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Copyright Cases 2019: Back to Basics and Plenty More

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Abstract

The purpose of this article is to review copyright cases from 2019 through a special lens: namely, by focusing on fundamental principles of Canadian copyright law and how they serve as the foundation for recent developments in the law. The courts' treatment of core concepts—at provincial and federal levels—was evident in both interlocutory proceedings, such as disclosure orders, and the final disposition of cases, such as summary judgment motions. In particular, the courts reiterated the need to achieve proper balance between owners' rights and users' rights under copyright legislation, and emphasized the need for proportionality and fairness in addressing new digital infringements. This "back-to-basics" approach also included a number of take-aways, namely, procedural and substantive lessons for lawyers, litigants, and lawmakers.

Résumé

Cet article a pour but d'examiner, d'une perspective un peu particulière, les cas de droit d'auteur entendus en 2019, notamment en se concentrant sur les principes fondamentaux de la *Loi canadienne sur le droit d'auteur* et sur la façon dont ces principes servent de fondements pour les récents développements dans la loi. Le traitement des concepts essentiels par les tribunaux – de niveau provincial et fédéral – était évident dans les procédures de référé (p. ex. les ordonnances de divulgation) et les jugements finaux des affaires (p. ex., les requêtes en jugement sommaire). Plus particulièrement, les tribunaux ont réitéré la nécessité d'atteindre un équilibre approprié entre les droits des propriétaires et ceux des utilisateurs en vertu de la législation sur le droit d'auteur, en plus de souligner un besoin de proportionnalité et d'équité dans le traitement des violations numériques. Cette approche de « retour à l'essentiel » comprenait également un certain nombre de leçons à retenir, notamment des leçons procédurales et des enseignements plus fondamentaux pour les avocats, les plaideurs et les législateurs.

Contents

1.0	Overview	38
2.0	Case Law Review	38
2.1	Jewellery Designs Original but Not Infringed.....	38
2.1.1	The Take-Away.....	39
2.2	Pirates Banished from Afterlife	39
2.2.1	The Take-Away.....	41
2.3	Norwich Order Need to Notify.....	41
2.3.1	The Take-Away.....	42
2.4	Norwich Order Need to Pay	42
2.4.1	The Take-Away.....	43
2.5	Website Blocking Now Approved	44
2.5.1	The Take-Away.....	45
2.6	Reversing the Course on Class Proceedings	45
2.6.1	The Take-Away.....	46
2.7	Free Facts for All.....	46
2.7.1	The Take-Away.....	47
2.8	How to Crown a Database (or Not).....	47
2.8.1	The Take-Away.....	49
3.0	Conclusion	50

1.0 Overview

Over the past year, copyright cases in Canada have been marked by a recurring theme, namely, reliance on copyright essentials to solve simple and complex business disputes. The core concepts of originality, expression, and infringement have been tested and retested in a variety of litigation contexts with a mix of plaintiff-applicant/defendant-respondent outcomes. These contexts have included statutory interpretation, website disputes, evidentiary rulings, proportionality matters, and class proceedings. The judicial commentary on copyright basics has emerged from the Supreme Court of Canada and Federal Courts, along with contributions from the provincial superior courts. Set out below are the key cases highlighting the “back-to-basics” theme in copyright law in 2019. The appendix to this article provides an at-a-glance summary of the cases, issues, and take-aways.

2.0 Case Law Review

2.1 Jewellery Designs Original but Not Infringed

In *Pyrrha Design Inc v Plum and Posey Inc*,¹ the Federal Court dismissed a copyright infringement claim arising from the creation of jewellery designs and after a history of litigation between competing jewellers. The parties made and sold their jewellery lines in multiple jurisdictions, including Alberta, British Columbia, and Nova Scotia, as well as online at retailer websites such as Etsy.

The specific subject matter was wax seal jewellery, which is made by transferring an image from a pre-existing wax seal tool to a metal substance through various casting/impression techniques.² The Federal Court confirmed that although the idea of wax seal jewellery itself was not subject to copyright, the designs at issue in the litigation—also referred to as the plaintiff’s “Pyrrha Designs”—were protected as artistic works under the *Copyright Act*.³ That is, the jewellery designs were specific artistic expressions of wax seal images.⁴

The artistic works also met the originality test on the basis that there was sufficient skill and judgment exercised in the creation of the Pyrrha Designs. This is because the designs

were more than just mere replicas of wax seals from the public domain, and involved skill in finishing, polishing, and displaying the fixed imagery on the jewel metal pieces.

Regarding infringement, the court found that there was no direct proof of copying of the plaintiff’s designs by the defendant. In the absence of direct copying, the court applied the following test: (1) was there sufficient similarity between the defendants’ works and the Pyrrha Designs; and (2) was there access to, or some connection with, the Pyrrha Designs so as to establish them as the source for the defendants’ works?

The court ultimately concluded that while there were some similarities between the parties’ jewellery designs, those similarities did *not* form a substantial part of the plaintiff’s skill and judgment. Therefore, the similarities did not give rise to copyright infringement.

More specifically, the court followed a holistic and qualitative approach to the infringement analysis. This meant that the court did not focus on dissecting the non-protected elements of the works (the public domain aspects) from the protected elements (the skill and judgment aspects). Rather, the court examined the whole of the designs by reviewing physical exhibits of the jewellery as opposed to photos or website printouts. By examining the physical specimens in 3D form, the court found that the differences between the Pyrrha Designs and the defendants’ works were “observable” and “noticeable.” These differences included, for example, the varied levels of polishing and the different texture/thickness of borders used on the jewellery. These dissimilarities in turn contributed to the overall finding of non-infringement.

It is also noteworthy that the court illustrated its findings of non-infringement in a detailed chart format. The chart essentially compared the parties’ designs and concluded, for each and every jewellery piece at issue, that the defendants’ designs did *not* copy a substantial part of the skill and judgment of the plaintiff’s Pyrrha Designs. A sample of the unique presentation of the court’s infringement analysis is as follows:⁵

1 *Pyrrha Design Inc v Plum and Posey Inc*, 2019 FC 129 [*Pyrrha Design*]. The case is being appealed in *Pyrrha Design Inc v Plum and Posey Inc and Adrinna M Hardy*, Federal Court of Appeal No A-98-19 (28 February 2019).

2 The key steps involved in making wax seal jewellery are: selection of the wax seal image; creating and modifying the impression of the wax seal to be used in casting; converting the wax seal impression into metal; and finishing of the jewellery (*Pyrrha Design*, *supra* note 1 at para 33).

3 *Copyright Act*, RSC 1985, c C-42.

4 Copyright in a simple design (artistic work) was recently used to oppose a trademark application in *Pablo Enterprise pte Ltd v Hai Lun Tang*, 2019 TMOB 54. There, the applicant sought to register a trademark that included a PABLO design owned by the opponent and registered under the *Copyright Act*. Under section 30(i) of the *Trademarks Act*, RSC 1985, c T-13, the opponent alleged that the mark could not be registered because it was an unauthorized copy of the PABLO design. The opponent filed evidence to show a *prima facie* case of copyright infringement arising from the proposed trademark application. The applicant failed to file any evidence in response. As a result, the opposition succeeded and the proposed trademark (with the PABLO design) was refused.

5 *Pyrrha Design*, *supra* note 1 at para 145.

