthcare Corporation v. Kennedy Trust for Rheumatology Research*. The patent at issue detailed an adjunctive use of methotrexate [MTX] and the anti-tumour necrosis factor- α [anti-TNF- α] antibody “infliximab” for the treatment of rheumatoid arthritis [RA] and other autoimmune diseases. He concluded that “it would be inconsistent to discard [the promise] doctrine only to have it resurface under another principle without clear language to do so.”³⁸ He wrote that, in light of AstraZeneca, an argument about sufficiency under section 27(3) that is tied to “promised utility” is one “based on a shaky foundation.”³⁹

Prothonotary Tabib also rejected similar arguments in *Apotex Inc. v. Shire LLC* when Apotex brought a motion

to amend its pleadings in another case, purportedly to recast its pleading in a form that accords with the law as set out by the Supreme Court in AstraZeneca.⁴⁰ As she colourfully observed:

Although Apotex portrays its amendments as being made in accordance with the Supreme Court’s teachings on the correct approach to utility, they reflect, in my view, an obtuse application of selected passages of the Supreme Court’s decision, a refusal to come to terms with and embrace the essence of the Supreme Court’s teachings, and a fairly desperate attempt to shoehorn Apotex’s promise allegations into each and every ground of invalidity known to law. The resulting pleading remains haunted by the ghost of the now defunct promise doctrine and is neither particularly helpful nor illuminating.⁴¹

However, Prothonotary Tabib did not completely reject Apotex’s arguments – she largely allowed the amendments on the basis that they were not devoid of any chance of success and would not delay the action or cause prejudice to Shire that could not be compensated by costs, leaving the question of whether the Promise Doctrine could be resurrected to another day.⁴²

The Federal Court of Appeal’s first take on AstraZeneca came shortly after the Pristiq® decisions in *Bristol-Myers Squibb Canada Co. v. Apotex Inc.*⁴³ The patent was for BMS’ leukemia treatment dasatinib, a drug commercially known as Sprycel®. At trial, the court held the patent to be invalid for inutility on the basis that the patent promised that dasatinib would be therapeutically useful, but this use had not been demonstrated or soundly predicted as of the claim date.⁴⁴ The Federal Court of Appeal overturned the trial judge’s decision on the basis of the new utility framework and rejected Apotex’s attempts to raise section 27(3) in its supplementary submissions because Apotex had not appealed that issue.⁴⁵ So while we still await the Court of Appeal’s take on section 27(3) post-AstraZeneca, the lower court decisions so far suggest that the Promise Doctrine will not be revived under the sufficiency requirement.⁴⁶

The other section that the Supreme Court alluded to

33 *Pfizer Canada Inc. v. Apotex Inc.*, 2017 FC 774 [Pristiq Apotex]; *Pfizer Canada Inc. v. Teva Canada Ltd.*, 2017 FC 777 [Pristiq Teva].

34 *Pristiq Apotex*, *supra* note 34, at para. 356.

35 *Pristiq Teva*, *supra* note 34, at paras. 313-14.

36 *Pristiq Apotex*, *supra* note 34, at para. 360.

37 *Ibid.*, at para. 363.

38 *Hospira Healthcare Corporation v. Kennedy Trust for Rheumatology Research*, 2018 FC 259, at para. 258 [*Hospira*].

39 *Ibid.*, at para. 244.

40 *Apotex Inc. v. Shire LLC*, 2017 FC 831 [*Shire*].

41 *Ibid.*, at para. 6.

42 *Ibid.*, at paras. 11-12; see also *Lantech.com, LLC v. Wulftec International Inc.*, 2018 FC 41.

43 *Bristol-Myers Squibb Canada Co. v. Apotex Inc.*, 2017 FCA 190 [*BMS Apotex*].

44 *Ibid.*, at paras. 31-34.

45 *Ibid.*, at para. 43.

46 While this paper was under review, the Federal Court released its decision in *Safe Gaming System v. Atlantic Lottery Corporation*, 2018 FC 542. The Federal Court’s analysis of utility in this decision appears to be inconsistent with AstraZeneca. For a more detailed analysis of this decision, see Norman Siebrasse, “Last Spasms of the Corpse of the Promise Doctrine” (June 4, 2018) Sufficient Description, online:

was section 53(1), which requires that the patentee not willfully mislead in the specification. This section captures material allegations in the petition or specification that are false or misleading, including omissions or allegations that are untrue or misleading because of an omission to disclose relevant material facts.⁴⁷ Where one makes such an allegation willfully for purpose of misleading, the entire patent is invalid (as opposed to just certain claims). Section 53(2) provides that where the misleading allegation or omission was an involuntary error, the patent may be saved.

Although Justice Rowe in *AstraZeneca* clearly stated that overpromising in a specification could amount to an omission or addition that falls under section 53, he did not alter the high burden that must be met for a section 53 allegation to succeed. First, the allegation must be “material.”⁴⁸ Second, the allegation must be “willfully made for the purpose of misleading.” As courts have recognized, this is a significant burden, and therefore a “party should not merely speculate or make imputations as to motive in a reckless manner or without sufficient evidence.”⁴⁹ Because a claim under section 53 is a type of fraud, failing to follow through with the claim or failing to prove it also carries significant costs consequences.⁵⁰ Given the high burden for section 53, the Promise Doctrine is likely to only be relevant under section 53 in the most egregious cases. But until courts consider this issue more closely, we cannot predict the breadth of cases in which arguing fraud on the basis of overpromising will be successful.

4.0 Obviousness and Utility: Harmony at Last?

As the Supreme Court recognized, one of the fundamental problems with the Promise Doctrine as applied by the Federal Courts is that it was unconstrained by the claim(s) at issue. Instead, it allowed challengers to comb through the specification in search of unmet “promises” that could then be used to invalidate any claim. The Federal Courts’ approach to the now defunct Promise Doctrine highlights perhaps a more fundamental controversy in Canadian patent law: are obviousness and utility really two different ways of assessing whether the subject-matter of the claim is an “invention”? Or are they entirely separate concepts, to be determined independently?

As we discuss below, to this point there have been no clear pronouncements from the courts on this issue. Moreover, because obviousness was not at issue before the

Supreme Court in *AstraZeneca*, the Court did not consider the relationship between obviousness and utility or how the inventive concept fits into the analysis. Nevertheless, the Court’s new framework for assessing utility, where the focus of the inquiry is “the subject-matter of the invention as claimed in the patent” (as opposed to the nebulous “promise of the patent”), may finally open the door to a more coherent approach to utility and obviousness.

4.1 Obviousness and Utility – Two Sides of the Same Coin?

Obviousness and utility are plainly different inquiries, but at their heart, they both ask whether the inventor has provided enough information to the public to deserve a monopoly. In considering whether there are any parallels between obviousness and utility, it is helpful to frame them in similar terms. As the Court of Appeal recently phrased the question, the “obviousness analysis asks whether the distance between two points in the development of the art can be bridged by the Skilled Person using only the common general knowledge available to such a person,”⁵¹ supplemented by the prior art.⁵² The first point is the prior art, and the second point is the “invention” (referred to as “the subject-matter defined by the claim” in the *Patent Act*, but also called “the inventive concept,” “the solution taught by the patent” and “what is claimed”).⁵³

It is possible to frame the utility inquiry in similar terms. As explained above, in order to satisfy the utility requirement, an inventor must be able to either demonstrate or soundly predict that the invention will work. In the sound prediction context, one could ask whether the inventors were able to make a *prima facie* reasonable inference from two points, based on the common general knowledge. The first point is the information available to the inventors (which is often – but not always – more than is available to the skilled person in the obviousness inquiry). The second point should be the same as for obviousness – it is the “invention.”⁵⁴ (Where utility is demonstrated, the same framework is applicable but there is no distance between the two points, because the inventor already knows that the invention will work.) Under a coherent patent law framework the same “invention” should be assessed for both obviousness and utility.

Thus far, courts have largely resisted seeing the parallels between obviousness and utility. The Court of Appeal

<<http://www.sufficientdescription.com/2018/06/last-spasms-of-corpse-of-promise.html>>.

47 *Brown v. Canada*, 2014 FC 831, at para. 80.

48 See *Fox on the Canadian Law of Patents*, 5th ed. by Donald H. MacOdrum, (Toronto: Thomson Reuters, 2013) (loose-leaf revision 2018-1) at §9:25, citing *Bombardier Recreational Products Inc. v. Arctic Cat Inc. et al*, 2017 FC 207 at para. 577 (“The test is whether or not the misrepresentation made a difference to the issuance of the patent”); *Uponor AB v. Heatlink Group Inc. et al*, 2016 FC 320, at para. 59 (“For an allegation to be material it must somehow affect how the public makes use of the invention”).

49 *Eli Lilly Canada Inc. v. Apotex Inc.*, 2008 FC 142, at para. 62.

50 *Ibid*, at para. 63.

51 *Bristol-Myers Squibb Canada Co. v. Teva Canada Ltd.*, 2017 FCA 76, at para. 65 [BMS Teva].

52 *Ciba Specialty Chemicals Water Treatments Ltd. v. SNF Inc.*, 2017 FCA 225, at para. 62 [Ciba].

53 *Ibid*, at para. 66.

54 Where utility is demonstrated, there is no distance between the two points, because the inventor already knows that the invention will work.

squarely considered this issue in *Genpharm Inc. v. Procter & Gamble Pharmaceuticals Canada Inc.*⁵⁵ The patent at issue claimed a new way of using an old drug (etidronate) to treat osteoporosis. Genpharm argued that as a result of the Supreme Court of Canada's decisions in *Whirlpool* and *Apotex Inc. v. Wellcome Foundation* the Court had altered the test for obviousness (lowering the threshold) because obviousness and sound prediction were essentially the same thing. The Court of Appeal rejected this argument, concluding that obviousness and sound prediction are "different concepts and they are not to be conflated."⁵⁶ It held that the "doctrine of sound prediction has no application to the doctrine of obviousness."⁵⁷ Similarly, in applying the Promise Doctrine, courts have often rejected a harmonious approach between obviousness and utility, to the point that vastly different "inventions" were considered depending on the allegation at issue.

4.2 The Inventive Concept and the Utility Under the Promise Doctrine

The Supreme Court first introduced the "inventive concept" in *Apotex Inc. v. Sanofi-Synthelabo Canada Inc.*, but the Court did not provide much explanation of what it means.⁵⁸ The term has since proven difficult to define. So much so that the Federal Court of Appeal has recently held that until "the Supreme Court is able to develop a workable definition of the inventive concept," "uncertainty can be reduced by simply avoiding the inventive concept altogether and pursuing the alternate course of construing the claim."⁵⁹

Nonetheless, until the Supreme Court says otherwise, the inventive concept remains essential to the obviousness analysis. The jurisprudence has provided some guidance at defining it. In *Allergan Inc. v. Canada (Health)*, Justice Hughes held that the inventive concept is a "statement of what the claim, properly construed, says 'stripped of unnecessary verbiage.' It is not a reformulation of the claim."⁶⁰ Ultimately, "[o]ne is trying to identify the essence of the claim in this exercise."⁶¹

The "inventive concept" of the claim is not restricted to the claim itself – one is permitted to resort to the specification in construing it. As a result, in the case of a bare

compound claim, the inventive concept can include the properties of the compound and sometimes even what it might be used for. In *Sanofi Plavix*, the claim itself was simply a bare chemical formula. However, the Supreme Court unanimously included in the inventive concept not only the compound (clopidogrel bisulfate), and its pharmacological activity (inhibiting platelet aggregation), but even its advantages over the prior art class from which it had been selected (greater therapeutic effect and less toxicity than the [prior art compounds]).⁶²

Under the *Patent Act*, the focus of the utility analysis is supposed to be the "invention." However, under the Promise Doctrine, the "invention" that was considered was not the invention set out in the claim – it was the "promised utility" or sometimes the "promise of the patent." As a result, unlike the inventive concept where the focus is on the claims (although resort to the specification is permitted), the determination of promise was often largely based on the specification (and sometimes had little or even nothing to do with what was set out in the claims(s) at issue).

4.3 Courts Have Been Inconsistent in Their Approaches to Inventive Concept and Utility

Under the Promise Doctrine, the jurisprudence was unpredictable in how it looked at utility in relation to the inventive concept. Sometimes courts looked at the claimed invention, and held that the promised utility and the inventive concept were similar, or at least consistent with one another. In other cases, the Promise Doctrine led the parties to argue for and the courts to find "promises" that strayed far from the "invention" as claimed and differed dramatically from the inventive concept.

For example, in a case about an eye drop containing olopatadine, Justice Gleason stated, "I find it incongruous, in the context of this patent, to argue that the inventive concept is something different from the promise made in the patent."⁶³ Similarly, in *Eli Lilly Canada Inc. v. Mylan Pharmaceuticals ULC*, in explaining the principles that govern the Promise Doctrine, the Court noted that the "promise must also be interpreted consistently with the inventive concept."⁶⁴ And Justice Hughes specifically

55 *Genpharm Inc. v. Procter & Gamble Pharmaceuticals Canada Inc.*, 2004 FCA 393 [Genpharm].

56 *Ibid.*, at para. 47.

57 *Ibid.*; See also *Sanofi-Aventis Canada Inc. v. Apotex Inc.*, 2009 FC 676, at para. 265, aff'd 2011 FCA 300 ("As noted by all parties, there are significant differences between the tests for obviousness and utility. Obviousness is not merely the reverse of sound prediction. A finding that an invention is based on a sound prediction does not necessarily mean that the invention was obvious."); *BMS Apotex*, supra note 44, at para. 61 ("I agree with BMS that the tests for assessing obviousness and sound prediction are different").

58 *Apotex Inc. v. Sanofi-Synthelabo Canada Inc.*, 2008 SCC 61, at para. 67 [Sanofi SCC].

59 *Ciba*, supra note 53, at para. 77.

60 *Allergan Inc. v. Canada (Minister of Health)*, 2012 FC 767, at para. 137. Although Justice Hughes' decision was overturned because the appellate court disagreed with his construction of the inventive concept, Justice Hughes' definition of inventive concept has been subsequently cited with approval. See e.g. *Alcon Canada Inc. v. Cobalt Pharmaceuticals Company*, 2014 FC 149, at para. 48; *BMS Teva*, supra note 52, at para. 64.

61 *Unilever v. Chefaro*, [1994] R.P.C. 567 at 580, cited with approval in *Ciba*, supra note 53, at para. 72.

62 *Sanofi SCC*, supra note 59, at paras. 77-78.

63 *Alcon Canada Inc. v. Cobalt Pharmaceuticals Company*, 2014 FC 149, at para. 63.

64 *Eli Lilly Canada Inc. v. Mylan Pharmaceuticals ULC*, 2015 FC 17, at para. 71, aff'd 2016 FCA 119 (no analysis of promise at Court of Appeal).

explained that in chemical compound cases, it is permissible to combine “utility with what is said in the claim in order to determine the ‘inventive concept.’”⁶⁵

However, some of the cases that involved the most elevated promises (compared to what was actually in the claims) were those where there was no consideration of inventive concept at all. For example, in a case that involved Pfizer’s glaucoma drug, latanoprost, commercialized as Xalatan®, both obviousness and utility were at issue before the trial judge.⁶⁶ She held the inventive concept was “a synthetic prostaglandin that was used to treat IOP [intraocular pressure] without substantial ocular irritation,” and rejected Apotex’s argument that the patent promises that the compound could be used chronically without toxicity.⁶⁷ As a result, she held that the patent was valid. On appeal, the Court held that the trial judge had erred in her construction of promise, but did not consider obviousness or the inventive concept at all. It accepted Apotex’s view that “the promise of the patent was to treat glaucoma and intraocular hypertension on a chronic basis without causing substantial side effects,” but never considered the inconsistency between that promise and the inventive concept.⁶⁸ Since the promised utility was found not to be demonstrated or soundly predicted, the patent was invalid for lack of utility.

The Federal Courts’ reluctance to take a consistent view of obviousness and utility was especially evident in the lower court cases of AstraZeneca. At the trial level, both obviousness and lack of utility were at issue. AstraZeneca argued for a lower promise for the purposes of utility (which is easier to meet) and a higher inventive concept for the purposes of obviousness (also easier to meet). Apotex did just the opposite, arguing for a higher promise for utility and a lower inventive concept for the purposes of obviousness. The trial judge noted that in closing, while AstraZeneca argued that both the inventive concept and the promise of the patent are simply “one construction for all purposes,” Apotex argued that they were distinct inquiries. The trial judge observed that “[s]uch a stark contrast in the basic legal framework underlying key doctrines in patent law, between two highly sophisticated litigants, is alarming to say the least.”⁶⁹

The trial judge ultimately held that the inventive concept of the claims was “the compound with the highest extent of purity claimed” (which was held not be obvi-

ous).⁷⁰ However, for the purposes of utility, he held the promise to include an improved therapeutic profile, including a lower degree of interindividual variation than the closest prior art compound.⁷¹ Thus in this case, the “invention” for the purposes of obviousness was a compound with a certain level of purity. For the purposes of utility, the “invention” was a compound with a certain level of purity and an improved therapeutic profile.

On appeal, AstraZeneca argued that the trial judge had erred in construing the utility of the claims in a manner that was inconsistent with the inventive concept, arguing that “there must be a unitary, harmonious understanding of the essential elements of the claim, inventive concept and utility.”⁷² The Court of Appeal rejected this argument without any real consideration of it, because “AstraZeneca was unable to show that its submission was supported by the jurisprudence.”⁷³

Similarly, in *Gilead Sciences, Inc. v. Canada (Health)*, Justice Brown expressly stated that the inventive concept and the promise of the patent are not coterminous.⁷⁴

The inventive concept is different from the promise of the patent. While the promise of the patent is measured in the context of utility, the inventive concept goes to the obviousness inquiry concerning the 619 Patent. In this case, the parties argue the inventive concept is the addition of the bis(POC) moiety to PMPA. The promise of efficient oral delivery is not part of this inventive concept.

Thus, under the promise doctrine, the relationship between the relevant “invention” for obviousness and the “invention” for utility was alarmingly (to use Justice Rennie’s language) unsettled. However, in setting out a framework for utility where the focus is the “subject-matter of an invention,” the Supreme Court appears to have paved the way for a coherent approach to patent law.

4.4 Inventive Concept and the New Test for Utility

As explained above, the new framework for utility involves “identify[ing] the subject-matter of the invention claimed in the patent” and “ask[ing] whether that subject-matter is useful – is it capable of a practical purpose (i.e. an actual result).”⁷⁵ In our view, the Supreme Court’s new ap-

65 *Allergan Inc. v. Canada (Health)*, 2012 FC 767, at para. 141, var’d 2012 FCA 308; see also *Alcon Canada Inc. v. Apotex Inc.*, 2014 FC 699, at para. 242: “Although Apotex has advanced credible arguments that the patent promises more and that the promised IOP and Side Effects utility have not been soundly predicted, the inventive concept of the claims and the promised utility, in this case, are consistent.”

