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about Canadian intellectual property

Un recueil d'articles à comité de lecture  
sur la propriété intellectuelle au Canada

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**Publisher**  
Michael Bell

**Editor**  
Steve Pecar

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**President**  
Michael Bell

**Vice-President**  
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**Fthinker.co**  
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Constitution Square, 360 Albert Street,  
Suite 550, Ottawa, Ontario K1R 7X7  
Tel: 613-234-0516  
Email: admin@ipic.ca

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Alain Leclerc  
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IPIC President/  
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## Message from the President

Welcome to IPIC's *Canadian Intellectual Property Review* (CIPR), a double-blind, peer-reviewed professional journal. As you can see, Volume 35 has undergone significant modernization following the Intellectual Property Institute of Canada's launch of a new brand and logo in February of this year.

At the time of publication, we are in the midst of the global COVID-19 pandemic and are living through unprecedented times. We have had to adapt to new ways of living, working and learning. To help guide IPIC members through the various COVID-19 challenges, we have been offering a series of designated COVID-19 webinars and have created a dedicated COVID-19 updates tab on [ipic.ca](http://ipic.ca).

The value of Canadians' ideas, brands and inventions has never been as apparent as during this pandemic. As governments and businesses develop innovative methods to cope with the increased demand for items such as personal protective equipment, we've seen a surge in thinking outside of the box and new products that add value and ease to our quality of life in its current state. Intellectual property plays an increasingly important role than ever in supporting the Canadian economy and in helping local businesses thrive by expanding globally.

*The Canadian Intellectual Property Review* (CIPR) continues to be hosted on our open-access platform at [ipic.ca](http://ipic.ca) to ensure that the latest research and timely topics are available to anyone with an interest in the profession.

Despite this being one of the most challenging times in recent history, it remains an exciting period for intellectual property in Canada. Awareness about the value of IP is growing in the government and the media thanks to a new national IP strategy, the creation of the College of Patent and Trademark Agents, the signing of multiple international treaties and the updating of key IP legislation.

On behalf of IPIC, I hope you enjoy reading Volume 35 of the *CIPR* and are staying safe.

Alain Leclerc  
IPIC President, 2019-2020

## Message du président

Bienvenue dans la Revue canadienne de propriété intellectuelle (RCPI) de l'IPIC, une revue professionnelle à double insu examinée par les pairs. Comme vous pouvez le constater, le numéro 35 de la RCPI a été considérablement modernisé suite au lancement de la nouvelle marque et du nouveau logo de l'Institut en février dernier.

Au moment de la publication de ce numéro, nous traversons la pandémie mondiale de COVID-19 et nous vivons une époque sans précédent. Nous avons dû nous adapter à de nouveaux modes de vie, de travail et d'apprentissage. Pour mieux orienter les membres de l'IPIC à travers les divers enjeux de la pandémie de COVID-19, nous avons préparé une série de webinaires désignés sur la COVID-19, en plus d'ajouter un onglet COVID-19 sur la page d'accueil du site Web de l'Institut.

La valeur des idées, des marques et des inventions des Canadiennes et des Canadiens n'a jamais été aussi apparente que pendant cette pandémie. Au fur et à mesure que les gouvernements et les entreprises élaborent des méthodes innovatrices qui leur permettent de composer avec la demande accrue d'articles comme l'équipement de protection individuelle, nous avons remarqué une augmentation de la créativité et de la réflexion « en dehors des sentiers battus », en plus de nouveaux produits qui ajoutent de la valeur et de la facilité à notre qualité de vie dans son état actuel. La propriété intellectuelle joue un rôle de plus en plus important pour soutenir l'économie canadienne et pour aider les entreprises locales à prospérer en prenant de l'expansion à l'échelle mondiale.

La Revue canadienne de propriété intellectuelle (RCPI), hébergée sur notre plateforme à accès libre à l'adresse [www.ipic.ca](http://www.ipic.ca), veille à ce que toute personne intéressée par la profession puisse consulter les résultats des dernières recherches et tous les sujets d'actualité.

Même si nous sommes confrontés aux défis les plus importants de l'histoire récente, cette période demeure très passionnante pour la propriété intellectuelle au Canada. Le gouvernement et les médias sont encore plus sensibilisés à la valeur de la PI, en grande partie en raison de la nouvelle stratégie nationale en matière de PI, de la création du Collège des agents de brevets et des agents de marques de commerce, de la signature de nombreux traités internationaux et de la mise à jour des principales lois qui traitent de PI.

Au nom de l'IPIC, j'espère que vous apprécierez le numéro 35 de la RCPI. Soyez très prudents!

Alain Leclerc  
Président de l'IPIC (2019-2020)

# Message from the Editor

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

As I am writing this message, we are in the middle of the pandemic due to COVID-19 with most of working from home. Hopefully by the time you are reading this, things are back to normal again.

We are pleased to share five articles in this issue that span across a diverse variety of topics relative to issues in the field of Canadian intellectual property today.

We begin with an article looking at trade secrets, big data and the future of public interest litigation relative to artificial intelligence in Canada (Malone). Next, we dive into how Canadian courts have regularly stated that there is no liability for contributory infringement in Canadian law (Siebrasse) before pivoting to the prospects and limits of blockchain technologies in the global protection of geographical indications (Cadogan).

Our fourth article in Volume 35 of the CIPR reviews copyright cases from 2019 by focusing on fundamental principles of Canadian copyright law and how they serve as the foundation for recent developments in the law (Bassan).

The fifth article focuses on how modern intellectual property regimes fail to protect Indigenous traditional knowledge and how Canada is uniquely positioned to solve this legal gap (Seidler).

Lastly, we close with an article about how the modern patent of invention evolved over the course of about 500 years from a form of letter of protection into something we would recognize today (Wells and Terrefe).

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 articles that will make you think and reflect throughout the course of your work.

Before closing, let me also thank Stephanie Naday, IPIC's Manager of Communications who shepherded this issue! Stephanie took over this role from Chelsea Berry, IPIC's Manager of Member Services. Thank you Stephanie, and thank you Chelsea for your many contributions to the CIPR.

Happy reading everyone!

*Béatrice Ngatcha, Editor-in-chief*

# Message de la rédactrice en chef

Bienvenue dans ce nouveau numéro de la Revue canadienne de propriété intellectuelle (RCPI). Alors que je rédige ce message, nous traversons la pandémie de COVID-19 en travaillant presque tous à la maison. J'espère que tout sera revenu à la normale lorsque vous le lirez.

Nous sommes heureux de partager dans ce numéro cinq articles qui traitent d'une variété de questions d'actualité dans le domaine de la propriété intellectuelle canadienne.

Nous commençons par un article sur les secrets commerciaux, les données volumineuses et les litiges d'intérêt public par rapport à l'intelligence artificielle au Canada (Malone). Nous poursuivons avec la façon dont les tribunaux canadiens ont régulièrement énoncé l'absence de responsabilité en cas de contrefaçon par fourniture de moyens dans le droit canadien (Siebrasse), avant d'aborder les perspectives et les limites des technologies de chaîne de blocs dans la protection globale des indications géographiques (Cadogan).

Le quatrième article du numéro 35 de la RCPI examine certains procès de droit d'auteur entendus en 2019 en mettant l'accent sur des principes fondamentaux des lois canadiennes sur le droit d'auteur et la façon dont ils servent de fondement pour les récents développements dans la loi (Bassan).

Le cinquième article traite de la façon dont les régimes modernes de propriété intellectuelle ne protègent pas le savoir traditionnel et de la position unique du Canada qui lui permet de combler cette lacune juridique (Seidler).

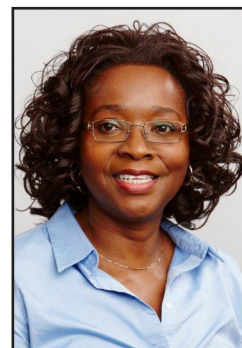
En conclusion, nous finissons avec un article qui souligne l'évolution du brevet d'invention moderne au cours des 500 dernières années d'un type de lettre de protection vers sa forme actuelle. (Wells et Terrefe).

Comme toujours, peu importe si vous pratiquez ou non dans le domaine particulier de la propriété intellectuelle concerné par ces articles ou si vous êtes d'accord ou non avec leurs auteurs, j'espère que ces articles vous inciteront à penser et réfléchir dans l'exercice de vos fonctions.

Avant de terminer, je profite de l'occasion pour remercier Stephanie Naday, gestionnaire des communications de l'IPIC, qui a dirigé ce projet. Stephanie a remplacé Chelsea Berry, gestionnaire des services aux membres de l'IPIC, dans ce rôle. Merci Stephanie, et sincères remerciements à Chelsea pour ses nombreuses contributions au fil des ans au succès de la RCPI.

Bonne lecture à tous!

*Béatrice Ngatcha, Rédactrice en chef*



Béatrice Ngatcha,  
Editor-in-Chief/  
Rédactrice en chef



Matt Malone

# Trade Secrets, Big Data, and the Future of Public Interest Litigation Over Artificial Intelligence in Canada\*

Matt Malone\*\*

## Abstract

To safeguard big data, many commercial entities deploy legal arguments that these data are trade secrets. Using a Canadian legal backdrop, this article suggests that this argument will hardly be robust, sustainable, or convincing when public interest litigation begins targeting issues of bias and discrimination in artificial intelligence. For now, trade secret litigation is an arena of primarily commercial interests. However, this article suggests that the default view among concerned companies that big data are necessarily trade secrets will be susceptible to attack when public interest litigants turn their sights on matters of bias and discrimination.

## Résumé

Pour protéger leurs banques de données, plusieurs entités commerciales présentent des arguments juridiques invoquant que leurs données appartiennent à la catégorie de secrets commerciaux. À l'aide d'un contexte juridique canadien, le présent article suggère que cet argument sera à peine assez robuste, durable ou convainquant lorsqu'un litige d'intérêt public ciblera des questions de partialité et de discrimination dans l'intelligence artificielle. Pour l'instant, le litige en matière de secret commercial demeure un domaine d'intérêts essentiellement commerciaux. Cependant, l'article suggère que la perception par défaut de certaines entreprises concernées à l'effet que leurs données sont nécessairement des secrets commerciaux risque d'être attaquée par les plaideurs d'intérêt public qui tournent leur regard vers les questions de partialité et de discrimination.

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\* Submission to the Editor, December 5, 2018.  
\*\* © 2019 Matt Malone. Morrison Foerster LLP, Palo Alto, CA.



## 1 Introduction

For many companies working on artificial intelligence (AI), their greatest asset is data. To justify protecting this asset, these companies often invoke the legal regimes of trade secrets and confidential information. As one experienced intellectual property (IP) lawyer recently commented, "Many companies today count their primary assets and primary worth by data, nothing but data. And the main way that we protect data is with trade secrets."<sup>1</sup> For example, when Tinder was pressed to share data that went into creating each users' so-called desirability ranking, the company stated, "[W]e cannot provide any information that reveals or otherwise compromises all or any part of our proprietary trade secrets or know how."<sup>2</sup> The gist of such arguments is that the data—not the algorithm—are worthy of protection.

In Canada, the legal arguments underpinning the notion that data are susceptible to trade secret protection are largely untested and unstable. Unlike software and algorithms, which manipulate data, and which are clearly works of the mind, big data are not works of the mind *per se*. The question of whether they warrant intellectual property protection is controversial. One view that is increasingly widespread holds that data are a new commodity or resource, tantamount to being the oil of the 21st century, and so a company that collects data is merely exploiting the resource.<sup>3</sup> In Canada, the legal status of such data remains unclear.<sup>4</sup> Of course, there are blurry distinctions—how data are collected determines what data are collected—but the assumption that big data are trade secrets does not rest on clearly established law. At this stage, it is more of an assumption than an argument.

This issue is becoming important as the spotlight turns on tech companies that are facing accusations of promoting political bias<sup>5</sup> and discrimination,<sup>6</sup> inadequately protecting privacy,<sup>7</sup> and fuelling mental health crises,<sup>8</sup> to name to just a few recent controversies. These controversies have been met with calls for greater transparency and openness of data—clashing with companies' desires to hoard data in their exclusive possession. A warning sign of these future skirmishes is the recent dispute between the City of Seattle and a consortium of Uber and Lyft, in a case filed in the Supreme Court of Washington, which raised a significant allegation of racial discrimination related to the manipulation of data.<sup>9</sup> The drama revolved, in part, around a demand to make these data

available to public authorities for oversight. Unsurprisingly, Uber and Lyft both argued that the data were trade secrets. As the case shows, public access to data will increasingly become a justiciable question, and the issue of whether they are trade secrets will become a central issue. It will be at the heart of many future disputes over data transparency, sharing, and openness.

## 2 The Law of Trade Secrets in Canada

Trade secret law protects sensitive business information that acquires value from not being known to the public. The classic test for the determination of trade secrets is inexorably bound up with the duty of confidence, from which it remains, for practical purposes, indistinguishable. The most binding formulation of this duty appeared in *Lac Minerals Ltd v International Corona Resources Ltd*,<sup>10</sup> where the Supreme Court of Canada examined the nature of duties owed by executives of a large mining company to a development-stage junior competitor whose lucrative secret business information the larger company misappropriated. The court affirmed the following test for the breach of confidence: (1) the existence of confidential information, (2) its communication in confidence, and (3) its misuse by the party to whom it was communicated. Undoubtedly, the hardest component of this test for a plaintiff to satisfy is the third prong.

Historically, the classic formulation of a trade secret case involved theft by a departing employee of sensitive information such as a recipe or a customer list created by the ex-employer. The general principle was that the law would not countenance giving the ex-employee unfair advantage for stealing something that the ex-employer had created and sought to keep secret. Part of a broader commercial morality, these principles over time proved adaptable in their extension to new fields of technology—including Listerine,<sup>11</sup> stock-trading platforms, and even light detection and ranging (LIDAR) sensor technology used by autonomous driving vehicles,<sup>12</sup> to name just a few prominent trade secret cases.

Defining big data as trade secrets, though, is somewhat trickier. Although the definition given above shows that subject matter is usually a trade secret when the party claiming protection has "used his brain," as one English judge put it more than 70 years ago,<sup>13</sup> this argument is less persuasive when applied to data. This is because, in many cases, algorithms or software collect or

1 J Pooley, 2018, <www.pooley.com>.

2 C Ip, "Who Controls Your Data?" (2018), *Engadget* (blog); A Carr, "I Found Out My Secret Internal Tinder Rating and Now I Wish I Hadn't" (2016), *Fast Company* (blog).

3 Centre for International Governance Innovation (CIGI), *Data Governance in the Digital Age*, Special Report (Waterloo, Ont: CIGI, 2018) [CIGI].

4 T Scassa, "Data Ownership" (4 September 2018) CIGI Paper No 187; University of Ottawa Faculty of Law Working Paper No 2018-26.

5 R Waters, "Google Defends Search Algorithms Against Bias Claims", *Financial Times* (24 September 2018).

6 E Siegel, "When Machines and Data Promote Blatant Discrimination", *San Francisco Chronicle* (21 September 2018).

7 T Spangler, "Facebook Under Fire: How Privacy Crisis Could Change Big Data Forever", *Variety* (3 April 2018).

8 W Ghonim & J Rashbass, "It's Time to End the Secrecy and Opacity of Social Media", *The Washington Post* (31 October 2017) [Ghonim & Rashbass].

9 D Gutman, "Uber and Lyft May Have to Disclose Seattle Data They Claim Secret, Supreme Court Rules", *The Seattle Times* (31 May 2018); *Lyft Inc v City of Seattle*, file no 94026-6 (Wash Sup Ct 2018).

10 *Lac Minerals Ltd v International Corona Resources Ltd*, [1989] 2 SCR 574.

11 *Warner-Lambert Pharm Co v John J Reynolds Inc*, 178 F Supp 655 (SDNY 1959).

12 A Marshall, "Uber and Waymo Abruptly Settle for \$245 Million", *Wired* (9 February 2018).

13 *Saltman Engineering Co v Campbell Engineering Co Ltd*, [1948] 65 RPC 203.

“scrape” data and, in other cases, individuals self-populate data when they interact with social media or other Internet of Things (IoT) applications. These interactions yield data collections, but the question of who created the data is epistemological: Were the data created by the software designers who conceived of technologies that captured the data? Or do legal rights inhere in the data of individuals who input the data into those technologies?

Of course, it may be argued that it is impossible to separate the method of collecting data from its content, and some academics argue that big data would fall into the category of trade secrets for this reason.<sup>14</sup> But Canadian judges in a few cases have split hairs on this question and come to opposite conclusions. For example, in a recent Alberta decision handed down by the Office of the Information and Privacy Commissioner, a party sought access from a provincial agency to a third party's data on gas and oil drilling costs in particular areas of the province.<sup>15</sup> The judge held that the data, separated from the techniques used to collect them, were a “compilation and/or product” that were therefore trade secrets. Conversely, in an Ontario decision issued by the Information and Privacy Commissioner, the Limestone District School Board possessed survey data on school improvement that a party sought to access under the *Municipal Freedom of Information and Protection of Privacy Act*.<sup>16</sup> The judge held that while the questionnaire that was used to collect the survey data “might reveal a unique method, formula, pattern or compilation of information” and hence a trade secret, the survey data themselves were not trade secrets.

The commercial advantages of seeking trade secret protection for data over other forms of intellectual property are many. Unlike a patent, there is minimal cost involved in claiming trade secret protection. Patents also require time investment and burdensome renewal procedures, whereas trade secret protection starts immediately and requires minimum safeguards. And unlike the protection offered by a patent, which is time-capped, trade secret protection can last forever. It can also cover a range of subject matter that is not patentable at all. Thus, at its core, unlike areas of “hard” IP that require formal registration, the “soft” area of trade secret protection is triggered by conduct: if a party acts like something is a trade secret, and protects it as such, then it is arguably a trade secret.

The operative word here is “arguably.” Trade secret law is tainted with imprecision, because the threshold question in every trade

secret case is essentially: “What is a trade secret?” Textbook definitions and previous judgments can only guide such a determination. The lack of precision in the legal definition of a trade secret, however, gets at an essential element of trade secret law—once the item is no longer secret, its protection vanishes. Trade secret law, then, usually only goes to the courts when there is a dispute over the misappropriation of the secret. Litigation arises as part of a commercial strategy—defensive or offensive—by one actor to prevent another actor from gaining competitive or economic advantage. Accordingly, most trade secret cases follow one of the scenarios illustrated in figure 1.

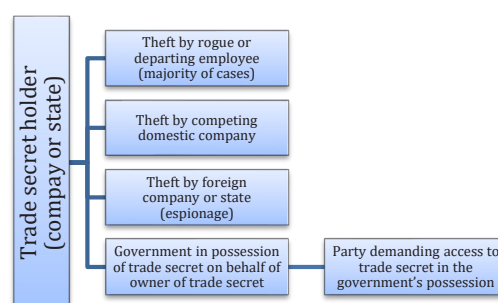


Figure 1

As shown in figure 1, most disputes involve an (ex-)employer and (ex-)employee.<sup>17</sup> Some practitioners argue that some 90 percent of trade secret cases involve these scenarios.<sup>18</sup> As for the other types of disputes, Canada has seen disputes between commercial actors, such as the high-profile Air Canada–WestJet spying lawsuit and instances of espionage by foreign states and companies—though it lacks sufficient espionage provisions to crack down on them, and has sought to resolve them through diplomatic efforts.<sup>19</sup> Finally, Canada has also often witnessed cases involving the government's disposition of a third party's trade secrets (in the mold of the previously cited Alberta and Ontario cases).

The last category is the most relevant one to litigation concerning big data as trade secrets in Canada. These disputes involve a government entity possessing trade secrets that belong to a third party, which an outside actor seeks to obtain through an access to information request. The highest-stakes versions of these disputes emerge when the subject matter in question is pharmaceutical companies' regulatory and clinical data in the possession of Health Canada.

A recent example of this type of dispute is the Federal Court case *Doshi v Canada*,<sup>20</sup> which revolved around the confidentiality of datasets in clinical trials. The case concerned a researcher at the

14 M Mattioli, “Disclosing Big Data” (2014) 99:2 Minn L Rev 535.

15 Alberta Energy, Alberta Office of the Information and Privacy Commissioner, Order F2015-15, case file no F6260.

16 Limestone District School Board (Re), 2013 CanLII 77839 (ON IPC).

17 DS Levine & CB Seaman, “The DTSA at One: An Empirical Study of the First Year of Litigation Under the Defend Trade Secrets Act” (2018) 53:1 Wake Forest L Rev 105.

18 M Klapow, J Milewski & W Pellett, “How Courts Approach Trade Secret Identification” (2018) Law 360 (blog).

19 I Austen, “WestJet Settles Spy Case with Rival Air Canada—Business—International Herald Tribune”, *The New York Times* (30 May 2006); N Fraser, “Canadian Law on Industrial Espionage Needed”, *Law Times* (6 March 2006); R Fife & S Chase, “Canada and China Strike Corporate Hacking Deal”, *The Globe and Mail* (25 June 2017).

20 *Doshi v Canada (Attorney General)*, 2018 FC 710 [Doshi].



University of Maryland who was seeking access to clinical data related to HPV vaccines and neuraminidase inhibitors under a legal exception for researchers gaining access to data for “the protection or promotion of human health or the safety of the public.”<sup>21</sup> Health Canada, which under the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) and the North American Free Trade Agreement (NAFTA) was obliged to protect trade secrets, would provide the information only if the researcher agreed to sign a confidentiality agreement. After the researcher did not sign the agreement, Health Canada refused to share the information. The researcher submitted a request for judicial review. Drawing a distinction between language in TRIPS and NAFTA that differentiated between “undisclosed information,” “trade secrets,” and “data,” Justice Grammond found that the data should be shared in light of the public interest exception. The dispute presented an interesting example of how the defence of trade secrets does not hold up against the needs and demands of the public interest.

Although Justice Grammond rooted his analysis in a subtle distinction between the statutory definitions of “trade secrets” and “data” in TRIPS and NAFTA, the rejection of a trade secret classification for the data was undoubtedly motivated by a public interest argument. The notion of “public interest” was directly invoked only once in the case—in the final paragraph of the decision, where the parties agreed not to seek costs—but it courses throughout the decision. Justice Grammond characterized the competing interests of drug-related legislation as “protecting the health and safety of the public and promoting the economic interests of pharmaceutical companies.” As he noted, public disclosure of information otherwise susceptible to trade secret protection may be “beneficial” where “[t]here are concerns that the conduct of those tests may be *biased*.”<sup>22</sup>

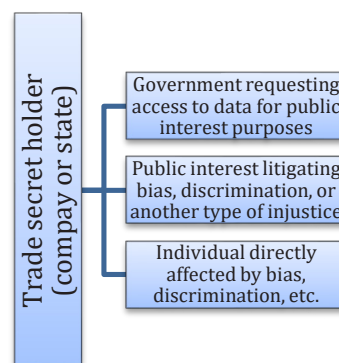
As his ultimate determination in *Doshi* revealed, the inherent difficulties associated with defining business secrets mean that deploying such an argument to shield disclosure does not hold up against the needs and demands of the public. Secrecy itself is a term inflected by cultural and societal values, which hinge on public interest. Therefore, the value of trade secrets to the public will always exert influence on that determination. But while trade secret disputes between commercial actors usually involve a relevant sum, when the public interest is at stake, the value of the trade secret becomes less persuasive.

Admittedly, disputes like the *Doshi* case are still rare. Most trade secret disputes in Canada do not involve a confrontation between public interest calls to make data more transparent and companies seeking to hoard data. Calls for open data and data transparency, while popular, are rarely litigated and do not appear to fit easily into the modalities of trade secret litigation presented

above. Not faced with any imminent litigation or threat thereof, companies have not had to worry about handing over their data, let alone fine-tuning legal arguments that prevent them from being required to do so. What this shows is that, despite the uproar about the deleterious side effects of the current unilateral data-hoarding approach, the paradigm of data hoarding has so far gone mostly unchallenged in Canada.

When public interest actors begin to target these companies over such practices, however, trade secret litigation will start to look a lot different. Looking beyond the old types of trade secret disputes, future disputes over data will arise regarding public interest issues concerning bias, discrimination, mental health, and so on, and involve areas of law like the *Charter of Rights and Freedoms* and privacy law. When such issues are litigated, the defensive argument that data are trade secrets will confront public interest head on. As opposed to the scenarios shown in figure 1, disputes over explosive issues like racially or gender-motivated bias and discrimination in AI are more likely to be structured as shown in figure 2.