PYRRHA DESIGN	PLUM AND POSEY DESIGN	OVERALL SIMILARITIES	WHETHER THESE SIMILARITIES FORM A SUBSTANTIAL PART OF PYRRHA'S SKILL AND JUDGMENT
Three Graces	Gratiae—The Three Graces	Both designs have similar, but not identical, imagery of three naked women. The designs are both oval in shape. Both designs have a smooth, rounded border although the Pyrrha border is thicker with more pockmarks. Both designs are oxidized, although the Pyrrha design appears to have blacker oxidization. The women in the centre of the image are polished in both designs. However, the women in the image are not as highly polished in the Plum and Posey Design.	The Plum and Posey design does not copy a substantial part of the skill and judgment in the Pyrrha Design. Overall, I give little weight to the fact that the imagery is similar as it is in the public domain. The specific expression of the seal imagery in metal is not that similar, given the differences in the level of polishing on the imagery and the different thickness and texture of the borders.

In the course of the copyright analysis, the court also reiterated evidentiary rules applicable to witnesses, whether they provide factual or expert testimony in a copyright case:

- fact witnesses are more credible when their evidence is straightforward;
- overstatements by fact witnesses tend to undermine their position;
- evidence that is sincere but overly rehearsed will not be persuasive;
- evidence from prior proceedings may be admitted in a subsequent case, even though the relevance of such admission may be called into question;
- prior statements should be put to a witness in cross-examination where reliance is placed on those statements for credibility or other reasons;
- limitations of video-conference testimony may have an impact on the overall quality of evidence given by a witness; and
- witnesses speaking to copyright infringement should avoid a “drive-by analysis” that is more akin to the “hurried consumer” approach in trademark cases.

2.1.1 The Take-Away

By bringing a number of basic elements together, the *Pyrrha Design* case is a classic example of how to prove (or rather disprove) copyright infringement, especially in an environment

where competing designers may be equally inspired by ideas in the public domain. Ultimately, the weaknesses in the factual and expert evidence presented by the plaintiff worked against it and contributed to the result. In addition, the categorical approach taken by the court in reviewing the evidence of alleged infringement and recording its conclusions on “substantial similarity” (or rather dissimilarity) is likely to be repeated in future cases.

2.2 Pirates Banished from Afterlife

In *Thomson v Afterlife Network Inc.*,⁶ the Federal Court granted a class application for copyright infringement in respect of “obituary piracy”—namely, the publication of obituaries and related photos on the website “Afterlife” without the permission of the copyright owners. The unauthorized publication occurred online with advertising and sale of items such as flowers and virtual candles for commercial gain by Afterlife. The application, which was certified as a class proceeding⁷ was not defended by the respondent Afterlife and was decided as a default proceeding.

As part of the class certification process, the class members were defined relatively broadly as follows (para 10):

All natural persons and estates in Canada who have authored or received by assignment an obituary that has been reproduced, in whole or in substantial part, without permission on www.afterlife.co/ca; and all natural persons and estates in Canada who have authored or received by assignment or the terms of the Copyright Act a photograph that was reproduced, in whole or in substantial part, without permission on www.afterlife.co/ca.⁸

⁶ *Thomson v Afterlife Network Inc.*, 2019 FC 545 [*Afterlife*].

⁷ The certification order was issued on 27 July 2018. In addition to defining the class members, appointing the representative applicant, identifying the common issues, and designating Stewart McKelvey as class counsel, the order provided that class members could opt out of the proceeding by completing an opt-out form by 1 October 2018. The author of this article is a partner at Stewart McKelvey.

⁸ *Afterlife*, *supra* note 6 at para 10..

The applicant was the representative class member in charge of advancing the copyright claim at the time of certification and at the default stage.

Regarding the threshold question of copyright, the Federal Court accepted that there was requisite skill and judgment in the creation of the obituaries and related photos by the class members, including the applicant. Both categories of works—the obituaries as literary works and the photos as artistic works—therefore qualified as original works subject to copyright protection. The court also accepted the applicant's evidence that the Afterlife website had an archive of over 1 million obituaries, along with an estimated 1 million photos related to those obituaries (that is, about one photo per obituary). The number of works involved was therefore significant at 2 million.

Regarding proof of infringement, the court had no difficulty finding that the reproduction of the obituaries and photos on the Afterlife website was unauthorized by the class members, and therefore infringed the class members' (owners') copyright in the works. Given the vast trove of materials held by the website, the court found that there were a total of 2 million infringements in the case (that is, 1 million obituaries and 1 million photos infringed).

Unlike the finding of copyright infringement in favour of the class, the court found that there was no infringement of moral rights of the class. The basis for this conclusion was that there was no objective evidence of prejudice to the class members' honour or reputation as a result of the actions on the Afterlife website. Rather, there was only subjective evidence in this regard; it did not satisfy the test for moral rights infringement, which requires both objective and subjective elements to be proven.

With respect to the remedies for copyright infringement, the court granted the class members both injunctive relief and damages.

On the injunction side, the court permanently enjoined the respondent from continuing to infringe the class members' rights in the original works on the Afterlife website. The respondent was also enjoined from doing so on a second website that was set up under the name "Everhere" (apparently to replace the "Afterlife" site and try to work around the court proceedings).⁹ The court further enjoined the owner-operator of the Afterlife website personally, in order to prevent any more workaround websites being created by the same owner-operator.

On the damages side, the applicant sought statutory damages under section 38.1 of the *Copyright Act* but not at the statutory minimum of \$500 per infringement. Rather, the applicant sought to recover reasonable statutory damages at a much lower threshold of \$50 per infringement.¹⁰ The amounts involved were:

- Minimum statutory damages: \$500 x 2 million works = \$1 billion
- Applicant's requested statutory damages: \$50 x 2 million works = \$10 million

The applicant took this lesser approach with a view to ensuring proportionality in the circumstances.¹¹ On the one hand, the approach recognized that the original works on the website did not have commercial value but were of unique personal value to the owners. On the other hand, the owners of the works were still entitled to just and appropriate compensation for the unlawful activity on the Afterlife website, including the latter's refusal to remove the obituaries and photos as well as the creation of a second "workaround" website to repeat the same unlawful activity.

The court ultimately agreed that the minimum statutory damages specified in the *Copyright Act* would have been "grossly disproportionate" and that the applicant's alternative calculation

⁹ At the same time, the court declined to award a "wide injunction" under section 39.1 of the *Copyright Act* to enjoin infringement of any other works (that is, beyond those identified in the case). For a recent interlocutory injunction, see *Ranchman's Holding Inc v Bull Bustin' Inc*, 2019 ABQB 220. Among other things, the plaintiff sought injunctive relief for copyright infringement arising from the advertising, hosting, and conducting of bull-riding events by the defendants. The Alberta court found that there was "no evidence" to support the broad claim of breach of copyright, or the other intellectual property claims, which were "cast in the widest and most general terms" (*ibid* at para 161). The interlocutory injunction application was dismissed on all claims (including misrepresentation, breach of confidence, passing off, and trademark infringement).

¹⁰ The factors under section 38.1 of the *Copyright Act* (regarding the scope of statutory damages) include the good faith or bad faith of respondent, the conduct of the parties, and the need to deter other infringements of copyright. See also the recent decision in *Young v Thakur*, 2019 FC 835, where the court confirmed that "[d]etermining the amount of statutory damages within the range is a case by case assessment guided by the applicable statutory provisions and by the jurisprudence" (at para 46). The court awarded statutory damages of \$1,000 per work for the unauthorized copying of a musical work and sound recording, both of which were part of an impugned music video that had been viewed 82 times. A total of \$2,000 in statutory damages was awarded for copyright infringement. The court rejected the applicant's argument that each individual viewing of the video was a separate infringement of the works.