66 *Pfizer Canada Inc. v. Canada (Health)*, 2010 FC 447 [*Pfizer Latanoprost FC*].

67 *Ibid.*, at paras. 69-71, 152.

68 *Apotex Inc. v. Pfizer Canada Inc.*, 2011 FCA 236, at para. 38.

69 *AstraZeneca FC*, *supra* note 17, at para. 266.

70 *Ibid.*, at para. 274.

71 *Ibid.*, at paras. 113-126.

72 *AstraZeneca FCA*, *supra* note 22, at para. 10.

73 *Ibid.*, at para. 11.

74 *Gilead Sciences, Inc. v. Canada (Health)*, 2016 FC 857, at para. 96.

75 *AstraZeneca SCC*, *supra* note 2, at para. 54.

proach to utility – which focuses on the claims – aligns it with the inventive concept such that the same “invention” must be considered for both utility and obviousness.

Both concepts – the inventive concept and utility – have the same baseline (the subject-matter of the claim). And both inquiries are similar – they look to the practical use or contribution of the invention. The utility analysis ends once the court is satisfied that the “subject-matter is useful” and is capable of a practical purpose.⁷⁶ The obviousness analysis continues. Even if the invention has a practical purpose, it asks whether that purpose or use would have been obvious to a skilled person based on his or her common general knowledge, supplemented by the relevant prior art.⁷⁷

It is worth noting that in *Apotex Pristiq*, Justice Brown held that *AstraZeneca* did not change the law of obviousness.⁷⁸ However, while *AstraZeneca* did not change the framework for obviousness, it did provide a framework for utility that mirrors the inventive concept step in the obviousness analysis. Whereas before, the answer to the question “useful for what” was answered by looking for promises in the specification, it can now be answered by looking to the inventive concept. To the extent that the inventive concept includes properties or uses, those properties or uses should be “utility” that must be demonstrated or soundly predicted by the filing date.

In *Pristiq*, we can begin to see this alignment. In that case, Justice Brown found the utility of the claims to the novel crystalline Form I ODV succinate to be the properties of the novel form itself – it was a stable, solid state form of ODV succinate. When determining the inventive concept of these claims, Justice Brown arrived at the same place: the inventive concept was “the novel crystal Form I ODV succinate.”⁷⁹ Similarly, the claim to the use of Form I ODV succinate in the treatment of depression (which was its utility) was also found to be its inventive concept: “the use of an effective amount of the crystalline Form I ODV (mono) succinate monohydrate for the treatment of depression.”⁸⁰ And the claim to using a sustained release formulation of Form I ODV succinate and any other form of ODV succinate – whose utility was reducing side effects compared to immediate release formulations – was also the inventive concept of these claims.⁸¹

In the *Hospira*, Justice Phelan found the inventive concept to be the “manufacture of a medicament using anti-human TNF- α that can be used in combination with MTX in the

treatment of RA [and] a pharmaceutical composition containing an anti-human TNF- α monoclonal antibody that can be used in combination with MTX in the treatment of RA.”⁸² The utility arguments were not pursued with “much emphasis or vigour,” so the Court’s reasons on utility are somewhat cursory. Nonetheless, the findings on utility closely resemble the inventive concept: “the 630 Patent gave a new and useful choice supported by three clinical studies showing that treatment with TNF- α and MTX reduced the signs and symptoms of RA.”⁸³

While *Pristiq* and *Hospira* are the only post-*AstraZeneca* cases to consider patent validity to date, we suspect that alignment between utility and the inventive concept will continue.

4.5 Alignment is Desirable

It should be no surprise that utility and the inventive concept are now aligned – the original justification for obviousness was section 2 of the *Patent Act*, the provision that remains the basis for the utility requirement. Until 1989, the *Patent Act* did not mention obviousness. But courts read the definition of “invention” under section 2 to mean that an obvious invention would not be patentable. As David Vaver explains in a passage cited by the Supreme Court in *Sanofi*, “Courts implied [obviousness] from the notion of ‘invention.’ Inventions implied inventive ingenuity, without which an advance was obvious; and patents are not granted for the obvious.”⁸⁴

In our view, the alignment between utility and the inventive concept is a good development in Canadian patent law. Not only does alignment provide analytical clarity, but it also means that a court will assess the same invention under each ground of invalidity. The subject-matter defined by the claims should not shift on the basis of the allegation. The Federal Court of Appeal has already held that the subject of each ground of invalidity – patentable subject-matter, novelty, utility, obviousness and statutory prohibition – is “the subject matter defined by the claim”⁸⁵ (although this was held to be *obiter* in *AstraZeneca FCA* in rejecting *AstraZeneca*’s arguments for consistency).⁸⁶

Alignment between the inventive concept and utility also promotes fairness. As the Federal Court has recognized, “[a] patent holder cannot read up the invention

76 *Ibid.*

77 *Ciba*, *supra* note 53, at para. 62.

78 *Apotex Pristiq*, *supra* note 34, at para. 203.

79 *Teva Pristiq*, *supra* note 34, at paras. 211, 328.

80 *Ibid.*, at paras. 218, 340.

81 *Ibid.*, at paras. 225, 345.

82 *Hospira*, *supra* note 39, at para. 212.

83 *Hospira*, *supra* note 39, at para. 259.

84 David Vaver, *Intellectual Property Law: Copyright, Patents, Trade-marks* (Concord, Ont.: Irwin Law, 1997) at 136, cited in *Sanofi SCC*, *supra* note 63, at para. 51.

85 *Canada (Attorney General) v. Amazon.com Inc.*, 2011 FCA 328, at paras. 37-41.

86 *AstraZeneca FCA*, *supra* note 22, at para. 11.

for obviousness and read it down for utility.”⁸⁷ To allow disparate readings “would be unfairly advantageous for a patent holder who might wish to assert that its invention was an unforeseeable innovation (and, therefore, not obvious) and, at the same time, contend that the invention’s useful properties could be readily inferred (and, therefore, soundly predictable).”⁸⁸ Under the Promise Doctrine, companies challenging patents tried to do just the opposite – to read up the invention for utility and read it down for obviousness. However, a harmonious approach to both obviousness and utility means that in playing up an invention for the purposes of obviousness, an inventor will be constrained by what he or she actually invented – what was demonstrated or soundly predicted by the filing date. Conversely, in trying to read down the invention for the purposes of utility, an inventor will be constrained by the obviousness requirement – if the utility standard is too low, an inventor will risk the invention being useful but not actually inventive.

5.0 Conclusion

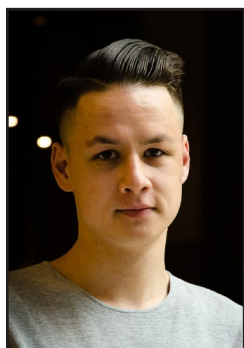
Those who do not practice patent law imagine it to consist of the application of 19th century cases to a 20th century statute, where the technologies might change, but the law rarely does. In fact, as illustrated by the dramatic rise and fall of the Promise Doctrine, while the *Patent Act* rarely changes, its interpretation is surprisingly dynamic. As discussed above, we hope that in the next phase of this evolution, courts will take a coherent approach to patent law, where utility and obviousness assess the same subject-matter to determine whether the claimed subject-matter truly is an “invention.”

The rise and fall of the Promise Doctrine is also a cautionary tale. As discussed above, one of the reasons that courts were so enthusiastic about the Promise Doctrine is that, at least at first blush, it seemed to be consistent with the bargain theory of patent law. If the disclosure was viewed as the *quid pro quo* for the monopoly, then it was only natural to view it as containing the terms of the patent bargain. By extension, if any language in the disclosure was inaccurate, then surely the inventor should lose their monopoly. However, in applying the Promise Doctrine, the Federal Courts lost sight of the fact that while the patent bargain is often a useful analogy, any particular patent is not a contract in which the terms of that bargain are set out. Rather, the bargain at the heart of patent law is contained in the *Patent Act*, whose various sections stipulate the only applicable standard for measuring patent validity. As the Supreme Court has reminded the bar (and the lower courts) several times, “[a]n inventor gets his patent according to the terms of the *Patent Act*, no more and no less.”⁸⁹

⁸⁷ *Hoffmann-La Roche Limited v. Apotex Inc.*, 2011 FC 875, at para. 22.

⁸⁸ *Allergan Inc. v. Canada (Health)*, 2014 FC 567, at para. 24, aff’d 2015 FCA 137.

⁸⁹ *Commissioner of Patents v. Farbwerke Hoechst Aktiengesellschaft Vormals Meister Lucius & Bruning* [1964] S.C.R. 49, at 57.



Matthew Chung**

Bagel Bag as Bellwether? Appropriation Art Under the Canadian Copyright and Trade-marks Acts*

Matthew Chung**

Abstract

On the 100th anniversary of Marcel Duchamp's "Fountain" and in response to developments on the artistic, judicial and legislative fronts, this article revisits the legality of artistic practices of reference and quotation. While Canadian visual artists have recently begun to incorporate trademarked logos into their works, there is a real possibility that corporate trademark holders may exploit intellectual property law to restrict the use of their marks by second-generation creators. This article assesses hypothetical litigation instituted by a corporate trademark holder against an appropriation artist, and concludes that there is breathing space for new forms of visual artistic production under the *Copyright Act* and the *Trade-marks Act*. Given their built-in balance between expressive interests and those of copyright and trademark holders, these statutes can weather the new challenge posed by contemporary appropriation art.

Résumé

Dans le cadre du 100^e anniversaire de la présentation de la Fontaine de Marcel Duchamp, et en réaction aux récents développements dans les mondes artistique, judiciaire et législatif, cet article repense à la légalité de l'utilisation de références et de citations dans les arts. Alors que les artistes visuels canadiens ont récemment commencé à intégrer des logos enregistrés comme marques de commerce dans leurs œuvres, il existe une très véritable possibilité que les propriétaires de marques de commerce invoquent les lois de protection de la propriété intellectuelle pour empêcher les artistes d'utiliser leurs marques. Cet article examine un litige hypothétique entre un propriétaire de marque de commerce enregistrée et un artiste qui utilise cette marque, et conclut que la *Loi sur le droit d'auteur* et la *Loi sur les marques de commerce* accordent suffisamment de liberté pour permettre de nouvelles formes de production d'arts visuels. En raison de leur équilibre intrinsèque entre les intérêts des artistes et de ceux des propriétaires de droits d'auteur et de marques de commerce, ces lois suffisent à surmonter le nouveau défi posé par l'appropriation dans les arts contemporains.

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1.0 Introduction

In 2006, the Appropriation Art Coalition, a self-described consortium of “over 600 artists, curators, directors, educators, writers, associations and organizations from the art sector,” authored an open letter in response to Parliament’s introduction of Bill C-60.¹ In its letter to the ministers of industry and Canadian heritage, the coalition spoke to its concern that proposed amendments to the *Copyright Act* would have a chilling effect on the creation and circulation of “artworks using appropriation.”² Appealing to both art historical precedent and social utility, the coalition sought “breathing space,” of sorts, for appropriation art under Canadian copyright law:

Contemporary Art often takes the form of cultural commentary, criticism, parody. Art using appropriation is no exception. The subject of this artistic commentary ranges widely, but often involves the examination of the cultural products of others (e.g. movies, top 40 songs, television, radio, advertising ...). Aspects of these are often reproduced as part of the work of art, but in such a way that the subject is transformed and offers the world something new. The new works that are produced comment on the world in which we live and reflect the nature of creativity itself.

The practice of Appropriation has become a fundamental part of many creative cultural activities.

Artworks using Appropriation have a long and well documented place in the History of Art. These works are collected and exhibited in major cultural institutions across Canada and throughout the world. We cannot open a book on Modern and Contemporary Art without being presented with some form of Appropriation. The ability to appropriate has not simply changed the way we make art[,] it has changed the way we see the world. And yet we fear that this form of creativity is being threatened and new forms of creativity using appropriation will be prevented even before their potential is recognized. We ask that you, our government, protect our rights as creators and supporters of important cultural works.³

The proximate cause that led to the coalition’s formation was the proposed introduction of “technological protection measures” (TPMs), or so-called digital locks, which would have ostensibly made it impossible for artists to carry out fair dealings of protected works.⁴ However, as Laura Murray and Kirsty Robertson suggest, the coalition would have also turned its mind to the fate of appropriation artists in recent high-profile litigation.⁵ *Rogers v Koons* is frequently cited as an example in the literature.⁶ In that case, the Second Circuit held that Jeff Koons’s “String of Puppies” infringed the copyright in Art Rogers’s photograph.⁷ While Koons urged, in private, that his

- 1 “About Us,” online: Appropriation Art Coalition <https://web.archive.org/web/20061010103822/http://www.appropriationart.ca/?page_id=2>; Bill C-60, *An Act to Amend the Copyright Act*, 1st Sess, 38th Parl, 2005 (first reading 20 June 2005); *Copyright Act*, RSC 1985, c C-42. In addition to the Appropriation Art Coalition, other interest groups, including the Canadian Music Creators Coalition and the Documentary Organization of Canada, voiced opposition to Bill C-60. See Laura J Murray, “Copyright” in Marc Raboy & Jeremy Shtern, eds, *Media Divides: Communication Rights and the Right to Communicate in Canada* (Vancouver: UBC Press, 2010) 196 at 205.
- 2 “Open Letter,” online: Appropriation Art Coalition <<https://web.archive.org/web/20061010103656/http://www.appropriationart.ca/wp-content/uploads/2006/06/Open%20Letter-english.pdf>>.
- 3 *Campbell v Acuff-Rose Music*, 510 US 569 at 579 (1994) (Souter J); “Open Letter,” *supra* note 2.
- 4 “Open Letter,” *supra* note 2 (“We understand that the Canadian government is considering legislation to privilege technical measures that protect access to digital works. Such laws must be rejected. The law should not outlaw otherwise legal dealings with copyrighted works merely because a digital lock has been used”); Bill C-60, *supra* note 1, s 1(2); Carys Craig, “Locking Out Lawful Users: Fair Dealing and Anti-Circumvention in Bill C-32” in Michael Geist, ed, *From “Radical Extremism” to “Balanced Copyright”* (Toronto: Irwin Law, 2010) 177 at 202; Graham Reynolds, “Towards a Right to Engage in the Fair Transformative Use of Copyright-Protected Expression” in Michael Geist, ed, *From “Radical Extremism” to “Balanced Copyright”* (Toronto: Irwin Law, 2010) 395 at 415 [Reynolds, “A Right to Engage”].
- 5 Laura J Murray & Kirsty Robertson, “Appropriation Appropriated: Ethical, Artistic, and Legal Debates in Canada” in B Courtney Doagoo et al, eds, *Intellectual Property for the 21st Century: Interdisciplinary Approaches* (Toronto: Irwin Law, 2014) 368 at 377. For a discussion of the fates of appropriationists working outside the realm of visual art until the early 2000s, see Siva Vaidyanathan, *Copyrights and Copywrongs: The Rise of Intellectual Property and How It Threatens Creativity* (New York: NYU Press, 2001) at 3-4.
- 6 *Rogers v Koons*, 960 F (2d) 301 (2nd Cir 1992) [Koons]. See e.g. Lynne A Greenberg, “The Art of Appropriation: Puppies, Piracy, and Post-Modernism” (1992) 11:1 *Cardozo Arts & Ent LJ* 1. For a more recent high-profile case where an appropriation artist was named a defendant, see *Cariou v Prince*, 714 F (3d) 694 (2nd Cir 2013).
- 7 *Koons* was held liable for copyright infringement in two other cases decided around that time. The infringing works in question, like “String of Puppies,” formed part of the *Banalities Show* exhibition held at the Sonnabend Gallery in New York City. See *United Fea-*

"String of Puppies" commented on the original work's utter lack of creativity and stated, under oath, that it was a "satirical critique of our materialistic society," the court held that he could not avail himself of the defence of "fair use."⁸ Understanding "parody" to necessitate a critique of the original work, the Second Circuit ruled that Koons's "fair social criticism" was no defence to copyright infringement.⁹ Having been described in its immediate aftermath as "an indictment of the whole movement of appropriation art," *Rogers v Koons* continues to be characterized as "a death knell for appropriation art."¹⁰

This precedent notwithstanding, what is the fate of appropriation art under the Canadian *Copyright Act* (and the *Trade-marks Act*, for that matter)? Legal and artistic developments in recent years compel us to revisit this question. On the one hand, the *Copyright Modernization Act* introduced "parody" and "satire" as new purposes for fair dealing and "non-commercial user-generated content" as a new exception to the infringement of copyright.¹¹ What appears to be the only literature on Canadian copyright law and appropriation art, a published journal article, unfortunately predates these amendments.¹² On the other hand, the literature also failed to anticipate new appropriation practices by Canadian visual artists that have crystallized in the past few years. Namely, rather than appropriate images from other creators, Canadian visual artists have begun to incorporate trademarked logos into their works. This potentially objectionable use of logos that benefit from concurrent copyright and trademark protection requires us to consider also the causes of action that

corporate plaintiffs might assert pursuant to the *Copyright Act*'s moral rights provisions and the *Trade-marks Act*.¹³ This question has been given only passing attention in the scholarship.¹⁴ This article argues that, on balance, contrary to some American commentators' claims, there is a breathing space for this new kind of appropriation art under the Canadian *Copyright Act* and *Trade-marks Act*.¹⁵ In line with authors who point to a built-in balance in the *Copyright Act* and *Trade-marks Act* between expressive interests, on the one hand, and copyright and trademark holders' rights, on the other, this article examines the mechanisms by which this equilibrium is achieved.¹⁶ In doing so, it stands to contribute to scholarship that "is sensitive to and protective of expressive rights."¹⁷

While this article's conclusions may appear "evident on the face of things," it is necessary to clarify the law on appropriation art given the disparities of knowledge and resources between visual artists and corporate trademark owners.¹⁸ Empirical studies speak to how "legislation is effectively irrelevant to the ordinary practice of artists in Canada."¹⁹ Kirsty Robertson writes, "[intellectual property] is not of particular interest to most artists, particularly in the ways that it tends to be applied in debates over appropriation in art."²⁰ Despite or because of their ignorance of copyright and trademark law, in turn, there is "widespread concern among [artists] about the role of large corporations in mediating access to audiences and markets."²¹ Scholars have likewise ominously signalled that "[t]rademarks and free expression are on a collision course."²² That is, given that visual artists will

tures Syndicate Inc. v Koons, 817 F Supp 370 (SDNY 1993); *Campbell v Koons*, 1993 WL 97381 (SDNY 1993).