Figure 2



If the outcome of *Doshi* is a harbinger of future results, the public interest will prove very effective at destroying the argument that data are trade secrets. That should be good news for public interest litigants in Canada who want to take on companies trying to safeguard their data. Nonetheless, there remain significant

hurdles in organizing such litigation. Until now, calls for greater transparency have lacked bite because there has been an inordinate focus on the benefits that society can reap from rendering data more available—rather than on how greater transparency may actually be achieved. Suggestions such as developing a “standardized public interest API that provides a detailed overview of the information” get at what an ideal open data sphere may look like, but they do not show us how to get there without applying pressure on commercial entities.<sup>23</sup> Even within the fascinating legal work on data governance that is being done, there is little discussion about the strategies that would actually compel companies to share their data.<sup>24</sup> For now, the siren is sounding. But as the history of trade secret litigation involving data in Canada shows, there is reason to believe that many assumptions about the law affording security against disclosure are simply wrong.

21 *Food and Drugs Act*, RSC 1985, c F-27, s 21.1(3).

22 *Doshi*, *supra* note 20 at para 11 (emphasis added).

23 Ghonim & Rashbass, *supra* note 8.

24 CIGI, *supra* note 3.



Norman Siebrasse

## Contributory Infringement in Canadian Law\*

Norman Siebrasse\*\*

### Abstract

Contributory infringement arises when a party knowingly supplies a direct infringer with a product especially adapted for use in a patented invention. Canadian courts have regularly stated that there is no liability for contributory infringement in Canadian law, in the absence of inducement. This article shows that there are nonetheless few cases actually refusing to impose liability on a contributory infringer, and none at the appellate level. The article argues that the reasoning and results in almost all the leading cases support a rule that the supply of a product especially adapted to infringe, and with no substantial non-infringing use, constitutes indirect infringement, even in the absence of active inducement. The current shape of the law is a result of a misreading of the early leading case of *The Copeland-Chatterson Company Ltd v Hatton*, in combination with the problematic decision in *Slater Steel Industries Ltd v R Payer Co*, which is the only prominent case refusing to impose liability in such circumstances. *Slater Steel* has been confined to its facts in both subsequent Court of Appeal decisions to address it, and this article argues that *Slater Steel* was wrongly decided on its facts. The article concludes that it is open to the courts to recognize that liability for contributory infringement may be imposed in Canadian law.

### Résumé

La complicité de contrefaçon survient lorsqu'une des parties fournit sciemment à un contrefacteur direct un produit spécialement adapté pour utilisation dans une invention brevetée. Les tribunaux canadiens ont régulièrement précisé que le droit canadien n'associe aucune responsabilité à la complicité de contrefaçon, en l'absence d'incitation. Le présent article démontre que dans quelques cas, les tribunaux ont néanmoins refusé d'imposer une responsabilité à un complice de contrefaçon, mais aucun au niveau de l'appel. L'article prétend que le raisonnement et les résultats dans presque tous les cas d'espèce appuient la règle à l'effet que l'approvisionnement d'un produit spécialement adapté pour enfreindre, mais sans utilisation importante < des fins de contrefaçon, constituent une contrefaçon indirecte, même en l'absence d'incitation active. L'état actuel du droit est le résultat d'une interprétation erronée de l'arrêt-clé initial dans l'affaire *The Copeland-Chatterson Company Ltd v Hatton*, en combinaison avec le jugement problématique rendu dans l'affaire *Slater Steel Industries Ltd v R Payer Co*, le seul cas notoire de refus d'imposer toute responsabilité dans ce genre de circonstances. L'affaire *Slater Steel* a été confinée à ses faits dans deux décisions subséquentes entendues par la Cour d'appel; cet article prétend que, dans l'affaire *Slater Steel*, le tribunal a rendu une décision erronée sur les faits en cause. L'article conclut que les tribunaux peuvent effectivement reconnaître qu'une responsabilité pour complicité de contrefaçon peut être imposée en droit canadien.

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## 1 Introduction

The problem of indirect infringement concerns the potential liability of a party—for convenience, the “indirect party”—which in some manner facilitates infringement by a direct party. The basis of an action for indirect infringement is generally the supply of an unpatented product by the indirect party, which is then used by the direct party to infringe the patent at issue, as when the indirect party supplies an unpatented compound that is then used by the direct party in a patented combination, or for a patented purpose. It is well established that the indirect party

cannot be held liable solely for having supplied an unpatented product that is subsequently used by the purchaser to infringe; some extra element is required.<sup>1</sup> In Canada, liability for indirect infringement is normally established on the basis of inducement, which requires some kind of active encouragement or influence beyond mere supply of the product. In US law, even in the absence of inducement, liability may be imposed for what is referred to as contributory infringement, which arises when the indirect party knowingly supplies a product especially adapted for use in the patented invention.<sup>2</sup>

<sup>1</sup> See *AB Hassle v Canada (Minister of National Health and Welfare)*, 2002 FCA 421 at paras 57–58 [*AB Hassle*]; *Pharmascience Inc v Sanofi-Aventis Canada Inc*, 2006 FCA 229 at paras 36–60 [*Pharmascience*], rev’g on this point *Genpharm Inc v Procter & Gamble Pharmaceuticals Canada, Inc*, 2002 FCA 290 [*Genpharm*].

<sup>2</sup> 35 US § 271(c) (providing that a party who supplies a component of a patented invention “constituting a material part of the invention, knowing the same to be especially made or especially adapted for use in an infringement of such patent, and not a staple article or commodity of commerce suitable for substantial non-infringing use, shall be liable as a contributory infringer”).

It is normally said that Canadian law does not impose liability for contributory infringement in the manner of American law.<sup>3</sup> A clear statement of this position is found in *MacLennan v Les Produits Gilbert Inc*, where the Federal Court of Appeal stated, "In Canada, the courts have consistently held that selling a component intended to be incorporated in a patented combination (or process) without anything further, does not constitute an inducement to infringement, even where this component cannot be used for any other purpose."<sup>4</sup> In this article, I argue that while the Canadian courts have consistently held that selling a component intended to be used in a patented invention does not in itself constitute indirect infringement, the rule against contributory infringement, reflected in the emphasized phrase, is not on such firm footing.

## 2 Policy Considerations

### 2.1 Effective Enforcement and the Risk of Overbreadth

Indirect infringement generally arises when the patentee does not wish to sue the direct infringer. This may be because it is impractical to do so, as when there are a large number of direct infringers;<sup>5</sup> or because the patentee prefers not to, as when the direct infringer is also a customer of the patentee;<sup>6</sup> or, commonly, both. Thus, imposing liability for indirect infringement is intended to ensure effective enforcement of the patentee's exclusive rights. This reflects the central question regarding infringement, set out by the Supreme Court in *Monsanto Canada Inc v Schmeiser*: "did the defendant, by his acts or

conduct, deprive the inventor, in whole or in part, directly or indirectly, of the advantage of the patented invention?"<sup>7</sup>

The risk, on the other hand, is that of overbroad enforcement, because, by its nature, a finding of indirect infringement imposes liability for acts that do not in themselves infringe. In *AB Hassle v Apotex*, the Court of Appeal summarized the problem of overbroad enforcement as follows, in the context of a pharmaceutical patent for a new use of a known compound:

Thus [the defendant] cannot be prevented from obtaining [marketing authorization] solely on the basis that it will sell [the known compound]. If it were otherwise, then serious policy issues would arise. If there was any likelihood that a patient would consume a generic product for a patented use, then the generic product would not be approved. This would prevent new uses from being approved for existing drugs because there is always the possibility that someone somewhere will use the drug for the prohibited, patented purpose. This would result in a real injustice: since a generic company cannot possibly control how everyone in the world uses its product, the prevention of the generic from marketing the product would further fortify and artificially extend the monopoly held by the patent holders. The patent holder would, therefore, effectively control not just the new uses for the old compound, but the compound itself, even though the compound itself is not protected by the patent in the first place. The patent holders, as a result, would obtain a benefit they were not meant to have. In

<sup>3</sup> Care is needed in respect of terminology. In US law, the term "contributory infringement" is commonly used to refer to the specific type of indirect infringement arising under 35 US § 271(c). The terminological distinction between contributory infringement and inducement appears to have been introduced on codification of US law in 1952; prior to that, "contributory infringement" was the general term corresponding to what we now call "indirect infringement": see *Global-Tech Appliances, Inc v SEB SA Eyeglasses*, 563 US 754 at 761 (2011). However, even today "contributory infringement" is also sometimes used as a synonym for indirect infringement: see e.g., Donald S Chisum, *Chisum on Patents* (New York: Matthew Bender, 1997), ch 17 "Contributory Infringement" (dealing with both §§ 271(b) and (c)). In Australian law, the terms are also used interchangeably: see e.g. *Apotex Pty Ltd v Sanofi-Aventis Australia Pty Ltd*, [2013] HCA 50 at para 295. In Canadian law, the terms are also sometimes used interchangeably: see e.g. *MacLennan v Les Produits Gilbert Inc*, 2008 FCA 35 at para 13 [*MacLennan*] (using the term "contributory infringement" for what is now more commonly referred to as inducement). Furthermore, in UK law, contributory infringement may also be used to refer to the specific type of indirect infringement that arises under s 60(2) of the *Patents Act 1977* (UK), c 37 (see e.g. *Grimme Maschinenfabrik GmbH & Co KG v Scott (t/a Scotts Potato Machinery)*, [2010] EWCA Civ 1110 at para 4 [*Grimme*]), just as the same term in US law is often used to mean the specific type of indirect infringement arising under 35 US § 271(c). However, the elements are distinct under the different statutory provisions, so the term "contributory infringement" means different things in US and UK law. In this article, I use the term "contributory infringement" in the specific sense in which it is used in US law, to mean liability for the supply of a product with no non-infringing use (though without suggesting that Canadian law should adopt every detail of US law on this point), and not in the sense in which it is used in UK or Australian law. See John C Osborne, "Contributory Infringement" (1950) 14 CPR 75 at 89 [Osborne] (noting that "it is better to avoid the awkward phrase [contributory infringement] and to speak simply of direct and indirect infringement").

<sup>4</sup> *MacLennan*, *supra* note 3 at para 33 [emphasis added]; and see to the same effect *ibid* at paras 38, 40; and see also Fox's Annotation to *Slater Steel Industries Ltd v R Payer Co* (1968) in 38 Fox Pat C 139 at 140 (Ex Ct Can) [Fox's Annotation to *Slater Steel*] (stating that "[t]here is, in Canadian law, no doctrine of contributing or constructive infringement such as exists in American law").

<sup>5</sup> See *Dawson Chemical Co v Rohm and Haas Co*, 448 US 176 at 188 (1980) (discussing the classic US contributory infringement case of *Wallace v Holmes*, 29 F Cas 74 (Conn Cir Ct 1871), and noting that the court permitted the action against the indirect party "rather than requiring the patentee to undertake the almost insuperable task of finding and suing all the innocent purchasers who technically were responsible for completing the infringement").

<sup>6</sup> See *MacLennan*, *supra* note 3 at para 8 (noting that "[t]he appellants chose not to sue the forestry operators who, according to their own theory, are guilty of direct infringement of their patent when they use the Gilbert tooth as a replacement").

<sup>7</sup> *Monsanto Canada Inc v Schmeiser*, 2004 SCC 34 at para 44 [*Monsanto*], quoting *Saccharin Corp v Anglo-Continental Chemical Works* (1900), 17 RPC 307 at 319 (Ch) [*Saccharin*].

the end, society would be deprived of the benefit of new methods of using existing pharmaceutical medicines at a lower cost.<sup>8</sup>

Although this statement is directed at the pharmaceutical context of the case, the problem of overbroad enforcement it describes is more general.

The central problem of the law of indirect infringement, therefore, is to balance effective enforcement of the patentee's exclusive rights against the risk of overbroad enforcement. Since imposing liability for indirect infringement will almost always allow for more efficient enforcement of the patent rights, the policy issues related to indirect infringement generally turn on whether a particular rule will unduly restrict the unpatented use.

## 2.2 Contrast with Other Jurisdictions

In most other common-law jurisdictions, the law of indirect infringement looks to both the nature of the product and the indirect party's knowledge or actions beyond mere supply; as the range of potential uses becomes narrower, the requirement for knowledge or inducement becomes more stringent.

Australian law, for example, considers three categories of products, relaxing the intent requirement as the product becomes more specific to the infringement. For products capable of only one use, the supply is infringing in itself.<sup>9</sup> At the other extreme, for staple commercial products, the supply is infringing only if the supplier induced infringement.<sup>10</sup> The intermediate category, where the product is capable of more than one use but is not a staple, attracts an intermediate intent requirement, under which supply alone is not sufficient to establish indirect infringement, but neither is inducement required; instead, the supplier is liable if it had reason to believe that the product would be used for an infringing purpose.<sup>11</sup>

While the details vary in UK and US law, a similar trade-off is seen, with a product that is less specific to the infringement requiring a heightened degree of knowledge or inducement on the part of the indirect party.<sup>12</sup>

## 2.3 Commercial Staples

In *MacLennan*, the Court of Appeal stated that the mere sale of a component intended to be incorporated in a patented invention does not constitute indirect infringement, even where this component cannot be used for any other purpose. The court acknowledged that this rule "may seem questionable at first glance,"<sup>13</sup> and offered the rather weak explanation that "[a]t the very least, it would be incongruous if the sale of an article, which in itself is not protected and which is therefore legal, becomes illegal without any other action being taken by the seller."<sup>14</sup> To say that this explanation is weak is not to criticize the court. On the contrary, the court was being careful not to overstate the point, and rightly so, as the strength of the argument turns on the nature of the product.

In the context of the supply of a staple commercial product, the point is very strong, as enforcement against indirect infringement would limit legitimate activities. For example, *Innes v Short*<sup>15</sup> concerned a patent for the use of a common compound, metallic zinc, as an anticorrosive in steam boilers. While liability was imposed for inducing infringement, the court remarked:

It would be nonsense to say that a person is to be restrained from perfectly legitimate trade, namely, selling an article of commerce, because he happens to know ... that the buyer intends to put it to some improper use.<sup>16</sup>

Clearly, a party cannot be made liable for supplying a staple item of commerce, without knowledge or intent that it will be used by the direct infringer for an infringing purpose, as those sales are almost always for legitimate purposes. Asking the vendor to proactively verify the purchaser's intent would be an impossible burden on the sales clerk, and surely would never be attempted, even if liability were imposed. Such a rule would fail both aspects of the policy balance: it would have a chilling effect on legitimate trade and do nothing to reduce infringement.

8 *AB Hassle*, *supra* note 1 at para 57, quoted and adopted in *Sanofi-Aventis Canada Inc v Apotex Inc*, 2006 FCA 357 at para 19 [*Sanofi-Aventis*]; and see to the same effect *Pharmascience*, *supra* note 1 at para 58.

9 *Patents Act 1990* (Cth), ss 117(1), (2)(a).

10 *Ibid*, ss 117(1), (2)(c). Paragraph (c) applies "in any case," which includes staples.

11 *Ibid*, ss 117(1), (2)(b).

12 In UK law, an indirect party may be liable for supplying an essential element of an invention to a direct infringer if the indirect party does or should know that the direct infringer intends to put the invention into effect, unless the item is a staple commercial product, in which case liability must be based on inducement: *Patents Act 1977* (UK), c 37, ss 60(2), (3). In US law, an indirect party will also be liable for inducing infringement, and for supply of a component of a patented invention which it knows to be especially adapted for use in the patented invention, and which is not a staple of commerce (subject to the relevant knowledge requirements): 35 USC §§ 271(b), (c).

13 *MacLennan*, *supra* note 3 at para 34.

14 *Ibid*.

15 (1898), 15 RPC 449 (QBD) [*Innes v Short*].

16 *Ibid* at 451, quoted with approval in *MacLennan*, *supra* note 3 at para 35, cited in *Copeland-Chatterson v Hatton et al* (1906), 10 Ex CR 224 at 243, 1906 CarswellNat 10 [*Copeland-Chatterson*], and cited by François Grenier, "Contributory and/or Induced Patent Infringement" (1987) 4 CIPR 26 at 27 [Grenier].

Going one step further, if a vendor sells a staple item of commerce, that sale does not become an infringement simply because the purchaser tells the vendor that he intends to use it to infringe a patent. It might be suggested that imposing liability in such a case would not present a problem of overbroad enforcement, because a purchaser would never be prevented from acquiring the product for legitimate purposes, and there would be no verification burden at the point of sale. However, as a practical matter, a typical sales clerk could not be expected to know what acts might infringe a patent and, as staples of commerce are by their nature widely available, the direct infringer, forewarned after being once refused, would simply be more circumspect in his approach to a different supplier.

Accordingly, it is not surprising that on this point the law is the same in Canada, the United States, the United Kingdom, and Australia: the supply of staple commercial products attracts liability for indirect infringement only on the basis of inducement.<sup>17</sup> Inducement requires some positive or “active” step by the indirect party that relates to the infringing act—most typically, inducement is established on the basis of supply of the product accompanied by instructions to use the product so as to infringe.<sup>18</sup> Requiring active steps generally moves the locus of liability up the management chain of the indirect party, from a lowly sales clerk to a party with responsibility for marketing the product, and it is not an unreasonable burden to ask the person who is marketing the product for a specific purpose to verify whether that purpose is wrongful.<sup>19</sup>

## 2.4 Products with a Substantial Non-Infringing Use

The problem is different when the product in question is not a staple, yet has a substantial non-infringing use. The point has recently arisen prominently in the general context of a patent claiming a new use for a known pharmaceutical, and the question is whether a generic producer will infringe by selling the unpatented pharmaceutical itself for non-infringing

purposes, even though it knows that infringement will probably or inevitably result. Canadian law is perfectly clear on this point that there is no liability for indirect infringement in this context, absent some form of inducement, such as directions to infringe provided in the product monograph.<sup>20</sup> Canadian law is similar to US law in this respect,<sup>21</sup> but it contrasts with UK law, under which indirect infringement will be established if the supplier knows or should know that some ultimate users will intend to use or adapt the product so as to infringe, even in the absence of any inducement on the part of the indirect party.<sup>22</sup>

The policy considerations are substantially more difficult in this context, as there is a direct trade-off between efficient enforcement and overbroad enforcement. When the product supplied is not a staple of commerce, and so is not widely available, preventing one or a few suppliers from providing it to the direct infringers, far from being futile, might well be an effective means, and perhaps the only effective means, of preventing infringement. If the indirect party cannot be stopped from supplying the product in these circumstances, the patent incentive may be fatally undermined, as enforcement against direct infringers may well be impractical. On the other hand, as the Federal Court of Appeal explained in the passage from *AB Hassle* quoted above, if the generic is enjoined, then the patentee will effectively extend its monopoly to uses that are no longer patented. In the absence of creative solutions, which may or may not be possible,<sup>23</sup> the problem is one of choosing between two imperfect alternatives.

The law on this point is different in the United Kingdom and Canada because the courts have adopted different solutions to this difficult problem. Canadian courts have consistently given priority to the need to ensure that “the public should not be deprived of its ability to use known products for known uses on the basis of patents for new uses of such products.”<sup>24</sup> The UK courts, on the other hand, have favoured

17 See 35 US § 271(c); *Patents Act 1977* (UK), c 37, s 60(2); *Patents Act 1990* (Cth) s 117(2)(c).

18 See e.g., *Sanofi-Aventis Canada Inc v Novopharm Ltd*, 2007 FCA 167 at para 11 (in which the court stated, “Infringement by inducement may be established, for example, by inferences reasonably drawn from the contents of the product monograph for the generic drug product,” though no inducement was found on the facts).

19 Full patent clearance is notoriously difficult in some fields, but an indirect party marketing a product for a specific purpose is normally in at least as good a position as the purchaser to verify whether that specific purpose is patented.

20 In the pharmaceutical context, see *AB Hassle*, *supra* note 1; *Pharmascience*, *supra* note 1, and *Sanofi-Aventis*, *supra* note 8. These cases reversed on this point *Genpharm*, *supra* note 1, which had held at paras 50–51 that infringement by the generic would be established if it was inevitable that the generic’s product would be used for the patented purpose: see *Sanofi-Aventis*, *ibid* at paras 8–11, holding that *Genpharm* was no longer good law on this point and should be confined to its facts. Outside the pharmaceutical context, see also *Beloit Canada Ltee/Ltd et al v Valmet Oy* (1988), 20 CPR (3d) 1, 18 CIPR 1 (FCA) [*Valmet*].

21 See e.g. *Takeda Pharmaceuticals USA, Inc v West-Ward Pharmaceutical Co*, 785 F (3d) 625 (Fed Cir 2015); *Sanofi v Watson Laboratories Inc*, 875 F (3d) 636 (Fed Cir 2017).

22 The leading UK case is *Grimme*, *supra* note 3; and see *KCI Licensing Inc v Smith & Nephew plc*, [2010] EWCA Civ 1260 at para 53 (summarizing the law); *Warner-Lambert Company, LLC v Actavis Group Pte CEE*, [2015] EWCA Civ 556 at para 47 (quoting *Grimme*).

23 See *Warner-Lambert Co, LLC v Actavis Group Pte CEE*, [2015] EWHC 485 (Pat) in which the court ordered the UK National Health Service to send guidance to doctors telling them to prescribe the patentee’s product by brand name when prescribing for the patented use. It is not clear how effective this approach will be in the United Kingdom, nor is it clear whether a similar approach would be legally possible or practically effective in Canada.

24 *Solvay Pharma Inc v Apotex Inc*, 2008 FC 308 at para 200 (describing this as an “arch principle of patent law”).



the need to ensure effective enforcement of the patentee's exclusive rights.<sup>25</sup>

## 2.5 No Non-Infringing Use

In the third category, products with no substantial non-infringing use, the policy considerations are different again, and the argument for imposing liability becomes much stronger. Overbroad enforcement is not a concern; if the product has no non-infringing use, the public is not deprived of the ability to use the product for non-infringing purposes. At the same time, effective enforcement of the patent is facilitated, because the patentee can bring a single action against the vendor, rather than multiple actions against the direct infringer. In this case, Australian, UK, and US law all impose liability without the need for inducement, though subject to a knowledge requirement,<sup>26</sup> while Canadian law, at least formally, does not.

This analysis can also be couched in terms of causation. The argument in favour of imposing liability on the supplier of a product that is used to infringe is that the supply of the product was a cause, and indeed a "but for" cause, of the infringement; but that is true even when the product is a staple. There are always multiple causes of any wrong, and not all are culpable.

A fire in a wastepaper basket is caused "not only by the dropping of a lighted match, but also by the presence of combustible material and oxygen."<sup>27</sup> In the case of a staple, the supply of a product is a cause of the infringement in the same sense that oxygen in the air is the cause of a fire when a match is negligently thrown into a wastepaper basket. The oxygen is necessary, but pervasive; if the particular molecules that were consumed had not been used, some other molecules of oxygen would have been available instead. A product with a substantial non-infringing use is akin to the wastebasket itself. Banning wastebaskets might be effective in preventing wastebasket fires, but the public would be deprived of a place to put waste. It would not be entirely futile to ban wastebaskets, or require match-proof lids, as a means of preventing wastebasket fires, but whether it is sensible to do so depends on the balance of fire risk and convenience of waste receptacles. The match itself arguably corresponds to a product with no non-infringing use.

The more general point is that deciding when to impose liability for indirect infringement amounts to deciding when a cause-in-fact of the infringement should be considered a cause-in-law of the infringement, and this involves balancing the desire to prevent infringement against the need to allow legitimate uses.

In summary, the principled justification for imposing, or refusing to impose, liability for indirect infringement depends on the nature of the product. Consequently, when an indirect party has supplied a product knowing it will be used to infringe, there is a principled distinction to be made between a case where the product is a staple, and a case where it is especially adapted for use in the patented invention. That no liability is imposed in the former does not imply that liability should not be imposed in the latter.

With this framework in mind, I will turn to the cases, starting with the historical development of the doctrine of indirect infringement in Canadian law.

## 3 Development of the Law

### 3.1 *Copeland-Chatterson* and the English Common Law

The modern Canadian law of indirect infringement traces directly back to the seminal 1906 decision of Burbidge J in *Copeland-Chatterson v Hatton et al*, which established inducement of infringement as a basis for liability and is also said to have adopted into Canadian law some English decisions that excluded any concept of contributory infringement, even when the product supplied by the indirect party could not be used for any other purpose.<sup>28</sup> *Copeland-Chatterson* was accepted and elaborated on in Jackett P's important 1968 decision in *Slater Steel Industries Ltd v R Payer Co.*<sup>29</sup> An influential 1987 article by François Grenier, "Contributory and/or Induced Patent Infringement," reviewed the relevant early English cases and most of the Canadian cases up to that time, and summarized the law of inducement in essentially the current form.<sup>30</sup>

The English case that was the focus of *Copeland-Chatterson*, and that is therefore putatively the ultimate source of the Canadian rule that the supply of a product with knowledge that it will be used for an infringing purpose can never constitute indirect infringement, is *Townsend v Haworth*.<sup>31</sup> In *Townsend* the invention concerned the use of two unpatented chemical compounds

25 One might debate which approach strikes the better balance in the case of products with a substantial non-infringing use, but that is not the goal of this article. Canadian law is clearly different from UK law on this point, and I am not suggesting that Canadian law should change. In particular, as discussed *supra* note 3, the UK approach is sometimes described as imposing liability for "contributory infringement" in this scenario, but that is distinct from the US meaning of the same term.