¹¹ See the leading case on "proportionality" by the Supreme Court of Canada (albeit in the context of summary judgment) in *Hyrniak v Mauldin*, 2014 SCC 7. The court noted the "culture shift" of proportionality as follows (at para 32):

[32] This culture shift requires judges to actively manage the legal process in line with the principle of proportionality. While summary judgment motions can save time and resources, like most pre-trial procedures, they can also slow down the proceedings if used inappropriately. While judges can and should play a role in controlling such risks, counsel must, in accordance with the traditions of their profession, act in a way that facilitates rather than frustrates access to justice. Lawyers should consider their client's limited means and the nature of their case and fashion proportionate means to achieve a fair and just result.

was “more reasonable” and yielded a “just result.”¹² Thus, the conclusion on statutory damages was closely connected to the concept of achieving proportionality in the circumstances.

The applicant also sought aggravated damages. The purpose of aggravated damages, also awarded by the court, was to compensate the class members for the substantial anguish and stress caused to them upon learning that a third party was taking advantage of their personal grief and loss for commercial profit and gain.

The court awarded total damages of \$20 million:

- \$10 million in statutory damages as tangible compensation to the class members under the *Copyright Act*; and
- \$10 million in aggravated damages to compensate for intangible injuries suffered by class members.¹³

2.2.1 The Take-Away

The *Afterlife* case reinforces the concept that an award of statutory damages is based on a balancing approach and requires careful calibration of the factors under section 38.1 of the *Copyright Act*. The decision is also a good reminder of the different categories of damages for infringement (statutory, aggravated, punitive), and the different purposes they serve for claimants and against defendants. Finally, the decision confirms that “proportionality” remains an important organizing principle for Canadian courts in all areas of the law, including copyright. Indeed, the concept of proportionality is closely tied to another major theme in Canadian copyright law, namely, the balancing of owners’ rights with users’ rights. Both of these themes are further discussed below.

2.3 Norwich Order Need to Notify

In *ME2 Productions, Inc v Doe*,¹⁴ the Federal Court dealt with an appeal of a Norwich order. The order required TekSavvy, a non-party Internet service provider (ISP), to disclose the identities of subscribers whose online activity in downloading movies was the subject of a copyright claim by the plaintiffs, which were movie production companies. One main ground of appeal was whether proper evidence and procedure were used by the plaintiffs in obtaining the order, given the procedures set out in the “notice and notice” regime established by the *Copyright Modernization Act*.¹⁵ The Federal Court allowed the appeal in part, on the basis that the evidentiary record filed in support of the Norwich order was lacking.

Although the appeal turned on evidentiary issues, the court spent considerable time reviewing the interplay between the procedures of the notice-and-notice regime under sections 41.25 and 41.26 of the *Copyright Act*, and the procedures set out in the case law for obtaining a Norwich order (predating the statutory regime). The basic features of these procedures can be summarized as follows:

- The Canadian notice-and-notice regime requires a copyright owner to notify the ISP of the alleged infringement (first notice). In turn, the ISP must notify the subscriber whose activity is impugned and keep certain records regarding the matter (second notice).
- A Norwich order is an equitable remedy, akin to a form of third-party, pre-action discovery, for which there is a settled five-part test.¹⁶ Essentially, it is available where a party alleging a civil wrong does not know the identity of the wrongdoer but can point to a third party who

12 *Afterlife*, *supra* note 6 at paras 63–64. The relevance of proportionality in assessing statutory damages under the *Copyright Act* was recently reaffirmed by the Federal Court in *Young v Thakur*, *supra* note 10 at para 60. See also the application of proportionality in an e-discovery decision—related to a copyright infringement claim over the famous “Anne of Green Gables” works—in *Sullivan v Northwood Media Inc*, 2019 ONSC 9 [Sullivan]. There, the parties failed to agree on a discovery plan and moved for the court’s intervention under Ontario’s *Rules of Civil Procedure*, RRO 1990, Reg 194 (see especially rule 29.1.05(2)). The court ruled on a selection of production requests related to the copyright infringement claims, but declined to impose a specific discovery plan. Instead, the court gave a number of “proportionality” directions to the parties to guide their next steps (*Sullivan*, *supra* at paras 108–111).

13 The factors under section 38.1 of the *Copyright Act* (regarding the scope of statutory damages) include the good faith or bad faith of respondent, the conduct of the parties, and the need to deter other infringements of copyright. See also the recent decision in *Young v Thakur*, 2019 FC 835, where the court confirmed that “[d]etermining the amount of statutory damages within the range is a case by case assessment guided by the applicable statutory provisions and by the jurisprudence” (at para 46). The court awarded statutory damages of \$1,000 *per work* for the unauthorized copying of a musical work and sound recording, both of which were part of an impugned music video that had been viewed 82 times. A total of \$2,000 in statutory damages was awarded for copyright infringement. The court rejected the applicant’s argument that each individual viewing of the video was a separate infringement of the works.

14 *ME2 Productions, Inc v Doe*, 2019 FC 214 [ME2 Productions]. An appeal was commenced in *TekSavvy Solutions Inc v ME2 Productions*, Federal Court of Appeal No A-106-19 (4 March 2019), but a notice of discontinuance was subsequently filed on 13 September 2019.

15 See sections 41.25 and 41.26 of the *Copyright Act*, which incorporated amendments introduced by the *Copyright Modernization Act*, SC 2012, c 20. This can be contrasted with the “notice and takedown” regime adopted in the United States whereby online content can be removed by an ISP following an initial notice (although in practice subscribers are often notified at the same time).

16 The five-part test for obtaining a Norwich order in Federal Court is as follows:

- the applicant must establish a bona fide claim against the unknown wrongdoer;
- the person against whom the disclosure order is sought must be in some way involved in the matter under dispute—the person must be more than a mere witness;
- the person must be the only practical source of the information;
- the person must be compensated for reasonable expenses incurred in complying with the order; and
- the public interest in favour of disclosure must outweigh the legitimate privacy interests.

has information that would identify the wrongdoer. The third party is then asked to disclose the identification information to the claimant.¹⁷

The Federal Court ultimately concluded that the notice-and-notice regime did not displace the need to obtain a Norwich order in cases where a copyright owner is seeking the identities of unknown subscribers. Rather, the two sets of procedures are intended to operate in tandem with one another, albeit in proper sequence. In reaching this conclusion, the court relied heavily on the decision of the Supreme Court of Canada in *Rogers Communications Inc v Voltage Pictures, LLP*.¹⁸

As the Federal Court explained, in the normal course, the copyright owner would first comply with the notice-and-notice regime under the *Copyright Act*. After that step was taken by the owner, and if the identification information was still required, an application for a Norwich order could then be filed. As a result, given that the notice-and-notice regime requires the ISP to contact the subscribers whose activity is at issue, any subsequent Norwich order proceeding would not be truly “*ex parte*.” This can be contrasted with the situation that existed before the enactment of the notice-and-notice regime, when Norwich orders were often sought on an *ex parte* basis.

Given this new statutory reality—which seeks to balance the privacy interests of individual subscribers with the extraordinary relief sought by applicants—the court reiterated that an applicant must disclose all relevant information and ensure that it is complete, verified, and accurate. This duty of full and frank disclosure by the applicant in turn affects the evidentiary and legal burdens on the applicant who is seeking a Norwich order.¹⁹

As noted above, the appeal ultimately turned on evidentiary issues. The court concluded that the evidence filed in support of the motion—law clerk affidavits and a third-party declaration attached as an exhibit—did not meet the “best evidence rule” or the evidentiary standard required under the case law and *Federal Courts Rules* (including rule 81).²⁰ The court directed that in future

cases the core evidence in support of a Norwich order should contain the details of the alleged copyright infringement, the connection to the Internet protocol (IP) address(es), the association with the ISP(s), and the prior compliance with the notice-and-notice regime, all set out by an affiant who is subject to cross-examination by the opposing party. Alternatively, if such an affiant is not put forward by the applicant, the reason for not being able to present the best available evidence must be explained in another affidavit.