8 Greenberg, *supra* note 6 at 23; *Koons*, *supra* note 6 at 310.

9 *Koons*, *supra* note 6 at 309-10. The distinction has sometimes been framed as "target" versus "weapon" parody: see Anna Spies, "Revering Irreverence: A Fair Dealing Exception for Both Weapon and Target Parodies" (2011) 34:3 UNSWLJ 1122 at 1122 ("the parody 'targets' the original work, rather than use[s] the work as a weapon to attack a third party or as part of wider social criticism"). See also Michael Spence, "Rogers v Koons: Copyright and the Problem of Artistic Appropriation" in Daniel McClean, ed, *The Trials of Art* (London, UK: Ridinghouse, 2007) 213.

10 Greenberg, *supra* note 6 at 2; Darren Hudson Hick, "Appropriation and Transformation" (2013) 23 *Fordham IP Media & Ent LJ* 1155 at 1164. See also Martha Buskirk, "Commodification as Censor: Copyrights and Fair Use" (1992) 60 *October* 82 at 102 ("This case raises a number of important and troubling questions about the legal status of artistic appropriation, and it may set an important precedent with respect to the appropriation of images in works of art").

11 *Copyright Modernization Act*, SC 2012, c 20.

12 See Karen Lowe, "Shushing the New Aesthetic Vocabulary: Appropriation Art Under the Canadian Copyright Regime" (2008) 17 *Dal J Leg Stud* 99.

13 See *Euro-Excellence Inc v Kraft Canada Inc*, 2010 FC 1099, 90 CPR (4th) 1.

14 See e.g. Lowe, *supra* note 12 at n 7 ("Appropriation art also raises issues of trademark and moral rights issues"). Cf John Carlin, "Culture Vultures: Artistic Appropriation and Intellectual Property Law" (1988) 13 *Colum-Va J L & Arts* 104 (discussing appropriation art and trademark law issues, but not moral rights issues).

15 *Copyright Act*, *supra* note 1; *Trade-marks Act*, RSC 1985, c T-13.

16 See Graham Reynolds, "The Limits of Statutory Interpretation: Towards Explicit Engagement, by the Supreme Court of Canada, with the Charter Right to Freedom of Expression in the Context of Copyright" (2016) 41:2 *Queen's LJ* 455 at 460 [Reynolds, "Limits"]; Teresa Scassa, "Trademarks Worth a Thousand Words: Freedom of Expression and the Use of the Trademarks of Others" (2012) 53:4 *C de D* 877 at 893 [Scassa, "Trademarks"]. *Contra* David Fewer, "Constitutionalizing Copyright: Freedom of Expression and the Limits of Copyright in Canada" (1997) 55:2 *UT Fac L Rev* 175; Graham J Reynolds, "Reconsidering Copyright's Constitutionality" (2016) 53 *Osgoode LJ* 898.

17 Scassa, "Trademarks," *supra* note 16 at 907.

18 *Ibid* at 894, 905.

19 Murray, *supra* note 1 at 207.

20 Kirsty Robertson, "The Art of the Copy: Labor, Originality, and Value in the Contemporary Art Market" in Laura J Murray, S Tina Piper & Kirsty Robertson, eds, *Putting Intellectual Property in Its Place: Rights Discourses, Creative Labor, and the Everyday* (Oxford: Oxford University Press, 2014) 158 at 175. For a recent, high-profile case where an appropriation artist was named as a defendant, see *Cariou v Prince*, 714 F (3d) 694 (2nd Cir 2013).

21 Murray, *supra* note 1 at 208.

22 Rochelle Cooper Dreyfuss, "Reconciling Trademark Rights and Expressive Values: How to Stop Worrying and Learn to Love Am-

continue to incorporate trademarks into their works for a range of expressive purposes, some of these uses are bound to be critical of the goods or the company represented by the logo.²³ In turn, trademark owners will have recourse to intellectual property law to enforce such non-traditional interests as protection of “broader brand image” as opposed to source.²⁴ As a result, there is a real possibility that trademark owners may

[use] the blunt tool of copyright [and trademark] law to restrict the use of their works by second-generation creators, even where the interests sought to be protected inhere in integrity, reputation or false association rather than exploitation, market substitution, or incentive destruction.²⁵

2.0 A Brief History of Appropriation Art, 1917-2017

Consistent with art historical writing, this article defines “appropriation art” as “artistic practices that build upon the work of those who have come before.”²⁶ In this light, strategies used by visual artists may be situated within a larger “remix aesthetic” that also informs music, design, and fashion.²⁷ Benjamin Buchloh was the first art historian to take seriously artistic practices of reference and quotation and to trace their origins.²⁸ In 1982, Buchloh rebuked “[t]he inability of current art history and criticism to recognize the necessity and relevance of this new

generation of artists working within the parameters of allegorical appropriation.”²⁹ Despite being associated with the 1980s, appropriation art has not since faded into oblivion. Art historian Martha Buskirk writes, “the tactic itself has not gone away; rather, it has been fully assimilated into a field of contemporary art practices where production and reproduction are interwoven.”³⁰

In the discussion that follows, this article traces the pedigree of contemporary appropriation art, as the Appropriation Art Coalition implored us to do in its open letter. To this end, it adopts Johnson Okpaluba’s rough taxonomy of strategies of reference and quotation: (1) “simulationism”; (2) “pure” appropriation; and (3) montage.³¹ Two crucial points emerge from this survey. First, in recent years, visual artists have begun to appropriate trademarked logos in addition to images from other creators, which marks a significant break with past practice. That said, there being at least one precedent for such appropriation, it is an unfortunate oversight that legal scholars have not considered the implications of trademark law for appropriation art. Second, strategies of reference and quotation have owed their existence, above all, to the “conventions of the artistic commonwealth.”³² That visual artists now appropriate the images of non-peers threatens to disrupt this delicate balance of interests inherent in this non-legal normative order.³³

biguity” in Graeme B Dinwoodie & Mark D Janis, eds, *Trademark Law and Theory: A Handbook of Contemporary Research* (Northampton, Mass: Edward Elgar, 2008) 261 at 262 [Dreyfuss, “Expressive Values”]. See also Martha Buskirk, “Creative Intent: The Recent Fortunes of Appropriation Art in the United States” in Daniel McClean, ed, *The Trials of Art* (London, UK: Ridinghouse, 2007) 235 at 249 [Buskirk, “Creative Intent”] (“As artists continue to traverse intellectual property lines in order to articulate a response to their commodity-saturated environment, conflicts with corporate entities ... are certain to arise from the multitude of ownership and authorship claims dotting this terrain”).

23 Scassa, “Trademarks,” *supra* note 16 at 885, 903.

24 *Ibid* at 881. See also Rochelle Cooper Dreyfuss, “Expressive Genericity: Trademarks as Language in the Pepsi Generation” (1990) 65 Notre Dame L Rev 397 at 400-12 [Dreyfuss, “Expressive Genericity”].

25 Laura A Heymann, “The Trademark/Copyright Divide” (2007) 60 SMU L Rev 55 at 57. Cf Emir Aly Crowne Mohammed, “Parody as Fair Dealing in Canada: A Guide for Lawyers and Judges” (2009) 4:7 J Intell Prop L & Prac 468 at 471 (“within this context [of parody] most actions for copyright infringement are accompanied by a claim for passing off or trade mark infringement”).

26 Buskirk, “Creative Intent,” *supra* note 22 at 235. For another definition of appropriation art by the same author, see Martha Buskirk, “Appropriation Under the Gun” (1992) 80:6 Art in America 37 at 37 (“In discussions of contemporary art, appropriation is generally understood as a method that uses recontextualization as a critical strategy. In theory, when an artist places a familiar image in a new context, the maneuver forces the viewer to reconsider how different contexts affect meaning and to understand that all meaning is socially constructed”).

27 Laura J Murray, S Tina Piper & Kirsty Robertson, “Copyright over the Border” in Laura J Murray, S Tina Piper & Kirsty Robertson, eds, *Putting Intellectual Property in Its Place: Rights Discourses, Creative Labor, and the Everyday* (Oxford: Oxford University Press, 2014) 15 at 15. See also Kembrew McLeod & Rudolf Kuenzli, eds, *Cutting Across Media: Appropriation Art, Interventionist Collage and Copyright Law* (Durham, NC: Duke University Press, 2011).

28 Buskirk, “Creative Intent,” *supra* note 22 at 235; Robert S Nelson, “Appropriation” in Robert S Nelson & Richard Shiff, eds, *Critical Terms for Art History*, 2nd ed (Chicago: University of Chicago Press, 2003) 160 at 165.

29 Benjamin HD Buchloh, “Allegorical Procedures: Appropriation and Montage in Contemporary Art” in Alexander Alberro & Sabeth Buchmann, eds, *Art After Conceptual Art* (Cambridge, Mass: MIT Press, 2006) 27 at 39.

30 Buskirk, “Creative Intent,” *supra* note 22 at 249.

31 Johnson Okpaluba, “Appropriation Art: Fair Use or Foul?” in Daniel McClean & Karsten Schubert, eds, *Dear Images: Art, Copyright and Culture* (London, UK: Ridinghouse, 2002) 197 at 200. See also Carlin, *supra* note 14 at 107 (“There are ... two distinct ways of using such material: collage (in which the source is manipulated within a larger ensemble of imagery and artistic styles), and pure appropriation (where the artist simply copies the original and reattributes it to him or herself”).

32 Daniel McClean, “Piracy and Authorship in Contemporary Art and the Artistic Commonwealth” in Lionel Bently, Jennifer Davis & Jane C Ginsburg, eds, *Copyright and Piracy: An Interdisciplinary Critique* (Cambridge, UK: Cambridge University Press, 2010) 311 at 330.

33 See Martha-Marie Kleinhans & Roderick A Macdonald, “What Is a Critical Legal Pluralism?” (1997) 12:2 CJLS 25 at 29 (“manifold legal norms emerge, change, and negate or reinforce one another in social situations not derived from, tributary to or purportedly

2.1 Simulationism

Simulationism, which had its heyday in the 1980s, is not critical to this article's purposes in that it does not readily implicate copyright or trademark law.³⁴ This variant of appropriation art is distinguished from other forms of appropriation art in that it entails the recontextualization and transformation of a familiar object rather than an image. Marcel Duchamp is said to be the "father" not only of simulationism but also of appropriation art more generally.³⁵ Taking seriously Duchamp's procedures is therefore paramount to understanding what appropriationists do. A crucial question for art historians in relation to appropriation art is how to ascertain authorship. To quote Martha Buskirk, "When is a copy a replica, and under what circumstances does it become an original?"³⁶ Duchamp's inscription of a signature and date, "R. Mutt 1917," on the front of his "Fountain" has been read as "a representation of the idea of the author."³⁷ What would otherwise be a mass-produced urinal, a found object of modern industrial life, is transformed into a sculpture by this "act of writing."³⁸

2.2 "Pure" Appropriation

Signature as a strategy to assert authorship over the copy figures prominently in the work of Sherrie Levine, perhaps the best-known appropriation artist.³⁹ Her 1981 series *After Walker Evans* has been described as entailing "radical photographic appropriations."⁴⁰ Levine sought out and photographed reproductions of famous Depression-era photographs by Walker Evans. While Levine acknowledges the lineage of *After Walker Evans* by naming the original artist in its title, in a discrete move, Levine claims the copy as her own by inscribing her name in pencil on the verso of each print. Art historians have read a "feminist streak" into this act of ostensible authorship.⁴¹ That is, by "overwriting the male artist's signature with her female artist's signature, she at once displaces and replaces him."⁴² In

mechanically reproducing another's work "under the 'erasure' of her own name," Levine is also taken to have called into question the very notion of originality in art.⁴³ Thus, Levine's work illustrates some of the conceptual underpinnings of appropriation art. As Darren Hudson Hick explains,

what links [appropriation] artists is the employment of appropriation in pursuit of artistic projects focused on the art object—the nature of the *thing* (in both the original and secondary works)—and the nature of authorship. In many ways, appropriation is about appropriation: the viewer is meant to know that the objects and images presented are appropriated, and this is meant to say something about the objects and the authorship of the original and new works.⁴⁴

Andy Warhol appropriated imagery not from the art historical canon but from the vernacular of everyday life. In this way, he shares more affinities with Marcel Duchamp, with whom he is frequently compared, and present-day appropriationists than he does with Sherrie Levine.⁴⁵ Key to this article's purposes is that Warhol is an early example of a visual artist who appropriated trademarked logos. Warhol's *Brillo Boxes* (alongside his *Campbell Soup* paintings) became an iconic work within his own lifetime.⁴⁶ In 1964, at the Stable Gallery in New York City, the artist exhibited nearly 100 of his sculptures, which had been created through a process of mechanical reproduction. Warhol had stencils traced from the label bearing the Brillo logo affixed to cardboard cartons. Painted wooden boxes were later silk-screened, producing sculptures that resembled "real cartons one could see in the stockroom of any supermarket in the land."⁴⁷ Yet, unlike Duchamp, Warhol never signed his sculptures. His achievement was not to question the status of the art object per se, as his precursor did, but to lampoon "the lure of the commodity in a media-driven culture."⁴⁸ The

structured by State action").

34 See William M Landes, "Copyright, Borrowed Images, and Appropriation Art: An Economic Approach" (2000) 9:1 Geo Mason L Rev 1 at 1 ("Some appropriation art does not implicate copyright law at all").

35 Donald Kuspit, "Some Thoughts About the Significance of Postmodern Appropriation Art" in Richard Brilliant & Dale Kinney, eds, *Reuse Value: Spolia and Appropriation in Art and Architecture from Constantine to Sherrie Levine* (London, UK: Routledge, 2011) 237 at 244.

36 Martha Buskirk, *The Contingent Subject of Contemporary Art* (Cambridge, Mass: MIT Press, 2003) at 72 [Buskirk, *Contingent Subject*].

37 René Payant, "The Shock of the Present" in Jessica Bradley & Lesley Johnston, eds, *Sightlines = Sight Lines: Reading Contemporary Canadian Art* (Montreal: Artextes, 1994) 229 at 231.

38 *Ibid* at 232. See also McClean, *supra* note 32 at 319 ("The authenticity of artworks is conventionally underpinned by the artist's signature, which registers the artist's 'umbilical' connection to the artwork and verifies that it is finished and ready for exhibition—the artist's signature is typically inserted directly onto the bottom (right-hand) corner of a painting or drawing").

39 Kuspit, *supra* note 35 at 240; Sherri Irvin, "Appropriation and Authorship in Contemporary Art" (2005) 45:2 British J Aesthetics 123 at 125.

40 Irvin, *supra* note 39 at 125.

41 Kuspit, *supra* note 35 at 240; Nelson, *supra* note 28 at 165.

42 Kuspit, *supra* note 35 at 241.

43 *Ibid* at 240; Rosalind Krauss, *The Originality of the Avant-Garde and Other Modernist Myths* (Cambridge, Mass: MIT Press, 1985) at 168. See also Walter Benjamin, "The Work of Art in the Age of Mechanical Reproduction" in Hannah Arendt, ed, *Illuminations: Essays and Reflections* (New York: Harcourt, Brace & World, 1968) 219.

44 Hick, *supra* note 10 at 1178 [emphasis in original]. See also McClean, *supra* note 32 at 328. Following the creation of her *After Walker Evans* series, Levine apparently stopped using Evans's photographs as material under the threat of legal action by the artist's estate: see Irvin, *supra* note 39 at 132.

45 Buskirk, *Contingent Subject*, *supra* note 36 at 78; Arthur C Danto, *Andy Warhol* (New Haven, Conn: Yale University Press, 2009) at 51.

46 Danto, *supra* note 45 at 52.

47 *Ibid* at 61. It is said that James Harvey, an abstract expressionist painter and part-time designer who had conceived the Brillo box's label, contemplated instituting proceedings for what might be deemed, in Canada, the infringement of his right to paternity: see Michael J Golec, *The Brillo Box Archive: Aesthetics, Design, and Art* (Hanover, NH: University Press of New England, 2008) at 5.

48 Buskirk, *Contingent Subject*, *supra* note 36 at 80.

recontextualization of “an entirely vernacular object of everyday life,” with its trappings of “utilitarian familiarity,” in the gallery was crucial to this critique.⁴⁹ As this article will subsequently show, contemporary artists have also appropriated trademarked logos in order to advance critiques of material society.

2.3 Montage

Barbara Kruger comes to mind as the closest forerunner of present-day appropriationists whose work can be described as montage. Yet, unlike her descendants, Kruger limited her acts of reference and quotation to found images.⁵⁰ Kruger's photo collages are highly conceptual. In appropriating commercial imagery from mass media and later overlaying text thereon, Kruger sought to rehabilitate the copy into “an active commentary.”⁵¹ Her collages seek to confront and agitate the viewer, with the “verbal labels” in Futura Bold typeface affixed onto the second-hand photos being addressed to her.⁵² The artist shares a feminist *modus operandi* with Sherrie Levine in that Kruger sought to lay bare the coded nature of mass-produced imagery that is “male-identified.”⁵³ Produced in 1980, “Untitled (Perfect)” best illustrates her political impulse. The montage consists of a photograph of a female torso whose hands are clasped in prayer, over which the word “Perfect” is laid. The work therefore critiques societal expectations that women embody chaste propriety and passive femininity. What Kruger recognized decades before present-day appropriationists is that commercial imagery is loaded with meaning. Thus, her practices of reference and quotation amount to “not only an appropriation of that imagery but also an appropriation of the power of that imagery.”⁵⁴

Chloe Wise, a native of Montreal, names Marcel Duchamp, Andy Warhol, and Cindy Sherman as major influences on her work.⁵⁵ The critic Jeffrey Deitch notes her “updated Pop Art aesthetic” and her “personal remix of the historical and the new” as the prominent features of her work.⁵⁶ That is, her art “breaks down the traditional hierarchies between media and between high art and popular culture.”⁵⁷ Like that of Sherrie Levine, Wise's work presumes a certain familiarity with canonical art history on the viewer's part. “Rococo Chanel (Marble)” consists of a blown-

up sample of “The Swing” by Jean-Honoré Fragonard that has been printed on canvas. However, the 18th-century painting has been “rebranded” for the 21st century: Wise's work has been embossed with a Chanel logo in the bottom-right corner. When first exhibited at Division Gallery in Montreal, the work was installed behind “The Swing (Dior),” a sex swing decorated with Dior hardware, to complete the homage to Fragonard. Wise's use of trademarked logos transcends media. “I Remember Everything I've Ever Eaten,” an oil painting, depicts model Hari Nef in a manner that recalls “Le Déjeuner sur l'herbe” by Édouard Manet. Yet Wise's detailed rendition of a carton of Blue Diamond almond milk makes clear that “Hari's picnic is a contemporary still life.”⁵⁸ In Wise's other works, appropriated trademarks are more focal. In “LV on a Leash,” the Louis Vuitton logo is playfully recreated from four plasticized strips of bacon. The leather leash dangling from the sculpture and onto the gallery's floor suggests that consumers are enslaved to fashion and submissive to their desires for luxury goods peddled by the fashion house.⁵⁹

The works of Wise's Canadian compatriots, Fucci and Tava, speak directly to commodity fetishism through their use of trademarked logos.⁶⁰ Fucci and Tava play with an aesthetic that may be described as “luxury bootleg.”⁶¹ The term refers to a present-day phenomenon whereby “do-it-yourself” designers affix one or more luxury logos to down-market goods, which are later sold as independent creations in limited runs.⁶² Ava Nirui's “Gucci x Champion bootleg hoodie,” a garment on which the logos of a luxury fashion house and sportswear brand are skilfully reproduced and melded, can be cited as an example.⁶³ Similarly, in their works, Fucci and Tava depict vernacular objects of everyday life that have been literally branded as luxury objects. In two 2015 untitled illustrations whose vibrant palette is reminiscent of Andy Warhol's portraiture, Fucci represents a package of cigarettes emblazoned with a Chanel logo and a surfboard stamped with the Stüssy logo. In “Milk & Run” by Tava, two cartoon criminals speed off in a getaway vehicle that features a Chanel hood ornament. The use of trademarked logos to make a statement about commodity fetishism is more explicit in Fucci's case. A self-described “female-centric

49 Danto, *supra* note 45 at 64; Buskirk, *Contingent Subject*, *supra* note 36 at 80.

50 Margot Lovejoy, *Postmodern Currents: Art and Artists in the Age of Electronic Media* (Ann Arbor, Mich: UMI Research Press, 1989) at 74.