26 See 35 US § 271(c); *Patents Act 1977* (UK), c 37, s 60(2); *Patents Act 1990* (Cth) s 117(1), (2)(a).

27 The example is adapted from John G Fleming, *The Law of Torts*, 8th ed (Sydney, AU: Law Book, 1992) at 193, as quoted in *Athey v Leonati*, [1996] 3 SCR 458 at para 17, 140 DLR (4th) 235.

28 *Copeland-Chatterson*, *supra* note 16. And see MacLennan, *supra* note 3 at paras 33, 38 (recapping the development of the law and stating that *Copeland-Chatterson* adopted the British jurisprudence on this point); and to the same effect see Fox's Annotation to *Slater Steel*, *supra* note 4 at 140.

29 (1968), 55 CPR 61, 38 Fox Pat C 139 (Ex Ct Can) [*Slater Steel* cited to CPR].

30 Grenier, *supra* note 16.

31 (1875), 48 LJ Ch 770 (Ch), *aff'd* (1875), 48 LJ Ch 773 (CA) [collectively *Townsend*] published in *Sykes v Howarth* (1879), 48 LJ Ch 769 (CA) at 770, n 1 (*sub nom Sykes v Haworth*) [*Sykes v Howarth*].

in combination for preserving textiles. The pleadings alleged that the defendant company sold the chemicals in question to a textile company—the direct party—for the specific purpose of using them for the patented method. It was also alleged that the defendant company agreed to indemnify the purchaser in respect of any patent litigation that might ensue “for the purpose of inducing” the purchaser to buy the compound,<sup>32</sup> and the decision proceeded on the basis that the direct party would not have purchased but for the indemnity.<sup>33</sup> Even so, the defendant’s demurrer was allowed on the basis that these facts, even if proven, could not establish infringement.<sup>34</sup> While the chemicals supplied in *Townsend* were common chemicals—apparently a commercial staple, and certainly with substantial non-infringing use<sup>35</sup>—the reasoning of Jessel MR did not turn on or even refer to this fact.<sup>36</sup> His conclusion was stated in general terms: “[T]he mere making, using, or vending of the elements, if I may say so, which afterwards enter into the combination is not prohibited by the patent.”<sup>37</sup>

However, we must be wary before assuming that *Townsend* is good authority in Canada, as the result is clearly at odds with modern Canadian law. *Townsend* was not a case of mere supply with knowledge that the product will be used to infringe. The act of infringement was completed by a direct infringer; the act of the indirect party, in the form of the indemnification, was the “but for” cause of that direct infringement; and the indirect party knew that its influence would result in the infringing act. On its face, then, the defendant in *Townsend* would be found liable under current Canadian law for having induced infringement.<sup>38</sup> Indeed, the patentee in *Townsend* specifically argued that the defendant company “had induced and procured the infringement.”<sup>39</sup> Although *Townsend* is consistent with the proposition that the supply of a product with knowledge that it will be used for an infringing purpose can never constitute indirect infringement, that was not the basis for the holding. Rather, *Townsend* is based on the principle that there can be no liability for anything short of direct participation in the infringing act: “He must be a party with the man who so infringes and actually infringe.”<sup>40</sup>

The facts in *Copeland-Chatterson* were similar to those in *Townsend*. The invention was for a combination of a binder with posts and sheets having both closed and open apertures, arranged so as to allow single sheets to be easily inserted or withdrawn.<sup>41</sup> The defendant supplied the direct party with sheets adapted for use in the binder, and induced the direct party to purchase by undertaking to indemnify him against any action the patentee might bring.<sup>42</sup> While the product supplied by the defendant was especially adapted for use in the invention, the facts are nonetheless directly encompassed by the broad principle stated by Mellish LJ in *Townsend*, and quoted by Burbidge J: “[S]elling materials for the purpose of infringing a patent to a man who is going to infringe it, even although the party who sells them knows that he is going to infringe it and indemnifies him, does not by itself make the person who sells an infringer.”<sup>43</sup> Nonetheless, Burbidge J found the defendants liable for inducing infringement on this basis.<sup>44</sup>

There is a principled basis for distinguishing the cases, given that in *Townsend* the products supplied were common chemicals, while in *Copeland-Chatterson* the product was especially adapted for use in the patented invention.<sup>45</sup> However, as noted, the reasoning in *Townsend* did not turn on this fact, and accordingly Burbidge J did not distinguish *Townsend* on this basis. He acknowledged *Townsend* as “the strongest authority in favour of the defendants and against the plaintiffs that is to be found,”<sup>46</sup> but he did not accept that authority. Burbidge J began his discussion of the law by stating that “[i]t is clear, of course, that it is not an infringement of a patent to sell an article which in itself does not infringe, although it may be so used as to infringe such patent.”<sup>47</sup> He continued: “Going a step further, it is, I think, well settled in England that such a sale is not of itself an infringement although the seller knows at the time of the sale that such article is intended to be used by the purchaser in the infringement of the patent,” citing and discussing *Townsend* in particular.<sup>48</sup> The contrast between the first statement, made in general terms, and the second, describing English law specifically, suggests that the second statement was meant only as a

32 *Ibid* at 770–71, 773. It appears that the defendants gave directions as to how to infringe, but this is not entirely clear: see *ibid* at 771.

33 *Ibid* at 772 (noting that the allegation was that the defendant company had sold “to a person who would not have bought of them without an indemnity, and therefore would not have infringed in that way without they had given him an indemnity”).

34 *Ibid* at 773.

35 *Ibid* at 771 (describing the compounds as “common substances,” “old chemical compounds” and “perfectly well known”).

36 See generally *ibid* at 772.

37 *Ibid*.

38 See the three-part test for inducement set out in *Weatherford v Corlac*, 2011 FCA 228 at para 162.

39 *Townsend*, *supra* note 31 at 771.

40 *Ibid* at 773 per Mellish LJ.

41 “Binder and Sheets Therefor”, Can Patent No 51242 (19 November 1895), clms 8–11 (one of the patents at issue in respect of inducement: see *Copeland-Chatterson*, *supra* note 16 at 225).

42 *Copeland-Chatterson*, *supra* note 16 at 241.

43 *Townsend*, *supra* note 31 at 773, per Mellish LJ; James LJ *ibid* similarly acknowledged the indemnification agreement. Both were quoted in *Copeland-Chatterson*, *supra* note 16 at 242–43.

44 *Copeland-Chatterson*, *supra* note 16 at 246–47.

45 *Ibid* at 231 (noting that, “[w]ith regard to the sheets, their distinguishing feature is to be found in their being made or adapted for use in the plaintiffs’ binder”).

46 *Ibid* at 243.

47 *Ibid* at 242.

48 *Ibid*.

description of English law, and not accepting it as part of Canadian law. This hint was reinforced when Burbidge J went on to contrast *Townsend* with various other English patent cases in which liability was imposed on “the person who was not the actual infringer.”<sup>49</sup> He then turned to English tort law cases imposing liability for procuring a wrong, which were to the effect that liability will be imposed for “all wrongful acts done intentionally to damage a particular person and actually damaging him.”<sup>50</sup> This proposition is evidently much broader than that stated in *Townsend*, and it is this which Burbidge J accepted, remarking that these general principles of the law “go far I think to remove the difficulty” that had motivated the decision in *Townsend*.<sup>51</sup> In effect, Burbidge J declined to follow *Townsend* on the basis that it was inconsistent with the general tort law of contributory liability.

Burbidge J also disagreed with the policy rationale set out in *Townsend*, which was explicitly driven by the view that it was necessary to allow the indirect party to support the direct party’s infringement as a way of encouraging challenges to bad patents.<sup>52</sup> Burbidge J pointed out that an indirect party who wishes to challenge a bad patent by providing an indemnity to induce direct infringement is free to do so, and if it turns out that the patent was invalid or not infringed, the indirect party would not be liable.<sup>53</sup> While challenging bad patents is indeed desirable, the reasoning applies equally to a direct infringer,<sup>54</sup> and the threat of being held liable if the patent turns out to be valid provides an incentive to attack weak patents, rather than to infringe strong ones.

Thus, far from accepting *Townsend*, Burbidge J rejected its authority, both in principle and on the facts.<sup>55</sup> He accepted that there could be no liability without actual infringement, but he departed from *Townsend* as to what might “with propriety” be termed an infringement.<sup>56</sup> He concluded his analysis with a question that became the basis for the Canadian law of inducement:

In short does not one who knowingly and for his own ends and benefit and to the damage of the patentee induces or procures another to infringe a patent himself infringe the patent?<sup>57</sup>

This holds that inducing infringement is infringement, but on its face it does not hold that there is no other act of indirect infringement that might “with propriety” be termed an infringement.

As noted, *Townsend* itself concerned a common chemical with substantial non-infringing uses. Vaughan Williams LJ’s decision in *Dunlop Pneumatic Tyre Co v David Moseley & Sons Ltd* is the basis for the proposition that supplying a product with knowledge that it will be used to infringe is not infringement, even if the product has no other use.<sup>58</sup> The basis for Vaughan Williams LJ’s holding was the same as in *Townsend*: there can be no liability without direct infringement.<sup>59</sup> Although Burbidge J did not discuss *Dunlop v Moseley*, he correctly treated it as being decided on the same basis as *Townsend*.<sup>60</sup> Therefore, he did not accept *Dunlop v Moseley* any more than he accepted *Townsend*.

49 *Ibid* at 243. The cases discussed were *Sykes v Howarth*, *supra* note 31; *Innes v Short*, *supra* note 15; and *The Incandescent Gas Light Co Ltd v The New Incandescent Mantle Co et al* (1898), 15 RPC 81 (QBD) [*Incandescent Gas Light Co*].

50 *Copeland-Chatterson*, *supra* note 16 at 245, quoting Lord Lindley in *Quinn v Leatham*, [1901] AC 495 at 535 (HL) [*Quinn v Leatham*].

51 *Copeland-Chatterson*, *supra* note 16 at 245.

52 See *Townsend*, *supra* note 31 at 771, per Jessel MR (stating, “The notion of any other doctrine being upheld seems to me to be fraught with the most tremendous consequences. It would not only give the patentee with good patents a monopoly, but it would also give patentees with bad patents a monopoly, because they would be able to say, ‘No man shall supply goods which are not protected by the patent with a guarantee to the purchaser to save him harmless from the hands of the patentee.’”).

53 *Copeland-Chatterson*, *supra* note 16 at 246 (observing that the defendants “may have thought that the claims the plaintiffs were setting up could not be sustained, and if so they had a right to resist them and to indemnify [the direct party]. But they knew of the patent and of the plaintiffs’ claims and they took their chances” [citations omitted]).

54 As Jessel MR effectively acknowledged in *Townsend*, *supra* note 31 at 771–72, saying, “And we know what the effect of a threat of attack even by the holder of an invalid patent has as a general rule in deterring persons from purchasing goods so alleged to be an infringement.”

55 See Osborne, *supra* note 3 at 89, noting, “If I am correct in my understanding, Mr. Justice Burbidge held that *Townsend v. Haworth* would be decided otherwise if the same facts were presented to-day on properly drafted Pleadings.”

56 *Copeland-Chatterson*, *supra* note 16 at 247.

57 *Ibid.*

58 (1904), 21 RPC 274 (CA) [*Dunlop v Moseley*], quoted in *MacLennan*, *supra* note 3 at para 37; and see Osborne, *supra* note 3 at 92, noting, “The decision in *Dunlop v. Moseley* will probably continue to be followed so that a supplier of a part of a patented combination will not be guilty of infringement even if the part has no other use than in such combination and the supplier knows that it will be so used.” Grenier, *supra* note 16 at 34, cites, *inter alia*, “the English authorities” for the proposition that “even if the only use of the article is in a patented combination, the seller will escape liability if its activities fall short of inducing the direct infringer”; but the only English case cited by Grenier actually dealing with a product especially adapted to infringe is *Dunlop v Moseley*.

59 *Dunlop v Moseley*, *supra* note 58 at 278–79 (stating, “In truth, and in fact, veil it how you like, the Plaintiffs do not complain of any infringement of this Patent in which they say that the Defendants, one or other of them have taken part as actors. All that they complain of is the sale of these covers, which sale, it is said, must have been known to be a sale to a person intending to commit an infringement of one or other of these Patents”), and at 280 (stating that the plaintiffs “do not prove that the Defendants’ have actually infringed,” and that the case would fail even if it were established that the product “could not be used for any other purpose”).

60 *Dunlop v Moseley* was cited by Burbidge J in *Copeland-Chatterson*, *supra* note 16 at 242, n 2 as standing for the same proposition as *Townsend*. The decision of Vaughan Williams LJ in *Dunlop v Moseley* was also quoted by the Court of Appeal in *MacLennan*, *supra* note 3 at para 37 as being “[i]n the same vein” as *Townsend*.

Despite this, in an annotation to *Slater Steel* in Fox's Patent Cases, the author, presumably Dr. Fox, stated:

There is, in Canadian law, no doctrine of contributing or constructive infringement such as exists in American law. The doctrine of contributory infringement was expressly repudiated by Burbidge J. in *Copeland-Chatterson v. Hatton et al.* (1906), 10 Ex. C.R. 224 at 241, when he said:

If the act complained of as a contributory infringement is in fact an infringement, well and good. The court has jurisdiction. But if it is not an infringement, the court has no jurisdiction, and will not acquire jurisdiction by introducing a term that is not to be found in the statute. The question is: Did the [indirect parties], in what they did, infringe the plaintiffs' patent? It is a question of infringement, not a question of contributing to an infringement by some act that falls short of being an infringement.<sup>61</sup>

With due respect, this assertion misreads Burbidge J's statement. He was not rejecting liability for contributory infringement, while acknowledging inducement—which is no more to be found in the statute than is the term “contributory”—because, at the time, there was no clear distinction between the two.<sup>62</sup> What Burbidge J was saying in this passage is simply that regardless of the label, there is no infringement for anything which could not, “with propriety,” be termed an infringement.

Even if we acknowledge that *Copeland-Chatterson* did not accept the English common law cases into Canadian law, it is sometimes suggested that Jackett P's decision in *Slater Steel*, discussed in more detail below, did.<sup>63</sup> While Noël JA in *MacLennan* remarked on the “meticulous analysis” conducted by Jackett P,<sup>64</sup> it must be said that Jackett P did not actually analyze the English cases, but rather, as he put it himself, “summarize[d] briefly” the effect of the decisions.<sup>65</sup> His discussion was entirely descriptive, consisting largely of long quotations from the

cases, with no comment as to whether he accepted any of them as good law in Canada.<sup>66</sup> Instead, he concluded by accepting *Copeland-Chatterson*, and in particular the reference to inducement, as stating the law.<sup>67</sup> Thus, *Slater Steel* does not accept the English cases any more than did *Copeland-Chatterson*.<sup>68</sup>

In summary, Burbidge J's decision in *Copeland-Chatterson* was a very carefully reasoned synthesis of principles of tort and patent law, which deserves to be read as carefully as it was composed. Given the influence of English law on Canadian law at the time, it is not surprising that Burbidge J did not come out and say, “I refuse to follow the leading English patent cases on the issue before me,” but his position to that effect is nonetheless clearly articulated. Burbidge J did not adopt English law to the effect that it is not an infringement to supply a product even if the seller knows that it will be used to infringe (though neither is his opinion inconsistent with that proposition). His point was that the focus in *Townsend* on whether the indirect party's acts themselves fell within the claims was misplaced in light of general principles of tort law, and the overarching question should be whether the indirect party's act might be “with propriety” termed an infringement. It is fair to say that *Copeland-Chatterson* rejected the hostile approach to indirect infringement shown in the early English cases, and is more consistent than the English cases with the long-established principle that infringement consists of any act that “directly or indirectly” deprives the patentee of the advantage of the patented invention. Consequently, the bounds of indirect infringement in Canadian law should properly turn on the Canadian cases, not on the English decisions.

### 3.2 *Slater Steel*

There are relatively few Canadian cases dealing directly with a situation in which the product supplied had no substantial use other than as an element of the patented invention. The first was *Copeland-Chatterson* itself, which did impose liability, though it did so on the basis of inducement, and without specific reference to the nature of the product. The second was the 1924 case of *American Arch Co v Canuck Supply Co*.<sup>69</sup> The patent at issue was

<sup>61</sup> Fox's Annotation to *Slater Steel*, *supra* note 4 at 140.

<sup>62</sup> See *supra* note 3 and accompanying text..

<sup>63</sup> See *MacLennan*, *supra* note 3 at para 33 (suggesting, without directly stating, that *Slater Steel* also adopted the English case law on this point).

<sup>64</sup> *MacLennan*, *supra* note 3 at para 44.

<sup>65</sup> *Slater Steel*, *supra* note 29 at 71.

<sup>66</sup> *Ibid* at 71–80.

<sup>67</sup> *Ibid* at 82.

<sup>68</sup> The authority of *Townsend*, *supra* note 31, and *Dunlop v Moseley*, *supra* note 58, is further undermined by the fact that they are no longer good law in the United Kingdom: see the *Patents Act 1977* (UK), c 37, s 60(2), (3). To the extent that they have been independently accepted into Canadian law, the fact that they have been legislatively reversed in England is irrelevant, but that fact does suggest that when interpreting Canadian law, we should not place too much weight on those early English cases, independently of their reception into Canadian law.

<sup>69</sup> [1924] 3 DLR 567, 30 RL (ns) 449 (Qc Sup Ct) [*American Arch* cited to DLR].

for a locomotive fire-box, consisting of a particular arrangement of fire bricks and other components.<sup>70</sup> The defendant was the selling agent for unlicensed manufacturers of fire-brick arches of a type with "one purpose and one purpose only, namely; to become a part of the plaintiff's combination in the practice of the invention."<sup>71</sup> Duclos J in the Quebec Superior Court considered it "well settled" that this constituted infringement.<sup>72</sup> While the bricks were supplied with instructions that would no doubt have supported a finding of active inducement under current law, Duclos J made nothing of this. The focus of his decision was the nature of the product. Quoting Burbidge J's statement that inducing or procuring infringement is itself infringement, he remarked, "Much more so if, as in this case, the element furnished by the defendants can have no other use than in the practice of the invention."<sup>73</sup> Duclos J ignored the English cases discussed in *Copeland-Chatterson*, and instead relied extensively on US cases. His decision was a clear endorsement of what we would now consider US-style contributory infringement: "the manufacture of an essential part of an infringing structure and its purposeful sale to another person to enable him to make the entire infringing article is infringement."<sup>74</sup> He clearly regarded this as being entirely consistent with *Copeland-Chatterson*.

Although it is only a decision of a single judge of the Quebec Superior Court, *American Arch* is nonetheless significant in that it illustrates the same reluctance to follow *Townsend* and similar English cases that was shown in *Copeland-Chatterson*. It also illustrates that, at the time, *Copeland-Chatterson* was not seen as adopting the view of Vaughan Williams LJ, that the mere sale of a product with knowledge that it would be used to infringe could not constitute indirect infringement, even if the product had no other use. Curiously, even though *American Arch* deals directly and explicitly with indirect infringement, it was completely ignored by Grenier, who

did not even cite it in a footnote, though he must have known about it.<sup>75</sup> It has been ignored ever since, perhaps because it was considered to have been overtaken by *Slater Steel*—though, strictly, they are the same level of court—or perhaps simply because it had not been mentioned by Grenier.

The next decision dealing with a situation in which the product supplied had no substantial use other than as an element of the patented invention is that of Jaccett P in *Slater Steel*, which has been influential both because the law was not fully developed at the time, and because of Jaccett P's reputation as a jurist.<sup>76</sup> The invention at issue in *Slater Steel* related to a combination achieved by winding preformed armour rods around a stranded electric power transmission line in order to reinforce stress points.<sup>77</sup> The defendants manufactured and sold the rods,<sup>78</sup> which had no other practical use,<sup>79</sup> along with a catalogue containing directions for using the rods in the patented combination,<sup>80</sup> to the direct infringers, knowing that the rods were intended to be used, and would be used, to infringe.<sup>81</sup> Jaccett P held on these facts that the plaintiffs had failed to establish inducement and thus infringement by inducement.<sup>82</sup>

*Slater Steel* is particularly important because it is one of the only Canadian cases to refuse to impose liability for indirect infringement, even though the product was especially adapted for use in a patented combination. It is the primary authority cited by Grenier for the proposition that liability will not be imposed absent inducement "even if the only use of the article is in a patented combination."<sup>83</sup> However, *Slater Steel* is not strong authority for that proposition, for two reasons.

First, Jaccett P did not hold that there can be no liability absent inducement, even if the product has no non-infringing use. The plaintiff had drafted its pleadings in an attempt to argue US-style contributory infringement,<sup>84</sup> but the point was dismissed by Jaccett P, primarily on the basis that the essential knowledge

70 *Ibid* at 570, 573.

71 *Ibid* at 576.

72 *Ibid*.

73 *Ibid* at 577.

74 *Ibid* at 578, citing *Canada v Michigan Malleable Iron Co*, 124 F 486 (6th Cir 1903); and see generally the discussion *ibid* at 577–78, citing a total of 10 US cases.

75 *American Arch*, *supra* note 69, was discussed by Osborne, *supra* note 3, whose article was in turn discussed by Grenier, *supra* note 16.

76 *MacLennan*, *supra* note 3 at para 44.

77 *Slater Steel*, *supra* note 29 at 65.

78 *Ibid* at 66, 83.

79 *Ibid* at 67, 83.

80 *Ibid* at 67, 83–84.

81 *Ibid* at 84.

82 *Ibid* at 90. Jaccett P proceeded on the assumption that the direct parties did indeed infringe (see *Slater Steel*, *ibid* at 86–87), so the first branch of the test was satisfied, and the action failed on the second branch. Consequently, Jaccett P did not address the knowledge requirement: *ibid* at 90.

83 Grenier, *supra* note 16 at 34.

84 See *Slater Steel*, *supra* note 29 at 69, noting that the allegations in paragraphs 5 and 2 of the statement of claim reflected sections 271(b) (inducement) and 271(c) (contributory infringement), respectively, of the US Act.



element had not been alleged.<sup>85</sup> Consequently, he simply never addressed the question of whether contributory infringement in the US sense—namely, supply with knowledge of a product especially adapted to infringe—might constitute infringement in Canadian law.<sup>86</sup> Almost the entirety of Jackett P's analysis, including his discussion of English case law and *Copeland-Chatterson*, was addressed to the issue of inducement.<sup>87</sup> In concluding his review, Jackett P stated that he accepted the law applied by Burbidge J in *Copeland-Chatterson* as being the law under the Act "for the purpose of deciding this case."<sup>88</sup> By this qualification, Jackett P appears to have been leaving the door open to the possibility of US-style contributory infringement, if properly pleaded. Thus, while it is true that Jackett P held that inducement had not been established, and that he declined to impose liability even though the product was especially adapted to infringe, he did not hold that there can be no liability for the supply of a product especially adapted to infringe, absent inducement, as that allegation failed on the pleadings.

With that said, Jackett P's analysis was certainly not welcoming to any form of contributory infringement. When Jackett P turned to consider inducement, he acknowledged that the product sold by the defendants had no non-infringing use, but evidently regarded this as irrelevant to the question of inducement, as he did not mention it further in his analysis. This raises the second problem with relying on *Slater Steel* on this point. On the inducement issue, the result and reasoning in *Slater Steel* are difficult, even impossible, to reconcile with the subsequent Court of Appeal decisions in

*Windsurfing v BIC Sports*<sup>89</sup> and *MacLennan*,<sup>90</sup> both of which confined *Slater Steel* to its facts.