2.3.1 The Take-Away

The *ME2 Productions* case confirms that Norwich orders are alive and well in the Federal Court and remain an important part of the toolbox of remedies for copyright owners in the digital age. In addition, the case reiterates the importance of “balance” when interpreting the provisions of the modernized *Copyright Act*. That is, there must be a proper balance between recognition of owners’ rights and users’ rights on the one hand, and deterrence of wrongdoing through remedial enforcement of rights on the other. This basic theme of copyright law—namely, the balancing of rights—is further reiterated below.

2.4 Norwich Order Need to Pay

In *Voltage Pictures, LLC v Salna*, the Federal Court heard the continuation of a Norwich order motion that had given rise to a number of procedural issues, specifically relating to the recovery of costs.²¹ The Norwich order itself was not contested and required Rogers Communications, the non-party ISP, to disclose personal information about a subscriber, Robert Salna, who was being sued for copyright infringement. The dispute between the parties was over the costs incurred by the ISP in order to comply with the Norwich order. Ultimately, the Norwich order motion was returned to the Federal Court by the Supreme Court of Canada,²² in order to allow Rogers to prove its reasonable costs of compliance with the order.

In sending the matter back to the Federal Court, the Supreme Court set a number of cost parameters:

- an ISP is subject to a statutory prohibition on recovery of costs under the notice-and-notice regime, as set out in section 41.26(1) of the *Copyright Act*;²³

17 The namesake case for the modern form of Norwich order is *Norwich Pharmacal Co v Customs and Excise Commissioners*, [1974] AC 133 (HL (Eng)). Norwich orders have found new life in the digital age, where anonymous wrongdoing can proliferate. See, for example, the summary of cases in *Google Inc v Equustek Solutions Inc*, 2017 SCC 34 at para 31 [*Google v Equustek*].

18 *Rogers Communications Inc v Voltage Pictures, LLP*, 2018 SCC 38.

19 This duty is typically associated with any kind of injunctive or equitable relief being sought by an applicant, especially on an interim or interlocutory basis.

20 Rule 81(1) of the *Federal Courts Rules*, SOR/98-106 provides: “Affidavits shall be confined to facts within the deponent’s personal knowledge except on motions, other than motions for summary judgment or summary trial, in which statements as to the deponent’s belief, with the grounds for it, may be included.”

21 *Voltage Pictures, LLC v Salna*, 2019 FC 1047 [*Voltage Pictures* (No 1)]. An appeal was commenced in *Voltage Pictures LLC et al v Robert Salna et al*, Federal Court of Appeal No A-291-19 (16 August 2019), but a notice of discontinuance was subsequently filed on 5 November 2019.

22 See *Rogers Communications Inc v Voltage Pictures, LLP*, 2018 SCC 38. Among other things, the decision of the Supreme Court confirms the five-part test for obtaining a Norwich order as well as the entitlement of an applicant to seek reasonable costs of compliance with a Norwich order. The underlying action in the case, a proposed “reverse” class proceeding against thousands of users who downloaded movies online, is discussed below.

23 See *Rogers Communications Inc v Voltage Pictures, LLP*, 2018 SCC 38. Among other things, the decision of the Supreme Court confirms the five-part test for obtaining a Norwich order as well as the entitlement of an applicant to seek reasonable costs of compliance with a Norwich order. The underlying action in the case, a proposed “reverse” class proceeding against thousands of users who downloaded movies online, is discussed below.

- an ISP is therefore not permitted to recover the cost of carrying out any of its statutory obligations, express or implicit, after being served with a Norwich order;
- an ISP is also not entitled to be compensated for each and every cost it incurs in order to comply with a Norwich order;
- an ISP is only entitled to recover those reasonable costs that arise from actual compliance with a Norwich order; and
- an ISP must prove all of its reasonable costs of compliance (however small) on a proper evidentiary record.

The core issue on the continued motion was the extent to which Rogers’ obligations as an ISP under the notice-and-notice regime overlapped with its compliance steps under the Norwich order. As noted above, any overlapping steps would not be compensable under the *Copyright Act*. Only the unique, reasonable costs incurred by Rogers to comply with the Norwich order would be compensable.

To prove its costs of compliance, Rogers filed affidavit evidence stating that a six-step, technical workflow was required to comply with a Norwich order. The court found, however, that not all six steps were compensable, owing to the overlapping nature of those steps with other ISP obligations under the notice-and-notice regime. The court concluded that only four tasks were compensable, and that the period of completion for those tasks was 23.05 minutes per “time stamp” (that is, the date and time for connection to a specific IP address). The Norwich order itself had five time stamps in it in total, as part of the process followed by Rogers to obtain the identification information about subscribers. Therefore, the total period of completion for all the tasks for all the time stamps in the Order would be 115.25 minutes (5 time stamps x 23.05 minutes).

Rogers’ affidavit evidence also claimed an hourly rate of \$100 for the time needed to comply with the Norwich order. This rate was based on an affidavit that presented an analysis of various internal cost inputs at Rogers. The evidence also showed that the Rogers rate was sometimes higher and sometimes lower than amounts charged by other ISPs in the marketplace. The court ultimately concluded that, owing to some deficiencies in the evidence presented by Rogers and taking into account certain admissions made on cross-examination, an hourly rate of \$35 (not \$100) was more reasonable for complying with the Norwich order.

In the end, Rogers was entitled to recover a total of \$67.23 (\$35 fee x 115.25 minutes ÷ 60 minutes) plus harmonized sales tax (HST) for its reasonable compliance costs under the Norwich order. This is illustrated as follows:



Despite the low dollar amount at stake, the court seemed to recognize the precedential value of the case for future Norwich order motions:

In my view, the Court must address and assess the reasonableness of not only Rogers’ process for responding to *Norwich* orders, including in this application, but also whether its fee of \$100 per hour, plus HST, is reasonable.²⁴

In the course of assessing costs under the Norwich order, the court also had the opportunity to provide the following evidentiary guidelines:

- any technical data (such as IP address information related to impugned subscriber activity) should be localized to the specific time in question;
- source information for a party’s cost analysis should be included, especially when dealing with a large organization where cost inputs can come from multiple sources or departments;
- the methodology for calculating an organization’s overhead costs should distinguish between direct and indirect costs, and should also provide justification for including or excluding such costs in the total calculations; and
- backup information in the form of spreadsheets and supporting business records should be appended to an affidavit in order to corroborate the more technical details and calculations set out in the body of the affidavit.²⁵

2.4.1 The Take-Away

The *Voltage Pictures* (No 1) case confirms, once again, the availability and prevalence of the Norwich order as a basic remedy for copyright infringement in online environments. The case also confirms the need for a balanced approach in copyright generally and in the context of cost recovery specifically. In this regard, the court appears to have set reasonable expectations on what can be claimed and/or recovered by an ISP when complying with a Norwich order. The court therefore reiterated once again the basic theme of “balance” in granting relief for claims of copyright infringement.

²⁴ *Voltage Pictures* (No 1), *supra* note 21 at para 22.
²⁵ *Ibid* at paras 77–85.