51 *Ibid.*

52 WJT Mitchell, “What Do Pictures Really Want?” (1996) 77 October 71 at 80.

53 Lovejoy, *supra* note 50 at 74.

54 *Ibid.* at 76 [emphasis added].

55 Greg Mania, “Chloe Wise,” *Creem Magazine* (27 January 2015), online: <<https://milk.xyz/articles/3281-Rolling-on-the-Floor-Laughing-with-Chloe-Wise/>>.

56 Jeffrey Deitch, “Concrete Comedy” in *Chloe Wise* (Brugge, Belgium: die Keure, 2016) 8 at 9.

57 *Ibid.*

58 *Ibid.*

59 Cf Charles E Colman, “Fashion, Sexism, and the United States Federal Judiciary” (2013) 4 Vestoj 53.

60 Fucci has been accused of imitating the expression of Pieter Janssen, a prolific Dutch artist who goes professionally by the moniker Parra: see “Is Illustrator Fucci en keiharde Piet Parra rip-off?” (1 May 2016), Men & Style (blog), online: <www.menandstyle.nl/2016/03/illustrator-fucci-is-eeen-keiharde-piet-parra-rip-off/>.

61 David Fischer, “These Luxury Bootlegs Are Pure Art” (23 October 2016), *Highsnobiety* (blog), online: <<https://www.highsnobiety.com/2016/10/23/ava-nirui-luxury-sportswear-bootlegs/>>.

62 *Ibid.*

63 Rebecca Kim, “Ava Nirui Releases a Gucci x Champion Bootleg Hoodie” (19 November 2016), *Hypebeast* (blog), online: <<https://hypebeast.com/2016/11/ava-nirui-gucci-champion-hoodie>>.

pop artist," Fucci's subject matter is objects of desire of the heterosexual male gaze.⁶⁴ In his second untitled illustration, Fucci explicitly links covetous lust for a woman's body to that for the "luxury bootleg." Finally, of all the present-day appropriationists discussed, Tava's work raises the most issues in the casual viewer's mind as to whether his practices of reference and quotation have been authorized. Although the artist has collaborated with and been commissioned by TOMS and Hugo Boss, among other corporations, it is unclear to the casual viewer whether his other works have received similar sanction.⁶⁵

2.4 Accounting for a Century of Appropriation Art

How does one justify practices of reference and quotation that appear to fly in the face of intellectual property law norms, such as the *sine qua non* of "originality" in copyright law?⁶⁶ To make sense of these artistic strategies, one must shake off historically circumscribed understandings of intellectual property law that are rooted in so-called Romantic individualism. As Rosemary Coombe explains,

[i]n these constructions of authorship, the writer is represented in Romantic terms as an autonomous individual who creates fictions with an imagination free of all constraint. For such an author, everything in the world must be available and accessible as an "idea" that can be transformed into his "expression," which thus becomes his "work." Through his labor, he makes these "ideas" his own; his possession of the "work" is justified by his expressive activity. So long as the author does not copy another's expression, he is free to find his themes, plots, ideas and characters anywhere he pleases, and to make these his own (this is also the model of authorship that dominates Anglo-American laws of copyright).⁶⁷

In defending "the legitimacy and social value of Appropriation," John Carlin describes the demise of unmediated

access to this realm of ideas by the late 20th century.⁶⁸ In the late 1980s, he wrote, "our social environment is increasingly determined by simulated signs and ... the realm of the 'imaginary' has supplanted that of the 'real' in determining our sense of self and nature."⁶⁹ The basic mode of representation having shifted from mimesis to semiotics, "culture functions as the ideal artistic referent."⁷⁰ Carlin concludes, "contemporary artists ... should be free to reproduce our 'nature,' even if some of it is made from commercial signs and imagery that are protected by copyright and trademark."⁷¹ Martha Buskirk echoes Carlin's sentiment: "In the context of a cultural landscape veritably littered with copyrighted images and trademarked products, it becomes difficult to imagine circumstances in which one could avoid entanglement with protected imagery."⁷² Buskirk concurs with his tenet that "society needs artists to comment upon corporate imagery in order to balance its monopoly over our sense of social reality."⁷³ In Buskirk's view, an entity's commercial success is "double-edged": "the more deeply entrenched its product is in the cultural consciousness, the more its status as icon makes it a likely target."⁷⁴ On this view, trademarked logos can therefore be legitimately exacted by artists from corporate entities.

Daniel McClean's theory of the "artistic commonwealth" is instructive in making sense of why practices of reference and quotation have persisted and been legitimated, namely, through their assimilation into art historical discourse and art institutions.⁷⁵ By the same token, the theory also portends future lawsuits between appropriationists and trademark holders. McClean holds that all artists belong to a commonwealth in which they share common forms, images, styles and ideas.⁷⁶ He understands the notion of "the artist as 'genius' originator" to have little application; what abound are "traditions and conventions of copying, in particular homage."⁷⁷ However, this does not mean that appropriation is unbounded. Rather, as Sherri Irvin writes, "responsibility

64 Seidi Hakkanen, "Fucci; Pop Art's Next Killer Artist" (5 March 2016), *Sleepless in Suburbia* (blog), online: <www.postsuburbia.com/artists/2016/3/5/fucci-pop-arts-next-killer-artist>.

65 See "Home," online: Antoine Tavaglione <www.antoinetavaglione.com>.

66 See Greenberg, *supra* note 6 at 8-18; *CCH Canadian Ltd v Law Society of Upper Canada*, 2013 SCC 73 at para 24, [2013] 3 SCR 1168, McLachlin CJ [Cinar].

67 Rosemary J Coombe, *The Cultural Life of Intellectual Properties* (Durham, NC: Duke University Press, 1998) at 211. See also McClean, *supra* note 32 at 317; Rosemary J Coombe, "The Properties of Culture and the Politics of Possessing Identity: Native Claims in the Cultural Appropriation Controversy" (1993) 6:2 Can JL & Jur 249; Roland Barthes, "The Death of the Author" in Stephen Heath, ed, *Image, Music, Text* (New York: Hill and Wang, 1977) 142; Michel Foucault, "What Is an Author?" in Donald F Bouchard, ed, *Language, Counter-Memory, Practice: Selected Essays and Interviews* (Ithaca, NY: Cornell University Press, 1977) 124.

68 Carlin, *supra* note 14 at 110.

69 *Ibid.* See also Guy Debord, *The Society of the Spectacle*, translated by Donald Nicholson-Smith (New York: Zone Books, 1995).

70 Carlin, *supra* note 14 at 110.

71 *Ibid.* at 111.

72 Buskirk, "Creative Intent," *supra* note 22 at 248.

73 Carlin, *supra* note 14 at 111. See also Murray, *supra* note 1 at 209 ("Appropriation was described as a survival skill in a world where commercial products inundate all citizens without their permission").

74 Buskirk, "Creative Intent," *supra* note 22 at 238.

75 See Irvin, *supra* note 39 at 126 ("The work of the most radical appropriation artists has been accepted as art, and they have been accepted as artists, receiving every form of recognition for which artists and artworks are eligible[.] ... Moreover, the kind of recognition the artists have received suggests that the art world takes them seriously as the authors of their work"). For a challenge to McClean's theory, see Jonathan Griffiths, "Copyright's Imperfect Republic and the Artistic Commonwealth" in Lionel Bently, Jennifer Davis & Jane C Ginsburg, eds, *Copyright and Piracy: An Interdisciplinary Critique* (Cambridge, UK: Cambridge University Press, 2010) 340.

76 McClean, *supra* note 32 at 327.

77 *Ibid.* at 329.

is constitutive of authorship."⁷⁸ That is, incorporation of another's imagery is permitted because either the viewer can be presumed to have knowledge of the original material's source, or the second-generation creator has indicated that source. In this way, the appropriationist "assumes responsibility for and is validated (in contrast to the forger) as the author of an artwork as much as the author of the original artwork that is subject to appropriation."⁷⁹

That commercially minded parties are not understood to participate in this "artistic commonwealth" can explain why trademark holders and expressive interests are said to be "on a collision course."⁸⁰ McClean points out that conventions of copying have broken down and been judicialized where artists have crossed the high-low cultural divide – that is, where artists have reproduced "imagery taken from the everyday world."⁸¹ McClean understands the origin of the litigation in *Rogers v Koons*, between a commercial photographer and a pop artist, on these very terms.⁸² Although, in the past, appropriation artists could rely on their peers' countenance as they created works, the same is no longer true as Chloe Wise, Fucci, Tava and others have begun to incorporate trademarked logos into their works. Does copyright and trademark law afford trademark holders private rights to censor expressive interests?⁸³ That question is taken up by this article in the remaining sections.

3.0 Appropriation Art and Copyright Issues

While practices of quotation and reference came to prominence in the Canadian art scene after 2014, this new wave of appropriation art has been accompanied by a sea change on the judicial and legislative fronts alike. On the one hand, the 2004 decision of the Supreme Court of Canada in *CCH* radically overhauled the judicial understanding of and approach to "fair dealing" under the *Copyright Act*.⁸⁴ On the other hand, the *Copyright Modernization Act*, enacted in 2012, introduced "parody" and "satire" as purposes for fair dealing and "non-

commercial user-generated content" as a new exception to the infringement of copyright.⁸⁵ While the *Copyright Act* seeks to strike "a balance between the public interest in promoting the encouragement and dissemination of works of the arts and intellect and obtaining a just reward for the creator," the statute can achieve its purpose even in the face of new forms of appropriation art.⁸⁶ Predating this recent statutory development, the lone scholarly work on appropriation art and Canadian copyright law came to the opposite conclusion, arguing that *Michelin* stood in the way of breathing space for practices of quotation and reference.⁸⁷ In what follows, this article discusses the evolution of Canadian copyright law in respect of fair dealing and how appropriation artists may find shelter thereunder. It also briefly considers the new defence of "non-commercial user-generated content" as a means by which appropriation artists can evade attempts by trademark holders to use copyright as a blunt tool of censorship.

3.1 Originality: An Ersatz "Defence" to Copyright Infringement

Because the judicial approach to fair dealing was "uncertain at best" prior to *CCH*, artists who parodied the works of others devised imaginative arguments in litigation over copyright infringement.⁸⁸ One ersatz defence, which emerged sporadically in the case law as late as 1999, was to claim that the second-generation work constituted an original work and thereby did not infringe the copyright in the targeted work.⁸⁹ Often, the defendant would emphasize the "labour, imagination and talent" that he had invested in the parody.⁹⁰ This line of thought can be traced to *Joy Music*, a 1960 English judgment, wherein McNair J held, "no infringement of the plaintiffs' rights takes place where a defendant has bestowed such mental labour upon what he has taken and has subjected it to such revision and alteration as to produce an original result."⁹¹ Not only was his *dictum* subsequently rebuked in two later English decisions, it was also rejected by

78 Irvin, *supra* note 39 at 123.

79 McClean, *supra* note 32 at 330. There is also a normative rule within this "artistic commonwealth" that unauthorized reproduction of another's work is permissible if the original work has been sufficiently transformed: Murray, *supra* note 1 at 210 ("there was a fairly widespread idea that one should have more rights to use without permission if one transformed the material to a high degree").

80 Dreyfuss, "Expressive Values," *supra* note 22 at 262.

81 McClean, *supra* note 32 at 331. On the high-low cultural divide, see Clement Greenberg, "Avant-Garde and Kitsch" (1939) 6 *Partisan Rev.* 34.

82 In support of his thesis, McClean also cites a dispute over copyright infringement between Andy Warhol and Patricia Caulfield, a commercial photographer. For a more detailed discussion of this dispute, see Buskirk, *Contingent Subject*, *supra* note 36 at 80-87.

83 Carlin, *supra* note 14 at 135.

84 *CCH*, *supra* note 66.

85 *Copyright Modernization Act*, *supra* note 11.

86 *Théberge v Galerie d'Art du Petit Champlain inc.*, 2002 SCC 34 at para 30, [2002] 2 SCR 336, Binnie J [*Théberge*].

87 *Compagnie Générale des Établissements Michelin—Michelin & Cie v National Automobile, Aerospace, Transportation and General Works Union of Canada (CAW-Canada)*, [1997] 2 FCR 206, 71 CPR (3d) 348 (FCTD) [*Michelin* cited to FCR]; Lowe, *supra* note 12 at 111 ("As the law currently stands after *Michelin*, the only way for an appropriation artist to escape liability under the *Copyright Act* is either to obtain a license from the copyright holder or to avoid a finding of infringement altogether by not reproducing a substantial portion of the original work").

88 James Zegers, "Parody and Fair Use in Canada After *Campbell v Acuff Rose*" (1994) 11 CIPR 205 at 205.

89 *Productions Avanti Ciné-Vidéo Inc v Favreau* (1999), 1 CPR (4th) 128 at 154, 177 DLR (4th) 568 (Qc CA), Gendreau JA [*Avanti* cited to CPR], leave to appeal to SCC refused, [2000] 1 SCR xi ("It would seem that parody can be seen from two angles: an exception to copyright infringement under section 27(1) (now 29) of the *Act*, or an original work as such").

90 *Ibid.*

91 *Joy Music Ltd v Sunday Pictorial Newspapers (1920) Ltd*, [1960] QB 60 at 70, McNair J.

the Federal Court in *Michelin*.⁹² In that case, Teitelbaum J held, “it is immaterial if the defendants have employed some labour and some originality if there is nonetheless reproduction of a substantial part of the original.”⁹³

To set aside McNair J’s *dictum* makes sense in terms of both copyright law and artistic practice. “Originality” for the purposes of the *Copyright Act* is not defined by the “sweat of the brow” standard.⁹⁴ In addition, notwithstanding any “revision and alteration” to the target work, the test for whether an artist has taken a substantial part thereof entails comparison of the target and new works: “whether there has been substantial copying focuses on whether the copied features constitute a substantial part of the plaintiff’s work—not whether they amount to a substantial part of the defendant’s work.”⁹⁵ While an appropriationist must “conjure up” the target work to make an effective parody, she will ordinarily take a substantial part of the work and thereby be *prima facie* liable for copyright infringement.⁹⁶ Therefore, where an appropriationist is sued for copyright infringement by a trademark holder, the more effective litigation strategy will be to have recourse to fair dealing.

3.2 Fair-Dealing Pre-CCH

If courts were loath to entertain defendant appropriationists’ claims to originality, were they any more receptive to artists’ recourses to fair dealing? Carys Craig paints a bleak portrait of the judicial treatment of fair dealing prior to *CCH*:

For a long time, the Canadian approach to fair dealing was one of single-minded reliance upon specific rules, together with a distinct unwillingness to reconsider the purpose of fair dealing with the larger policy aims of copyright law. The result was a lack of principled discussion about the defence, and a wide refusal to entertain it. This effectively eviscerated fair dealing; it was bound too

tightly to the strict statutory language and encumbered with an apparent, if unarticulated, sense that use of another’s work without permission was *de facto* unfair.⁹⁷

In keeping with her characterization of the general judicial posture, Craig speaks to how courts often invoked “a bright-line mechanical rule that would preclude fair dealing on the facts of the case.”⁹⁸ Although the case law on fair dealing before *CCH* is meagre, one can find a handful of judicial pronouncements in this vein.⁹⁹ In *Zamacois*, Angers J was asked to determine whether a newspaper could reproduce the plaintiff’s article in its entirety in a commentary.¹⁰⁰ He ruled in the negative, holding that “a critic cannot, without being guilty of infringement, reproduce in full, without the author’s permission, the work which he criticizes.”¹⁰¹ In other words, the factor described as “the amount of the dealing” in *CCH* was seen as wholly determinative of whether a given dealing was fair. In *Avanti*, the Quebec Court of Appeal more explicitly articulated a search for bright lines. In a concurring opinion, Rothman JA described “an important line separating a parody of a dramatic work created by another writer or artist and the appropriation or use of that work solely to capitalize on or ‘cash in’ on its originality and popularity.”¹⁰² In *Avanti*, the factor described as “the effect of the dealing on the work” in *CCH* was the be-all and end-all of the fair-dealing test.