The more extended discussion of *Slater Steel* is found in *MacLennan*, as *Slater Steel* was the main basis for the defendant's argument.<sup>91</sup> The court noted that the facts in the two cases were "very similar": both involved a patented combination; the product sold by the defendant was a component that could be used only in the patented combination; it was sold with the knowledge that it was intended for use, and would be used, in the patented combination; and the product was accompanied by directions for working the patented combination.<sup>92</sup> The court nonetheless held that *Slater Steel* was distinguishable on the facts.<sup>93</sup> Noël JA characterized Jackett P's holding as "relying on his own experience in the business world," which led him to believe "that it was inconceivable that major companies like B.C. Hydro [one of the direct parties] could have been influenced to commit wrongful acts by mere sellers of pre-formed rods [the indirect party]."<sup>94</sup> Noël JA stated, "But for this conclusion, which is totally particular to that case, I have difficulty in seeing how President Jackett could have done anything other than conclude that infringement by inducement had been established in accordance with the state of the law that he described."<sup>95</sup> Indeed, *Slater Steel* is difficult to reconcile with a host of cases that have imposed liability for supply of a product accompanied by instructions to infringe, regardless of whether the product is especially adapted for use in the invention.<sup>96</sup> Noël JA's pointed statement suggests that the Court of Appeal was

85 *Slater Steel*, *supra* note 29 at 69–70, noting that it had not been alleged that the defendants knew that the products in question were especially adapted to infringe, as is required under § 271(c) of the US Act. A second problem with the allegation of contributory infringement is that, at the time, it was not clear whether the use of a patented invention by the Crown in right of a province was infringing under s 19 of the Patent Act, RCS 1985, c P-4: see *Formea Chemicals Ltd v Polymer Corp Ltd*, [1968] SCR 754, 55 CPR 38, and the Canadian Patent Reporter Annotation in *Slater Steel*, *supra* note 29 at 63–64. This issue was common to both the inducement and contributory infringement allegations, though Jackett P did not have to address it in light of his conclusion on inducement: see *Slater Steel* at 90. This was relevant because the parties directly practising the invention were provincial Crown power companies, and if they were not infringers, neither form of indirect infringement could be established.

86 See *Slater Steel*, *supra* note 29 at 70, noting that the US jurisprudence had not been argued to him and stating that, "[i]n the absence of any such information, in my view, the United States jurisprudence cannot be regarded as being of any assistance in construing the provisions of the Canadian statute" [emphasis added]. This is not a rejection of the US position as such; Jackett P simply declined to address a point that had not been argued.

87 See *Slater Steel*, *supra* note 29 at 83, tying the discussion of the case law to paragraph 5 of the statement of claim.

88 *Slater Steel*, *supra* note 29 at 82.

89 (1985), 8 CPR (3d) 241, 7 CIPR 281 (FCA) (*sub nom* *Windsurfing International Inc v Triatlantic Co*) [*Windsurfing* cited to CPR].

90 *Supra* note 3.

91 *Ibid* at para 20.

92 *Ibid* at paras 45–46.

93 *Ibid* at para 47.

94 *Ibid* at para 48.

95 *Ibid* at para 49. As noted by Noël JA, *ibid*, *Slater Steel* was similarly distinguished in *Windsurfing*, *supra* note 89 at 266–67, in which the court stated that the determination that there was no inducement "was made by inferences drawn from the facts as found."

96 See *Abbott Laboratories Ltd v Novopharm*, 2006 FC 1411 at paras 40–42, *aff'd* 2007 FCA 251 at paras 26–27 (primarily based on product monograph); *AB Hassle v Genpharm*, 2003 FC 1443 at paras 155–56, *aff'd* 2004 FCA 413 at paras 16–17; *Genpharm*, *supra* note 1 at paras 50–51; *Grenke v DNOW Canada ULC*, 2018 FC 565 at paras 11–14; *Hospira Healthcare Corporation v Kennedy Trust for Rheumatology Research*, 2018 FC 259 at para 333; *Baker Petrolite Corp v Canwell Enviro-Industries Ltd*, 2001 FCT 889 at paras 135–39, *rev'd* on other grounds 2002 FCA 158; *Procter & Gamble Co v Bristol-Meyers Canada Ltd* (1978), 39 CPR (2d) 145, [1978] FCJ No 812 (FCTD), *aff'd* (1979), 42 CPR (2d) 33, 28 NR 273 (FCA); *Varco Canada Ltd v Pason Systems Corp*, 2013 FC 750 at paras 253–55; *Glaston Services Ltd Oy v Horizon Glass & Mirror Ltd*, 2010 FC 1191 at paras 88–91; *Uvieu Ultraviolet Systems Inc v Brasscorp Ltd*, 2009 FC 58 at para 237; *Aventis Pharma Inc v Apotex Inc*, 2005 FC 1381 at paras 46–69.



not entirely persuaded by Jackett P's reasoning; it is more accurate to say that *Slater Steel* was confined to its facts, than distinguished on them. The factual matrix, which was indeed central to Jackett P's holding, made it unnecessary to formally hold that *Slater Steel* was wrongly decided. But *Slater Steel* is such an important case on this issue that it is worth probing more deeply, and, with respect, Jackett P's own reasoning does not allow *Slater Steel* to be distinguished on the facts.

While Jackett P's reasoning is not entirely easy to follow, the key, as emphasized by Noël JA, was his conclusion that "none of [the direct parties] would decide knowingly to do something that it regarded as illegal."<sup>97</sup> The implication is that because infringement is illegal, the indirect parties therefore could not have induced infringement. However, even accepting the premise that the direct parties could not have been induced to do something illegal, it does not follow that they could not be induced to infringe, because they might not have known that the act in question constituted infringement (and infringement does not require intent or knowledge). In particular, Jackett P clearly held that the direct parties must have known of the patents,<sup>98</sup> and he was evidently of the view that the direct parties must have believed—wrongly, as it turned out—that what they were doing was legal, either because the patents were invalid or because the direct party had a licence or did not need one.<sup>99</sup> The fact that the direct parties could not have been induced to do something that was illegal is irrelevant when the issue was whether they were induced to do something that they believed to be legal.<sup>100</sup>

Consequently, even on the unusual facts of the case, the holding in *Slater Steel* is contrary to the current law as set out in *MacLennan*. With due respect, despite Jackett P's prominence as a jurist, *Slater Steel* was not his finest moment. It is a clear example of motivated reasoning, as is highlighted by his entirely improper use of his own experience to establish a key evidentiary point.<sup>101</sup>

### 3.3 Windsurfing

Another important decision bearing on the issue of supply of a product with no non-infringing use is the Court of Appeal decision in *Windsurfing*.<sup>102</sup> The invention at issue was a sailboard, which is a combination of known components.<sup>103</sup> The defendant was selling a kit of complete parts, with rudimentary instructions for assembly into an infringing whole.<sup>104</sup> The Court of Appeal held that the defendant infringed:

I think it beyond dispute that the only inference to be drawn from the voluminous evidence in this case is that the respondent knew and intended that the ultimate purchaser would utilize the sailboard parts for the assembly of a usable sailboard which, upon assembly, would infringe the appellants' patent. It thereby became a party to such infringement, in my view.<sup>105</sup>

While the case was concerned with a kit, this reasoning is not specific to a kit. On its face, this passage says that the sale of the product with the intent and knowledge that it would be used for an infringing purpose establishes infringement, without any requirement of active

97 The key passage in *Slater Steel*, *supra* note 29, is at 89–90, quoted in *MacLennan*, *supra* note 3 at para 48. Jackett P continued by saying, "It is even less probable that they could be 'induced' or 'procured' against their own judgment to do something illegal by a 'one man show' such as that operated by the [indirect party]." This point was evidently crucial as it was repeated three times in the same paragraph, in slightly different ways.

98 *Slater Steel*, *supra* note 29 (stating, at 89, "I find it impossible to believe, in the absence of clear evidence, that [the plaintiffs] did not, in some manner, bring the existence of their patent rights to the attention of their potential customers," and, at 90, "I find it most improbable that the plaintiffs failed to make their patent rights known").

99 *Ibid* at 89 (listing the reasons that the direct parties might have believed that the acts found to have infringed were nonetheless legal).

100 Moreover, if we suppose, contrary to Jackett P's finding, that the direct party did not know of the patent, then inducement is also plausible for the same reason, because, again, the indirect party would not believe the act in question was wrongful.

101 There is an interesting question as to what might have been motivating Jackett P. On the facts, the patentee in *Slater Steel*, *supra* note 29, would have had a practically effective claim against the direct infringer, and we might speculate that Jackett P was of the view that the patentee should have brought an action against the large direct party, rather than against the smaller indirect party: see Grenier, *supra* note 16 at 35, saying, "one cannot escape noticing" that in several of the cases in which no liability was imposed, "the patentee had, apart from his remedy against the alleged inducer, a practical alternative: the direct infringer was easily identified and it was a simple matter to bring him to court," while in the two leading cases imposing liability, "it was practically impossible to sue the end users." Although there is some logic to this view, the counterargument is that if the indirect party has in fact done something wrongful, it is not relevant that another party might also have acted wrongfully, and it should not be for the court to tell the patentee which of two wrongdoers it may pursue. Perhaps for that reason, the courts have never explicitly pursued this line of reasoning, and it is no more than speculation to suggest that this was what motivated Jackett P. In any event, even if that was Jackett P's motivation, it does not allow us to distinguish *MacLennan*, *supra* note 3, as the same might be said in that case.

102 *Supra* note 89.

103 *Ibid* at 265.

104 *Ibid*.

105 *Ibid* at 266. Infringement was not addressed at trial as the patent was held to be invalid. The finding of invalidity was reversed on appeal, and the Court of Appeal chose to address infringement itself.

inducement.<sup>106</sup> The court's reasoning may be compared with the holding in *Heaton-Peninsular Button Fastener Co v Eureka Specialty Co*, an early leading US case on what is now known as contributory infringement, in which the defendant sold unpatented staples that could be used only in a patented method of fastening buttons to shoes:

It is the knowledge that the staples made and sold by defendants are to be used for the purpose of infringing, coupled with the active intent that they shall be so used, which, in a case like this, constitutes contributory infringement.<sup>107</sup>

The emphasis in both cases is on the defendant's knowledge and intent that the product sold be used to infringe. That the product in both cases was especially adapted to infringe is important, because this allows the inference of intent to be drawn from the sale of the product alone, in contrast to a case in which the product has a substantial non-infringing use.

Certainly, there are many references to inducement throughout the *Windsurfing* decision—the court concluded, for example, that the defendant “by its conduct induced and procured purchasers” to infringe the patent,<sup>108</sup> but the conduct was simply the supply of kits, along with the rudimentary instructions. Recall that 1985 was still early in the development of the law. *Copeland-Chatterson* and *Slater Steel* were the main cases of note, and the court distinguished *Slater Steel* on its facts.<sup>109</sup> *Windsurfing* was not applying a developed body of law on inducement; rather, it was developing the law of inducement by deciding what might properly, or “with propriety,” be termed infringement. So far as active inducement is concerned, Urie J remarked that the supply of a product with only an infringing use, “in my view, is inducement even where the printed instructions are limited to the extent disclosed in the evidence in this case.”<sup>110</sup> This was not to

say that the printed instructions were essential to the finding of inducement, but rather that the supply of a kit spoke so strongly to inducement that more detailed instructions were not necessary. Thus, *Windsurfing* cannot be seen as endorsing the view that there can be no liability for contributory infringement.

### 3.4 MacLennan

This article began with the statement by the Court of Appeal in *MacLennan* that Canadian courts “have consistently held that selling a component intended to be incorporated in a patented combination (or process) without anything further, does not constitute an inducement to infringement, even where this component cannot be used for any other purpose.”<sup>111</sup> This statement has two parts: the basic proposition that selling a component intended to be incorporated into a patented invention does not, without anything further, constitute indirect infringement; and the emphasized phrase to the effect that contributory infringement does not constitute indirect infringement. The court in *MacLennan* cited *Copeland-Chatterson*, *Slater Steel*, the Court of Appeal decisions in *Beloit v Valmet* and *AB Hassle*, and the Trial Division decision in *Permacon Quebec Inc v Les Entreprises Arsenault & Freres Inc*, as well as Grenier's article, as support for its statements on indirect infringement.<sup>112</sup>

Canadian courts have indeed consistently held that selling a component intended to be incorporated into a patented invention does not, without anything further, constitute indirect infringement. *Valmet* and *AB Hassle* were evidently cited by *MacLennan* solely for this point; in both cases, the court declined to impose liability for indirect infringement, but the product supplied had a substantial non-infringing use, and the question of contributory infringement was not addressed.<sup>113</sup>

<sup>106</sup> See also *ibid* at 265: “The respondent clearly is not selling parts. It is selling parts for the purpose of making a sailboard. Without assembly there can be no sailboard. Without assembly there can be no purpose in a purchaser buying the unassembled parts since, unassembled, they cannot be used for the purpose for which they are purchased, that is, to sail. To suggest that a patent infringement suit can be successfully avoided by selling parts as components of a kit in contradistinction to their sale assembled is, in my view, errant nonsense” [emphasis in original]. While this is directed specifically at a kit, the logic is that without infringement, there is no point to the purchase. This logic is equally applicable to a single part especially adapted for infringement.

<sup>107</sup> 77 F 288 at 297 (6th Cir 1896). note that the case concerned “staples,” in the sense of a bent piece of wire, not “staples” in the sense of a basic commodity.

<sup>108</sup> *Windsurfing*, *supra* note 89 at 268.

<sup>109</sup> *Ibid* at 266–67.

<sup>110</sup> *Ibid* at 265–66.

<sup>111</sup> *MacLennan*, *supra* note 3 at para 33 [emphasis added].

<sup>112</sup> *Ibid*, citing *Copeland-Chatterson*, *supra* note 16; *Slater Steel*, *supra* note 29; *Valmet*, *supra* note 20 at 15; *Permacon Quebec Inc et al v Les Entreprises Arsenault & Freres Inc et al* (1987), [1988] 2 FC 179, 19 CPR (3d) 378 at 384–85 (FCTD) [*Permacon*]; *AB Hassle*, *supra* note 1 at para 18; and Grenier, *supra* note 16.

<sup>113</sup> In *AB Hassle*, *supra* note 1, the patent was for a new use for a known pharmaceutical, and it is clear that the compound had substantial non-infringing uses. The court held that the sale of a product with knowledge that it would inevitably be used for an infringing purpose did not in itself constitute indirect infringement, and the court did not address or cite any cases on the issue of the sale of a product with no non-infringing use. In *Valmet*, *supra* note 20, the invention was for a combination, and the parts supplied by the indirect party were described as being “well known”: *Valmet*, *supra* note 20 at 14. The court summarized the law, at 14, in the passage quoted *supra* at note 20, citing *Windsurfing* and *Slater Steel*, but the statement of the law did not purport to be definitive (there “seems” to be only two exceptions). *Valmet* therefore adds nothing to the law related to contributory infringement beyond those two cases. (The court also cited *Incandescent Gas Light Co*, *supra* note 49, as supporting the proposition that liability might be imposed on a joint infringer, but, again, this is not directed at contributory infringement.)

The additional proposition that the supply of a product especially adapted to infringe cannot constitute the “further” element necessary to establish indirect infringement, is not so well established. While *MacLennan* itself of course stated a rule against contributory infringement, it did not apply that rule on the facts.

The patented invention in *MacLennan* was a combination of saw tooth and tooth holder, for use in the forestry industry. The saw tooth as such was not patented.<sup>114</sup> Individual saw teeth are commonly broken during harvesting operations, and the advantage of the patented invention was that it allowed the easy replacement of individual teeth.<sup>115</sup> The defendant sold replicas of the patentee’s teeth, which had no use except as part of the patented combination, and distributed a price list with an equivalency table, indicating which series number of the original tooth its teeth were designed to replace.<sup>116</sup> While the teeth sold by the defendant were especially adapted to infringe, the court’s holding that the defendant was liable was expressly not based on contributory infringement, but rather on inducement, with the price list and equivalency table in particular constituting the inducement.<sup>117</sup> Thus, on the facts, the court’s statement of the rule against contributory infringement was strictly *obiter*, since the court held the indirect party liable due to inducement, on the basis of what might fairly be described as a “relatively trifling additional fact.”<sup>118</sup>

The court in *MacLennan* stated that *Copeland-Chatterson* “adopted the British jurisprudence that was the source of this rule.” With due respect, this is not correct; as discussed above, Burbidge J declined to accept the restrictive British jurisprudence on indirect infringement, and instead followed the British tort law cases imposing liability for “all wrongful acts done intentionally to damage a particular person and actually damaging him.”<sup>119</sup> Burbidge J never held, or suggested, that nothing but inducement could “with propriety” be termed

an infringement.<sup>120</sup> *American Arch*, decided shortly afterward, clearly considered *Copeland-Chatterson* to be consistent with imposing liability for contributory infringement.

Grenier’s article, cited by *MacLennan*, does state that “even if the only use of the article is in a patented combination, the seller will escape liability if its activities fall short of inducing the direct infringer,”<sup>121</sup> citing *Slater Steel* as authority. However, while inducement was directly at issue in *Slater Steel* and the court refused to impose liability for the supply of a product accompanied by instructions to infringe, as discussed above it is clearly not authority for a general proposition that such an act cannot constitute indirect infringement, outside of its particular facts. Similarly, while *Slater Steel* refused to impose liability for the supply of a product especially adapted to infringe, it is very difficult to see how it can be authority for a general proposition that such an act cannot constitute indirect infringement, particularly given that contributory infringement was not pleaded and thus not directly addressed. The Court of Appeal in *MacLennan* cited *Slater Steel*, but only as giving a “history of the evolution of the jurisprudence,” and not as authority in itself.<sup>122</sup>

The only other Canadian case cited by Grenier in support of the rule against contributory infringement was the decision of the Federal Court Trial Division in *Saunders v Airglide Deflectors Ltd*,<sup>123</sup> but it is also weak authority for this proposition, in part simply because the relevant facts are not clear, as Grenier acknowledged.<sup>124</sup> With that said, it is not unlikely that the product supplied was especially designed for use in the invention.<sup>125</sup> Even if we assume that to be the case, *Airglide* remains weak authority, because it was pleaded that several of the defendants, who were not held liable, had provided instructions as

114 *MacLennan*, *supra* note 3 at para 4.

115 *Ibid* at para 6.

116 *Ibid* at para 7.

117 *Ibid* at para 40: see also para 13 (describing the accepted three-part test for inducement) and para 42 (finding inducement).

118 See the prescient remark by Osborne, *supra* note 3 at 92–93, suggesting that when the defendant supplied a product with no non-infringing use, despite the English authority against contributory infringement, “perhaps a relatively trifling additional fact pointing in the same direction is all that a plaintiff will require to establish his cause of action. I do not imagine that our Courts will be astute to protect those who profit from the invasion of a legitimate monopoly.”

119 *Copeland-Chatterson*, *supra* note 16 at 245, quoting Lord Lindley in *Quinn v Leatham*, *supra* note 50.

120 *Copeland-Chatterson*, *supra* note 16 at 247.

121 Grenier, *supra* note 16 at 34.

122 *MacLennan*, *supra* note 3 at para 33. It might be suggested that the court was implicitly approving *Slater Steel*, and merely highlighting the review of the jurisprudence found therein; but given that the court went on, only a few paragraphs later, to distinguish *Slater Steel* on its facts, the better reading is that this careful language foreshadowed the court’s concerns with the soundness of that decision.

123 (1980), 50 CPR (2d) 6, [1980] FCJ No 609 (FCTD) [*Airglide*].

124 Grenier, *supra* note 16 remarked at 32, that *Airglide* “is difficult to comment upon since insufficient facts are disclosed in the reasons with respect to inducement.”

125 The invention was a wind baffle for tractor-trailer vehicles, placed at a specific position so as to divert the airflow. The product supplied was the wind baffle itself. It is not clear either from the decision, or the patent at issue (“Apparatus for Reducing Linear and Lateral Wind Resistance in a Tractor-Trailer Combination Vehicle”, Can Patent No 809545 (1 April 1969)), whether the baffle was known, and only the position was new, or whether the baffle itself was specially designed for the invention.

to how to mount the deflector for use in the patented combination.<sup>126</sup> Consequently, as with *Slater Steel*, it is difficult to reconcile this decision with *Windsurfing* and *MacLennan*, along with the many other decisions holding that the supply of a product accompanied by instructions to infringe constitutes inducement.<sup>127</sup>

This leaves *Permacon* as the clearest example of a Canadian case actually refusing to impose liability for the supply of an unpatented product with no use other than in the invention,<sup>128</sup> with *American Arch*, neglected by both *MacLennan* and *Grenier*, to the contrary.<sup>129</sup>

In any event, the point here is not to count up trial decisions one way or the other but to illustrate that Canadian courts have not consistently held that there can be no liability for the supply of a product with no non-infringing use, absent inducement. There are only two trial decisions on point (or three if we include *Airglide*) and they are not consistent. There are no appellate decisions at all actually refusing to impose liability for the supply of a product especially adapted for use in a patented invention. The view that Canadian law has not traditionally recognized liability for contributory infringement appears to rest primarily on a misreading of *Copeland-Chatterson*.

#### 4 Principles

The previous section of this article was concerned with the details of the cases. It is now time to step back and take a broader view. In *Monsanto*, the Supreme Court stated that the central question regarding infringement is, “did the defendant, by his acts or conduct, deprive the inventor, in whole or in part, directly or indirectly, of the advantage of the patented invention?”<sup>130</sup> It is now very well established that the answer to that question is “yes” when the indirect party has induced infringement. We can ask the same question in respect of contributory infringement: if the defendant knowingly supplies a product especially adapted for use in infringement of the patent, with no significant non-

infringing use, and that product is in fact used to infringe, did the defendant thereby deprive the inventor, “in whole or in part, directly or indirectly, of the advantage of the patented invention”? Surely the answer to this question is “yes.” This is not to say that *Monsanto* changed the law regarding indirect infringement so as to recognize contributory infringement.<sup>131</sup> On the contrary, this general principle has long been recognized.<sup>132</sup> Burbidge J had framed the fundamental question in essentially the same way in *Copeland-Chatterson*, when he pointed out that the grant of a patent gives the patentee the exclusive right to make, sell, and use the invention, and then stated that “it does not appear to me to be going too far to hold that any invasion or violation of that right is an infringement of the patent.”<sup>133</sup>

As discussed above, *MacLennan* expressly stated a rule imposing liability solely based on the supply of a product with no non-infringing use. Nonetheless, the court did impose liability, albeit on the basis of inducement, and we might well wonder what the outcome would have been if the defendant had supplied the parts without an equivalency table, perhaps relying on the expertise of the purchasers to select the right tooth, or if there was only one type of tooth so that no table was needed. It is hardly clear that omitting an express statement of equivalency would be enough to exculpate the defendant.

The question will come to a head if the courts are faced with a product especially adapted for use in the patented invention, with no instructions or other acts that would be a hook to constitute inducement. For example, in *Genpharm Inc v Procter & Gamble Pharmaceuticals Canada, Inc*, the patent related to a new use of a known medicine. It had been sold in 200 mg pills for the old use, but the new use required a particular intermittent dosage regimen of 400 mg pills. To facilitate the necessary dosage regimen, the patentee sold the medicine in a kit containing blister packages of 400 mg pills for a two-week cycle with placebo pills where necessary.

<sup>126</sup> *Airglide*, *supra* note 123 at 27–28.

<sup>127</sup> See the cases cited *supra* note 96.

<sup>128</sup> *Permacon*, *supra* note 112. The patent was for a retaining wall composed of concrete blocks, “with convex dihedral protrusions,” which would allow the wall to be set up by stacking the blocks without mortar (at 381). While the decision does not say expressly that the blocks were especially adapted for use in the invention, that certainly appears to have been the case.

<sup>129</sup> *American Arch*, *supra* note 69. In *Slater Steel*, *supra* note 29 at 82, Jactett P cited *American Arch* without discussing it, saying, “In the view I take of the matter, for the purposes of this case, no good purpose will be served by summarizing the other Canadian cases referred to by the plaintiffs.” The other Canadian case cited, but not discussed, was *Gillette Safety Razor Company of Canada, Ltd v Mailman*, [1932] Ex CR 54, 1932 CarswellNat 7, rev’d on other grounds [1932] SCR 724, [1933] 1 DLR 8. Although various leading English cases on indirect infringement were discussed in *Gillette*, it was ultimately decided on the basis of direct infringement, as the part supplied by the defendant (a razor blade of a particular design) was separately claimed.

<sup>130</sup> *Monsanto*, *supra* note 7 at para 44, quoting *Saccharin*, *supra* note 7.

<sup>131</sup> See *Apotex Inc v Nycomed Canada Inc*, 2011 FC 1441 at para 27, aff’d 2012 FCA 195 at para 3, noting that *Monsanto*, *supra* note 7, was not concerned with indirect infringement in any form, and so should not be taken to have changed the law in that respect.

<sup>132</sup> The primary authority cited in *Monsanto*, *supra* note 7, in support of this proposition is *Saccharin*, *supra* note 7, which predates *Copeland-Chatterson*, *supra* note 16; see also *Beloit Canada Ltd v Valmet-Dominion Inc*, [1997] 3 FC 497, 73 CPR (3d) 321 at 334–35 (FCA) [VDI]; and *Sykes v Howarth*, *supra* note 31 at 773 (referring to the prohibition in the letters patent on “either directly or indirectly” practising the invention as a justification for imposing liability for indirect infringement).