2.5 Website Blocking Now Approved

In *Bell Media Inc v GoldTV.Biz*,²⁶ the Federal Court approved a new injunctive remedy against ISPs, which goes beyond disclosure of information about websites (that is, a Norwich order) and requires the blocking of actual content on websites (that is, a blocking order).

The plaintiffs were national broadcasting companies whose services include online streaming of original programs, for which the copyright is held by, or licensed to, the same companies. The defendants, operating under the name GoldTV, were providing unauthorized access to the broadcasters' programs through various websites. The plaintiffs had previously obtained injunctive relief against the defendants in order to enjoin them from operating GoldTV. However, the defendants failed to comply with the injunctions and continued to offer GoldTV services through the unauthorized websites.

Frustrated by the defendants' non-compliance with prior "ordinary" injunctions, the plaintiffs moved for a more expansive website-blocking order—namely, an order to require a group of ISPs to block access to certain websites so that their subscribers could no longer access the GoldTV services. Only one of the responding ISPs opposed the motion, on jurisdictional and other grounds. The court ultimately granted the blocking order to the plaintiffs, albeit with some adjustments to the terms of the order so as to protect the interests of the responding ISPs.

Regarding the question of jurisdiction, the court readily found that sections 4 and 44 of the *Federal Courts Act*²⁷ were applicable. Specifically, the court concluded that it had jurisdiction to grant a blocking order because it is a form of equitable, injunctive relief that is available where "just or convenient" in all of the circumstances.²⁸

In finding jurisdiction, the court relied on the decision of the Supreme Court in *Google v Equustek*,²⁹ where an interlocutory injunction was issued to require Google to globally de-index the websites of a company that was in breach of several court orders. The court cited *Google v Equustek* for the proposition that

injunctions are equitable remedies and ... the powers of a court with equitable jurisdiction are, subject to any

relevant statutory limitation, unlimited, not restricted to any area of substantive law, and enforceable through a court's contempt power.³⁰

With respect to the basic test to be applied to a blocking order, the court accepted the three-part test for injunctive relief, namely, (1) the applicant must show a serious issue to be tried, (2) the applicant must show that irreparable harm will result if the injunction is refused, and (3) the applicant must prove that the balance of convenience lies in its favour.³¹

At the same time, given the impact of a blocking order on innocent third parties, the interests of third parties must be appropriately balanced with those of the defendants, the responding ISPs, and the public at large. In considering the principles of proportionality and balance, the court accepted UK case law as being relevant to the Canadian context, given the common tradition in both jurisdictions of applying the principles of equity. Specifically, the court relied on *Cartier International AG v British Sky Broadcasting Ltd*,³² where the following factors were identified to determine whether a blocking order is proportional:

- A. **Necessity**—a consideration of the extent to which the relief is necessary to protect the plaintiff's rights. The relief need not be indispensable but the court may consider whether alternative and less onerous measures are available;
- B. **Effectiveness**—a consideration of whether the relief sought will make infringing activities more difficult to achieve and discourage Internet users from accessing the infringing service;
- C. **Dissuasiveness**—a consideration of whether others not currently accessing the infringing service will be dissuaded from doing so;
- D. **Complexity and Cost**—a consideration of the complexity and cost of implementing the relief sought;

²⁶ *Bell Media Inc v. GoldTV.biz*, 2019 FC 1432 [*GoldTV*]. The case is being appealed in *TekSavvy Solutions Inc v Bell Media Inc, et al*, Federal Court of Appeal No A-440-19 (25 November 2019).

²⁷ *Federal Courts Act*, RSC 1985, c F-7.

²⁸ The Ontario Superior Court of Justice considered the issue of subject-matter jurisdiction in a copyright claim in *Pourshian v Walt Disney Company*, 2019 ONSC 5916. There, the court found that jurisdiction could be assumed against some of the US-based defendants on the basis of presumptive connecting factors between the subject matter of the claim (the allegedly infringing *Inside Out* movie) and the province of Ontario (where the movie was released in theatres). The primary claims against the defendants were based on secondary infringement under the *Copyright Act* (that is, for distribution and importing of the movie into Canada).

²⁹ *Supra* note 17.

³⁰ *GoldTV*, *supra* note 26 at para 23.

³¹ The three-part injunction test can be traced back to *RJR-MacDonald Inc v Canada (Attorney General)*, [1994] 1 SCR 311; and *Manitoba (AG) v Metropolitan Stores Ltd*, [1987] 1 SCR 110.

³² *Cartier International AG v British Sky Broadcasting Ltd*, [2016] EWCA Civ 658. This UK decision was also cited with approval by the Supreme Court of Canada in *Google v Equustek*, *supra* note 17 at paras 31–32.

- E. **Barriers to legitimate use or trade**—a consideration of whether the relief will create barriers to legitimate use by unduly affecting the ability of users of ISP services to access information lawfully;
- F. **Fairness**—a consideration of whether the relief strikes a fair balance between fundamental rights of the parties, the third parties and the general public;
- G. **Substitution**—a consideration of the extent to which blocked websites may be replaced or substituted and whether a blocked website may be substituted for another infringing website; and
- H. **Safeguards**—a consideration of whether the relief sought includes measures that safeguard against abuse.³³

The court decided that the first “UK factor” above should be subsumed under the irreparable harm part of the “Canadian” injunction test; the remaining factors would be subsumed under the balance-of-convenience stage of the analysis.

Merging the test and factors above, the court found that the plaintiffs had a strong prima facie case against the defendants, that they would suffer irreparable harm if the injunction were refused, and that the need to prevent ongoing harm outweighed any impact on third parties such as the responding ISPs. The court therefore granted a website-blocking order to the plaintiffs for their claims of copyright infringement, and confirmed the availability of such relief under Canadian law.

In regard to the terms of the blocking order, the court appended the full text of the order and made a number of practical comments to guide future cases. The first section of the blocking order identified the websites associated with GoldTV and required to be blocked by the responding ISPs. The order attached a schedule listing the precise domains and IP addresses to be blocked. Another section of the order dealt with potential updates in the event that new websites were used by GoldTV to work around the injunction, thereby imposing new blocking requirements on the ISPs. The plaintiffs would be required to obtain a court order to address any such updates. In another section, the plaintiffs were required to notify the ISPs in the event that any websites ceased to be associated with GoldTV and did not need to be blocked any longer. Yet another section

of the blocking order addressed indemnification issues. The plaintiffs were required to indemnify the responding ISPs for the reasonable costs of implementing the blocking order, as well as protecting the latter from any loss or claim arising from compliance with the blocking order. A final section of the order provided that it would expire two years from issuance.

2.5.1 The Take-Away

The *GoldTV* case confirms that a copyright injunction is a malleable remedy that can be adapted to the evolving needs of owners, users, and intermediaries in the digital age. The case also confirms that the three-part test for injunctive relief can readily merge with other factors to ensure fairness, proportionality, and balance in the circumstances. Once again, these are familiar concepts in copyright decisions. Finally, by endorsing a blocking order as injunctive relief, the Federal Court confirmed a trio of related remedies for unauthorized website activity: (1) a Norwich order requiring disclosure of information about unknown website actors; (2) a Google-type injunction requiring a search engine to de-index websites to prevent them from turning up in search results; and (3) a blocking order preventing subscribers from accessing the content of impugned websites in the first place.

2.6 Reversing the Course on Class Proceedings

In *Voltage Pictures, LLC Canada v Salna*,³⁴ the Federal Court refused to certify a “reverse” class proceeding by the applicant film production companies.

The applicants claimed that their copyright was infringed by the named respondents, along with thousands of other unidentified individuals, through illegal uploading and downloading of films on peer-to-peer networks. Rather than seeking to certify themselves as a “plaintiff” class, the applicants sought to certify the named respondents as a representative class of “direct infringers” or “authorizing infringers”—hence the term “reverse class proceeding.”