However, one may also discern a countercurrent in the pre-2004 jurisprudence. In *Allen*, the Ontario Divisional Court expressly declined to follow *Zamacois*, holding that in reproducing the claimant’s photograph as part of a cover story, the *Toronto Star* dealt with the work fairly.¹⁰³ Sedwick J described the test for fair dealing as “purposeful” and held that it does not *ipso facto* entail “a mechanical measurement of the extent of copying involved.”¹⁰⁴ He held that judges must consider “other factors” such as “the nature or purpose of the use.”¹⁰⁵ Applying these criteria to the appeal at bar, Sedwick J ruled that the defendant newspaper’s dealing did not aim “to gain an unfair

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- 92 See *Schweppes Ltd v Wellingtons Ltd*, [1984] RSR 210 (Ch); *Williamson Music Ltd v Pearson Partnership*, [1987] FSR 97 (Ch); Michael Spence, “Intellectual Property and the Problem of Parody” (1998) 114 Law Q Rev 594 at 596 [Spence, “Parody”] (“An earlier view that the parody would not constitute an infringement of the work if it in turn amounted to a copyright work, is no longer part of the United Kingdom Law”).
- 93 *Michelin*, *supra* note 87 at para 57. But see *Avanti*, *supra* note 89 at 154-55, Gendreau JA (availability of “defence” is not explicitly ruled out).
- 94 *CCH*, *supra* note 66 at para 24, McLachlin CJ.
- 95 *Cinar*, *supra* note 66 at para 39, McLachlin CJ [emphasis in original].
- 96 See e.g. Spence, “Parody,” *supra* note 92 at 596.
- 97 Carys Craig, “The Changing Face of Fair Dealing in Canadian Copyright Law: A Proposal for Legislative Form” in Michael Geist, ed, *In the Public Interest: The Future of Canadian Copyright Law* (Toronto: Irwin Law, 2005) 437 at 443 [Craig, “Fair Dealing”].
- 98 *Ibid.* Cf Giuseppina D’Agostina, “Healing Fair Dealing? A Comparative Copyright Analysis of Canada’s Fair Dealing to U.K. Fair Dealing and U.S. Fair Use” (2008) 53 McGill LJ 309 at 329 (“Most commentators argue that courts pre-*CCH* had a restrictive interpretation of fair dealing”).
- 99 Zegers, *supra* note 88 at 205; Craig, “Fair Dealing,” *supra* note 97 at 438 (“fair dealing was for many years all but redundant in the Canadian courts: rarely raised and cursorily rejected”).
- 100 *Zamacois v Douville and Marchand*, [1943] 2 DLR 257, 2 CPR 270 (Ex Ct) [*Zamacois* cited to DLR].
- 101 *Ibid* at 285.
- 102 *Avanti*, *supra* note 89 at 135, Rothman JA, concurring.
- 103 *Allen v Toronto Star Newspapers Ltd* (1997), 36 OR (3d) 201 at 210, 78 CPR (3d) 115 (Div Ct) [Allen cited to OR] (“To the extent that this decision is an authority for the proposition that reproduction of an entire newspaper article or, in this case, a photograph of a magazine cover, can never be considered a fair dealing with the article (or magazine cover) for purposes of news summary or reporting, we respectfully disagree”).
- 104 *Ibid* at 209.
- 105 *Ibid* at 211.

commercial or competitive advantage."¹⁰⁶ In citing and discussing *Hubbard*, the English decision that would inform CCH's approach to fair dealing, Sedwick J had laid the seeds for a more expansive and flexible understanding of fair dealing.¹⁰⁷

Despite this would-be openness to artistic strategies of reference and quotation, recourse to the defence of fair dealing prior to CCH was stultified by a conservative reading of the statutory purposes now found in section 29 of the *Copyright Act*. Carys Craig describes *Michelin* as "the most striking example of the restrictive interpretation of enumerated purposes."¹⁰⁸ Teitelbaum J characterized the defendants' argument that parody was a form of "criticism" for the purposes of the *Copyright Act* as a "radical interpretation of the law."¹⁰⁹ In determining that "parody" was not synonymous with "criticism," Teitelbaum J privileged a narrow view of criticism as "an exercise through which excerpts of a work are presented and dissected through analysis."¹¹⁰ In doing so, he had regard to the role of the judiciary in relation to the legislature.¹¹¹ Teitelbaum J held that "exceptions to copyright infringement should be strictly interpreted."¹¹² That is, the exceptions are "exhaustively listed" and "a closed set."¹¹³ In his view, to "give the word 'criticism' such a large meaning that it includes parody ... would be creating a new exception to copyright infringement, a step that only Parliament would have the jurisdiction to do."¹¹⁴ Teitelbaum J found ostensible support for his circumspect approach in his reading of the Supreme Court of Canada's decision in *Bishop v Stevens*, which he understood to warn against "reading in exceptions to copyright infringement."¹¹⁵ Even if parody could be taken to be a form of criticism, Teitelbaum J found that the defendants had not "actively" mentioned the source and author's name; "implicit" acknowledgment of the original was insufficient.¹¹⁶

By refusing to bring strategies of reference and quotation that parody another work within the ambit of "criticism," Teitelbaum J produced a result that some had considered self-evidently wrong. James Zegger had written four years earlier, "the Canadian *Copyright Act* by implication includes parody, since parody is, by definition, a form of criticism."¹¹⁷ As a result of *Michelin*, Canadian and English copyright law took divergent paths. One year after *Michelin*, the English Court of Appeal in *Pro Sieben* held that "criticism" should be "interpreted liberally" and thereby encompass most parodic uses of another's work.¹¹⁸

3.3 Fair Dealing Post-CCH

Despite being a "dramatic shift" or "breakthrough" in respect of the judicial treatment of fair dealing, CCH did not wholly reverse the fortunes of appropriation artists.¹¹⁹ That said, the court in CCH did create more "breathing space" for artistic practices of quotation and reference by rehabilitating the fair-dealing exception as both "an integral part of the *Copyright Act*" and "a user's right."¹²⁰ In declining to characterize fair dealing as "simply a defence," the court invoked the purpose of copyright law articulated in *Théberge*: "to maintain the proper balance between the rights of a copyright owner and users' interests, it must not be interpreted restrictively."¹²¹ As has been noted, in describing fair dealing as an "exception" that should be "strictly interpreted," Teitelbaum J referred to *Bishop*, wherein the court upheld an "author-centric view which focused on the exclusive right of authors and copyright owners to control how their works were used in the marketplace."¹²² Linking the court's understanding of the purposes of copyright law to fair dealing, Carys Craig writes, "the abstract concept of public interest has been concretized in the form of

106 *Ibid* at 209.

107 *Ibid* at 210; *Hubbard v Vospar*, [1972] 1 All ER 1023, [1972] QB 84 (CA).

108 Craig, "Fair Dealing," *supra* note 97 at 444; D'Agostina, *supra* note 98 at 329 ("Perhaps most illustrative of this [restrictive] approach is *Michelin*").

109 *Michelin*, *supra* note 87 at para 59.

110 Graham Reynolds, "Parodists' Rights and Copyright in a Digital Canada" in Rosemary J Coombe, Darren Wershler & Martin Zeilinger, eds, *Dynamic Fair Dealing: Creating Canadian Culture Online* (Toronto: University of Toronto Press, 2014) 237 at 245.

111 *Michelin*, *supra* note 87 at paras 61, 66, 71.

112 *Ibid* at para 65.

113 *Ibid*.

114 *Ibid*.

115 *Ibid*; *Bishop v Stevens*, [1990] 2 SCR 467, 72 DLR (4th) 97.

116 *Michelin*, *supra* note 87 at paras 68, 69. For later criticism on this point, see Mohammed, *supra* note 25 at 471 ("the Court's rejection of [the defendants'] argument ignores the subtle drafting of the Act. ... [A]n effective parody will satisfy section 29.1 of the Act by implicitly conjuring the underlying work being parodied").

117 Zegers, *supra* note 88 at 209. See also Craig, "Fair Dealing," *supra* note 97 at 445 ("It would not have required much imagination or judicial creativity to bring parody within the fair dealing provisions as a species of criticism").

118 *Pro Sieben Media AG v Carlton Television Ltd*, [1999] 1 WLR 605 at 614, [1998] All ER (D) 751, Robert Walker LJ ("Criticism or review' and 'reporting current events' are expressions of wide and indefinite scope. Any attempt to plot their precise boundaries is doomed to failure. They are expressions which should be interpreted liberally[.] ... Criticism of a work need not be limited to criticism of style. It may also extend to the ideas to be found in a work and its social or moral implications").

119 Graham Reynolds, "Necessarily Critical? The Adoption of a Parody Defence to Copyright Infringement in Canada" (2009) 33:2 Man LJ 243 at 254 [Reynolds, "Necessarily Critical"].

120 CCH, *supra* note 66 at para 48, McLachlin CJ.

121 *Ibid*; *Théberge*, *supra* note 86. See also *Society of Composers, Authors and Music Publishers of Canada v Bell Canada*, 2012 SCC 36 at para 11, [2012] 2 SCR 326, Abella J [SOCAN] ("CCH confirmed that users' rights are an essential part of furthering the public interest objectives of the *Copyright Act*. One of the tools employed to achieve the proper balance between protection and access in the Act is the concept of fair dealing, which allows users to engage in some activities that might otherwise amount to copyright infringement").

122 *Michelin*, *supra* note 87 at para 66; SOCAN, *supra* note 121 at para 9, Abella J; *Bishop*, *supra* note 115. See also Reynolds, "Limits," *supra* note 16 at 470 ("Vaver's use of the term user rights can thus be seen as a conscious push back against the *Michelin* approach").

users' rights."¹²³ She muses on the significance of the court's recognition of fair dealing as a user's right as follows:

The term "users' rights" is important primarily because it creates the potential for conflicts between owners and users to be fought on equal footing, and lends legitimacy to the demands of users who have been characterized as opportunists, free riders, and scoundrels. Users claiming the freedom to deal fairly with copyrighted works can now be seen to be demanding recognition of their own rights and not simply seeking to violate or limit the rights of others.¹²⁴

The court in *CCH* held that the fair-dealing exception in section 29 of the *Copyright Act*, being "an integral part of the scheme of copyright," is always available to a defendant in infringement proceedings.¹²⁵ In other words, "fair dealing allows users to engage in some activities that might otherwise amount to copyright infringement."¹²⁶ The inquiry into fair dealing is twofold and the onus rests on the defendant to satisfy both components of the test.¹²⁷ First, she must establish that her dealing is for one of the purposes listed in section 29. Second, she must prove that she dealt with the work "fairly." In determining whether the dealing is "fair," a court may look to a number of factors, including (1) the purpose of the dealing, (2) the character of the dealing, (3) the amount of the dealing, (4) the existence of any alternatives to the dealing, (5) the nature of the work, and (6) the effect of the dealing on the work. Whereas fairness is considered "a question of fact," the court in *CCH* held that "these considerations will not arise in every case of fair dealing."¹²⁸ It clarified, however, "this list of factors provides a useful analytical framework to govern determinations of fairness in future cases."¹²⁹ In the discussion that follows, this article engages in a fair-dealing analysis of a situation in which an artist wholly appropriates a trademarked logo in which copyright exists. However, for reasons that will become clear, it proceeds directly to the second factor of the fair-dealing test, the character of the dealing. I submit that, as a general rule, an appropriation artist will be able to prove that her dealing was fair.

The character of the dealing describes "how the works were dealt with."¹³⁰ In assessing this factor, the court must look

to how widely the target work was distributed.¹³¹ In *Access Copyright*, Abella J clarified that this assessment is quantitative rather than qualitative: the focus is on "the quantification of the dissemination."¹³² That a single copy of the target work is used or that others cannot make further copies of the derivative work may favour a finding of fairness.¹³³ In holding that a judge may take "custom or practice" into account, the court in *CCH* held that it is legitimate to consider norms within a given community. While it is unclear from whose vantage point these norms are to be assessed, should that of the rights holder be valued, custom or practice might work injustice against creators.¹³⁴ Under this factor, appropriation artists such as Chloe Wise who engage in the medium of sculpture or painting will be more favoured than those who create graphic illustrations, such as Fucci. Given that "LV on a Leash" and "I Remember Everything I've Ever Eaten" are unique objects and will not widely distribute the target work, the appropriation will tend to weigh in favour of a finding of fairness. Although the court in *CCH* did not expressly apply custom or practice, it remains to be seen how this standard might be invoked by artists such as Fucci in future infringement proceedings.¹³⁵

The third factor, the amount of the dealing, is considered by some to be "a weaker consideration."¹³⁶ In this article's hypothetical scenario, the court would determine the quantity of the target work that the artist has incorporated into her work.¹³⁷ In *CCH*, the court held that "the quantity of the work taken will not be determinative of fairness" and "it may be possible to deal fairly with a whole work."¹³⁸ The court implied that the possibility of wholly appropriating a target work depends partly on its medium: "there might be no other way to criticize or review certain types of works such as photographs."¹³⁹ Given the apparent space that the court carved out for the appropriation of visual as opposed to other works, I submit that the amount of the dealing will not be an important factor where artists appropriate a trademarked logo.

In contrast, the fourth factor, alternatives to the dealing, will likely be the focus of litigation where an artist is sued by a trademark holder for having incorporated a logo into her work. While the spectre of *Rogers v Koons* (and its fraught distinction between "target" and "weapon" parodies) seems to haunt the

123 Craig, "Fair Dealing," *supra* note 97 at 453 [emphasis in original]. See also Reynolds, "Limits," *supra* note 16 at 471 ("During the period in which the author-centric approach was the governing approach to copyright in Canada, defences to copyright infringement such as fair dealing were interpreted in a narrow, restrictive manner").

124 Craig, "Fair Dealing," *supra* note 97 at 454.

125 *CCH*, *supra* note 66 at para 49, McLachlin CJ.

126 *Alberta (Education) v Canadian Copyright Licensing Agency (Access Copyright)*, 2012 SCC 37 at para 12, [2012] 2 SCR 345, Abella J [Access Copyright].

127 *Ibid*; *SOCAN*, *supra* note 121 at para 13, Abella J.

128 *CCH*, *supra* note 66 at para 53, McLachlin CJ.

129 *Ibid*.

130 *Ibid* at para 55, McLachlin CJ.

131 *Ibid*.

132 *Access Copyright*, *supra* note 126 at para 30, Abella J.

133 *CCH*, *supra* note 66 at para 55, McLachlin CJ; *SOCAN*, *supra* note 121 at para 38, Abella J.

134 D'Agostina, *supra* note 98 at 321.

135 *Ibid*.

136 *Ibid*.

137 *SOCAN*, *supra* note 121 at para 39, Abella J.

138 *CCH*, *supra* note 66 at para 56, McLachlin CJ.

139 *Ibid*.

analysis, the court in *CCH* seemed to hold that the American precedent should not be strictly followed. A court may rule that a given dealing is unfair where a non-copyrighted equivalent of the target work had been available and where use of the target work was not “reasonably necessary to achieve the ultimate purpose.”¹⁴⁰ Present-day appropriationists such as Chloe Wise and Fucci tend to use trademarks to make statements about commodity fetishism and the construction of selfhood in a consumer culture. Given that these artists do not comment as such on their target works, some have argued that the targets could be readily substituted for others in order to attain the same artistic ends.¹⁴¹ These artists’ use of trademarked logos cannot, therefore, be qualified as “reasonably necessary.”¹⁴² However, this argument ignores the subtleties of the court’s *dictum* in *CCH*: “if a criticism would be equally effective if it did not actually reproduce the copyrighted work it was criticizing, this may weigh against a finding of fairness.”¹⁴³ As Graham Reynolds notes,

[t]his choice of example suggests that “reasonably necessary” will not be a high bar to reach. It suggests, for instance, that it would be reasonably necessary to use a copyrighted work in the context of criticism if the criticism—although effective—would not be equally effective without reproducing the work.¹⁴⁴

This rejection of a “strict necessity” test makes sense in view of the courts’ purported reluctance to make aesthetic judgments.¹⁴⁵ For instance, in *Hay*, Stewart J described how “[t]he function of the Judge has always been to weigh evidence and propound existing law.”¹⁴⁶ Given the court’s inability to weigh artistic values, he held, “the tribunal should not attempt to exercise a personal aesthetic judgement.”¹⁴⁷ So that the application of this fair-dealing factor respects this deferential judicial posture, I submit that the court should not readily engage in second-guessing and substitute its opinion for that of the second-generation creator.

By rejecting a “strict necessity” test, the court in *CCH*

seemed to give considerable latitude to the choices of appropriation artists. That is, it did not institute a bright-line rule against “use of another’s copyrighted work to make a statement on some aspect of society at large,” as did the Second Circuit in *Rogers v Koons*.¹⁴⁸ In theory, artists can and sometimes do use public-domain works to make statements about market society (as does Chloe Wise in “I Remember Everything I’ve Ever Eaten” by paying homage to “Le Déjeuner sur l’herbe”). Yet, without recourse to the use of trademarked logos, their statements are arguably not as equally effective. In this vein, the court in *CCH* seemed to sanction the view articulated by art historian Martha Buskirk in respect of artistic appropriation of trademarked logos: “the more deeply entrenched its product is in the cultural consciousness, the more its status as icon makes it a likely target.”¹⁴⁹

The fifth factor, the nature of the work, will plainly weigh in the same manner where an artist appropriates a trademarked logo. The nature of the work concerns whether it is published or confidential.¹⁵⁰ Because it is registered, a trademarked logo is inherently “published.”

The final factor, the effect of the dealing on the work, concerns whether “the reproduced work is likely to compete with the market of the original work.”¹⁵¹ The framing of this factor indicates that the court’s focus is on the *economic* interests of the rights holder – that is, whether the dealing usurps demand for the original work.¹⁵² With this factor, there is no consideration of whether, for instance, an artist’s use of a target work affects its integrity; this is the concern of other causes of action, such as the moral rights provisions of the *Copyright Act*.¹⁵³ In a reversal of onus, the party who argues that a given dealing is unfair must adduce evidence that links or attributes the dealing to any negative economic impact.¹⁵⁴ A trademark holder will usually have difficulty proving that an artist’s use of a logo will cause

140 *Ibid* at para 57, McLachlin CJ.

141 Reynolds, “A Right to Engage,” *supra* note 4 at 408 (“If the purpose of the dealing is to critique one song by combining it with another in the form of a mash-up, for instance, it is difficult to argue that such criticism would be equally effective if it didn’t ‘actually reproduce the copyrighted work it was criticizing.’ If the purpose of the dealing is to critique an elected politician’s actions, however, it could be argued that such a criticism could be equally effective in a form other than through a parody of a popular song directed at that politician”).

142 *CCH*, *supra* note 66 at para 57, McLachlin CJ.

143 *Ibid*.

144 Reynolds, “Limits,” *supra* note 16 at 480.

145 For a critical take on this supposed reluctance, see Robert Kirk Walker & Ben Depoorter, “Unavoidable Aesthetic Judgments in Copyright Law: A Community of Practice Standard” (2005) 109:2 Nw UL Rev 343.

146 *Hay v Sloan* (1957), 12 DLR (2d) 397 at 401, 27 CPR 132 (Ont SC) [*Hay* cited to DLR].

147 *Ibid* at 402. See also *Bleistein v Donaldson Lithographing Co*, 188 US 239 at 251 (1903) (“It would be a dangerous undertaking for persons trained only to the law to constitute themselves final judges of the worth of pictorial illustrations, outside of the narrowest and most obvious”).