<sup>133</sup> *Copeland-Chatterson*, *supra* note 16 at 246–47.

The generic proposed to sell its product with the same 400 mg pills in the same 14-pill blister pack. In addition, the product monograph implicitly instructed the infringing use by using a bioavailability comparison with the new use rather than the old use.<sup>134</sup> This constitutes indirect infringement,<sup>135</sup> and it is consistent with an inducement theory on the basis that the product monograph constitutes instructions to infringe. What would the result be on the same facts, absent the reference to the new use in the product monograph? Would a court hold that there is no indirect infringement despite the sale of the product in a blister pack especially adapted for the infringing use?

As another example, suppose the patent covers a paper-making machine having its rolls in contact with each other, and the defendant makes a machine with the rolls separated, but with an adjustment that has no other purpose than to enable the user to bring the rolls together, thus infringing. Would a court hold that this did not constitute indirect infringement if the machine were sold without instructions as to how to make the adjustment, in reliance on the expertise of the purchasers to recognize the possibility?<sup>136</sup>

The answer, I suggest, is to be found in *Windsurfing*. It might be argued that *Windsurfing* can be explained on the basis of inducement theory, on the view that the rudimentary assembly instructions constituted the specific inducement to infringe; but it is quite untenable to suppose that the defendant in *Windsurfing* would have escaped liability had it omitted the instruction sheet. As discussed above, the reasoning of the court clearly turned directly on the supply of components that were especially adapted to infringe. Accordingly, in its summary of the law in *Valmet*, the Court of Appeal did not consider *Windsurfing* as turning on inducement, but rather cited it as support for a separate branch of indirect infringement that arises when the vendor "sells all the components of the invention to a purchaser in order that they be assembled by him."<sup>137</sup> *Windsurfing* does certainly stand for that proposition, but that is a summary of the facts, not a statement of principle.

What, then, is the principle?

One might say that the principle is indeed confined to a kit, on the view that selling a kit is in substance the

same thing as selling the entire combination.<sup>138</sup> That is not satisfactory. Recall that indirect infringement is, in principle, not founded on any different basis from direct infringement. The question is always about what might "with propriety" be termed infringement, so it is always true that an established act of the indirect infringement is considered tantamount to direct infringement.

The better view is that *Windsurfing* stands for the proposition that the supply of the product can itself constitute the necessary inducement. The court dismissed the argument that evidence of direct infringement was required as "specious":

To suggest that a person purchasing components, the only known use for which are for assembling to provide the purchaser with what he obviously desires — a sailboard — has not been persuaded to [assemble the parts] by the holding out of the desired result by both the manufacturer and the vendor thereof, stretches credulity to its limits.<sup>139</sup>

This is a clear statement that the supply of the kit itself induces the direct infringement. Exactly the same logic applies when what is supplied is a part with no non-infringing use: all that is needed is to change the words "components" to "a component," and the reasoning would remain the same. If indirect infringement is a question of what might properly be termed the cause of the infringement, it is difficult to see any difference between the supply of a kit and the supply of a part especially adapted to infringe. This contrasts with a product with substantial non-infringing uses, where supply of the product alone, without any additional instructions, might never result in infringement.

The paragraph quoted above continued with the core rationale for imposing liability, which bears repeating:

I think it beyond dispute that the only inference to be drawn from the voluminous evidence in this case is that the respondent knew and intended that the ultimate purchaser would utilize the sailboard parts for the assembly of a usable sailboard which, upon assembly, would infringe

<sup>134</sup> *Genpharm*, *supra* note 1 at para 31; and see the summary in *Pharmascience*, *supra* note 1 at paras 40–41.

<sup>135</sup> As discussed *supra* note 20, *Genpharm* was overruled on an important point of law, but see *Pharmascience*, *supra* note 1 at paras 40–41, 59 holding that *Genpharm* was nonetheless correct in the result.

<sup>136</sup> This example is loosely based on *Knight v Gavit*, 14 F Cas 765 (Cir Ct Pa 1846), cited by Osborne, *supra* note 3 at 77.

<sup>137</sup> *Valmet*, *supra* note 20 at 14; see also *VDI*, *supra* note 132 at 335 (quoting this passage); and *Varco*, *supra* note 96 at para 260 (citing *Valmet* and *Windsurfing* for the proposition "that simply separating the parts of a device and shipping the parts for later integration and assembly does not avoid the liability for infringement").

<sup>138</sup> See *United Telephone Co v Dale* (1884), 25 ChD 778 at 782–83, quoted by Vaughan Williams LJ in *Dunlop v Moseley*, *supra* note 58 at 280.

<sup>139</sup> *Windsurfing*, *supra* note 89 at 265.



the appellants' patent. It thereby became a party to such infringement, in my view.<sup>140</sup>

The general principle stated in this paragraph, then, is that a party who supplies a product, the only known use for which is in the patented invention, knowing and intending that it be so used, thereby becomes a party to the infringement.

In summary, the holding in *Windsurfing* that the defendant was liable for indirect infringement did not, on its face, turn on the supply of the rudimentary instructions. And while it did turn on the supply of a kit, the principle expressed cannot be confined to a kit. The most straightforward reading of *Windsurfing* is that the supply of a product with no non-infringing use can itself constitute inducement sufficient to establish indirect infringement. This proposition is clearly correct in principle and is consistent with the basic test for infringement set out in *Monsanto*. Whether the indirect party supplies a kit of all the components, especially adapted to be assembled by the purchaser into the patented invention, or a single component, especially adapted for use in the invention, which the purchaser uses to complete the patented invention, the indirect party is depriving the patentee of the advantage of the invention. This principle also makes perfect sense from a policy perspective, as there is no risk of overbroad enforcement when the product supplied is especially adapted to infringe.

The only difficulty arises in reconciling this analysis with the statement in *MacLennan* of a rule against contributory infringement, and in particular the statement that "the sale of a component of a patented combination, even if the component has no use other than working the patented combination, is not sufficient to establish infringement by inducement."<sup>141</sup> In making this statement, the court in *MacLennan* relied on what was, with respect, a misinterpretation of *Copeland-Chatterson* as adopting British law into Canada.<sup>142</sup> In fact, *Copeland-Chatterson* is entirely consistent with basing inducement on the supply of a product especially adapted to infringe, as *American Arch* illustrates.

Moreover, the court in *MacLennan* did not discuss *Windsurfing* at all on this point.<sup>143</sup> Apart from that statement in *MacLennan*, the two cases are entirely consistent and indeed harmonious; both held on the facts that a defendant who had supplied a product especially adapted to infringe, along with rudimentary instructions for use in an infringing manner, was liable as an infringer, and neither evinced any sympathy for a party who supplied a product especially adapted to infringe, nor suggested any reason in policy why liability should not be imposed.

## 5 Conclusion

Canadian law does not formally recognize liability for the supply of a product that has no purpose other than for use in a patented invention, in the absence of some form of inducement. In *MacLennan*, the court remarked that this rule "may seem questionable at first glance."<sup>144</sup> At second glance, the rule seems clearly sound when the product is a commercial staple, and defensible when it is not a staple but is nonetheless capable of substantial non-infringing use; but the rule remains questionable from a policy perspective when the product has no non-infringing use. The fundamental argument against imposing liability, as pointed out by the court in *AB Hassle*, is a concern for overbroad enforcement, and the desire to ensure that the public is not prevented from using the product for unpatented uses. This concern is absent when the product has no other use.

And indeed, Canadian courts have never articulated a policy rationale for the rule that selling a product with knowledge that it will be used to infringe does not constitute infringement, even if the part has no non-infringing use. The rule has become established largely on the basis that *Copeland-Chatterson* accepted the British cases into Canadian law—a view that does not withstand a careful reading of that decision. There are very few cases that actually apply the rule, and none at the appellate level. While the Court of Appeal in *MacLennan* held that the supply of a product especially adapted to infringe is not sufficient to establish inducement, this proposition was strictly *obiter*, the cases it cited do not establish that rule as a matter of Canadian law, and, most important, that statement is at odds with the holding in *Windsurfing*.

*Windsurfing* was the first appellate decision in Canada to deal with liability for the supply of a product especially adapted to infringe. The central holding is that such supply constituted the inducement necessary to impose liability for indirect infringement. This holding in *Windsurfing* is sound both as a matter of the policy concern relating to overbroad enforcement, and the long-standing legal principle that the patentee should not be deprived, directly or indirectly, of the advantage of the patented invention.

When a court is squarely faced with a case in which the defendant has supplied a product with no substantial non-infringing use, knowing and intending that it be used in the patented invention, and the product is in fact so used, the court should hold, on the authority of *Windsurfing*, that the supply of a product especially adapted to infringe is, in itself, sufficient inducement to ground liability for indirect infringement.

<sup>140</sup> *Ibid* at 266. Infringement was not addressed at trial because the patent was held to be invalid. The finding of invalidity was reversed on appeal, and the Court of Appeal chose to address infringement itself.

<sup>141</sup> *MacLennan*, *supra* note 3 at para 40.

<sup>142</sup> *Ibid* at para 38.

<sup>143</sup> The only reference to *Windsurfing* in *MacLennan* was *ibid* at para 49, noting that *Windsurfing* had also distinguished *Slater Steel* on its facts.

<sup>144</sup> *MacLennan*, *supra* note 3 at para 34.





Marsha S. Cadogan

# The Prospects and Limits of Blockchain Technologies in the Global Protection of Geographical Indications

Marsha S. Cadogan

## Abstract

One of the dynamics of the technology age is the rise of intermediaries to complement or replace institutions traditionally tasked with performing everyday transactions. Blockchain technologies are one of the most disruptive advances of the technology age. It is set to revolutionize diverse transactions and will impact many aspects of existing global legal norms. This article is a law and policy-oriented analysis of the relevance of blockchain technologies to the development and sustenance of geographical indication (GI) industries globally. Recognizing that there are profound relationships between emerging technologies and intellectual property (IP) rights, the article analyzes what viable interlinkages can be forged between GI and blockchain technologies when globally there are conceptual and legal divergences in GI protection. The article identifies and evaluates four interconnections between blockchain technologies and GIs. These include the technology's use as a differentiated platform for IP protection, the potential benefits and challenges of concluding GI transactions through smart contracts, and the extent of legal security provided by the technology's ability to verify and trace transactions. The article also makes recommendations on how best to build sustainable relationships between GIs, the international and domestic IP system, and blockchain technologies.

## Résumé

L'augmentation du nombre d'intermédiaires nécessaires pour compléter ou remplacer les institutions traditionnellement responsables d'effectuer les transactions quotidiennes est une des dynamiques de l'ère technologique. La technologie de chaîne de blocs est une des avancées les plus perturbatrices de l'ère technologique. Elle devrait révolutionner diverses transactions et influencer plusieurs aspects des normes juridiques mondiales en place. Cet article est une analyse axée sur le droit et la politique de la pertinence des technologies de chaîne de blocs pour le développement et la survie des industries d'indications géographiques (IG) à l'échelle planétaire. Tout en reconnaissant l'existence de profondes relations entre les technologies émergentes et les droits de propriété intellectuelle (PI), l'article analyse les interconnexions qui pourraient être forgées lorsque, sur le plan international, la protection des IG comporte des divergences conceptuelles et juridiques. L'article détermine et évalue quatre interconnexions entre les technologies de chaînes de bloc et les IG, notamment l'emploi de la technologie à titre de plateforme différenciée pour la protection des IG, les avantages et les inconvénients possibles de conclure des transactions d'IG à l'aide de contrats intelligents et l'étendue de la sécurité juridique fournie par la capacité de la technologie à vérifier et suivre les transactions. L'article présente également certaines recommandations sur l'optimisation de la création et de l'entretien de relations durables entre les IG, le système international et domestique de la PI et les technologies de chaîne de blocs.

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## 1.0 Introduction

The results of technological innovation are more evident now than they were a decade ago.<sup>1</sup> New developments are disrupting traditional modes of production, services, and the way businesses interact with consumers and other enterprises.<sup>2</sup> Blockchains are one of the major propellants of change in the fourth industrial revolution. This article adds to the emerging literature on blockchain and intellectual property (IP)<sup>3</sup> and analyzes, from an IP law and policy perspective, whether blockchain technologies are useful in the protection of geographical indication (GI) industries—specifically, those that relate to foods and other consumer goods, but not wine or spirits.<sup>4</sup> GIs are signs or symbols that convey that a product has a directly traceable relationship with its geographic origin based on its quality, characteristic, or reputation.<sup>5</sup> This relationship should be evident in the product's taste (in the case of foods), its effect (in the case of natural products), or its aesthetic nature (in the case of jewellery or other consumer items).<sup>6</sup> Some examples of GIs include Japan's Kobe beef, Darjeeling tea from India, Café de Colombia from Colombia, Danablu cheese from Denmark, Emmentaler cheese from Switzerland, Swiss chocolates, and Canadienne Cow Cheese from Quebec.

The article proceeds as follows. It first presents a general overview of the workings of blockchain technology. It then addresses the legal aspects of GIs, using both domestic and international references to illustrate what GI rights usually cover and how different jurisdictional perspectives on GIs either restrict or expand their protection. The article then offers an analysis of how

blockchain technologies can be used in GI industries, particularly in promoting accountability within GI producer groups and establishing proof of provenance. This section also discusses the efficacy of blockchain technologies in combatting GI infringements, as well as the challenges and limits of the blockchain technologies in GI-intensive industries, and the development of coherency in and harmonization of GI laws globally. The article then provides recommendations on building solid partnerships between GIs and blockchain, to the extent that workable intersections between the two areas can be created, and offers a brief conclusion. The article does not cover all of the many law and governance issues that may arise in respect of GIs,<sup>7</sup> nor does it exhaustively consider factors that influence approaches to GI laws.<sup>8</sup>

## 2.0 The Emerging Technology of Blockchain: What It Is

Blockchain technologies are innovative distributed ledger protocols that allow decentralized interactions between various business units or actors to facilitate specific transactions or accomplish set tasks.<sup>9</sup> Blockchain and its application are not centralized but operate on computers located anywhere in the world; in this context, blockchain-based systems are “distributed” and decentralized. Each block is time-stamped and stores information on a ledger, which is then verified and cleared by the preceding block. Without information that corresponds in some fundamental way with the preceding block, no subsequent block can be added to the chain. Therefore, the chain conveys historical transactions that links and verifies each of its blocks. Blockchain technologies have produced innovations in currency, such as bitcoin,<sup>10</sup> and other

- 1 Rabeah Morrar, “The Fourth Industrial Revolution (Industry 4.0): A Social Innovation Perspective” (2017) 7:11 Tech Inno Manag Rev 12.
- 2 Dragos Tohanean, “Innovation, A Key Element of Business Models in the Fourth Industrial Revolution” (2018) 6:12 N Intell Studies 121; Margaret Ann Wilkinson, “What Is the Role of New Technologies in Tensions in Intellectual Property?” in Tana Pistorius, ed, *Intellectual Property Perspectives on the Regulation of New Technologies*, ATRIP Intellectual Property Series (Cheltenham, UK: Edward Elgar, 2018) ch 1.
- 3 TV Shatkovskaya et al, “Impact of Technological Blockchain Paradigm on the Movement of Intellectual Property in the Digital Space” (2018) 27 Eur R Stud suppl Special Issue 1 397; Gönenç Gürkaynak, “Intellectual Property Law and Practice in the Blockchain Realm” (2018) 34:4 Comp L Sec Rev 847; Angela Guo, “Blockchain Receipts: Patentability and Admissibility in Court” (2017) 16:2 Chicago-Kent J IP 440; Michael Loney, “China Companies Dominate Global Blockchain Patent Rankings”, *Managing IP* (13 February 2018).
- 4 There are far fewer conflicts concerning the protection of wine and spirit GIs because the *Agreement on the Trade Related Aspects of Intellectual Property* (*infra* note 18) mandates for significantly high levels of protection for these products, but not for other place-based goods.
- 5 *Trademarks Act*, RSC 1985, c T-13, s 2 [*Trademarks Act*]; Michael Blakeney, *The Protection of Geographical Indications, Law and Practice* (Cheltenham, UK: Edward Elgar, 2014); Dev S Gangjee, “From Geography to History: Geographical Indications and the Reputational Link” in Irene Calboli & Ng-Loy Wee Loon, eds, *Geographical Indications at the Crossroads of Trade, Development, and Culture: Focus on Asia-Pacific* (Cambridge, UK: Cambridge University Press, 2017) ch 4; Tesh W Dagne, “The Narrowing Transatlantic Divide: Geographical Indications in Canada’s Trade Agreements” (2016) 10 Eur Rev IP Law 598.
- 6 Michael Blakeney, *The Protection of Geographical Indications, Law and Practice* (Cheltenham, UK: Edward Elgar, 2014).
- 7 Marsha Simone Cadogan, “Making Agricultural and Food-Based Geographical Indications Works in Canada”, CIGI Policy Brief No 125, online: <<https://www.cigionline.org/publications/making-agricultural-and-food-based-geographical-indications-work-canada>>; Barbara Pick, Delphine Marie-Vivien & Dong Bui Kim, “The Use of Geographical Indications in Vietnam: A Promising Tool for Socioeconomic Development?” in Calboli & Wee Loon, *supra* note 5, ch 13.
- 8 Susy Frankel, “Geographical Indications and Mega-Regional Trade Agreements and Negotiations” in Calboli & Wee Loon, *supra* note 5, ch 6.
- 9 Christian Catalani et al, “Some Simple Economics of the Blockchain” (21 September 2017), Rotman School of Management Working Paper No 2874598, MIT Sloan Research Paper No 5191-16, online: SSRN <<https://ssrn.com/abstract=2874598>>; Don Tapscott et al, *Blockchain Revolution* (Toronto: Penguin Canada, 2016) ch 1, 5; Mark Pilkington, “Blockchain Technology: Principles and Applications” (18 September 2015), in F Xavier Olleros & Majlinda Zhegu, eds, *Research Handbook on Digital Transformations* (Cheltenham, UK: Edward Elgar, 2016), online: SSRN <<https://ssrn.com/abstract=2662660>>.
- 10 Satoshi Nakamoto, “Bitcoin: A Peer-to-Peer Electronic Cash System”, online: <<https://bitcoin.org/bitcoin.pdf>>; Nicolas Houy, “The Bitcoin Mining Game” (2016) 1:1 Ledger 53.

altcoin cryptocurrencies<sup>11</sup> that are used in commerce as electronic cash. In addition to bitcoin and cryptocurrencies, several other blockchains are being developed, or have already been created, using Ethereum, which allows computer programs to execute transactions on the blockchain system, essentially operating as a computational system within the blockchain. One of the most innovative aspects of blockchain technology is that it makes disintermediation possible; that is, it makes the need for third-party involvement in transactions redundant because the blockchain itself functions as the intermediary.

The development and use of blockchain technologies will, over time, affect economies that use these technologies, and influence transactions and technological developments in other jurisdictions. Bitcoins are now acceptable forms of commodities in jurisdictions such as Canada, the United States, Finland, Australia, and Belgium.<sup>12</sup> Cryptocurrencies have been integrated into web-based tutorial programs as reward tokens for accomplished students.<sup>13</sup> Blockchain is a disruptive technology in its potential to drive innovation and creativity. One of the more interesting aspects of blockchain is the distributed ledger technology, which makes it possible for a wide array of transactions to be performed on the blockchain platform. These include smart contracts,<sup>14</sup> which are computational encoded tools in the chain that perform self-executing transactions on behalf of the parties to a transaction. Smart contracts are legally binding automated configurations on a blockchain that make transactions possible, doable, and executable, as contemplated by the blockchain, if certain terms or conditions are met.<sup>15</sup>

Developments in blockchain and distributed ledger technology have spurred interest in the IP aspect of the technology.<sup>16</sup> The remainder of this article focuses on the interface between blockchain and GIs from an IP protection perspective.

### 3.0 The Big Deal (or Not) About Geographical Indications

GIs are signs, symbols, or words affiliated with products<sup>17</sup> that convey a directly traceable relationship between the product and its place of origin based on its characteristics, reputation, or quality. This definition is captured in all international and domestic legal definitions of GIs, from TRIPS<sup>18</sup> to the Lisbon Agreement on GIs and appellations of origin,<sup>19</sup> to the references to GIs in the Paris Convention,<sup>20</sup> to the federal *Trademarks Act* definition of GIs.<sup>21</sup> Because of this relationship between the product and its place and the way in which it is produced, the product is usually seen as the GI itself, not just the word or symbol associated with the product.<sup>22</sup> This is because the inextricable linkage between the product and place should create such a distinct taste, look, or effect of the product that it cannot be easily duplicated elsewhere.<sup>23</sup> For example, Quebec's Ice Cider is a protected GI under provincial legislation, and obtained its registration on the basis of the "characteristics related to the history of apple production in Québec; the subsequent development of cider production; and the innovation consisting of concentrating the sugars in the apple and juice using natural cold."<sup>24</sup>

Other examples of product-place connection relevant to this discussion are specific chemical and pharmaceutical products made in Switzerland that have essential ties to the country and are

- 11 Altcoins are electronic currencies that are alternatives to bitcoin; they include lite coin, terracoin, and byte coin. See Cointelegraph, "Altcoin News", online: <<https://cointelegraph.com/tags/altcoin>>.
- 12 For example, Finland classifies bitcoin as a commodity, holding that it does not meet the definition of an official currency. See Kati Pohjanpalo, "Bitcoin Judged Commodity in Finland After Failing Money Test" (19 January 2014), *Bloomberg*, online: <<https://www.bloomberg.com/news/articles/2014-01-19/bitcoin-becomes-commodity-in-finland-after-failing-currency-test>>.
- 13 Gunnar Stefansson et al, "From Smileys to Smileycoins: Using a Cryptocurrency in Education" (2017) 2 *Ledger* 38, online: <<https://ledgerjournal.org/ojs/index.php/ledger/article/view/103>>.
- 14 See also Joshua S Gans, "The Fine Print in Smart Contracts" (13 January 2019), online: SSRN <<https://ssrn.com/abstract=3309709>>.
- 15 Benito Arruñada & Luis Garicano, "Blockchain: The Birth of Decentralized Governance" (11 May 2018), online: SSRN <<https://ssrn.com/abstract=3160070>>.
- 16 See, for example, Bridget Clark et al, "Blockchain, IP and the Fashion Industry", *Managing Intellectual Property* (7 March 2017); Patrice Pojul, "Online Film Production in China Using Blockchain and Smart Contracts: The Development of Collaborative Platforms for Emerging Creative Talents" (Switzerland: Cham, 2019); Shanna Sanders, "This Intellectual Property Is Worth a Lot of Bitcoin: What's Protecting This Disruptive Blockchain Technology?", *The Idaho Business Review* (9 November 2018).
- 17 If domestic legislation permits, GIs can also be affiliated with service-oriented industries. To date, Serbia is the only country in the world to have registered a service—Cigota—as a GI, in relation to health tourism. Dragomir Kojic & Tamara Bubalo, "Geographical Indications of Origin in Serbia: Where the Past Fuels the Future" *Lexology* (21 May 2018) online: <<https://www.lexology.com/library/detail.aspx?g=52cb27a3-6142-4dc6-8c77-c962ceda6c3a>>.
- 18 World Trade Organization, *Agreement on Trade Related Aspects of Intellectual Property Rights*, annex 1C, online: <[https://www.wto.org/english/docs\\_e/legal\\_e/27-trips.pdf](https://www.wto.org/english/docs_e/legal_e/27-trips.pdf)> [TRIPS].
- 19 Geneva Act on the Lisbon Agreement for the Protection of Appellations of Origin and Geographical Indications (as adopted 20 May 2015), online: <<https://wipolex.wipo.int/en/treaties/textdetails/15625>>. See also Daniel Gervais, "A Look at the Geneva Act of the Lisbon Agreement: A Missed Opportunity?" in Calboli & Wee Loon, *supra* note 5, ch 5.
- 20 Paris Convention for the Protection of Intellectual Property (as amended 28 September 1975) arts 10, 10 bis.
- 21 Trademarks Act, s 2.
- 22 But on the challenges of developing and maintaining these linkages, see Estelee Biénabe & Delphine Marie-Vivien, "Institutionalizing Geographical Indications in Southern Countries: Lessons Learnt from Basmati and Rooibos" (2017) *World Devel* 58.
- 23 See Bassem Awad & Marsha Simone Cadogan, "CETA and the Future of Geographical Indications Protection in Canada" (25 May 2017), CIGI Paper No 131, online: <<https://www.cigionline.org/publications/ceta-and-future-geographical-indications-protection-canada>>.
- 24 Québec, Conseil des appellations réservées et des termes valorisants (CARTV), "PGI—Quebec Ice Cider", online: <<https://cartv.gouv.qc.ca/en/reserved-designation-pgi-quebec-ice-cider>>. Note that Quebec's protection of GIs is not affiliated with the federal trademark legislation but is more of an administrative approach to the protection of GIs, its governance falling under the province's Ministry of Agriculture, Fisheries and Food.

produced under the geographical names Basel and Swiss. This also indicates that GIs are not limited to foods, wines, and spirits, but can also be pharmaceuticals, chemical products, textiles, and even home décor items.<sup>25</sup>

There is no individual ownership to GI rights; they are collective rights owned by either a producer group (sometimes comprising producers, manufacturers, distributors, and industry experts) or a competent government body. Sometimes, as in the case of Quebec's provincial Protected Geographical Indication scheme,<sup>26</sup> there is a level of shared responsibility between a government body (the agricultural and forestry ministry) and the private groups that own the IP. For example, to ensure that producers comply consistently with specific standards in the production of the GI good, a public board, established under Quebec's provincial GI act, accredits and monitors the use of the GI designation on registered products.<sup>27</sup>

GIs can be valuable and strong IP assets. They can diversify IP portfolios. They may boost employment opportunities in economies, and contribute to product diversification in IP-intensive firms and gross domestic product in economies.<sup>28</sup> However, GIs (the products) and GI-intensive industries (the rightsholders' businesses) can only be as strong as the domestic and international markets in which they operate.<sup>29</sup> This article focuses mainly on the legal aspects of GIs and evaluates whether blockchain distributed technologies are helpful to IP law and policy in this context. Accordingly, discussion of the full range of issues associated with GIs is outside the scope of this article.<sup>30</sup>

GIs are one the few IP rights where international legal developments have facilitated either less or more expansive protection in domestic jurisdictions.<sup>31</sup> Since the mid-2000s,<sup>32</sup> GI protection has been substantially driven by IP provisions in preferential free trade agreements.<sup>33</sup> These provisions have

sometimes led to conflicting positions on the application of GI laws and, essentially, the types of protection available for registered products. For example, under the Free Trade and Economic Partnership between Japan and Switzerland, GIs protectable between the two jurisdictions include specific meats, dairy and dried products, and pharmaceutical and textile items.<sup>34</sup> In Canada's free trade agreement with the European Union, GIs protectable between the two parties are limited to agricultural and food-based items and wine and spirits. Therefore, while GI rights may be protectable in the TRIPS-Plus era, the goods that are registrable as GIs differ across jurisdictions.