The respondents opposed the motion for class certification as did the intervener, Samuelson-Glushko Canadian Internet Policy and Public Interest Clinic (CIPPIC). The court denied the certification motion on the basis that the test for class proceedings under rule 334.16 was not met in the circumstances.³⁵

On the first part of the certification test, the court considered whether the pleadings disclosed a reasonable cause of action with respect to the claims of primary infringement against “direct infringers” and secondary infringement against “authorizing infringers.”³⁶ On primary infringement, the court concluded that the pleadings failed to identify any “direct infringer” who could

33 *GoldTV*, *supra* note 26 at para 52.

34 *Voltage Pictures, LLC Canada v Salna*, 2019 FC 1412 [*Voltage Pictures* (No 2)]; under appeal in Federal Court of Appeal No A-439-19 (22 November 2019).

35 Federal Courts rule 334.16 requires that a judge must certify a class proceeding if (among other things) (a) the pleadings disclose a reasonable cause of action, (b) there is an identifiable class of two or more persons, (c) the claims of the class members raise common questions of law or fact, and (d) a class proceeding is the preferable procedure for the just and efficient resolution of the common questions of law or fact.

36 *Voltage Pictures* (No 2), *supra* note 34 at paras 77–78.

be a representative respondent. On secondary infringement, the court found that there was no basis for the claims against “authorizing infringers” who were allegedly wilfully blind to the use of their Internet accounts. As a result, the pleadings failed to disclose a reasonable cause of action on copyright infringement.

As to whether there was an identifiable class of two or more respondents, the court found that the evidence was insufficient and failed to meet the standard for certification:

The Court is not required to weigh the evidence, or to resolve conflicts in the evidence on a certification motion. However, it is required to consider whether Voltage has provided sufficient facts to determine whether there is an identifiable class of two or more persons. In my view, Voltage has not provided the material facts necessary to meet the “some basis in fact” threshold to show there is an identifiable class of two or more persons. Voltage’s evidence contains bare assertions of conclusions which are insufficient to meet this certification criterion.³⁷

Regarding the existence of common issues, the applicants proposed nine common questions of fact or law as raised by the copyright claims. However, the court concluded that only the first two questions, pertaining to the existence of copyright, raised any common issues in the proceeding. The remaining seven questions, pertaining to the online activities of the respondents and the remedies claimed against the respondents, failed to qualify as common issues.

Moving to a key element of the certification test, the court concluded that the proposed class proceeding was not the preferable procedure for the just and efficient resolution of the common issues.³⁸ First, the proceeding raised predominantly individual issues that would require a “complex, individually-tailored fact-finding process for each proposed class member.”³⁹ This would defeat the objectives of judicial economy and fairness. Second, the applicants’ litigation plan, which was required to be filed as part of the motion, suggested uncertain public resources, such as crowdfunding, for the respondent class to obtain legal representation. Third, the litigation plan depended significantly on the notice-and-notice regime under the *Copyright Act*, which was neither sustainable nor fair in terms of the burdens it would place on ISPs. Moreover, the notice-and-notice regime was not intended to be used for such a purpose:

The notice-and-notice regime was enacted to serve two complementary purposes: to deter online

copyright infringement and to balance the rights of interested parties, including copyright owners, internet users, and ISPs. ... It was not intended to establish a comprehensive framework by which instances of online infringement could be eliminated altogether. By relying on the notice-and-notice regime, Voltage is diverting Parliament’s purpose and intention for its own purposes.⁴⁰

Finally, the court found that the named respondents were not suitable class representatives. Rather, their affidavits demonstrated that they lacked “the necessary incentive to defend the application with diligence and vigor.”⁴¹

2.6.1 The Take-Away

The *Voltage Pictures (No 2)* case confirms that “reverse class proceedings” are available in principle under the *Federal Courts Rules*, but in practice must be supported by sufficient evidence, including in copyright cases against unidentified actors. The case also reiterates the objective of the *Copyright Act* to achieve balance between owners’ rights and users’ rights, such objective informing the interpretation of the new notice-and-notice regime. Finally, the case reveals the ongoing digital tension between copyright owners seeking to protect their interests online, and subscribers whose online activities and identities may not be fully known. Finding a fair and proportional mechanism to address this tension, whether at the outset of the case or at the remedial stage, will likely be a recurring theme in copyright.

2.7 Free Facts for All

In *Albo v The Winnipeg Free Press et al*,⁴² the Manitoba Court of Queen’s Bench dealt with a copyright infringement and breach of contract claim brought by an architectural historian against a daily newspaper. The plaintiff and the defendant had previously collaborated on a book about the architecture of the Manitoba Legislative Building. Royalties were paid to the plaintiff on that first successful project.

A dispute arose about a decade later when the Winnipeg Free Press published a second book based on a series of articles written by the paper’s staff writer whose sources included interviews with the plaintiff and many others. The plaintiff was paid as a consultant for some of the research behind those articles and was quoted in their publication. The plaintiff also gave lectures and presentations on the subject matter of the articles (that is, architectural plans for the City of Winnipeg going back to the early 1900s). The plaintiff claimed that his copyright in those presentations and related work product was infringed by the publication of the second book without his permission. The

37 *Ibid* at para 109.

38 *Ibid* at paras 144–147.

39 *Ibid* at para 131.

40 *Ibid* at para 148.

41 *Ibid* at para 155.

42 *Albo v The Winnipeg Free Press et al*, 2019 MBQB 34 [*Albo*]. This decision is under appeal in *Albo, Frank v The Winnipeg Free Press, a Division of FP Canadian*, Manitoba Court of Appeal No A119-30-09259. The appeal hearing was held on 8 January 2020.

plaintiff also claimed that the second book was published by the newspaper in breach of contract.

As to the existence of copyright, the court had no difficulty finding that the plaintiff had copyright in his own works (such as the compilation of material in a presentation about architecture). However, the court found that none of the plaintiff's copyright was actually infringed by the second book as published by the defendant. Rather, the defendant's book merely shared some of the same facts and ideas as the plaintiff's works (about architecture in Winnipeg), but not any of the original expression in the latter.

In concluding that there was no infringement, the court cited at length the basic principles of Canadian copyright law applicable to the case: (1) copyright does not protect ideas in and of themselves, nor does it protect facts, or generic words or phrases; (2) a person is free to use common source material to make his or her own work, even if similar to another; (3) where an interviewer reduces an interview into fixed expression, the person being interviewed is not the copyright owner; and (4) research and news reporting for the purpose of fair dealing must be interpreted liberally.

In any event, the court found that even if the plaintiff had copyright in certain quotations that were cited in the book, these elements were "comfortably" covered as "fair dealing" for research and news reporting by the defendant.⁴³ Accordingly, the second book would have qualified for statutory exceptions to infringement set out in section 29 of the *Copyright Act*. This conclusion was based on a detailed analysis of the fair dealing test, namely, by looking at the purpose, character, amount, and alternatives of the dealing, as well as the nature of the work and the effect of the dealing on the work.