148 *Koons*, *supra* note 6 at 310.

149 Buskirk, “Creative Intent,” *supra* note 22 at 238.

150 *CCH*, *supra* note 66 at para 58, McLachlin CJ.

151 *Ibid* at para 60, McLachlin CJ.

152 Reynolds, “Limits,” *supra* note 16 at 485; *SOCAN*, *supra* note 121 at para 48, Abella J.

153 Reynolds, “Limits,” *supra* note 16 at 484.

154 D’Agostina, *supra* note 98 at 324; Reynolds, “Limits,” *supra* note 16 at 485-86. See also *Access Copyright*, *supra* note 126 at para 35, Abella J (“In *CCH*, the Court concluded that since no evidence had been tendered by the publishers of legal works to show that the market for the works had decreased as a result of the copies made by the Great Library, the detrimental impact had not been demonstrated. Similarly, other than the bald fact of a decline in sales over 20 years, there is no evidence from *Access Copyright*

any negative economic impact in the sense defined in *CCH*. Although works by artists such as Chloe Wise teeter on the brink of criticism of corporations and may cause viewers to consider them in another light, “brand image” is not an interest protected by copyright.

In sum, the court in *CCH* made clear that these factors, whether taken individually or cumulatively, are determinative of whether a given dealing is fair.¹⁵⁵ Some circumstances will require courts to consider other factors in making this determination.¹⁵⁶ That said, I submit that where an artist appropriates a trademarked logo, her dealing with the work should usually be considered fair. Although “alternatives to the dealing” will be the most litigated factor, *CCH* arguably gives considerable latitude to the creative choices of appropriation artists.

3.4 Lingering Concerns After *CCH* and the Impact of the Copyright Modernization Act

What led one author to conclude in 2008 that Canadian copyright law “does not bode well for appropriation”?¹⁵⁷ In the aftermath of *CCH*, an artist who engaged in quotation and reference could likely prove that she dealt with the target work fairly. Yet she faced difficulty in establishing that her dealing was for one of the purposes provided for in section 29 of the *Copyright Act*, absent any specific protection of parody.¹⁵⁸ In other words, the hurdle imposed by Teitelbaum J in *Michelin* remained. Although the court in *CCH* called for the purposes listed in section 29 to be given a “large and liberal interpretation,” leading some scholars to conclude that parody could be read into “criticism,” lower courts did not follow suit.¹⁵⁹ For instance, in *Canwest*, Master Donaldson followed *Michelin* in holding, “parody is not an exception to copyright infringement.”¹⁶⁰ In this light, Graham Reynolds wrote, “relying on litigation to ensure the

protection of parody is a risky proposition.”¹⁶¹ In his view, only the legislation of “parody” as an enumerated purpose of fair dealing could resolve the lingering concerns for appropriation artists in the aftermath of *CCH*.¹⁶²

Three years after Reynolds penned his plea, Parliament legislated both “parody” and “satire” as purposes for fair dealing following the enactment of the *Copyright Modernization Act*. Although these terms are not defined in the *Copyright Act*, courts will be required to engage in an exercise of statutory interpretation pursuant to which they must examine the “words of an Act ... 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.”¹⁶³ Parliament being presumed to use words in their ordinary sense, most uses of trademarked logos by appropriation artists will be caught either by “satire” or by “parody.”¹⁶⁴ The *Oxford English Dictionary* defines “satire” as “the use of humour, irony, exaggeration, or ridicule to expose and criticize people’s stupidity or vices, particularly in the context of contemporary politics and other topical issues”;¹⁶⁵ and “parody” as “humorous exaggerated imitation of an author, literary work, style, etc., esp. for purposes of ridicule.”¹⁶⁶ When artists such as Chloe Wise and Fucci use trademarks to comment on broader societal themes such as commodity fetishism and the construction of selfhood in a consumer culture, they are arguably using their target works for the purposes of satire. In effect, by legislating both “parody” and “satire” as purposes for fair dealing, Parliament avoided splitting hairs over “target” and “weapon” parodies, as did the Second Circuit in *Rogers v Koons*. In Canadian copyright law, then, the artist need not ridicule the style and expression of the target work per se.¹⁶⁷

Following the enactment of the *Copyright Modernization Act*, courts should prove more receptive to appropriation artists’

demonstrating any link between photocopying short excerpts and the decline in textbook sales”).

155 *CCH*, *supra* note 66 at para 60, McLachlin CJ (“These factors may be more or less relevant to assessing the fairness of a dealing depending on the factual context of the allegedly infringing dealing”).

156 *Ibid.*

157 Lowe, *supra* note 12 at 107.

158 Craig, “Fair Dealing,” *supra* note 97 at 459 (“Appropriation art ... and other such creative uses of prior works, further the public purpose of copyright but likely fall outside the limited purposes of fair dealing”); Reynolds, “A Right to Engage,” *supra* note 4 at 397 (“many acts will not be protected by fair dealing as it is currently written and interpreted”).

159 *CCH*, *supra* note 66 at para 51, McLachlin CJ; D’Agostina, *supra* note 98 at 359 (“In light of *CCH*’s liberal interpretation of the enumerated grounds, it may be argued that ‘criticism’ could now encompass parody. *Michelin* no longer seems to be good law”); Mohammed, *supra* note 25 at 470 (“the ratio in *CCH* concerning the broad, liberal interpretation of the fair dealing provisions of the Act, must be read into the common law to provide a defence of parody against allegations of copyright infringement”).

160 *Canwest v Horizon*, 2008 BCSC 1609 at para 4, 173 ACWS (3d) 431.

161 Reynolds, “Necessarily Critical,” *supra* note 119 at 256.

162 *Ibid.* at 245. See also Rebecca Katz, “Fan Fiction and Canadian Copyright Law: Defending Fan Narratives in the Wake of Canada’s Copyright Reforms” (2014) 12 CJLT 86 at 86 (“the Copyright Modernization Act’s addition of a distinct parody and satire category may suggest that the original criticism exemption did not in fact include parodies or satires, and that Parliament intended to correct that omission by protecting parodic and satirical works as fair dealing in future”).

163 *Rizzo & Rizzo Shoes Ltd (Re)*, 2015 SCC 57 at para 48, [2015] 3 SCR 615, Rothstein J [*SODRAC*].

164 See e.g. *ESA*, *supra* note 163 at para 78, Rothstein J, dissenting.

165 *Oxford English Dictionary*, 3rd ed, *sub verbo* “satire.” On the use of the *Oxford English Dictionary* in ascertaining the ordinary meaning of statutory terms, see Ruth Sullivan, *Sullivan on the Construction of Statutes*, 6th ed (Markham, Ont: LexisNexis, 2014) at paras 3.30-3.41. On problems with the use of dictionary meanings in ascertaining the ordinary sense of “parody” and “satire” for the purposes of the Australian *Copyright Act*, see Conal Condren et al, “Defining Parody and Satire: Australian Copyright Law and Its New Exception” (2008) 13 Med & Arts L Rev 276 & 402.

166 *Oxford English Dictionary*, 3rd ed, *sub verbo* “parody.”

167 *Koons*, *supra* note 6 at 309-10.

recourse to the fair-dealing exception. As the court in *SOCAN* explained, given that purposes of fair dealing are to be given a “large and liberal interpretation,” the first step of the fair-dealing analysis presents “a relatively low threshold.”¹⁶⁸ While, in turn, “the analytical heavy-hitting is done in determining whether the dealing was fair,” I submit that most uses of trademarked logos by appropriation artists will be held to be fair.¹⁶⁹

3.5 Non-Commercial User-Generated Content Exception

Introduced in tandem with new purposes of fair dealing by the *Copyright Modernization Act*, the “non-commercial user-generated content” (UGC) exception may provide an additional recourse to appropriation artists who are pursued by trademark holders. That the UGC exception is placed apart from its fair-dealing counterpart in the *Copyright Act* may be taken to indicate that the two should be considered separate and distinct.¹⁷⁰ This article gives passing consideration to the UGC exception for two reasons. First, the fair-dealing exception will protect artists who engage in practices of quotation and reference in the normal course of things. Second, while the relationship between the UGC and fair-dealing exceptions remains to be worked out, it appears from *CCH* that a defendant will be expected to rely on the broader fair-dealing exception given that “it is always available.”¹⁷¹

Despite having been characterized as the “YouTube exception” in parliamentary debate, there is no reason why a visual artist could not invoke the UGC exception.¹⁷² The principle of technological neutrality recognizes that, “absent Parliamentary intent to the contrary, the *Copyright Act* should not be interpreted or applied to favour or discriminate against any particular form of technology.”¹⁷³ In this vein, the drafting of the UGC exception does not specify that the target or the user-generated work must exist in digital form.¹⁷⁴ Where an artist uses a target work in the creation of another, she does not infringe the rights holder’s copyright under section 29.21 if four conditions are cumulatively satisfied. First, the use of the work must be for non-commercial purposes. Second, the source must be mentioned, if it is reasonable to do so in the circumstances. Third, the defendant must have had reasonable grounds to believe that the target work did not infringe copyright.

Fourth, the defendant’s use of the target work must not have a “substantial adverse effect, financial or otherwise, on the exploitation or potential exploitation of the existing work.”¹⁷⁵

Although section 29.21 was enacted to remedy the imbalances in power that exist between rights holders and creators, should appropriation artists invoke the UGC exception if pursued by trademark holders for copyright infringement? Two factors make recourse to this exception rather than the fair-dealing exception risky. First, appropriationists will be precluded from invoking section 29.21 if they sell their works on the art market. Second, and more importantly, Parliament’s inclusion of the words “or otherwise” to define the fourth condition might allow courts to consider the non-financial impacts of an appropriation artist’s use of the target work – for example, whether it creates unfavourable distinctions in the viewer’s mind.¹⁷⁶ Although this consideration is precluded under the “effect of the dealing on the work” factor in a fair-dealing analysis, the expansive wording of section 29.21(d) makes it appear legitimate. Since the four conditions under the UGC exception are not only onerous but also open-ended, appropriation artists will be better served by invoking the fair-dealing exception.¹⁷⁷

4.0 Appropriation Art and Moral Rights

While it may seem odd to consider moral rights in cases where an artist makes use of a corporate trademark, at least one author posits “moral rights [are] appropriate to protect corporate economic interests.”¹⁷⁸ Given that a corporate trademark holder will likely seek to use copyright law as a “blunt tool” to protect reputational interests, as Laura Heymann predicts, for the sake of completeness this article briefly considers the viability of a claim framed under section 28.2(1)(b) of the *Copyright Act*.¹⁷⁹ That paragraph provides that an author’s right to the integrity of his work is infringed where the work is used in association with a cause, among other things, to the prejudice of the author’s honour or reputation. Where an artist appropriates a trademark for expressive ends, she may very well associate it with causes seen as unfavourable to the corporation.¹⁸⁰ However, I submit

168 *CCH*, *supra* note 66 at para 51, McLachlin CJ; *SOCAN*, *supra* note 121 at para 27, Abella J.

169 *SOCAN*, *supra* note 121 at para 27, Abella J.

170 Katz, *supra* note 162 at 106.

171 Teresa Scassa, “Acknowledging Copyright’s Illegitimate Offspring: User-Generated Content and Canadian Copyright Law” in Michael Geist, ed, *The Copyright Pentology: How the Supreme Court of Canada Shook the Foundations of Canadian Copyright Law* (Ottawa: University of Ottawa Press, 2013) 431 at 444; D’Agostina, *supra* 98 at 325 (“CCH favours parties relying on fair dealing over those who make use of other exceptions”); *CCH*, *supra* note 66 at para 49, McLachlin CJ.

172 Katz, *supra* note 162 at 87, 97.

173 *SODRAC*, *supra* note 163 at para 66, Rothstein J. See also *ESA*, *supra* note 163 at para 9, Abella J.

174 Katz, *supra* note 162 at 97 (“the provision does not specify or limit the types or content or media that it will encompass”); Fraser Turnbull, “The Morality of Mash-Ups: Moral Rights and Canada’s Non-Commercial User-Generated Content Exception” (2014) 26:2 IPJ 217 at 220.

175 *Copyright Act*, *supra* note 1, s 29.21.

176 Katz, *supra* note 162 at 101.

177 *Ibid*; Turnbull, *supra* note 174 at 223.

178 Elizabeth Adeney, *The Moral Rights of Authors and Performers: An International and Comparative Analysis* (Oxford: Oxford University Press, 2006) at para 12.05.

179 Heymann, *supra* note 25 at 57.

180 See Maree Sainsbury, “Parody, Satire, Honour and Reputation: The Interplay Between Moral and Economic Rights” (2007) 18 AIPJ

that there are two hurdles to the use of section 28.2(1)(b) as a quasi-depreciation remedy by corporate trademark holders.

In theory, an individual may infringe an author's right to the integrity of his work despite having dealt with it fairly. The fair-dealing exception in section 29 of the *Copyright Act* does not apply to moral rights because economic and moral rights are considered distinct.¹⁸¹ In *Théberge*, the majority articulated this "dualist approach": "The separate structures in the Act to cover economic rights on the one hand and moral rights on the other show that a clear distinction and separation was intended."¹⁸² Yet the absence of any express defences to infringement of moral rights is not problematic as such. As Binnie J noted in *Théberge*, there exist "limitations that are an essential part of the moral rights created by Parliament."¹⁸³ These inherent limitations will prevent trademark holders from using an author's right to integrity as a quasi-depreciation remedy.

The fact that only an author can exercise moral rights prevents corporate trademark holders from having recourse to section 28.2(1)(b) of the *Copyright Act* as a means of protecting reputational interests. This conclusion emerges from both the rationale for moral rights and a reading of the statute. On the one hand, as Binnie J held in *Théberge*, moral rights are based on an understanding of "the artist's œuvre as an extension of his or her personality."¹⁸⁴ On the other, pursuant to section 14.1(2) of the Act, moral rights may not be assigned, indicating that only the author of a work can institute an action for the infringement of his right under section 28.2(1)(b). Courts have rejected attempts by corporations to exercise moral rights on behalf of an author. In *Confetti Records*, Lewison J dismissed a record company's claim that the defendant's mash-up infringed the moral rights held by the author of a musical work.¹⁸⁵ In other words, "the record company was merely trying to assert rights they did not have."¹⁸⁶ Therefore, claims by trademark holders against

appropriation artists on the basis of section 28.2(1)(b) of the *Copyright Act* will fail at this first stage.

The fact that section 28.2(1)(b) protects an author's honour or reputation only as an author is another limitation of the provision.¹⁸⁷ In the context of Canadian federalism, this limitation is arguably elevated to a constitutional requirement. The protection of reputational interests generally has a "double aspect," because it is an area in which the provinces may legislate pursuant to their jurisdiction over "property and civil rights in the province."¹⁸⁸ In order for the cause of action enshrined in section 28.2(1)(b) to be valid pursuant to Parliament's jurisdiction over "copyrights," it must be read in a way that makes it "sufficiently integrated" into the *Copyright Act*.¹⁸⁹ I submit that only where honour or reputation is interpreted as honour or reputation in one's capacity as an author is this requirement met. David Vaver explains, in turn, that one's authorial interests are violated where third-party acts "depreciate the market value of [the author's] work and, ultimately, the author's income."¹⁹⁰ Given the narrow interpretation that must be given to the interests that section 28.2(1)(b) envisages, the provision cannot be used by corporate trademark holders to protect non-authorial types of reputational interests. Corporate trademark holders must instead rely on sections 20 and 22 of the *Trade-marks Act* to do the same.

5.0 Appropriation Art and Trademark Issues

The "economic" account of trademark law cannot explain why trademarks and expressive interests are said to be "on a collision course."¹⁹¹ Indifferent to "their commercial evolution," the Supreme Court of Canada has remained steadfast in its adherence to a traditional understanding of trademarks.¹⁹² In *Mattel*, the court stated that a mark is "a guarantee of origin and inferentially, an assurance to the consumer that the quality will be what he or she had come to associate with a particular trade-mark."¹⁹³ In *Masterpiece*, the court reiterated that a mark is as "an indication of provenance."¹⁹⁴ That is, it "allows consumers to know, when they

149 at 149.

181 Kristin Lingren, "Canada" in Gillian Davies & Kevin Garnett, eds, *Moral Rights* (London, UK: Sweet & Maxwell, 2010) 677 at para 23-003.

182 *Théberge*, *supra* note 86 at para 59, Binnie J.

183 *Ibid* at para 22, Binnie J.

184 *Ibid* at para 15, Binnie J.

185 *Confetti Records v Warner Music UK Ltd*, [2003] EWHC 1274 (Ch).

186 *Turnbull*, *supra* note 174 at 227.

187 For a discussion of the meanings of "honour" and "reputation," see Dennis Lim, "Prejudice to Honour or Reputation in Copyright Law" (2007) 33:2 *Monash UL Rev* 290.

188 See *Multiple Access Ltd v McCutcheon*, 2016 SCC 23 at para 50, [2016] 1 SCR 467, Wagner and Côté JJ; Lingren, *supra* note 181 at para 23-023; David Vaver, "Authors' Moral Rights in Canada" (1983) 14:3 *Intl Rev Ind Prop & C'right L* 329 at 366; Émile Colas, "Le droit moral de l'artiste sur son oeuvre" (1981) 59 *Can Bar Rev* 521 at 541; Mistrale Goudreau, "Le droit moral de l'auteur au Canada" (1994) 25 *RGD* 403 at 422-23.

189 *Kirkbi AG v Ritvik Holdings Inc*, 2005 SCC 65 at paras 20, 32, [2005] 3 SCR 302, LeBel J [*Kirkbi*].

190 David Vaver, "Author's Moral Rights in Canada—Reform Proposals in Canada: Charter or Barter of Rights for Creators?" (1987) 25:4 *Osgoode LJ* 749 at 757.

191 Barton Beebe, "The Semiotic Account of Trademark Doctrine and Trademark Culture" in Graeme B Dinwoodie & Mark D Janis, eds, *Trademark Law and Theory: A Handbook of Contemporary Research* (Northampton, Mass: Edward Elgar, 2008) 42 at 43 [Beebe, "Semiotic Account"]; Dreyfuss, "Expressive Values," *supra* note 22 at 262. See also Barton Beebe, "The Semiotic Analysis of Trademark Law" (2004) 51 *UCLA L Rev* 621.

192 *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 2, [2006] 1 SCR 772, Binnie J [*Mattel*].

193 *Ibid*.