Furthermore, some jurisdictions provide only minimal protection for GIs, while others recognize strong rights for these types of goods. What this means is that, across jurisdictions, the substantive laws pertaining to GIs can vary, thereby affecting a range of issues; foremost among them are legal certainty, the ability of products to penetrate markets successfully, and whether infringement claims can be made in global markets.<sup>35</sup>

The TRIPS minimum standard on GIs stipulates that World Trade Organization (WTO) member countries should enact laws to prevent a GI name from being used to represent a product that falsely indicates that it is made in the GI jurisdiction.<sup>36</sup> Under TRIPS, GIs are also protected against unfair competition in WTO member countries.<sup>37</sup> The challenge with GI minimum standards of protection is that they do not fully protect GI products in global markets. Many trademarked goods (especially foods) use very similar names, or the same name, to refer to products of the same class as GI goods. This poses a challenge to the sustainability of GI goods, especially in new markets. The issue lies in two observations. First, GIs have been popular IP rights in Europe for centuries, and protection for goods other than wine and spirits in non-European countries became a legal phenomenon only in the 21st century.<sup>38</sup> For years, the European Union (EU) tried and failed to gain

25 See Tania Singla, "Vanity GIs: India's Legislation on Geographical Indications and the Missing Regulatory Framework" in Calboli & Wee Loon, *supra* note 5, ch 14. See also Switzerland's free trade agreement with Japan, which designates the protection of a wide array of goods, including pharmaceuticals, as GI protectable between the two countries.

26 *The Act Respecting Reserved Designations and Added-Value Claims*, CQLR c A-20.03, online: <<https://cartv.gouv.qc.ca/en/chapter-i-object-and-principles>>.

27 *Ibid*, ch II, "Conseil des appellations réservées et des termes valorisants", s 9.

28 Daniel Gervais & Irene Calboli, "Socio-Economic Aspects of Geographical indications", online: World Intellectual Property Organization <[https://www.wipo.int/edocs/mdocs/geoind/en/wipo\\_geo\\_bud\\_15/wipo\\_geo\\_bud\\_15\\_9.pdf](https://www.wipo.int/edocs/mdocs/geoind/en/wipo_geo_bud_15/wipo_geo_bud_15_9.pdf)>; Soumya Vinayany, "Geographical Indications in India: Issues and Challenges—An Overview" (2017) 20 J World Intellect Prop 119.

29 Cadogan, "Geographical Indications, Canada", *supra* note 7.

30 For more in-depth readings, see Calboli & Wee Loon, *supra* note 5; Dev S Gangjee, "GIs Beyond Wine: Time to Rethink the Link" (2017) Intl Rev IP & Competition L 129; Dev S Gangjee, ed, *Research Handbook on Intellectual Property and Geographical Indications* (Cheltenham, UK: Edward Elgar, 2016) [Gangjee, *Research Handbook*].

31 Marsha Simone Cadogan, "In Search of Commonality in the Protection of Geographical Indications in Global Preferential Free Trade Agreements" (forthcoming, CIGI).

32 Frankel, *supra* note 8.

33 *Ibid*.

34 *Free Trade Agreement Between Switzerland and Japan*, annex X, "Geographical Indications", online: Japan, Ministry of Foreign Affairs <<https://www.mofa.go.jp/region/europe/switzerland/epa0902/annex10.pdf>>.

35 Cadogan, "Geographical Indications, Canada", *supra* note 7.

36 TRIPS, arts 22(1), (2).

37 *Ibid*.

38 See Gangjee, *Research Handbook*, *supra* note 30; Wahyu Sasongko, "Geographical Indications Protection Under the New Regulation in Indonesia" (2018) 9:4 J Soc Studies Ed Research 403.

consensus for widespread GI protection in the WTO Doha round of negotiations.<sup>39</sup> The stalled GI extension negotiations contributed to the European Union's use of regional and bilateral free trade and economic partnership agreements to safeguard their GI rights in international markets.<sup>40</sup> This facilitated domestic changes to GI laws in many jurisdictions including Canada,<sup>41</sup> Singapore,<sup>42</sup> and China<sup>43</sup> to make a GI protectable if the name is used by competitors to refer to products in the same product class as the GI. Sometimes, this may or may not include the translation and transliteration of the GI name.<sup>44</sup> However, in Canada, for example, the efficacy of GI laws domestically depends, *inter alia*, on whether GI rights conflict with existing or pending trademark rights (whether these are locally owned or owned by foreign rightsholders).<sup>45</sup> Therefore, it is still possible that Canada may take a restrictive approach to the recognition of GI rights. This point is examined more fully in the context of blockchain technology implications in section 4.0 below.

The second issue resulting from divergences in global GI laws is that some jurisdictions protect GIs only as certification or collective marks.<sup>46</sup> Such protection complies with the TRIPS minimum standards.<sup>47</sup> However, when GIs are recognized only as certification or collective marks and are not protected against greater infringements than those stipulated under TRIPS article 22.1, rightsholders are unable to fully differentiate and protect their goods in domestic and global markets.<sup>48</sup> For example, owners of certification marks cannot commercialize their products, but

must license the use of the right to licensees.<sup>49</sup> GI rights entitle rightsholders to commercialize products; the rights cannot be transferred, but may be used by the collective owners in the manufacturing, distribution, and sale of their products.<sup>50</sup> Certification marks are forms of trademarks with 10 years of protection, which is renewable thereafter. GIs are usually indefinite rights.<sup>51</sup> However, some jurisdictions, such as Canada, allow GI rights to be cancelled if they become generic,<sup>52</sup> or possibly challenged on grounds of non-use if they are not used for a period of time.<sup>53</sup>

Furthermore, once the *Canada–United States–Mexico Agreement* (CUSMA) is ratified, the agreement may facilitate challenges by United States' trademark interests against protected GIs in the Canadian market.<sup>54</sup> (Under the *North American Free Trade Agreement*, the predecessor to CUSMA, only EU-based products are protected.) The United States' restrictive position on GIs is clearly reflected in CUSMA.<sup>55</sup> For example, the agreement includes specific provisions for GI cancellation and opposition, including on grounds of genericity with names used in the host country's jurisdiction. Interestingly, this stipulation runs counter to GI rules found in EU-style GI provisions.<sup>56</sup> Some jurisdictions still have minimal or restrictive GI protection laws. When a GI rightsholder's major consumer market is in one of these jurisdictions, there is a limit on how profitable the rightsholder's product can be in these markets. For example, the United States has restrictive rights for non-wine and spirit GIs, limiting recognition to certification and

- 39 World Trade Organization, Issues Related to the Extension of Protection for Geographical Indications Provided for in Article 23, WT/GC/W/633, 21 April 2011, online: WTO <[https://www.wto.org/english/tratop\\_e/trips\\_e/ta\\_docs\\_e/5\\_2\\_wtgcw633\\_e.pdf](https://www.wto.org/english/tratop_e/trips_e/ta_docs_e/5_2_wtgcw633_e.pdf)>.
- 40 Frankel, *supra* note 8.
- 41 *The Comprehensive Economic Trade Agreement Between the European Union and Canada*, online: <<https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/text-texte/20-A.aspx?lang=eng#a>> [CETA].
- 42 *The Free Trade Agreement Between the European Union and Singapore*, annex 7, "Geographical Indications", online: <[https://eur-lex.europa.eu/resource.html?uri=cellar:04c776da-4322-11e8-a9f4-01aa75ed71a1.0003.02/DOC\\_8&format=PDF#page=17](https://eur-lex.europa.eu/resource.html?uri=cellar:04c776da-4322-11e8-a9f4-01aa75ed71a1.0003.02/DOC_8&format=PDF#page=17)>.
- 43 *Free Trade Agreement Between the European Union and South Korea*, online: <<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2011:127:FULL&from=EN>>.
- 44 In the context of GIs, translation refers to the interpretation of a GI name in a different language. For example, "Prosciutto di Parma" or "Jambon de Parme" to refer to Parma Ham. Transliteration refers to the use of the closest possible letters or word to refer to GIs.
- 45 *Trademarks Act*, s 11.11(4).
- 46 See *Trademarks Act*, s 2, on the definitions of "certification" and "collective marks." See also Teresa Scassa, *Canadian Trademark Law*, 2nd ed (Toronto: LexisNexis, 2015).
- 47 See generally TRIPS, art 22.
- 48 Marsha A Echols, *Geographical Indications for Food Products: Legal and Regulatory Perspectives*, 2nd ed (Alphen aan de Rijn, Netherlands: Wolters Kluwer, 2016).
- 49 *Trademarks Act*, s 2.
- 50 Giovanni Belletti et al, "Geographical Indications, Public Goods, and Sustainable Development: The Roles of Actors' Strategies and Public Policies" (2017) 98 *World Dev* 45.
- 51 See, for example, the European Commission's regulation on the protection of GIs in the European Union, Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on Quality Schemes for Agricultural Products and Foodstuffs, online: <<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32012R1151&from=EN>>.
- 52 *Trademarks Act*, s 11.21(2).
- 53 The legislation is not clear on whether the non-use limit of three years that applies to trademarks also applies to GIs. This may need to be decided on a case-by-case basis.
- 54 Marsha Simone Cadogan, "How Canada Should Approach Geographical Indications in Trade Negotiations with the United States and Mexico" (25 July 2017), CIGI series on NAFTA 2.0, online: <<https://www.cigionline.org/articles/coming-fight-over-peaches-and-mangoes-nafta-talks>>.
- 55 *Canada–United States–Mexico Agreement*, art 20.21, "Grounds for Denial, Opposition and Cancellation", online: <<https://www.international.gc.ca/trade-commerce/assets/pdfs/agreements-accords/cusma-aceum/r-cusma-20.pdf>>.
- 56 As used in this article, European-style GI agreements refer to either EU-initiated or EU-modelled GI rules in preferential free trade agreements that favour expansive rights for GI designations. These rights include indefinite protection for rightsholders, the non-cancellation of GIs, and the clawback of well-known product names for use by EU producers. For a detailed discussion of EU-based GI rights and their implications under CETA, see Awad & Cadogan, *supra* note 23.



collective marks. In this context, foreign GI rightsholders are only able to register their products as certification marks, collective marks, or trademarks, but not as GIs. Therefore, the protection is restricted to what is recognized as protectable under the US *Lanham Act*<sup>57</sup> or under common-law rules.<sup>58</sup>

#### 4.0 Whether Blockchains Are Useful in the Protection of GI Rights

There are specific features of blockchain technology that may be useful in the protection and enforcement of GI rights. However, because conflicting international approaches inform the substantive aspects of GI laws, the impact of blockchain technology in this area is limited. The prospects and limits of the technology's integration with GI-based industries are discussed below.

One of the appealing aspects of the blockchain protocol is its ability to build and show transparency in supply chains. The technology's time-stamped feature, and the professed immutability<sup>59</sup> of each block along the chain, helps to validate the authenticity of consumer goods. A practical application of how this may work is illustrated by work done by the Provenance Project, a blockchain company that uses its technology to create a "digital 'passport' that proves authenticity (is this product what it claims to be?) and origin ... creating an auditable record of the journey behind all physical products."<sup>60</sup> The company used its platform in a pilot project with Indonesia's tuna fish industry to establish provenance along its supply chain.<sup>61</sup> In this context, tuna fish farmers used text messages to communicate relevant data on each catch to suppliers, which were then recorded and stored on a blockchain. By using smartphones, consumers could then access origin and traceability information about the catching, harvesting, sale, and distribution of the tuna. In another example, a Canadian-based business, Bridgehead Coffee, is using blockchain technologies to prove the authenticity of its coffee beans to consumers,<sup>62</sup> which it sources directly from farmers in developing countries. The idea is to build transparency in consumer markets by proving that Bridgehead coffee beans are genuinely fair trade and organic.

Blockchain technology applies to GIs as follows. GIs are place-based goods whose legal rights emanate from strong connections

between the product and its place of origin.<sup>63</sup> Blockchain protocols may help to authenticate the origin of GI goods and establish traceability along the products' supply chain. This potential relationship between the technology and GIs relates to the governance of GI industries. As Ganne explains in the context of brand counterfeits, "a brand owner using blockchain technology to record history of its products could ... inform customs and enforcement agencies that its products include crypto-embedded tag linked to blockchain that proves its origin."<sup>64</sup>

#### 4.1 Proving the Origin of GI Products

Blockchain technology is potentially useful in highlighting and positioning the value of GI designations by its ability to verify the authenticity of products. That is, blockchain can prove that a GI product originates from the place from which it claims its distinct reputational, quality, or characteristic, which is the GI-designated territory. Blockchain can also be used to convey and confirm product characteristics to consumers, thereby informing product choices.<sup>65</sup> For example, Quebec Ice Cider PGI<sup>66</sup> rightsholders could potentially use blockchain technologies to record data about the processing stages and distribution channels involved in transforming selected Quebec apples into distinctive-tasting commercial ice cider. This stamp of authenticity creates transparency in the ice cider value chain and may build brand loyalty in consumer markets.<sup>67</sup> By authenticating GI product supply chains, blockchain technologies may be beneficial to GI-intensive industries whose market share is substantially influenced by proof of provenance; that is, whereby customers are influenced to purchase goods whose quality or other reputational characteristics can be proven. Therefore, blockchain may help to reduce the prevalence or popularity of GI counterfeits in some markets, if consumers have strong associations with the provenance of GI goods.

#### 4.2 Compliance with Product Specification Within Producer Groups

For GI industries, the ability to help rightsholders prove the origin of their products is the most appealing and interesting aspect of blockchain technology. Related to this point is the potential usefulness of the technology in ensuring that all producers who use the GI designation comply with product specification requirements

57 *Trademark Act of 1946*, 15 USC § 1051 [*Lanham Act*]. See Christopher Haight Farley, "Looking Beyond the Known Story: How the Prehistory of Protection of Geographical Indications in the Americas Provides an Alternate Approach" in Calboli & Wee Loon, *supra* note 5, ch 9.

58 *Ibid.*

59 On immutability challenges in blockchain, see Carol Inoue Dick et al, "Blockchain Technology and Electricity Wholesale Markets: Expert Insights on Potentials and Challenges for OTC Trading in Europe" (2019) 12:5 *Energies* 832.

60 Provenance, "Blockchain: The Solution for Transparency in Product Supply Chains", online: <<https://www.provenance.org/whitepaper>>.

61 *Ibid.*

62 Provenance, "A Race to the Top: Bridgehead Coffee Is Reaching for Robust Transparency" (2 July 2019), online: <<https://www.provenance.org/news/people/a-race-to-the-top-bridgehead-coffee-is-reaching-for-robust-transparency>>.

63 Sometimes the relationship can be based on a questionable linkage between the GI goods and their place of origin. See Haiyan Zheng, "A Unique Type of Cocktail: Protection of Geographical Indications In China" in Calboli & Wee Loon, *supra* note 5, ch 16.

64 Emmanuel Ganne, *Can Blockchain Revolutionize International Trade?* (Geneva: World Trade Organization, 2018) at 66.

65 Bhavya Bhandari, "Supply Chain Management, Blockchains and Smart Contracts" (19 July 2018), online: SSRN <<https://ssrn.com/abstract=3204297>>.

66 Quebec's provincial GI legislation is an administrative measure governed by its Ministry of Agriculture, Fisheries and Food; see *supra* note 24.

67 Amir Khoury, "Brand Loyalty and Loyalty of Brands: A Symbiotic Relationship" (2014) 32:2 *J L Comm* 173.



mandated by their organization. “Product specification” refers to regulations created by a GI producer group to ensure that each product produced by, or related to, the GI designation is manufactured according to set rules and guidelines.<sup>68</sup> For example, in the European Commission’s GI regulation, to be registered as GIs products must “comply with a specification which shall include at least ... a description of the product, including the raw materials, if appropriate, as well as the principal physical, chemical, microbiological or organoleptic characteristics of the product.”<sup>69</sup> In effect, a producer is not allowed to knowingly use the GI designation on its product unless it has complied with all the processing requirements concerning the way in which the product is produced. The reason product specification is relevant to GI rights is that when one set of rules is followed by all who use the GI designation on their products, the specification builds on, and enables consistency in GI end products (this may be in taste, appearance, or effect on users).

Internationally, one of the main governance challenges of many GI industries is how to curb incidences of loose connection between the product and the specification that established the GI product. For example, the city of Varanasi in northern India is the home of a popular GI-designated product called Banarasi saree, a silk, hand-loomed garment worn on festive occasions, including by Indian brides during wedding ceremonies.<sup>70</sup> Competition from cheap counterfeit sarees from China has led some Banarasi saree producers to purchase and use the cheaper synthetic fabric in making sarees, which are then labelled as authentic GI silk Banarasi sarees.<sup>71</sup> In China, concerns over disconnections between oranges designated as GIs and compliance codes that should have been used to produce the product indicate that some GI products may not always be as distinctive as suggested by their labels.<sup>72</sup>

There may be a role for blockchain technologies in the administration and monitoring of compliance procedures

within GI producer groups. The technology can be useful in recording and tracking product specification compliance among GI producers. This may include a requirement that each producer complete a product specification compliance checklist by using a specific smartphone application, which then submits information in encrypted format to a blockchain platform, which in turn produces and keeps specific records and tags of each transaction. If compliance with GI product specifications can be verified by blockchain technologies, it may complement existing efforts to build transparency along GI supply chains.

#### 4.3 Addressing GI Counterfeits Through Blockchain Technologies: Issues

What happens if blockchain technology does what it says it will do—record and show GI provenance, have no foreseeable interoperability<sup>73</sup> challenges, and have minimal threats to its immutability? How useful blockchain technology will be in effectively mitigating GI counterfeits depends on the GI law of the jurisdiction in which the infringement occurs. For example, FETA cheese GI<sup>74</sup> rightsholders (whose origin is Greece) who use blockchain technologies to validate the authenticity of their products and to prevent the selling of counterfeit cheese in their consumer markets will find that infringement is subject to different receptions in at least three different jurisdictions. Because of continued opposition to the expansion of non-wine and spirit GI rights in the United States,<sup>75</sup> it will be very difficult to prove infringement outside the parameters of TRIPS article 22.2. Therefore, if the FETA name is used by a US cheese producer, but the true origin of the product is indicated as the United States, and the customer is not misled, there will be no infringement.<sup>76</sup> In Canada, there will likely be no infringement if the Canadian producer uses qualifiers (such as “kind,” “type,” or “style of”) to indicate that the cheese is not directly associated with Greece’s cheese, and the label clearly shows that the

68 See, for example, *Foundation for the Protection of the Traditional Cheese of Cyprus Named Halloumi v EUIPO*, Case C-569/18, in which the Court of Justice for the European Union was asked to determine the product specifications for Mozzarella di Bufala Campana (Mozzarella cheese), and whether product specifications created by the cheese producer group should also take into account national rules on geographical indications, which require GIs to be produced exclusively within certain areas. The court ruled that product specifications created by GI producer groups cannot preclude national laws on GIs.

69 EU No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on Quality Schemes for Agricultural Products and Foodstuffs, art 7(1)b.

70 See Yogesh Paia and Tania Singla, “‘Vanity GIs’: India’s Legislation on Geographical Indications and the Missing Regulatory Framework” in Calboli & Wee Loon, *supra* note 5, ch 14.

71 *Ibid.*

72 Xing Zhao et al, “The Effectiveness of Contemporary Geographical Indications (GIs) Schemes in Enhancing the Quality of Chinese Agri-Foods—Experiences from the Field” (2014) 36 J Rural S 77.

73 Blockchain interoperability deals with how scalable the technology is, the types of transactions it can handle, its ability to process and transmit varying types of information accurately across different systems, and how well different stakeholders are integrated into the platform. See Claudio Lima et al, “Developing Open and Interoperable DLT Blockchain Standards” (2018) 51:11 Computer 106.

74 FETA is a protected GI from Greece and is protected to a different extent globally. See European Commission, Agriculture and Rural Development, DOOR, online: <<http://ec.europa.eu/agriculture/quality/door/registeredName.html?denominationId=876>>.

75 For a summary of the United States’ position on non-wine and spirit GIs, see the recent submission by the United States to the World Intellectual Property Organization’s Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications, “Proposal by the Delegation of the United States”, Forty-First Session, Geneva 8–11 April 2019, online: <[https://www.wipo.int/edocs/mdocs/sct/en/sct\\_41/sct\\_41\\_7.pdf](https://www.wipo.int/edocs/mdocs/sct/en/sct_41/sct_41_7.pdf)>.

76 Lanham Act, §§ 2, 4.

product is produced in Canada.<sup>77</sup> This orientation toward GIs, specifically in cases concerning certain foods including cheeses, results from the economic partnership agreement between Canada and the European Union.<sup>78</sup> The legal outcome would be very different for a Greek FETA GI rightsholder attempting to eliminate counterfeits in the Caribbean. If a cheese or dairy producer in the Caribbean were to use the name FETA on its product, with labelling that indicates some differentiation from the Greece base product, a case for GI infringement can still be made. This is based on a robust provision in the free trade agreement between the European Union and CARIFORUM<sup>79</sup> countries that prevents CARIFORUM countries from using GI names, even if the true place of origin is noted on the packaging, and prevents qualifying words such as “like” or “imitation of” from being used.<sup>80</sup> In this context, the provenance abilities of blockchains (if the technology itself is effective and if it is in fact immutable) may help to support infringement claims prior to and even during litigation.

When differences in GI rights exist between jurisdictions, blockchain technologies have little or no impact on the protection of GI-based rights across jurisdictions. One concern, highlighted in section 2.0 above, relates to differences in the parameters of definitions of GIs between jurisdictions. Under Canada’s *Trademarks Act*, GIs are identified as agricultural and food-based products, or wine and spirits.<sup>81</sup> In other countries such as India and Switzerland,<sup>82</sup> GIs can be agricultural goods, natural goods, manufactured goods, or pharmaceutical products, which opens a wide range of products to GI registrability. While blockchain technology may be able to identify a product as infringing based on its non-conformity to a blockchain tagging system, if the product is not legally identifiable as a GI in the host country, the technology provides no extra benefit.

When GI protection is less favourable in foreign jurisdictions, a diversified approach to IP protection is recommended to mitigate

losses. If GI rightsholders can register their rights as trademarks in GI restrictive regimes, a level of protection is provided against trademark-related infringements in these markets. In this context, blockchain technologies may be useful in infringement claims to provide proof of ownership and authenticity of products.