The court also dismissed the breach of contract claim, which alleged that the defendant only had a "limited licence" to publish the articles in the newspaper, not to compile them into a second book. In fact, the court found that the terms of the consulting contract were plainly expressed and no agreement for a "limited licence" was ever made. Moreover, all of the terms of the contract were fulfilled by the defendant, who acknowledged the plaintiff's role as a contributor and quoted

the plaintiff extensively in the second publication. Finally, the court rejected the suggestion that the newspaper failed to act in good faith in performing the contract.⁴⁴

In concluding that there was no breach of contract, the court examined the surrounding circumstances ("the factual matrix") of the parties' agreement that was allegedly tied to the copyright dispute. The court found that the actions of the plaintiff and the defendant, both during and after the performance of the consulting agreement, added unique "flavour" and context to the dismissal of the claim.⁴⁵ For example, the court noted that the plaintiff complimented the newspaper when it published some of the material underlying the second book, calling it a "fantastic article."⁴⁶ This evidence contradicted the complaints subsequently made by the plaintiff against the defendant.

2.7.1 The Take-Away

The *Albo* case confirms another basic principle of copyright law, namely, the distinction between public ideas and protected expression. The case also applies the established fair dealing test to a news-related yet historical context. The results of the fair dealing test are somewhat expected (that is, no infringement), based on the relative weakness of the plaintiff's claims and evidence, in the first place. Furthermore, the case shows how contractual matters can be closely tied to copyright issues, and the importance of ensuring that parties' agreements are well-written, well understood, and well performed.

2.8 How to Crown a Database (or Not)

In September 2019 the Supreme Court of Canada released its much-anticipated decision on Crown copyright in *Keatley Surveying Ltd v Teranet Inc.*⁴⁷

The case concerned a certified class proceeding on behalf of all land surveyors in Ontario who registered or deposited plans of survey in the provincial land registry offices. The proceeding claimed, on behalf of all class members, that the Province of Ontario infringed the surveyors' copyright in the registered plans. The alleged infringement occurred as a result of licensing agreements between Ontario and its database service provider, Teranet, through which the plans were scanned, stored, hosted, and accessed electronically.

43 *Ibid* at para 111. See sections 29, 29.1, and 29.2 of the *Copyright Act* regarding the defence of fair dealing. Section 29.2 sets out the requirements for fair dealing for the purpose of "news reporting."

44 The court cited the leading decision of the Supreme Court of Canada in *Bhasin v Hyrnew*, 2014 SCC 71 regarding the principle of good faith in the performance of contracts. Recently, in *Young v Thakur*, *supra* note 10, the Federal Court considered a copyright infringement claim where there was no written contract and where there was "much confusion" and "lack of professionalism" by both parties in their commercial dealings. However, these factors were not sufficiently aggravating to justify the amount of damages being sought by the applicant (*ibid* at paras 63–64).

45 Whether the factual matrix should include post-contractual conduct is a matter of debate in the case law. That is, in contractual interpretation, evidence of surrounding circumstances is usually limited to "objective evidence of the background facts at the time of the execution of the contract" (see *Sattva Capital Corp v Creston Moly Corp*, 2014 SCC 53 at para 58). Evidence of *subsequent* events is generally admissible only if the language of the contractual provision is found to be ambiguous (although this approach may be questionable post-*Sattva*).

46 *Albo*, *supra* note 42 at para 39.

47 *Keatley Surveying Ltd v Teranet Inc*, 2019 SCC 43 [*Keatley*]. The Supreme Court affirmed the decision of the Ontario Court of Appeal (2017 ONCA 748), which in turn upheld the summary judgment result (2016 ONSC 1717).

Following class certification, the parties both moved for summary judgment on the basis of various common issues. The most contested common issue was whether Crown copyright existed in the plans by virtue of section 12 of the *Copyright Act*, or whether the surveyors retained individual copyright in the plans.

In terms of procedural history, the Ontario Court of Appeal found against the land surveyors by finding that Crown copyright exists in the plans of survey. The Court of Appeal found this issue to be dispositive of the case so that it was unnecessary to consider any other common issues. The Supreme Court dismissed the surveyors' appeal and confirmed the finding of Crown copyright in the plans.

As to the existence of copyright, it was readily accepted that the plans of survey were "artistic works" and valid subject matter of copyright.

As to the ownership of copyright, this issue turned on the proper construction of section 12 of the *Copyright Act*.⁴⁸

12. Without prejudice to any rights or privileges of the Crown, where any work is, or has been, prepared or published by or under the direction or control of Her Majesty or any government department, the copyright in the work shall, subject to any agreement with the author, belong to Her Majesty and in that case shall continue for the remainder of the calendar year of the first publication of the work and for a period of fifty years following the end of that calendar year. [Emphasis added.]

The majority of the Supreme Court (per Abella J) interpreted section 12 as requiring a two-part inquiry: (1) whether there is Crown direction or control over the person preparing of publishing the work; and (2) whether there is Crown direction or control over the work itself that is being prepared or published. This inquiry was answered in the affirmative, leading to a finding of Crown copyright, as detailed below.

The majority found (as had the Ontario Court of Appeal) that the provincial land registration regime gave the Crown complete control over publication of the plans of survey. The majority summarized the "control" analysis as follows:

[78] Taken together, the provincial land registration regime gives the Crown complete control over the process of publication. The Crown has proprietary rights in the plan, and custody and control over the physical plans. The statutory scheme ensures that the Crown directs and controls the format and content of registered plans. Significantly, this control subsists after registration or deposit. It is only the Crown, through the Examiner of Surveys, who is able to alter the content of the plans, and only the Crown has ongoing control over and responsibility for the publishing process, including the final form of the work. Likewise, it is the Crown who—by validly enacted legislation—has the exclusive authority to make copies of the registered or deposited plans of survey.

[79] Viewed in its entirety, the scheme demonstrates the extent of the Crown's direction or control over the publication process. ... Because of the extent of this direction and control, copyright vests in the Crown by operation of s. 12 of the Act when the registered or deposited plans of survey are published. When it is the Crown that publishes the works by making them available through the Land Registry offices, the works are published "by" the Crown within the meaning of s. 12.⁴⁹

In its statutory approach, which focused on the "control" aspect by the Crown, the majority also relied on basic principles of copyright law, namely:

- There must always be a balance between Crown copyright on the one hand and creators' rights on the other, such that the scope of the former cannot routinely overtake or undermine the latter.⁵⁰
- Part of the "balancing act" is tied to the rationale for legislating Crown copyright in the first place. That is, Crown copyright protects works prepared or published under the control of the Crown where it is necessary to guarantee the authenticity, accuracy, and integrity of such works (that is, those in the public interest). Crown copyright does not extend beyond the public interest.
- Technological neutrality is also a fundamental feature of copyright law and the *Copyright Act* (including

⁴⁸ See also the decision in *PS Knight Co Ltd v Canadian Standards Association*, 2018 FCA 222, leave to appeal denied 2019 CanLII 45263 (SCC), which considered section 12 of the *Copyright Act* in a different context. There, a majority of the Federal Court of Appeal found that the Canadian Standards Association (CSA) owned valid (registered) copyright in the CSA Electrical Code, and that PS Knight Co infringed copyright. The court held that PS Knight Co could not rely on Crown copyright to defeat the CSA's claim because section 12 of the *Copyright Act* did not apply to the CSA Electrical Code. The court also found that PS Knight Co could not rely on the defence of fair dealing because the factors in the case "overwhelmingly" supported the conclusion that the dealing was not fair (at para 172). Similarly, no licence or permission was ever given to PS Knight Co for the "wholesale copying" of the entire CSA Electrical Code (at para 173).

⁴⁹ *Keatley*, *supra* note 47 at paras 78–79 [emphasis added]. The court also noted that land surveyors are under no obligation to register their works under the land registration system in the first place. For example, a land surveyor cannot place a copyright claim/notice on the plan if it is to be registered in the public system. See *ibid* at para 83.