194 *Masterpiece Inc v Alavida Lifestyles Inc*, 2011 SCC 387 at para 1, [2011] 2 SCR 387, Rothstein J [*Masterpiece*]. See also *Kirkbi*, *supra* note 189 at para 39, LeBel J ("a mark ... [is] a symbol of a connection between a source of a product and the product itself").

are considering a purchase, who stands behind those goods or services."¹⁹⁵ This definition of a trademark as an indicator of trade source, which minimizes search costs, tells only half the story.¹⁹⁶ Since the late 20th century, trademarks have also served a so-called expressive function, which has little to do with purchasing decisions.¹⁹⁷ Teresa Scassa writes, "as corporate owners have enhanced the messages conveyed by trademark (from source to quality to brand identity), the symbols have become more densely packed with meaning."¹⁹⁸ Foreign courts have taken notice of this development in ruling on claims by trademark holders against appropriationists. For instance, in *Laugh It Off*, decided by the Constitutional Court of South Africa, Sachs J observed,

[i]n a society driven by consumerism and material symbols, trademarks have become important marketing and commercial tools that occupy a prominent place in the public mind. Consequently, companies and producers of consumer goods invest substantial sums of money to develop, publicise and protect the distinctive nature of their trademarks; in the process, well-known trademarks become targets for parody. Parodists may then have varying motivations for their artistic work; some hope to entertain, while others engage in social commentary¹⁹⁹

The future conflict between trademark holders and expressive interests can be understood as a question of who should garner the value of this "surplus interest."²⁰⁰ However, as Rochelle Cooper Dreyfuss warns, "[i]f investment is dispositive of the trademark owner's right to control, then the public's ability to evoke the expressive dimension of marks is in danger of a significant restriction."²⁰¹ In this vein, Carys Craig implores us to consider how to balance "the protection of trade-marks and the guarantee of freedom of expression."²⁰² The response of foreign courts to this question has varied. As Dreyfuss observes in a later essay,

cases with expressive claims to trademark usage have arisen in jurisdictions around the world and adjudicators have developed a variety of responses. In some places, judges exploit statutory language and the facts of the case to limit the ambit of trademark protection and preserve place for free (or free-er) speech; other jurisdictions recognize very strong trademark claims, but courts will balance these rights against constitutive norms.²⁰³

I submit that where an appropriation artist is sued by a trademark holder for infringement or depreciation, the proper judicial response is to recognize the limited nature of the plaintiff's monopoly by "exploit[ing] statutory language." That is, the *Trade-marks Act* reflects an implicit balance between trademark holders and expressive interests, Parliament having limited the trademark holder's monopoly in significant ways.²⁰⁴ As Wright J held in *Canada Safeway*, trademark law does "not prevent individuals, corporations, or even competitors from using the trade mark of another for purposes unrelated to protection for commercial or trade reasons."²⁰⁵ In this sense, a defendant's recourse to the *Charter of Rights and Freedoms* or the legislation of a fair-dealing exception in trademark law is redundant.²⁰⁶ As Lord Neuberger noted in a speech, "what is needed is not a rights based defence but a more considered approach to the proper limits of trade-mark law."²⁰⁷ In the following discussion, this article analyzes how a trademark holder would face considerable obstacles in making out a claim for infringement or depreciation against an appropriation artist who uses its trademark in one of her works. While these conclusions may appear obvious, this clarification of the law is necessary since these causes of action are ripe for abuse by corporate trademark holders. Describing "the chilling effect that overzealously applied trademark law could have on the free circulation of ideas," Sachs J in *Laugh It Off* observed,

when applied against non-competitor parody artists, the tarnishment theory of trademark dilution

195 *Masterpiece*, *supra* note 194 at para 1.

196 Beebe, "Semiotic Account," *supra* note 191 at 43; Scassa, "Trademarks," *supra* note 16 at 880.

197 Dreyfuss, "Expressive Genericity," *supra* note 24 at 400-1.

198 Scassa, "Trademarks," *supra* note 16 at 886.

199 *Laugh It Off Promotions CC v South African Breweries International (Finance) BV t/a Sabmark International and Another*, [2005] ZACC 7 at para 78, Sachs J [*Laugh It Off*].

200 Dreyfuss, "Expressive Genericity," *supra* note 24 at 403.

201 *Ibid* at 405.

202 Carys J Craig, "Perfume by Any Other Name May Smell as Sweet . . . But Who Can Say? A Comment on *L'Oreal v Bellure*," Case Comment, (2010) 22 IPJ 319 at 328 [Craig, "L'Oreal"].

203 Dreyfuss, "Expressive Values," *supra* note 22 at 266.

204 Scassa, "Trademarks," *supra* note 16 at 893, 907.

205 *Canada Safeway Limited v Manitoba Food & Commercial Workers, Local 832*, [1983] 5 WWR 321 at 324, 19 ACWS (2d) 449 (Man QB), rev'd [1983] 5 WWR 327, 73 CPR (2d) 234 (Man CA).

206 Craig, "L'Oreal," *supra* note 202 at 331 ("In Canadian trade-mark law there is, for example, no exception to liability for the fair use of a protected mark"). See *Bell Express Vu Ltd Partnership v Tedmonds & Co* (2001), 104 ACWS (3d) 856 at para 42 (Ont Sup Ct), Nordheimer J ("The evidence here does not establish any commercial use of the plaintiff's trademark. The website does not promote wares or services in competition to those of the plaintiff. Rather, the website promotes criticism of the plaintiff as a commercial enterprise. In that regard, its function could be characterized as the exercise of free speech and, consequently, may well be said to be protected by virtue of section 2(b) of the *Charter of Rights and Freedoms*, although that issue was not raised before me"). Singapore has a statutory fair-dealing exception in its trademarks statute: *Trade-marks Act* (Cap 332, 2005 Rev Ed Sing), s 28(4) ("a person who uses a registered trade mark does not infringe the trade mark if such use—(a) constitutes fair use in comparative commercial advertising or promotion; (b) is for a non-commercial purpose; or (c) is for the purpose of news reporting or news commentary").

207 Lord Neuberger, "Trademark Dilution and Parody" (Harold G Fox Memorial Lecture 2015, 20 February 2015), (2015) 28 IPJ 1 at 18.

may in protecting the reputation of a mark's owner, effectively act as a defamation statute. As such[,] it ... could serve as an over-deterrent. It could chill public discourse because trademark law could be used to encourage prospective speakers to engage in undue self-censorship to avoid the negative consequence of speaking—namely, being involved in a ruinous lawsuit. The cost could be inordinately high for an individual faced with a lawsuit aimed at silencing a critic, not only in terms of general litigation expenses, but also through the disruption of families and emotional upheaval. Such protracted vexation can have the effect of discouraging even the hardiest of souls from exercising their free speech rights.²⁰⁸

5.1 Trademark Infringement

Where a corporate trademark holder asserts a claim for trademark infringement against an appropriationist, it will usually fail at the first stage. However, the dearth of case law on the use of trademarks for expressive ends since *Michelin* may be taken to indicate that would-be defendants have not come to the same realization. *Michelin*, which is largely consistent with the decision of the Supreme Court of Canada in *Veuve Clicquot*, held that the court's inquiry under section 20 of the *Trade-marks Act* proceeds in two steps.²⁰⁹ The court must first ascertain whether the defendant "used" the plaintiff's trademark as a trademark. If it did, the court must then determine whether there exists any likelihood of confusion.

An artist's incorporation of a trademark into her work will not be readily characterized as "use" within the meaning of section 20 of the *Trade-marks Act*. As Teitelbaum J noted in *Michelin*, "this seemingly straightforward term has been qualified and given a particular meaning."²¹⁰ The defendant must have used the trademark as an indicator of trade source in order to have infringed on the trademark holder's monopoly.²¹¹ That is, the inquiry into "use" focuses on whether the artist engaged in "commercial activity" following her appropriation of a trademark.²¹² In holding that "'use' is designed so that not all users of trade-marks belonging to another person are caught within the threads of the infringement provisions," Teitelbaum J spoke to the Act's built-in balance between infringement and

legitimate expressive uses.²¹³ As in *Michelin*, the "nature" of an appropriation artist's activities will usually prove "an immovable obstacle for the plaintiff's claim for relief" in this article's hypothetical scenario.²¹⁴ Where an artist merely uses a trademark for the purposes of comment or criticism, there is no infringement of the trademark holder's monopoly.²¹⁵

Should the inquiry into "use" fail to screen out a trademark holder's claim against an appropriation artist, the second step of the infringement analysis will usually defeat it. In *Veuve Clicquot*, the court restated the "traditional" approach to the likelihood of confusion as whether the defendant's use of the trademark is confusing to the somewhat-hurried consumer in all the surrounding circumstances.²¹⁶ Whether a likelihood of confusion exists is a question of fact and "different circumstances will be given different weight in a context-specific assessment."²¹⁷ A reading of *Michelin* suggests that in the context of expressive uses of trademarks, two factors are paramount: whether the defendant has subjected the target trademark to a significant degree of transformation and whether she has "amply indicated" the origin of her work.²¹⁸ Present-day appropriationists appear to only rarely transform trademarks in incorporating them into collages or other works. Chloe Wise, for instance, used hardware from an actual Dior handbag in creating "The Swing (Dior)." However, the second factor will be satisfied by most appropriation artists. As this article's survey of artistic practices has shown, an artist's signature of her work has become a *sine qua non* of asserting authorship over her work and serves the same function as the defendant union's "logo in the top right-hand corner" of its pamphlets in *Michelin*.²¹⁹ In all the surrounding circumstances, then, an appropriation artist's use of a corporate trademark would not be likely to confuse the somewhat-hurried viewer.

5.2 Trademark Depreciation

Where a corporate trademark holder pursues an appropriation artist, it is more likely to allege trademark depreciation than infringement, given that section 22 of the *Trade-marks Act* does not require confusion of origin.²²⁰ Depreciation being a "super weapon," Carys Craig describes how it is "capable of restricting basic competitive practices as well as commercial (and other) speech."²²¹ Other scholars speak more bluntly to the threat that

208 *Laugh It Off*, *supra* note 199 at paras 104, 106.

209 Teresa Scassa, *Canadian Trademark Law*, 2nd ed (Toronto: LexisNexis, 2015) at para 8.29 [Scassa, *Trademark Law*]; *Veuve Clicquot Ponsardin v Boutiques Cliquot Ltée*, 2006 SCC 23, [2006] 1 SCR 824 [*Veuve Clicquot*].

210 *Michelin*, *supra* note 87 at para 29, Teitelbaum J.

211 *Ibid* at para 22, Teitelbaum J ("To qualify as 'use as a trademark,' therefore, the mark must be used for the purpose of identifying or pinpointing the source of the goods and services. In other words, to use a mark as a trademark, the person who used the mark on the goods or in connection with the services must have intended the marks to indicate the origin of the goods or services").

212 *Ibid* at para 40, Teitelbaum J.

213 *Ibid* at para 29, Teitelbaum J; Scassa, *Trademark Law*, *supra* note 209 at para 8.7.

214 *Michelin*, *supra* note 87 at para 38, Teitelbaum J.

215 Scassa, *Trademark Law*, *supra* note 209 at para 8.16.

216 *Masterpiece*, *supra* note 194 at para 40, Rothstein J; *Veuve Clicquot*, *supra* note 209 at para 21, Binnie J.

217 *Veuve Clicquot*, *supra* note 209 at paras 14, 21, Binnie J.

218 *Michelin*, *supra* note 87 at para 41, Teitelbaum J.

219 *Ibid*.

220 Lord Neuberger, *supra* note 207 at 10.

221 *Veuve Clicquot*, *supra* note 209 at para 45, Binnie J; Craig, "L'Oreal," *supra* note 202 at 330.

the right of action poses to expressive interests. Rochelle Cooper Dreyfuss writes:

At the normative level, [depreciation] shifts the focus from the pure signaling capacity of the mark (its ability to denote source and quality) to other functions (such as instilling cachet in the brand). Because it suggests that all the value in a mark belongs to the trademark holder, this shift reinforces the notion that every free ride is actionable. More prosaically, making a case for [depreciation] does not require a showing of a likelihood of confusion. As a result, it removes from the judicial toolbox one of the major factual devices for resolving the tension between proprietary and expressive interests.²²²

The test for trademark depreciation as formulated in *Veuve Clicquot* appears to carve out space for the use of trademarks by appropriation artists. The cause of action has four elements, the first of which requires the defendant to have used the trademark "in connection with wares or services."²²³ As Teitelbaum J noted in *Michelin*, "use" is therefore "the basic building block or linchpin" for causes of action under both section 20 and section 22 of the *Trade-marks Act*.²²⁴ Accordingly, the court in *Veuve Clicquot* apparently limited the scope of depreciation to uses of a trademark in a commercial context.²²⁵ While an appropriation artist may sell her work on the art market and thereby bring her "use" of a target trademark within the meaning recognized by the *Trade-marks Act*, the fourth element of a cause of action for depreciation will not be readily made out. That is, it is not clear that the likely effect of that use would be to depreciate the trademark's goodwill.²²⁶ *Michelin* suggests that expressive uses of trademarks will not plainly "have a negative effect or depreciate the drawing power of the plaintiff's marks in the marketplace."²²⁷ Although the viewer may have "second thoughts" about a corporation upon viewing a second-generation work, the corporation's "reputation" or "specific role in the marketplace" will remain unscathed.²²⁸ That said, the court in *Veuve Clicquot* may have left depreciation susceptible to abuse by trademark holders against expressive interests, holding "Canadian courts have not yet had an opportunity to explore its limits."²²⁹ However, if the need to reformulate the test arises, courts should police the boundaries of a trademark holder's monopoly to create breathing space for non-commercial, expressive interests such as appropriation art.

6.0 Conclusion

Marshall McLuhan, the Canadian media theorist, once likened art to an "early warning system."²³⁰ That is, many issues that surround the role of intellectual property law in society have first emerged in artistic practices.²³¹ Appropriation art, being but one manifestation of a larger "remix aesthetic," makes for an ideal case study to investigate whether there is "breathing space" under Canadian copyright and trademark law for new forms of cultural production. While some scholars have foretold a future clash between trademark holders and expressive interests, appropriation art will likely be a terrain on which it will be fought. That Canadian visual artists have begun to cross the high-low cultural divide, reproducing trademarked logos as opposed to canonical imagery, is a key sign of this development to come.

This article contributes to the scholarship on appropriation art and Canadian intellectual property law, building on where the sole scholarly work had left off in 2008. Having taken stock of recent developments on the legislative and judicial fronts, this article holds that new forms of appropriation art can flourish under the *Copyright Act* and *Trade-marks Act*. Namely, if pursued by a corporate trademark holder for copyright infringement, an appropriation artist will usually be able to rely on the fair-dealing exception in section 29 of the *Copyright Act*. Alternatively, any claim by the holder against the artist for infringement and dilution under sections 20 and 22 of the *Trade-marks Act* would likely fail. While there is a real possibility that trademark holders may exploit intellectual property law to restrict the use of their works by second-generation creators, this article has affirmed that the *Copyright Act* and *Trade-marks Act* contain built-in protections for artistic practices of reference and quotation.

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222 *Laugh It Off*, *supra* note 199 at paras 104, 106.

223 *Veuve Clicquot*, *supra* note 209 at para 46, Binnie J.

224 *Michelin*, *supra* note 87 at para 33, Teitelbaum J.

225 Scassa, "Trademarks," *supra* note 16 at 896.

226 *Veuve Clicquot*, *supra* note 209 at para 46, Binnie J.

227 *Michelin*, *supra* note 87 at para 46, Teitelbaum J [emphasis in original].

228 *Ibid.*

229 *Veuve Clicquot*, *supra* note 209 at para 67, Binnie J.

230 Marshall McLuhan, *Understanding Media: The Extensions of Man* (New York: McGraw Hill, 1964) at 22.

231 Rosemary J Coombe, Darren Wershler & Martin Zeilinger, "Introduction" in Rosemary J Coombe, Darren Wershler & Martin Zeilinger, eds, *Dynamic Fair Dealing: Creating Canadian Culture Online* (Toronto: University of Toronto Press, 2014) at 28.

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Pablo Tseng

Transliterations of Names and Surnames: Revisiting Paragraph 12(1)(A) of the *Trade-marks Act* *

Pablo Tseng**

Abstract

This article proposes a revision to the analysis underlying paragraph 12(1)(a) of the *Trade-marks Act*. Currently, such analysis asks two questions: (i) is the impugned mark the name or surname of a living individual or an individual who has recently died; and (ii) if yes, is the impugned mark “primarily merely” a name or surname from the perspective of the “general public” in Canada. The term “primarily merely” is understood to mean “chief[ly]” or “principal[ly]” and “nothing more than” that. The term “general public” is understood to comprise persons of “ordinary intelligence and education in English or French”. It is argued herein that the foregoing analysis should no longer be determined from the perspective of the “general public” in Canada; rather, such analysis should be performed from the perspective of persons “who normally comprise the market” of goods and services in association with which the impugned trademark is used.

Résumé

Cet article propose une révision de l’analyse sous-jacente de l’alinéa 12(1)a) de la *Loi sur les marques de commerce*. Ce type d’analyse pose effectivement deux questions : (i) Est-ce que la marque contestée représente le nom ou le prénom d’un particulier vivant ou qui est décédé récemment? et (ii) Si oui, la marque contestée « n’est-elle principalement et uniquement » qu’un nom ou un prénom, de la perspective du « grand public » canadien. L’expression « n’est principalement et uniquement » signifie « essentiellement » ou « principalement » et « rien de plus ». L’expression « grand public » sous-entend un regroupement de personnes dotées « d’une intelligence moyenne et possédant un niveau d’instruction moyen en anglais ou en français ». Le présent article prétend que l’analyse qui précède ne devrait plus être déterminée de la perspective du « grand public » canadien; ce type d’analyse devrait plutôt être effectué de la perspective de personnes « qui forment normalement le marché » des biens et services en association avec lequel la marque de commerce contestée est employée.

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1.0 Introduction

At the end of 2016, China's Supreme People's Court ruled in favour of former basketball player Michael Jordan, and ordered Qiaodan Sports, a Chinese sportswear company, to stop using the trademark “乔丹” (a recognized Chinese transliteration of the name JORDAN [be it a first name or a last name], and pronounced as “qiao dan” in Mandarin) in association with its sporting merchandise, despite Qiaodan Sport's senior rights in the trademark “乔丹” in China. In coming to its decision, the Court found that, in China, the term “乔丹” is understood to be a direct reference to Michael Jordan, thereby entitling Michael Jordan to “name rights” in the term “乔丹”. The decision was the culmination of a four-year legal battle that snaked its way through the Chinese lower courts before ultimately arriving at China's Supreme People's Court. Given the perceived rigidity of China's first-to-file trademark system, the decision was lauded as

a success story for Michael Jordan: he had at least wrestled back his “name rights” to his Chinese “name”, “乔丹”, in China.