#### 4.4 Blockchain Technologies as a Differentiated Platform for Registering Geographical Indications

Another relevant issue is how extensive the use of the technology should be in the law and governance of GIs. In terms of blockchain case studies and actual use of the technology in the IP realm, a few blockchain-based enterprises are using the technology to offer trademark and copyright registration platforms to IP owners.<sup>83</sup> It is therefore not impossible for GI rights to be “registered” on blockchains. I refer to this potential intersection as a differentiated platform because it exists outside the mainstream, traditional format of registering IP rights.

The real concern is the implications of such registration for rightsholders, for the development of GI protection and enforcement rights globally, and for the advancement of GIs as strong IP assets in international markets. One substantial difference between GIs and most other types of IP rights is that designations do well when there is involvement of or partnerships with government bodies.<sup>84</sup> These public-private relationships may be in the form of collaborations on product diversification initiatives, building service-oriented initiatives such as health tourism through partnerships with specific government organizations,<sup>85</sup> or promoting provinces, cities, or towns by affiliating the GI product with its place of origin.<sup>86</sup> GI registrations performed using blockchain technology facilitate differentiated platforms for the protection of GI rights. For the purposes of this article, a “differentiated platform” is defined as a framework created to achieve an objective, or some aspects of an objective, that is similar to that of a mainstream framework, through the use of very different

77 *Comprehensive Economic and Free Trade Partnership Agreement Between European Union and Canada*, ch 20.21, “Intellectual Property”, online: <<https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/text-texte/20.aspx?lang=eng>>. Furthermore, the “no-infringement ground” applies only if the Canadian FETA manufacturer was in business prior to 18 October 2013. A five-year transitional period also applies from the ratification of the agreement. In effect, this covers the Canadian user of the FETA cheese name (with qualifications specified in the text above) until 2022.

78 Awad & Cadogan, *supra* note 23.

79 CARIFORUM is a regional trading bloc of the following countries: Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St Lucia, St Vincent and the Grenadines, St Kitts and Nevis, Suriname, and Trinidad and Tobago.

80 *Economic Partnership Agreement Between the CARIFORUM States and the European Union*, art 145(3), online: <[https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:22008A1030\(01\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:22008A1030(01)&from=EN)>.

81 *Trademarks Act*, s 2.

82 See, for example, India’s GI legislation, *The Geographical Indications of Goods (Registration and Protection) Act*, 1999, No 48, online: <[http://www.ipindia.nic.in/writereaddata/Portal/IPOAct/1\\_49\\_1\\_gi-act-1999.pdf](http://www.ipindia.nic.in/writereaddata/Portal/IPOAct/1_49_1_gi-act-1999.pdf)>.

83 See Marsha Simone Cadogan, “How Blockchain Is Changing the Trademark Space” (30 August 2019), *UnscriPted: Views on Canadian Intellectual Property*, online: Intellectual Property Institute of Canada <<https://ipic.ca/english/blog/how-blockchain-technology-is-changing-the-trademark-space-2019-08-30.htm>> [Cadogan, “How Blockchain Is Changing the Trademark Space”].

84 For an insightful discussion on the role of the governance in GI industries, see Irene Calboli & Delphine Marie-Vivien, “One Size Does Not Fit All: The Roles of the State and the Private Sector in the Governing Framework of Geographical Indications” in Margaret Chon, ed, *The Cambridge Handbook of Public-Private Partnerships, Intellectual Property Governance, and Sustainable Development* (Cambridge, UK: Cambridge University Press, 2018) ch 14.

85 See Tamara Bubalo et al, “Geographical Indications of Origin in Serbia: Where the Past Fuels the Future” (27 April 2018), *CEE Legal Matters*, online: <<https://ceelegalmatters.com/serbia/8439-geographical-indications-of-origin-in-serbia-where-the-past-fuels-the-future>>.

86 For example, Canadian Cow Cheese from Quebec is a registered GI designation based on the interconnections between the cow, the region, and the processing of the milk to produce the cheese. See CARTV, “Designation of Specificity for Canadian Cow Cheese”, online: <<https://www.cartv.gouv.qc.ca/en/designation-specificity-fromage-vache-race-canadienne-canadienne-cow-cheese>>.

means. Furthermore, there is little or no connection between the differentiated platform and the mainstream legal framework. In the context of IP rights governance and administration, the relationship between blockchain enterprises that register IP, and mainstream ways of registering IP (that is, by lawyers, trademark agents, and IP offices), shows the workings of a differentiated platform. While IP registrations on blockchains are less costly than those facilitated by lawyers and IP offices,<sup>87</sup> without adequate oversight, the system may complicate an already conflicting<sup>88</sup> area of law.

One concern that relates to the protection of GI rightsholders' interest on the blockchain is the degree of interface between private blockchain enterprises and IP and trade regulatory bodies such as national intellectual property offices, the World Intellectual Property Organization (WIPO), or WTO platforms and resources. One of the objectives of blockchain is to replace the use of middle parties in transactions between buyers and sellers, service providers and users, and similar parties.<sup>89</sup> Because of their role in governing IP rules and facilitating improvements to IP frameworks, national and international IP organizations are still relevant to the 21st-century way of doing business. A limited or complete absence of tangible connections between IP regulatory bodies and blockchain platforms may result in a compromised level of GI protection in domestic and global markets. GI laws are evolving. For example, the European Union recently announced plans to join the *Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications*. This treaty cements a level of permanence of GI names in consumer markets by preventing competitors from using GI names on other products and prohibiting the names from becoming generic.<sup>90</sup>

How will this affect GI rightsholders seeking entry into EU markets once this treaty is ratified in EU countries? Canada is not a party to the treaty, but will new requirements be in place that go beyond CETA-style EU commitments for Canadian GI rightsholders?<sup>91</sup> How will blockchain technologies deal with these issues of differences in GI rights globally? The timeliness and frequency with which GI laws and practice notes are updated on blockchain platforms, and how accurate this information is, speaks volumes about how effective the linkage between blockchain technology and industry can be. The technology needs to accurately reflect the impact of a national GI registration for a rightsholder who seeks protection in diverse foreign markets, where different levels of GI protection have an impact on the sustainability of the product, and the rightsholders' market share in foreign markets. Furthermore, how will the technology handle GI

maintenance or renewals, when most jurisdictions, such as Canada and the European Union, do not require GI renewals, but some jurisdictions, such as India and China,<sup>92</sup> do? How does this work for a rightsholder who wants to register GIs in multiple jurisdictions that differ in their rules on renewals? These are legal and interoperability concerns that demand consideration based on the potential impact on rightsholders. In addition, because the technology is likely to compete with mainstream mechanisms for protecting IP, the concern includes the entire IP community.

#### 4.5 Geographical Indications and Smart Contracts: Connections and Concerns

Smart contracts are automated applications within the blockchain platform that perform specific functions or tasks if certain conditions are met. These functions or tasks include the payment of funds and the delivery of services such as electricity, health-care transactions, and similar tasks, as contemplated by the architecture of the platform.<sup>93</sup> They are termed "smart" because their automated function enables the conclusion of agreements on specific terms and conditions, without the use of legal representatives.

Smart contracts can be used either within GI producer groups or between GI producer groups and external distributors or other related stakeholders. For example, it may be possible for smart contracts to execute and conclude the terms on which products are to be transferred from GI farmers to food processors, thereby making decisions on what terms govern the release of funds between different producers along the supply chain. The architecture may also be potentially useful in transnational settings, by completing transactions between GI suppliers and external distributors across regions or countries, whereby funds are transferred to suppliers based on the receipt, shipment, or related arrangement as stipulated in the encoded agreement. These are forecasted possibilities that, according to my research, are not yet being done in industry but that are not impossible.

There are three concerns associated with the identified connections noted above. The first relates to the type of terms that would be specified in GI-related smart contracts, and whether these fairly represent the interests of producers. This is especially relevant if the producer is a start-up, with little or no knowledge or experience in the legal aspects of GI-based industries, or in the issues that may negatively affect its ability to generate revenue (in the short and long term). Since the process is automated, there is no negotiation of

87 See Cadogan, "How Blockchain Is Changing the Trademark Space", *supra* note 83.

88 See Daniel Gervais, "Irreconcilable Differences? The Geneva Act of the Lisbon Agreement and the Common Law" (11 February 2016), online: SSRN <<https://ssrn.com/abstract=2717287>>.

89 Daniel Macrinici, Cristian Cartofeanu & Shang Gao, "Smart Contract Applications Within Blockchain Technology: A Systematic Mapping Study" (2018) 35:8 *Telematics & Informatics* 2337.

90 *Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications*, arts 11(2), 12, online: <[https://www.wipo.int/edocs/lexdocs/treaties/en/lisbon/trt\\_lisbon\\_009en.pdf](https://www.wipo.int/edocs/lexdocs/treaties/en/lisbon/trt_lisbon_009en.pdf)>.

91 On GI concerns raised by CETA in Canada, see Awad & Cadogan, *supra* note 23.

92 Depending on which Chinese legislation the GI is registered under.

93 Tatiana Cutts, "Smart Contract and the Consumer" (5 April 2019), LSE Legal Studies Working Paper No 1/2019, online: SSRN <<https://ssrn.com/abstract=3354272>>; Jens Frankenreiter, "The Limits of Smart Contracts" (1 February 2019), online: SSRN <<https://ssrn.com/abstract=3328464>>. For an example of how this works in practice, see how smart contracts are used to facilitate the shipment of large cargo in specific regions: Biz4intellia, online: <<https://www.biz4intellia.com/smart-contract-solutions/>>.

terms, and parties are bound by the configured automated terms, as a means of executing the contract.

The second concern is how to approach problems when disputes arise from the execution of a smart contract between parties. In contract law, parties with power advantages often favour terms that benefit their position more than that of the other parties.<sup>94</sup> If parties to a GI smart contract have unequal bargaining power, the contractual terms, including on dispute resolution, may be more favourable to the more powerful party. These terms may include the choice of venue in resolving disputes, and the resolution of disputes outside the court system. In this context, disintermediation, noted in section 3.0 above as the process and ability of a mechanism to perform a task without third parties, may have a negative impact on the integrity of the IP system.

The lure of a smart contract lies in its ability to perform a task, or complex operations, at a lower cost than the more conventional route of using legal representatives. Cost may be a plus factor for GI smart contracts if disputes are fairly resolved. However, when dispute resolution problems arise, there is no guarantee of how and whether they can be successfully resolved, and whether third-party intervention by a court can be contemplated and achieved. Another concern is whether, as a legally binding mechanism that arose outside the legal system, smart contracts with their promised benefits of “privacy” and low cost present an opportunity cost for the availability of legal precedence on GI conflicts to the legal (and the broader) community. Dispute resolution issues that arise on the blockchain and are dealt with entirely through private means may not be captured by legal databases or archived and analytically discussed on the Internet. This shortfall affects the ability of the legal community and GI stakeholders to fully understand how the law is developing in this area, thereby undermining the creation and development of legal precedents.

The final concern with the use of GI smart contracts is a technical challenge associated with the scalability of the technology in terms of its accessibility by GI producers across different countries and sectors. GIs are an EU construct that has been steadily gaining in popularity internationally, especially as it relates to foods, since the mid-2000s.<sup>95</sup> Compared with the wine and spirit industry, food-based GI industries are relatively new to many jurisdictions, including Canada, outside the EU. Connecting complex technology with these industries on a large scale internationally will take time, and is bound to experience some problems. GI start-ups, or even established commodity producers in emerging and developed economies, may have an interest in automated platforms, but there may be no provider of the blockchain service or limited technological infrastructure to sustainably utilize the platforms. This is likely to be a substantial concern for GI industries located in countries with strained information, communication, and technology infrastructure, or in communities within Canada where there are challenges accessing Wi-Fi on smartphones in specific areas.

## 5.0 The Way Ahead

This analysis leads to the question of what role blockchain technologies should play in the law and governance of GI industries. The imperative concern is how to approach these relationships, and the type of oversight available to ensure minimal problems or abuses in the area. Any answer to this question should incorporate international platforms that deal with the development of GI laws, such as the World Intellectual Property Organization Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (WIPO SCT). The WIPO SCT is a forum that discusses, suggests, and makes rules on many critical issues in GIs, including on the protection of GI domain names in e-commerce environments. It is an existing platform that is useful to WTO members, including Canada, and interested stakeholders, to make recommendations and construct rules on how technologies interact with GIs, with specific reference to safeguarding the interest of GI rightsholders.

Also relevant is developing standard setting in the area of GIs and blockchain technologies. This is a broader engagement and is likely to work better as more diverse stakeholders are involved in the process. In this context, standard setting goes beyond company- or industry-specific standards on GIs, and therefore needs participation from GI entrepreneurs, the technology community, privacy experts, policy makers, lawyers, and academics.

Depending on how constructive these dialogues are, the recommendations should be helpful in creating workable foundations for the use of blockchain technologies (regardless of how limited the actual interaction is) in GI-based industries.

## 6.0 Conclusion

The use of blockchain technologies to support transparency and provenance claims along GI supply chains is helpful to GI industries. There are also potential benefits of blockchain technology in securing greater compliance within GI producer groups, and in the use of smart contracts in certain conditions. Until greater consistency in the protection of GI goods is achieved (there is still not enough support for this at the international level), blockchain technologies are not the most ideal solution to one of GI industries’ biggest problems—counterfeit challenges, and the inability to protect products effectively in foreign markets because of non-recognition or inadequate recognition of GI rights. The technology may complement existing GI enforcement initiatives. In terms of proving GI infringements where the designation is not legally recognized as a GI in the alleged infringing jurisdiction, the solution lies outside the technology—in reformed approaches to GI laws and better balancing of legal perspectives on GIs against more established trademark rights. These are still early days in the use of blockchain in the IP rights realm. Standards will be helpful in setting governance parameters for the technology’s interaction with GI laws and industries. Furthermore, framing rules on these issues at the international level will be useful in shaping how blockchain technologies interact with GI-based industries.

94 Benjamin E Hermalin, Avery W Katz & Richard Craswell, “The Law and Economics of Contracts” (12 June 2006), Columbia Law and Economics Working Paper No 296, online: SSRN <<https://ssrn.com/abstract=907678>>.

95 See Awad & Cadogan, *supra* note 23.



Daniela Bassan

# Copyright Cases 2019: Back to Basics and Plenty More

Daniela Bassan

## 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.

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## 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-responder 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*,<sup>1</sup> 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.<sup>2</sup> 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*.<sup>3</sup> That is, the jewellery designs were specific artistic expressions of wax seal images.<sup>4</sup>

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:<sup>5</sup>

<sup>1</sup> *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).

<sup>2</sup> 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).

<sup>3</sup> *Copyright Act*, RSC 1985, c C-42.

<sup>4</sup> 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.

<sup>5</sup> *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.*,<sup>6</sup> 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 proceeding<sup>7</sup> 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](http://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](http://www.afterlife.co/ca).<sup>8</sup>

<sup>6</sup> *Thomson v Afterlife Network Inc.*, 2019 FC 545 [Afterlife].

<sup>7</sup> 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.

<sup>8</sup> *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).<sup>9</sup> 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.<sup>10</sup> 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.<sup>11</sup> 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.”<sup>12</sup> 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.<sup>13</sup>

### 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*,<sup>14</sup> 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*.<sup>15</sup> 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.<sup>16</sup> 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 reconfirmed 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.<sup>17</sup>

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*.<sup>18</sup>

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.<sup>19</sup>

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).<sup>20</sup> 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.<sup>21</sup> 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,<sup>22</sup> 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*;<sup>23</sup>

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.<sup>24</sup>

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.<sup>25</sup>

#### 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.

<sup>24</sup> *Voltage Pictures* (No 1), *supra* note 21 at para 22.

<sup>25</sup> *Ibid* at paras 77–85.

## 2.5 Website Blocking Now Approved

In *Bell Media Inc v GoldTV.Biz*,<sup>26</sup> 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*<sup>27</sup> 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.<sup>28</sup>

In finding jurisdiction, the court relied on the decision of the Supreme Court in *Google v Equustek*,<sup>29</sup> 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.<sup>30</sup>

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.<sup>31</sup>

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*,<sup>32</sup> 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;

<sup>26</sup> *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).

<sup>27</sup> *Federal Courts Act*, RSC 1985, c F-7.

<sup>28</sup> 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).

<sup>29</sup> *Supra* note 17.

<sup>30</sup> *GoldTV*, *supra* note 26 at para 23.

<sup>31</sup> 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.

<sup>32</sup> *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.<sup>33</sup>

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*,<sup>34</sup> 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.<sup>35</sup>

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.”<sup>36</sup> On primary infringement, the court concluded that the pleadings failed to identify any “direct infringer” who could

<sup>33</sup> *GoldTV*, *supra* note 26 at para 52.

<sup>34</sup> *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).

<sup>35</sup> 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.

<sup>36</sup> *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.<sup>37</sup>

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.<sup>38</sup> First, the proceeding raised predominantly individual issues that would require a “complex, individually-tailored fact-finding process for each proposed class member.”<sup>39</sup> 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.<sup>40</sup>

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.”<sup>41</sup>

### 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*,<sup>42</sup> 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.<sup>43</sup> 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.<sup>44</sup>

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.<sup>45</sup> 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."<sup>46</sup> 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.*<sup>47</sup>

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.

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- 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 Hynnew*, 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*.<sup>48</sup>

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.<sup>49</sup>

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.<sup>50</sup>
- 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

<sup>48</sup> 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).

<sup>49</sup> *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.

<sup>50</sup> 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).<sup>51</sup> 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.<sup>52</sup>

The concurring justices Côté and Brown agreed with the majority that there was Crown copyright, but disagreed on the test for construing section 12.<sup>53</sup>

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.”<sup>54</sup> 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.*<sup>55</sup> [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*;<sup>56</sup>
- 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”;<sup>57</sup>
- 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
<b><i>Pyrha Design Inc v Plum and Posey Inc</i>, 2019 FC 129</b>	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.
<b><i>Thomson v Afterlife Network Inc</i>, 2019 FC 545</b>	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.
<b><i>ME2 Productions, Inc v DOE</i>, 2019 FC 214</b>	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.
<b><i>Voltage Pictures, LLC v Salna</i>, 2019 FC 1047</b>	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.
<b><i>Bell Media Inc v GoldTV.Biz</i>, 2019 FC 1432</b>	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.
<b><i>Voltage Pictures, LLC Canada v Salna</i>, 2019 FC 1412</b>	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.
<b><i>Albo v The Winnipeg Free Press et al</i>, 2019 MBQB 34</b>	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.
<b><i>Keatley Surveying Ltd v Teranet Inc</i>, 2019 SCC 43</b>	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.



Reagan Seidler

# Constitutionalized Rights to Indigenous Intellectual Property

Reagan Seidler\*

## Abstract

That modern intellectual property regimes fail to protect Indigenous traditional knowledge is well known. Solutions are less forthcoming. Canada is uniquely positioned to solve this legal gap by affirming and recognizing rights to traditional knowledge under section 35 of the *Constitution Act, 1982*. Through a conventional, even conservative, application of the leading case law, the article establishes that protecting traditional knowledge rights would be but a modest step forward in the jurisprudence. It offers step-by-step guidance to those interested in pursuing such a claim, including considerations of *sui generis* intellectual property rights and self-governance. Doing so is found to accord with many best practices on reconciliation, indicating that the solution is normatively as well as pragmatically appealing.

## Résumé

Il est bien connu que les régimes modernes de propriété intellectuelle (PI) ne réussissent pas à protéger les droits en matière de savoirs traditionnels autochtones. Les solutions sont encore moins au rendez-vous. Le Canada se retrouve dans une position unique pour combler ce vide juridique en confirmant et reconnaissant les droits en matière de savoirs traditionnels prévus à l'article 35 de la Loi constitutionnelle de 1982. En appliquant la jurisprudence fondamentale de façon conventionnelle, voire conservatrice, l'article précise que la protection des droits en matière de savoirs traditionnels constituerait cependant une modeste avancée dans la jurisprudence. L'article offre une orientation par étapes à toute personne qui envisage de demander ce genre de revendication, y compris des considérations de droits spéciaux de PI et d'autonomie. Le faire équivaut à se conformer à plusieurs pratiques exemplaires en matière de réconciliation, indiquant que la solution est intéressante, tant sur le plan normatif que pragmatique.

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\* Schulich School of Law, Halifax, Nova Scotia. The author thanks Andrea Bear Nicholas (St. Thomas University), Lucie Guibault (Dalhousie University), Naomi Metallic (Dalhousie University), and the reviewers for their input.

## 1.0 Introduction

It is no longer novel to observe that intellectual property (IP) laws fail to protect traditional knowledge.<sup>1</sup> Ancient languages are commercialized under licence.<sup>2</sup> Art is misappropriated and reproduced.<sup>3</sup> Plant and animal science is co-opted, at times patented, without recompense to its pioneers.<sup>4</sup> The flood of transgressions goes on. Canada's IP protections, focused as they are on new and original creations, are simply not suited to protect knowledge handed down intergenerationally.<sup>5</sup>

Scholars have released a torrent of scholarship calling attention to the problem; solutions have been less forthcoming. Howell and Ripley summarize the state of scholarship in noting that "the available literature is voluminous, but it is repetitious and often politically focused, lamenting the absence of protection and encouraging action. Few discuss what should be done or how remedial action could be formulated at a level of detail sufficient to be effectively implemented and enforced in law."<sup>6</sup> This legal absenteeism leaves Indigenous groups to manage as best they can. Several First Nations have internal guidelines for the use of

traditional knowledge within their territories.<sup>7</sup> Some look to private contracts as a means of protection.<sup>8</sup> Others resort to secrecy in an attempt to prevent dissemination.<sup>9</sup> None of these strategies, as the literature evidences, are sufficient to close the gap.

This article proposes a novel, made-in-Canada solution. Section 35 of the *Constitution Act, 1982* "recognizes and affirms" existing Aboriginal and treaty rights.<sup>10</sup> It is the contention of this article that section 35 provides a ready pathway by which Indigenous communities could protect their rights in traditional knowledge, requiring but a modest step forward in the jurisprudence. Although scholars have speculated that section 35 may be of use, an instructional gap exists as to how a claim could proceed in practice. This article fills that space.