⁵⁰ This balancing of rights as a familiar theme in copyright cases can be traced back to seminal decisions of the Supreme Court of Canada. See, for example, *Théberge v Galerie d'Art du Petit Champlain inc*, 2002 SCC 34 at para 31; *CCH Canadian Ltd v Law Society of Upper Canada*, 2004 SCC 13 at para 48.

section 12).⁵¹ In the circumstances, this means there is no practical difference (as far as copyright is concerned) between handling physical plans of survey at the land registry offices, and obtaining electronic versions of the plans through the Teranet database.⁵²

The concurring justices Côté and Brown agreed with the majority that there was Crown copyright, but disagreed on the test for construing section 12.⁵³

More specifically, the concurring justices formulated their own two-party inquiry under section 12 by asking: (1) did the Crown bring about the preparation or publication of the work; and (2) is the work a “government work”? As did the majority, the concurring justices answered their inquiry in the affirmative and found that Crown copyright existed.

As for a “government work” (a new term formulated by the concurring justices), it will exist “where the work serves a public purpose and Crown copyright furthers the fulfillment of that purpose. These will be works in which the government has an important interest concerning their accuracy, integrity, and dissemination.”⁵⁴ The concurring justices elaborated on the concept of “government works” as follows:

[143] *As to the plans of survey at issue in this case, it is clear that they are government works to which s. 12, properly interpreted, applies. They have a clear public character, as they define and illustrate the legal boundaries of land within the Province. This information is of the highest public importance, clarifying land ownership, and allowing landowners and users to govern their affairs accordingly. Therefore, the works serve a public purpose within the Province.*

[144] Crown copyright in this information is of similar importance. People rely on the accuracy of survey plans for determining their interest in property and facilitating land transactions. The Crown has a strong interest in the integrity of the land registry system and in public access to accurate versions of surveys. ...

[145] All of these considerations support the conclusion that the registered or deposited plans of survey are government works once published by Teranet and/or the Land Registry Office. ... *Indeed, if these plans of survey do not qualify as government works, we would be at loss to know what would.*⁵⁵ [Emphasis added.]

In formulating the concept of “government works,” the concurring justices relied on a mix of intrinsic and extrinsic factors related to statutory interpretation, namely:

- the plain words of the statutory provision, read in their ordinary and grammatical sense, including both the French and English versions of section 12 of the *Copyright Act*;⁵⁶
- coherence with the objectives of section 12 as well as the purposes of the *Copyright Act* generally, especially with regard to the scope of “works” in the statutory regime;
- the legislative history and background of section 12, including (1) the notes accompanying section 18 of the *Copyright Act*, 1911 (UK) from which section 12 was derived, and (2) commentary existing at the time (1912) about Crown copyright in relation to “government publications”;⁵⁷
- consistency with academic authorities on the topic of Crown copyright (though this factor was non-binding); and
- consistency with the interpretation of Crown copyright provisions in other Commonwealth jurisdictions such as Australia (though again this factor was non-binding).

2.8.1 The Take-Away

Taken as a whole, the Supreme Court of Canada in *Keatley* reiterated fundamental themes in copyright law, namely, achieving balance between owners’ rights and users’ rights, and protecting technological neutrality so as not to disadvantage works in the digital age.

Keatley also confirms basic principles of statutory interpretation as applicable to the *Copyright Act*, including a focus on the wording chosen by the legislator in both official languages, as well as internal and external coherence of the statutory provisions with other legislative schemes, whether at federal or provincial (or international) levels.

Applying these themes and principles, the majority and concurring reasons are somewhat nuanced in their differences. Ultimately, future cases will decide whether the scope of Crown copyright should be expanded or retracted based on the majority reasons and their focus on Crown “control,” or based on the concurring reasons and their focus on the newly established “government works.”

51 Again, this is another common vein in Canadian copyright cases. See, for example, *Robertson v Thomson Corp*, 2006 SCC 43 at para 49; *Canadian Broadcasting Corp v SODRAC 2003 Inc*, 2015 SCC 57 at para 66.

52 The majority reasons are at paras 1–91 of *Keatley*, *supra* note 47.

53 The concurring reasons are at paras 92–147 of *Keatley*, *ibid*.

54 *Ibid* at para 127.

55 *Ibid* at paras 143–145.

56 See *ibid* at para 109 for a discussion of the English text (“direction or control”) versus the French text (“sous la direction ou la surveillance”) of section 12 of the *Copyright Act*.

57 See *ibid* at paras 130–131 for a discussion of the legislative history of section 12 of the *Copyright Act*.

3.0 Conclusion

This round-up reveals refreshing lessons for litigators in copyright basics (originality, expression, and infringement), as applied to a variety of business disputes ranging from class actions by authors to injunction orders against ISPs. The richness of these cases arises from their multi-faceted nature and connections between emerging areas of the law, while still providing core coverage of copyright issues. In this regard, the basic themes underlying the

Copyright Act are reiterated, namely, achieving balance between owners' rights and users' rights and ensuring proportionality and fairness in remedial options for copyright claims. For parties looking at these cases, this means maximizing the strategic use of both substantive and procedural points of law to advance their copyright positions. For the courts reviewing these cases, this means setting precedents and interpreting legislation, with a backdrop of core copyright in their reasoning and analysis.

Appendix: Copyright Checkup 2019

CASE	SNAPSHOT	TAKE-AWAY
<i>Pyrrha Design Inc v Plum and Posey Inc</i>, 2019 FC 129	Copyright was found in the plaintiff's wax seal jewellery designs, but there was no infringement by the defendant.	Classic case of how to prove (or disprove) copyright infringement, including lessons on presenting factual and expert evidence.
<i>Thomson v Afterlife Network Inc</i>, 2019 FC 545	Class application for "obituary piracy" was granted on the basis of 2 million works infringed on an authorized website.	Statutory damages for copyright infringement depend on a balancing approach and proportionality.
<i>ME2 Productions, Inc v DOE</i>, 2019 FC 214	A Norwich order, requiring disclosure of subscriber identities by an ISP, was overturned on evidentiary grounds.	Norwich orders are alive and well in the Federal Court as an important tool for copyright owners in the digital age.
<i>Voltage Pictures, LLC v Salna</i>, 2019 FC 1047	Reasonable costs granted to an ISP for a total of \$67.23 for complying with a Norwich order.	Norwich orders remain a basic remedy for copyright infringement in online environments.
<i>Bell Media Inc v GoldTV.Biz</i>, 2019 FC 1432	Federal Court approved a "site-blocking" injunction requiring ISPs to block subscribers from accessing infringing websites.	A copyright injunction is a malleable remedy to be adapted to the evolving needs of owners, users, and intermediaries in the digital age.
<i>Voltage Pictures, LLC Canada v Salna</i>, 2019 FC 1412	Federal Court refused to certify a "reverse" class proceeding brought by applicant film production companies against individuals.	"Reverse class proceedings" are available in principle but in practice must be supported by sufficient evidence.
<i>Albo v The Winnipeg Free Press et al</i>, 2019 MBQB 34	Manitoba Court of Queen's Bench dismissed a copyright infringement claim against a newspaper for a historical publication on architecture.	The distinction between public ideas and protected expression remains applicable in a news-related yet historical context.
<i>Keatley Surveying Ltd v Teranet Inc</i>, 2019 SCC 43	Supreme Court of Canada confirmed the existence of Crown copyright in land survey plans registered in Ontario, thereby dismissing the class proceeding by surveyors.	Fundamental themes in copyright law remain: achieving balance between owners' rights and users' rights, and protecting technological neutrality so as not to disadvantage works in the digital age.