Despite the clear differences in script between Chinese and English or French, Chinese linguists have made a concerted effort over the past decades to standardize Chinese transliterations of location names, surnames, and first names that are expressed in the Latin script. For example, the Chinese characters “加” (pronounced as “jia” in Mandarin), “拿” (pronounced as “na” in Mandarin), and “大” (pronounced as “da” in Mandarin) each have meanings in Chinese. However, when strung together as “加拿大” (pronounced as “jia na da” in Mandarin), such term, to Chinese readers, only functions as the Chinese transliteration of, or to denote, “Canada,” and has no other recognized meaning. The same goes for other countries around the world, and the table below lists but a few examples:

Transliterated name of Country (in Chinese)	Pinyin (English transliteration of Standard Chinese)	Country (in English)
美国	mei guo	United States of <u>America</u>
巴西	ba xi	<u>Brazil</u>
英国	ying guo	<u>England</u>
法国	fa guo	<u>France</u>
墨西哥	mo xi ge	<u>Mexico</u>
乌拉圭	wu la gui	<u>Uruguay</u>
智利	zhi li	<u>Chile</u>
洪都拉斯	hong du la si	<u>Honduras</u>

Latin script-based surnames also have recognized Chinese transliterations. Examples of standardized Chinese transliterations of Latin script-based surnames include the following:

Transliterated Surname (in Chinese)	Pinyin	Actual Surname
史密斯	shi mi si	Smith
琼斯	qiong si	Jones
乔丹	qiao dan	Jordan
杜鲁多	du lu duo	Trudeau
詹姆斯	zhan mu shi	James

The Chinese transliterations above have no meaning other than the “Western” surnames to which they refer.¹

Latin script-based full names also have their own Chinese transliterations. Examples of Chinese standardized transliterations of Latin script-based names include the following:

Transliterated Full Name (in Chinese)	Pinyin	Actual Full Name
威拉德·史密斯	wei la de · shi mi si	Willard Smith
诺拉·琼斯	nuo la · qiong si	Nora Jones
乔丹·贝尔福特	qiao dan · bei er fu te	Jordan Belfort
迈克尔·乔丹	mi ke er · qiao dan	Michael Jordan
贾斯汀·杜鲁多	jia si ting · du lu duo	Justin Trudeau
亨利·詹姆斯	heng li · zhan mu shi	Henry James

¹ See footnote 6 and 7

Standardized Chinese transliterations of Latin-based words, in part, break down language barriers and allow Chinese speakers to quickly refer to and identify non-Chinese references with ease and fluidity; they also improve the likelihood of cross-cultural exchanges and influences.

Going back to Michael Jordan's legal success in China, legal success in one jurisdiction does not necessarily mean legal success in another jurisdiction. In Canada, for example, and leaving the issue of acquired distinctiveness aside, it is unclear if Michael Jordan would be able to successfully oppose a trademark application or invalidate a trademark registration for the trademark "乔丹" as used in association with sporting merchandise.

2.0 The Prevailing Law regarding Paragraph 12(1)(a) of the Trade-marks Act

With regard to the registrability of names and surnames as trademarks in Canada, paragraph 12(1)(a) of the Trade-marks Act² (subject to provisions surrounding acquired distinctiveness) states that "...a trade-mark is registrable if it is not a word that is primarily merely the name or the surname of an individual who is living or has died within the preceding thirty years." On its face, the legislative text seems straightforward enough: names and surnames of living people or people who have died within the past 30 years are not registrable as trademarks. However, nothing is straightforward in law, and there is no shortage of case law decisions dedicated to the interpretation of paragraph 12(1)(a) of the Trade-marks Act and the phrase "primarily merely the name or the surname" [emphasis added] contained therein.

The seminal case on the interpretation of paragraph 12(1)(a) of the Trade-marks Act is *Standard Oil Co. v. Registrar of Trade Marks* (1968), 55 C.P.R. 49 (E.C.C.) ("**Standard Oil**"). The case focused on the registrability of the term FIOR as a trademark in Canada, and particularly whether FIOR was "primarily merely the name or the surname of an individual who is living or has died within the preceding thirty years." Despite having evidence before it that 15-20 individuals in North America had the last name of FIOR, the Exchequer Court, in rendering its decision, remarked as follows:

Certainly, from the point of view of the people called "Fior" and their immediate circle of friends and acquaintances, the answer is that "Fior" is principally if not exclusively a surname, and, from the point of view of the trade mark advisers of the appellant, the answer is that it is principally if not merely an invented word. The test, for the purposes of section 12(1)(a) is not, in my view, the reaction of either of these classes of persons. The test must be what, in the opinion of the respondent or the Court, as the case may be, would be the response of the general public of Canada to the word. My conclusion is that a person in Canada of ordinary intelligence and of ordinary education in English or French would be just as likely, if not more likely, to respond to the word by thinking of it as a brand or mark of some business as to respond to it by thinking of some family of people (that

is, by thinking of it as being the surname of one or more individuals). Indeed, I doubt very much whether such a person would respond to the word by thinking of there being an individual having it as a surname at all.

I am, therefore, of the view that it is probably not "primarily" a word that is a surname of an individual at all, but it is certainly not primarily "merely" such a word.

I have probably been influenced in coming to the conclusion that I have expressed as to how the word "primarily" in section 12(1)(a) should be applied by the fact that applying the provision solely by reference to the existence of a dictionary meaning of a proposed trade mark would make practically every invented word vulnerable to attack as a proposed trade mark by anyone assiduous enough to pursue his searches for its use as a surname somewhere in the world (or, indeed, in a country such as Canada even if the search were restricted to Canada). I cannot believe that section 12(1)(a) was intended virtually to eliminate the creation of new words for purposes of proposed trade marks.

[emphasis added]

As noted in the *Standard Oil* decision, the litmus test to be applied in an analysis under paragraph 12(1)(a) of the Trade-marks Act is the response of the general public to the word for which trademark protection is sought. As may be inferred from the *Standard Oil* decision, the "general public" is formed of persons "in Canada of ordinary intelligence and of ordinary education in English or French".

The *Standard Oil* decision was followed by the Supreme Court of Canada decision in *Registrar of Trade Marks v. Coles Book Stores Ltd.*, [1974] S.C.R. 438 ("**Coles Books**"). In the *Coles Books* decision, clarity was added to the meaning of the terms "primarily" and "merely". According to the Court, the following is the question to ask in an analysis under paragraph 12(1)(a) of the Trade-marks Act: is "the primary (chief) (principal) (first in importance) meaning of the word merely (only) (nothing more than) a surname" [page 441; emphasis added]? In the *Coles Books* decision, the Court referred to dictionary definitions for guidance on the interpretation of the term "Coles."

Subsequent case law decisions have applied the rulings in the *Standard Oil* and *Coles Books* decisions. For example, in *Gerhard Horn Investments Ltd. v. Registrar of Trade Marks* (1983), 73 C.P.R. (2d) 23 (F.C.T.D.) ("**Gerhard Horn**"), an appeal of the unregistrability of the fictitious name "MARCO PECCI" was allowed (see trademark registration number TMA306967).³ In allowing the appeal, the Court noted that the test under paragraph 12(1)(a) of the Trade-marks Act is whether "the general public of Canada would think the words to be the name of a living individual if there be a living individual of that name and not because the general public so thinks that makes it the name of a living individual" [page 32; emphasis added]. As also stated at page 31 of the *Gerhard Horn* decision:

It is not enough that the fictitious name may resemble the name that could be borne by

² R.S.C., 1985, c. T-13.

³ At the time of the *Gerhard Horn* decision, there was no evidence that any individual in Canada had the name "Marco Pecci."

an actual person or might be thought by the public to be names or surnames. That thought only becomes material when it is established by evidence that there is a living person of the name or surname in question.

[emphasis added]

In *Galanos v. Registrar of Trade Marks* (1982), 69 C.P.R. (2d) 144 (F.C.T.D.) ("**Galanos**"), an appeal of the unregistrability of the term "GALANOS" was allowed despite the fact that GALANOS is a surname (albeit an uncommon one) and has a meaning in Spanish.⁴ The Court's reasoning in the *Galanos* decision may be summarized in the following passages:

Both like facts to those before Mr. Justice Marceau are present. Galanos is a surname but not a widely known one. It is meaningless in the French and English languages.

But being meaningless the word does have another significance.

That significance is that being a foreign word without meaning in English or French it is a coined, fancy or invented word sought to be used as a trade mark. The quoted statement of the registrar confirms this to be so.

On this circumstance being so the matter is on all fours with the circumstance before the court in the *Standard Oil Co.* case, supra, and the question is would the response of the general public of Canada to the word "Galanos" be that it is a surname of one or more individuals or is it a brand or trade mark of some business?

I have difficulty in appreciating that the purchasing public would respond to the word "Galanos" prominently displayed on the label of a bottle of toilet water by spontaneously thinking of it as being the surname of an individual.

In my opinion a Canadian of ordinary intelligence and education in English or French would be as likely, if not more likely, to respond to the word by thinking of it as a coined, fanciful or invented word used as a brand or trade mark of a business as by thinking of it as primarily merely the surname of an individual.

[emphasis added]

The essence of the foregoing case law decisions was then summarized in *Jurak Holdings Ltd v Matol Biotech Laboratories Ltd* (2007), 64 C.P.R. (4th) 195 (T.M.O.B.) ("**Jurak**") at ¶16:

The leading cases on the issue of non-registrability of a trade-mark consisting of primarily merely the name or surname of an individual who is living or has died in the preceding thirty years are *Canada (Registrar of*

Trade-marks) v. *Coles Book Stores Ltd.*, 1972 CanLII 176 (SCC), [1974] S.C.R. 438, 4 C.P.R. (2d) 1, *Gerhard Horn Investments Ltd. v. Registrar of Trade-marks* (1983), 73 C.P.R. (2d) 23 (F.C.T.D.), and *Standard Oil Co. v. Canada (Registrar of Trade Marks)*, [1968] 2 Ex.C.R. 523, 55 C.P.R. 49. As set out in those cases the test under s. 12(1) (a) is two fold:

1) The first and foremost condition is whether the Mark is the name or surname of a living individual or an individual who has recently died;

2) If the answer to the first question is affirmative, then the Registrar must determine if in the mind of the average Canadian consumer the Mark is "primarily merely" a name or surname rather than something else.

[emphasis added]

The *Jurak* decision was affirmed in *Matol Biotech Laboratories Ltd v Jurak Holdings Ltd*, 2008 FC 1082.

While not explicitly stated in the *Jurak* decision, it appears to be understood that the term "average Canadian consumer" refers to "a Canadian of ordinary intelligence and education in English or French" (see ¶52-56, ¶168) and by extension the "general public" in Canada.

3.0 Application of the Prevailing Canadian Case Law to "乔丹"

Based on the principles of the prevailing case law decisions in Canada surrounding the interpretation of paragraph 12(1)(a) of the *Trade-marks* Act, it appears that the term "乔丹" (*i.e.* the Chinese transliteration for JORDAN) would be registrable as a trademark by any applicant in Canada. The reasons may at least be summarized as follows:

1. The term "乔丹" is written in Chinese characters, and the analysis under paragraph 12(1)(a) of the *Trade-marks* Act is done from the perspective of the "general public in Canada," the general public being comprised of persons in Canada "of ordinary intelligence and of ordinary education in English or French". It will likely be determined that the general public in Canada has little to no grasp of the Chinese language.
2. The term "乔丹" is meaningless in the French and English languages, similar to how the term "galanos" is meaningless in the French and English languages (see the *Galanos* decision).
3. The term "乔丹", by virtue of being without meaning in English or French, may therefore be a coined,

fancy or invented word sought to be used as a trademark (see the *Galanos* decision).

4. An applicant may bypass an Examiner's scrutiny under Rule 29 of the *Trade-mark Regulations*⁵ by choosing to translate the Chinese characters of “乔” and “丹” separately, rather than draw attention to the fact that the term “乔丹” is a recognized Chinese transliteration of the name or surname JORDAN.⁶

With reference to paragraph 12(1)(a) of the *Trade-marks Act* only, and without regard to other sections of the *Trademarks Act* which may also impact the registrability of names or surnames (e.g. paragraphs 12(1)(e) and 9(1)(k) of the *Trade-marks Act*), prevailing case law suggests that it would be open to any third party to successfully register the Chinese characters “乔丹” as a trademark, despite the fact that the term “乔丹” is a recognized Chinese transliteration of the term JORDAN,⁷ and that JORDAN, in itself, could very well be understood in Canada to be “primarily merely the name or the surname of an individual who is living or has died within the preceding thirty years”. As such, under the prevailing law in Canada, former basketball player Michael Jordan may not receive a favourable result in an opposition or invalidation proceeding against a hypothetical trademark application or registration for the term “乔丹” in Canada. Simply put, it is not likely that the general public in Canada, which is understood to be formed of persons of ordinary intelligence and of ordinary education in English or French, would recognize the term “乔丹” to be merely a surname or a name, let alone a recognized Chinese transliteration for JORDAN referring (whether exclusively or generally) to former basketball player Michael Jordan.

4.0 Revisiting the Analysis under Paragraph 12(1)(a) of the *Trade-marks Act*

Not all aspects of Canadian trademark law are viewed from the perspective of a “person in Canada of ordinary intelligence and of ordinary education in English or French.” For example, Canadian trademark confusion analysis is done from the perspective of the “average consumer” who is understood to be a person who is likely to buy the goods or subscribe to the services in question (*Canadian Schenley Distilleries Ltd v. Canada's Manitoba Distillery Ltd*, [1975] 25 C.P.R. (2d) 1, p.5 (F.C.T.D.) (“*Schenley*”)):

To determine whether two trade marks are confusing one with the other it is the persons

who are likely to buy the wares who are to be considered, that is those persons who normally comprise the market, the ultimate consumer.

The *Schenley* decision was cited with approval at paragraph 45 of the subsequent case *Saint Honore Cake Shop Limited v. Cheung's Bakery Products Ltd.*, 2013 FC 935 (“*Saint Honore*”). The *Saint Honore* decision dealt with confusing trademarks comprising Chinese characters, and the Court therein decided to not disturb the Trade-marks Opposition Board's decision to assess trademark confusion from the perspective of the actual consumers who, in the *Saint Honore* case, read and understood the meaning of the Chinese characters in the disputed trademarks (see ¶46-47). Perhaps it would be suitable to adopt a similar approach for the analysis under paragraph 12(1)(a) of the *Trade-marks Act*.

In the context of the analysis under paragraph 12(1)(a) of the *Trade-marks Act*, there are benefits to assessing a foreign language trademark from the perspective of the average Canadian consumer who reads and understands that foreign language. For example, the likelihood and occurrence of applicants gaining trademark rights throughout Canada to foreign transliterations of English or French words that are themselves primarily merely names or surnames would be minimized, thus preserving the essence of paragraph 12(1)(a) of the *Trade-marks Act*, which is to prevent traders from restraining other traders of the same name from using that same name.^{8,9} At least in view of the changing cultural demographics in Canada,¹⁰ it may be appropriate to address trademark issues under paragraph 12(1)(a) of the *Trade-marks Act* from the perspective of persons “who normally comprise the market” or “the ultimate consumer,” as suggested in the *Schenley* decision (albeit for a different analysis under the *Trademarks Act*), and not merely from the perspective of the “general public” in Canada.

5.0 Conclusion

In evaluating whether a word is “primarily merely the name or the surname of an individual who is living or has died within the past thirty years,” it is incompatible with Canada's growing multiculturalism to merely rely on the perspective of the “person in Canada of ordinary intelligence and of ordinary education in English or French.” With particular emphasis on trademarks written in a non-Latin-based script, it may be appropriate to also consider the perspective of the average Canadian consumer who: (i) subscribes to the goods and services associated with those trademarks; and (ii) is able to read and understand the language in which the

5 SOR/96-195.

6 In the author's view, an argument can be made that there is nothing unbecoming in defining the Chinese characters of “乔” and “丹” separately, since these characters each carry a meaning that is not primarily merely a surname or a name.

7 To further complicate the term “乔丹” specifically, please note that “乔丹” could also be the actual full name of a Chinese-Canadian, since the character “乔” is recognized as a last name and “丹” could be used as a first name. The implications of such is left out of this article, but would presumably be guided by the ruling in the *Gerhard Horn* decision.

8 It is important to recognize that foreign transliterations themselves often carry no meaning in the foreign language but for the Latin script-based surnames or names that they are equated to.

9 This point also appears to be somewhat reflected, albeit to a limited extent, in subsection 20(1.1) of the *Trade-marks Act*.

10 Census in Brief: Linguistic diversity and multilingualism in Canadian homes, <http://www12.statcan.gc.ca/census-recensement/2016/as-sa/98-200-x/2016010/98-200-x2016010-eng.cfm>, accessed December 18, 2017.

trademark is presented; when analyzing whether a word is “primarily merely the name or the surname of an individual who is living or has died within the past thirty years”. Such a shift in analysis would be appropriate so as to avoid the situation where trademark protection for foreign equivalents of recognized English or French last names could be granted (leaving aside the issue of acquired distinctiveness, of course).

The foregoing shift in analysis is not one that would likely impact the work of a trademark Examiner. Given that Canadian trademark Examiners are generally individuals who speak English, French, or both, it would be unreasonable to expect that they be fully attuned to all issues concerning foreign transliterations of Latin script-based surnames and names. After all, a trademark Examiner will have discharged his/her duties as long as he/she is “not satisfied that an application for registration of a trademark should be refused pursuant to subsection 37(1)” of the *Trade-marks Act*.¹¹ Rather, the onus would fall on: (i) an opponent to an application or registration to adduce appropriate evidence demonstrating that the impugned trademark is primarily merely a foreign transliteration of a Latin script-based surname or name; and (ii) the administrative or judicial authority to adopt an analysis under paragraph 12(1)(a) of the *Trade-marks Act* that is not simply restricted to the perspective of the “general public in Canada” as understood per the *Standard Oil* decision.

The law is ever changing, and constantly influenced by the fact patterns to which it is applied. Just as the Canadian Constitution is seen as a “living tree,” the laws and legal analyses thereunder should also adapt with the times. In Canada’s growing multicultural environment, it is important that jurisprudence evolve in a manner that is just and equitable in all circumstances.¹²

11 Rule 34, *Trade-mark Regulations* (SOR/96-195).

12 At the time that this article was submitted for review, the Canadian Intellectual Property Office (“CIPO”) was in the process of changing its practice with regard to paragraph 12(1)(a) of the *Trade-marks Act*, and it appears that Examiners would no longer be limited to referring to just a Canadian telephone directory in an analysis under paragraph 12(1)(a) of the *Trade-marks Act*.



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