Methodologically, this article employs a conventional doctrinal research approach.<sup>11</sup> It is a conservative doctrinal analysis in that it accepts the state of the law as it is and seeks to work within it. The basic analytic framework for section 35 is now well

- 1 Proceeding with the correct terminology is not an insignificant task. A term like "traditional knowledge" can be misleading in its suggestion that the knowledge at stake is anachronistic: see Gordon Christie, "Aboriginal Rights, Aboriginal Culture, and Protection" (1998) 36 Osgoode Hall LJ 447 at 465. It is the term encouraged by Robert Howell & Roch Ripley, "The Interconnection of Intellectual Property and Cultural Property (Traditional Knowledge)" in Catherine Bell & Robert K Paterson, eds, *Protection of First Nations Cultural Heritage: Laws, Policies and Reform* (Vancouver: UBC Press, 2009) 223 at 224 [Howell & Ripley]. This volume is arguably the leading Canadian text on the issue and has been well received by Bell and Paterson's contemporaries: see reviews by Katherine Pettipas (2010) 20:1 Great Plains Research 144; Andrea Laforet (2011) 34:1 Museum Anthropology 71. In the end, we understand there exist by virtue of Indigenous creative or dialogic processes that to which laws should apply regarding their use, transfer, and preservation — this we shall call "traditional knowledge." It is a broad definition, potentially referring to everything from artistic manifestations like songs, recipes, and sculptures to legal knowledge, medicinal expertise, and geographic or biological insights. Lastly, this paper adopts the Carpenter style guide by referring to specific groups by name when possible and using "Indigenous" otherwise, except as required by legal terms of art: see Lenny Carpenter, *Reporting on Indigenous Peoples* (Toronto: Journalists for Human Rights, 2017), online: <jhr.ca/en/wp-content/uploads/2017/12/JHR2017-Style-Book-Indigenous-People.pdf>.
- 2 A Montreal manufacturer has trademarked the Inuit word for a type of boot: see "Kamik," Genfoot Inc, Can, No TMA216457 (1 October 1976) registered.
- 3 Tonina Simeone, "Indigenous Traditional Knowledge and Intellectual Property Rights" (Ottawa: Library of Parliament, 2004) at 3.
- 4 *Ibid* at 3; Assembly of First Nations, "Aboriginal Traditional Knowledge and Intellectual Property Rights" (undated) Discussion Paper at 8, online: <afn.ca/uploads/files/env/atk\_and\_ip\_considerations.pdf> [AFN Discussion Paper].
- 5 See Marie Battiste, "Indigenous Knowledge — Foundations for First Nations" (2005) 1 World Indigenous Nations Higher Ed Consortium J 1 at 11; Simeone, *supra* note 3; Howell & Ripley, *supra* note 1 at 227; AFN Discussion Paper, *supra* note 4 at 7. Indigenous creators do try to avail themselves of conventional protections when possible. British Columbia's Snuneymuxw First Nation holds trademarks over petroglyph designs to prevent their unauthorized reproduction: "Petroglyph & Design," Snuneymuxw First Nation, Can, No 0910398 (13 October 1998) advertised. Ontario's M'Chigeeng First Nation has registered a copyright over a piece of law: *M'Chigeeng First Nation Custom Election Code* (literary) M'Chigeeng First Nation, Can 1034845 (15 December 2005) registered. For more, see Robert K Paterson, "Canadian and International Traditional Knowledge and Cultural Expression Systems" (2017) 29:2 IPJ 191 at 236ff.
- 6 Howell & Ripley, *supra* note 1 at 225.
- 7 See Gwich'in Tribal Council, *Working with Gwich'in Traditional Knowledge in the Gwich'in Settlement Region* (21 January 2004), online: <www.grrb.nt.ca/pdf/GTCTKPolicy.pdf>; First Nation of Na-Cho Nyak Dun, *Traditional Knowledge Policy* (4 February 2008), online: <www.yumpu.com/en/document/read/18048040/traditional-knowledge-policy-framework-first-nation-of-na-cho->; Chiefs in Ontario, *First Nations Environmental Assessment Toolkit for Ontario* (Toronto: Chiefs in Ontario, 2009) at section 3; for more, see online: <coeatoolkit.org/traditional-knowledge.php>..
- 8 AFN Discussion Paper, *supra* note 4 at 5.
- 9 *Ibid*.
- 10 *Constitution Act, 1982*, being Schedule B to the *Canada Act 1982* (UK), 1982, c 11, s 35.
- 11 See Terry Hutchinson, "Doctrinal Research" in Dawn Watkins & Mandy Burton, eds, *Research Methods in Law* (New York: Routledge, 2013) 7. A similar research approach is used in David Leitch, "Canada's Native Languages: The Right of First Nations to Educate Their Children in Their Own Languages" (2006) 15 Const Forum Const 107.



established in leading cases of such as *Sparrow*<sup>12</sup> and *Delgamuukw*.<sup>13</sup> I acknowledge that there are those who are critical of how section 35 has been interpreted and who wish further claims would proceed under a fresh, Indigenized analytic approach.<sup>14</sup> Others too suggest the most interesting avenues for Aboriginal rights litigation lie not in section 35, but in uses of the *Canadian Charter of Rights and Freedoms*,<sup>15</sup> section 91(24),<sup>16</sup> or international law.<sup>17</sup> However meritorious these suggestions might be, our present purpose is closer to that of an *amicus curae* than a reformer. The article provides practical insights on how to found a traditional knowledge claim with as little legal innovation as possible.

Section 2.0, the bulk of the article, provides the doctrinal core of the section 35 analysis. Subsections break down aspects of the relevant legal test, offering instruction on the implications of framing a right, how to address extinguishment, how to know a statute infringes a right, and whether such infringements are justified. In section 3.0, a brief discussion considers the merits of a section 35 solution, including its potential to advance reconciliation. The article concludes by noting avenues for further research to advance the section 35 solution in scholarship and in practice.

## 2.0 Doctrinal Analysis

Indigenous rights were constitutionalized in the *Constitution Act, 1982*. Section 35(1) states that “[t]he existing aboriginal and treaty rights of the aboriginal people in Canada are hereby recognized and affirmed.” Section 35(2) clarifies that these protections cover all Indian, Inuit, and Métis people, while section 35(3) provides, for greater certainty, that the mention of “treaty rights” includes rights that exist by virtue of modern or future land claims agreements. Indigenous communities have used section 35 to give effect to a range of rights,

including the right to fish, to hunt, to move goods across borders, and to assert rights over traditional lands. The four-part section 35 framework begins with guidance from *R v Sparrow*.<sup>18</sup>

### 2.1 Step One: Establishing the Right

The first step is to establish the right being asserted. Note that section 35 covers “existing aboriginal and treaty rights.” The two being distinct, either may provide the basis for a claim.

We know that the source of an Aboriginal right is a people’s historic occupation of land in what is now Canada. As Lamer CJC wrote in the leading case of *Van Der Peet*:

The doctrine of aboriginal rights exists, and is recognized and affirmed by s. 35(1), because of one simple fact: when Europeans arrived in North America, aboriginal peoples were *already here*, living in communities on the land, and participating in distinctive cultures, as they had done for centuries.<sup>19</sup>

In order to be an Aboriginal right, an activity “must be an element of a practice, custom or tradition integral to the distinctive culture of the aboriginal group claiming the right.”<sup>20</sup> “Integral,” in this context, means a “defining feature” of the culture. One is to ask “whether, without this practice . . . , the culture in question would be fundamentally altered or other than what it is.”<sup>21</sup> The court has given “culture” an expansive meaning in recent years, explaining, “What is meant by ‘culture’ is really an inquiry into the pre-contact way of life of a particular aboriginal community, including their means of survival, their socialization methods, their legal systems, and, potentially, their trading habits.”<sup>22</sup> It is also necessary that the claimant establish that the custom in question has continuity with a custom that predates European contact.<sup>23</sup> Note that this does not require an “unbroken chain” but is rather a purposive measure to reflect that section 35, at its core, is meant to reconcile

12 *R v Sparrow*, [1990] 1 SCR 1075, 70 DLR (4th) 385 [*Sparrow*].

13 *Delgamuukw v British Columbia*, [1997] 3 SCR 1010 [*Delgamuukw*].

14 See Dimitrios Panagos, *Uncertain Accommodation: Aboriginal Identity and Group Rights in the Supreme Court of Canada* (Vancouver: UBC Press, 2016); Gordon Christie, “A Colonial Reading of Recent Jurisprudence: *Sparrow*, *Delgamuukw* and *Haida Nation*” (2005) 23 Windsor YB Access Just 17. For a more optimistic view that section 35 already represents an intersection between Canadian and Indigenous law, see Richard Ogden, “Existing Aboriginal Rights in Section 35 of the Constitution Act, 1982” (2009) 88 Can Bar Rev 51.

15 Dwight Newman, “Arguing Indigenous Rights Outside Section 35: Can Religious Freedom Ground Indigenous Land Rights, and What Else Lies Ahead?” in Thomas Isaac, ed, *Key Developments in Aboriginal Law 2019* (Toronto: Carswell, 2019).

16 Kerry Wilkins, “Life Among the Ruins: Section 91(24) After Tsilhqot’in and Grassy Narrows” (2017) 55:1 Alta L Rev 91; Brian Bird, “Federal Power and Federal Duty: Reconciling Sections 91(24) and 35(1) of the Canadian Constitution” (2011) 16:1 Appeal 3; Kent McNeil, “Aboriginal Title and the Division of Powers: Rethinking Federal and Provincial Jurisdiction” (1998) 61:2 Sask L Rev 431.

17 See several compelling chapters in Centre for International Governance Innovation, *UNDRIP Implementation: Braiding International, Domestic and Indigenous Laws* (Waterloo, ON: Centre for International Governance Innovation), online: <<https://www.cigionline.org/sites/default/files/documents/UNDRIP%20Implementation%20Special%20Report%20WEB.pdf>>.

18 *Sparrow*, *supra* note 12.

19 *R v Van der Peet*, [1996] 2 SCR 507 at para 30 [*Van der Peet*] [emphasis in original].

20 *Ibid* at para 46.

21 *Ibid* at para 59.

22 *R v Sappier*; *R v Gray*, 2006 SCC 54 at para 45.

23 *Ibid* at para 63.

Crown sovereignty with the reality that distinctive societies existed prior to European contact.<sup>24</sup> Though little scholarship is available in this regard, prior authors have commented that this framework should be amenable to traditional knowledge claims:

While, unquestionably, the Court in *Van der Peet* had in mind (minimally) protecting physical activities, the test it lays out ... seems oddly constructed to work well in relation to narratives, ceremonies, and other intellectual products.<sup>25</sup>

Treaty rights stem from agreements made with the Crown. The focus of analysis is on determining the intention of the parties at the time the treaty was signed, keeping in mind that the honour of the Crown is at stake and it is always that assumed the Crown intends to fulfill its promises.<sup>26</sup> Determining the scope of a treaty right requires a consideration not only of the written records, but also the knowledge of Indigenous peoples and the context in which an agreement was made.<sup>27</sup> Indigenous groups should make use of their treaties to ground IP rights if possible. The *Huron-British Treaty of 1760* includes, for instance, a promise that the Hurons must be “allowed the free Exercise of their Religion [and] their Customs.”<sup>28</sup> To the extent that Huron culture includes customs around the use of traditional knowledge, the treaty may provide a starting point for analysis.

### 2.1.1 Framing the Right

To assert a right, a claimant must first decide what the content of that right is. This choice carries enormous strategic consequences. To begin with, the content of the right must be fit for purpose. This purpose can be defensive, positive, or both.<sup>29</sup> A defensive use would allow an Indigenous right holder to resist an action against them, particularly an action for infringement. Analogous to equitable doctrines like estoppel, a defensive use is a shield that prevents enforcement of a monopoly to the extent that the statutory right conflicts with the Aboriginal or treaty right. A positive use would claim a property right in and over something,

making it possible to enforce that right to the exclusion of others. In many cases, defensive and positive uses go hand in hand, because recognition of a property right in something necessarily permits one to use it accordingly.

Second, the content of the right must be supported in fact and law. Framing a right too narrowly or too broadly may sink the case. One recalls the fate of the Indigenous claimants in *R v Pamajewon*, whose assertion that a right of self-government included the right to regulate gambling was rejected by the Supreme Court as an “excessive generality.”<sup>30</sup> To get a picture of what rights may exist — and, later, how they might be used — consider the complications surrounding the recent publication of a book of Maliseet stories.

The Maliseet (Wolastoqiyik) are a First Nations people whose traditional territories lie in the watershed of the Saint John River in New Brunswick, Maine and Quebec, and all the way to the St. Lawrence. About 7,600 live in Canada today, primarily residing in the communities of Madawaska, Kingsclear, Oromocto, Saint Mary's, Tobique, and Woodstock.<sup>31</sup> Between 1971 and 1984, Maliseet elders worked with University of New Brunswick professor Laszlo Szabo to record nearly 40 tapes comprising some 655 of their nation's traditional stories.<sup>32</sup> Dr. Szabo made extensive use of these tapes, transcribing and translating the stories into no less than 12 volumes.<sup>33</sup>

By the early 1990s, as many of the storytellers began to pass on, community interest turned to publishing the stories contained in the tapes. This necessitated a dialogue with Dr. Szabo because the professor, having recorded the stories, likely gained certain rights over the tapes.<sup>34</sup> This led to a period of legal uncertainty that stalemated publication. The Maliseet community had no interest in publishing the stories under the professor's name, because doing so “would have been tantamount to surrendering claim to the oral traditions of their elders,” yet they also feared being sued for potential infringement.<sup>35</sup> None of the storytellers lived to see their stories in print by their descendants.

24 *Ibid* at paras 65, 44.

25 Christie, *supra* note 1 at 476.

26 *R v Badger*, [1996] 1 SCR 771 at para 41 [Badger].

27 *R v Marshall*, [1999] 3 SCR 456 at paras 9–14 and 41 [Marshall I].

28 *Huron-British Treaty of 1760*, 5 September 1760, online: <www.rcaanc-cirnac.gc.ca/eng/1361456241366/1581293495454>.

29 For background on defensive versus positive protections, see World Intellectual Property Office, *Traditional Knowledge and Intellectual Property — Background Brief* (accessed 21 March 2019), online: <wipo.int/pressroom/en/briefs/tk\_ip.html>.

30 *R v Pamajewon*, [1996] 2 SCR 821 at para 27, 138 DLR (4th) 204 [Pamajewon].

31 See Tom McFeat writing for *The Canadian Encyclopedia*, *sub verbo* “Wolastoqiyik (Maliseet)” (edited 10 October 2018), online: <www.thecanadianencyclopedia.ca/en/article/Maliseet>; Woodstock First Nation, “History” (accessed 10 July 2019), online: <www.woodstockfirstnation.com/history/>; Andrea Bear Nicholas, “History of the Maliseet First Nation at Kingsclear to 1950” (June 2013), online: <www.kingsclear.ca/about/history/>; Andrea Bear Nicholas, “A Summary History of St. Marys to 1950” (1 December 2005), online: <www.stmarysfirstnation.com/about.html>.

32 See the reference in Thomas Parkhill, *Weaving Ourselves into the Land* (Albany, NY: State University of New York Press) at 203.

33 See Laszlo Szabo, “Malecite Stories: Contents, Characters, Motifs” (1988) 13:2 *Studies in Can Lit* 157, online: <journals.lib.unb.ca/index.php/SCL/article/view/8083>. These works currently reside in the Canadian Museum of Civilization.

34 *Copyright Act*, RSC 1985, c C-42, s 18.

35 Andrea Bear Nicholas, testifying before Canada, Parliament, House of Commons, Standing Committee on Industry, Science and Technology, Evidence, 42nd Parl, 1st Sess, No 106 (7 May 2018) at 18, online: <www.ourcommons.ca/Content/Committee/421/INDU/Evidence/EV9842758/INDUEV106-E.PDF> [Bear Nicholas HOC].

In 2015, a decision was made to publish the stories notwithstanding the legal implications.<sup>36</sup> They contemplate that another 10 books may be produced.<sup>37</sup> In publishing *Glooskap*, the families not only accepted the risk of litigation, they in fact “look[ed] forward to being sued, so that the matter might be settled in court.”<sup>38</sup>

The respective rights of the Maliseet community and Dr. Szabo’s estate have not been litigated. Notwithstanding how that may end, for our purpose, the circumstance is useful as an illustration of how claims may be framed and used.

### 2.1.2 Deciding on the Content of the Right

Some claims lend themselves to purely defensive uses. Claiming a right to publish books of one’s own stories is an example. It would permit a community to put out a book like *Glooskap*, but could do nothing to prevent others from reprinting them later, in the way a copyright would.

Claiming a right to publish one’s own stories also seems too broad to be successful in court. This is especially true if there is a commercial aspect involved. Substantiating this claim would require a community to adduce evidence that book publishing was integral to their culture prior to European contact. Succeeding on this point would seem difficult unless publishing was specifically provided for in a treaty.<sup>39</sup>

What may succeed is a narrower claim — for example, that a community has a right to share among themselves traditional stories in their own language. That traditional stories are so integral to Indigenous culture as to warrant section 35 protection is beyond debate.<sup>40</sup> Records (such as tapes) showing that

community members had centuries-old stories in their minds can be used as evidence that the practice existed pre-contact. While written texts may not have been widespread, rights are not frozen in time — they are to be interpreted flexibly so as to permit their “evolution” rather than “affirmed ... in their primeval simplicity.”<sup>41</sup> After all, many Indigenous languages took no written form until quite recently.<sup>42</sup> The publishing of stories in one’s native language could easily be framed as an evolution of storytelling from one person to another, and would be fully in keeping with the theme of recognition expressed in section 35 cases.<sup>43</sup> Lastly, the fact that these books would be in an Indigenous language also gives the right an “inherent limit,” making the claim less contentious and therefore easier to recognize.<sup>44</sup>

There does exist a near-precedent — albeit a heartbreaking one — for a defensive use of section 35 with respect to traditional knowledge rights. In August 2014, an 11-year-old girl from the Six Nations of the Grand River was diagnosed with leukemia. Scientific evidence indicated that she had a 90 percent chance of recovery with chemotherapy and no chance of survival without. The child’s mother opted to withdraw her daughter from treatment in favour of traditional longhouse medicine. The issue became one of child protection: could the hospital force the daughter’s return? The answer from the Ontario Court of Justice was no. The court recognized traditional medicine as a practice “rooted in [Six Nations] culture from its beginnings” and thereby protected by section 35, cautioning that “a right cannot be qualified as a right only if it is proven to work by employing the western medical paradigm.”<sup>45</sup>

The case’s precedential scope is limited. It is merely a trial-level decision holding, at its most narrow, that Indigenous people cannot be coerced into using Western medicine. Even so, it is

36 Andrea Bear Nicholas, *Keloskapeyal naka Kansohseyal Atkohkakanol*, translated as *Glooskap and Other Old Stories* (Ottawa: Canadian Association of University Teachers, 2017).

37 Bear Nicholas HOC, *supra* note 35 at 22.

38 *Ibid* at 18. For more, see Andrea Bear Nicholas, “Who Owns Indigenous Cultural and Intellectual Property?” (27 June 2017), online: <policyoptions.irpp.org/magazines/june-2017/who-owns-Indigenous-cultural-and-intellectual-property>; Canadian Association of University Teachers, “Copyright Act Review an Opportunity to Press Feds on Aboriginal Issues” (October 2016), online: <caut.ca/bulletin/2016/10/copyright-act-review-opportunity-press-feds-aboriginal-issues>; Shawn Goff, “Prof Upholds Maliseet Stories, Languages in New Book” (21 February 2017), *The Aquinian*, online: <theaquinian.net/prof-upholds-maliseet-stories-language-new-book/>.

39 The Maliseet are party to four Peace and Friendship treaties dating to 1713, 1725/26, 1749, and 1760: see Indigenous and Northern Affairs Canada, *Peace and Friendship Treaties* (10 December 2015), online: <www.rcaanc-cirnac.gc.ca/eng/1360937048903/1544619681681>; see also Maliseet Nation of New Brunswick, “Submission to the Expert Panel for the Review of Environmental Assessment Processes” (23 December 2016) at 2, online: <stmarysfirstnation.com/consult/nb-maliseet-submissions-to-the-ea-expert-panel.pdf>. The 1713 treaty is generally not included in Canadian lists because it was signed with the Colony of Massachusetts. Treaties on similar terms were signed with the Mi’kmaq of Atlantic Canada and were considered in *Marshall I*, *supra* note 27.

40 *Hamilton Health Sciences Corp v DH*, 2014 ONCJ 603 at para 78 [*Hamilton Health Sciences Corp*]; see also Leitch, *supra* note 11; Lorena Lafontaine et al, “What Canada’s New Indigenous Languages Law Needs to Say and Say Urgently” (15 September 2017) *Observatoire international des droites linguistiques* (blog), online: <www.droitslinguistiques.ca/blogue/6-blogue/458-what-canadas-new-indigenous-languages-law-needs-to-say-and-say-urgently?lang=en>.

41 *Sparrow*, *supra* note 12 at para 27; see also *Van der Peet*, *supra* note 19 at para 64; *McLeod Lake Indian Band v Chingee*, [1998] FCJ No 1185 at para 10, 165 DLR (4th) 358 (TD).

42 The Maliseet language did not take written form until 1899: Montague Chamberlin, *Maliseet Vocabulary* (Cambridge, MA: Harvard Cooperative Society, 1899), online courtesy of UNB: <web.archive.org/web/20051025053605/http://www.lib.unb.ca/Texts/Maliseet/vocabulary/>.

43 See, for example, *Haida Nation v British Columbia (Minister of Forests)*, 2004 SCC 73 at para 14.

44 *R v Gladstone*, [1996] 2 SCR 723 at para 57 [*Gladstone*].

45 *Hamilton Health Sciences Corp*, *supra* note 40 at paras 80, 81.

a valuable authority to have. Should the next claim concern the right to use a traditional medicine under patent, as has been known to happen,<sup>46</sup> the case supports the proposition that traditional knowledge is the sort of historic practice that can override statutory law.

Claims can also be framed positively to ground enforceable IP rights. The assertion that communities hold *sui generis* rights over their traditional knowledge is essentially an Aboriginal title claim to intellectual property. Section 35 has been used to protect property rights before, notably to land. From this jurisprudence we can predict the analytic framework that the court will likely develop to consider a traditional knowledge rights claim.

First, we know the source of Aboriginal title to land is pre-contact occupation. It arises out of the recognition that “when the settlers came, the Indians were there, organized in societies and occupying the land as their forefathers had done for centuries.”<sup>47</sup> One should assume that the court will recognize the same origin for IP rights.

If so, an IP right claim should be within reach. Indigenous communities have the same historic relationship with their traditional knowledge as they do with their historic territories. At times, they are inseparable. As put by the Dene of Treaty 11, “The Land is the boss of culture.”<sup>48</sup> Catherine Bell argues this is the case for totem poles in British Columbia.<sup>49</sup> Although totem poles at common law fall somewhere between fixtures and chattels, the customary law of the Gitksan views them firmly as part of the land. As one Gitksan chief describes:

When a chief is planning to raise the pole, it is very important because he thinks back on his territory where he would put all ... the power and authority that he has and he will put all the crests in his adawx [verbal record of lineage’s history] on this pole. ... The pole represents ... the power and ownership of the territory. The ... totem poles that you see standing have these — and they’re not just standing there for nothing.<sup>50</sup>

This is helpful at a practical level because it means that certain manifestations of traditional knowledge may see rights run with the land. Australian scholar Stephen Gray, after examining a custom analogous to that of the Gitksan whereby an Indigenous community records its history and relationship to the land using paintings, concludes, “a relationship of this type between art and land ... is arguably sufficient to establish that the relevant laws are a nature or incident of aboriginal native title to land.”<sup>51</sup> Other, less tangible mediums — like Maliseet stories — may not be so neatly wrapped up, though arguably they too tie a people to their territory. Such connections may also be helpful for groups claiming traditional rights from modern treaties, because they ensure that the phrase “land claims agreements” is not interpreted so as to suggest that section 35(3) protects only rocks and trees.<sup>52</sup>

Second, we can expect the court will want to identify the bundle of *sui generis* rights \*\*\*by “precise” reference to the community’s laws and traditional way of life.<sup>53</sup> The court in *Delgamuukw* rejected the notion that Aboriginal title to land encompasses only the practice of those rights “integral” to a culture, as in *Van der Peet*. Rather, as is appropriate to property, rights are wider, allowing uses for “a variety of purposes.”<sup>54</sup> The only limit to these uses is that they not be “irreconcilable” with the group’s attachment to the land — or, in an IP context, the traditional knowledge itself.<sup>55</sup>

What might that resulting bundle of rights look like? We should expect at least two features from land rights to carry over. The first is communality. One aspect of Aboriginal title to land is that it cannot be held by an individual; it is a communal right.<sup>56</sup> Another feature is that the title is inalienable to all except the Crown. Both of these features extend from the irreconcilability principle. Because Aboriginal title finds its source in a “relationship” with the land, a sale would end that relationship, and their rights along with it.<sup>57</sup> We expect that Aboriginal IP rights would also find their source in a community’s relationship with its traditional knowledge, so it should be expected that the same logic will apply to these rights as well. An exploration of a community’s own laws would be informative on this point in articulating what uses would be “irreconcilable” with their traditional form.

46 Heather A Sapp, “Monopolizing Medicinal Methods: The Debate over Patent Rights for Indigenous Peoples” (2006) 25:2 Temp J of Sci Tech & Envtl L 191.

47 *Calder et al v Attorney-General of British Columbia*, [1973] SCR 313 at para 26, 34 DLR (3d) 145 [Calder].

48 As recorded in *Report of the Royal Commission on Aboriginal Peoples: Restructuring the Relationship*, vol 2 (Ottawa: Supply and Services Canada, 1996) at 114, online: <data2.archives.ca/e/e448/e011188230-02.pdf> [Royal Commission].

49 Catherine Bell, “Restructuring the Relationship: Domestic Repatriation and Canadian Law Reform” in Bell & Paterson, eds, *Protection of First Nations Cultural Heritage: Laws, Policy and Reform*, supra note 1, 15 at 26.

50 *Ibid.*

51 Stephen Gray, “Peeking into Pandora’s Box — Common Law Recognition of Native Title to Aboriginal Art” (2000) 9 Griffith L Rev 227 at 237.

52 See also Leitch, supra note 11 at 114.

53 *Delgamuukw*, supra note 13 at para 194.

54 *Ibid* at para 117.

55 *Ibid.*

56 *Ibid* at para 115.

57 *Ibid* at para 129..

Lastly, if opting to leap rather than step forward, one might assert that Indigenous laws on traditional knowledge supersede those applied by Parliament. This is an assertion of self-government. If successful, it entails both a defensive and positive impact, because the substance of those laws would almost certainly grant the community *sui generis* rights over their traditional knowledge and the jurisdiction to govern their use.

Indigenous communities have a wide array of laws that both determine the content or “bundle” of rights subsisting in their traditional knowledge and govern how those rights can be used. For example:

- Crests, motifs, designs and symbols, and herbal and medicinal techniques are owned by certain individuals, families, or clan members.
- Artistic aspects of traditional knowledge, such as songs, dances, stories, dramatic performances, and herbal and medicinal techniques, can only be shared in certain settings or spiritual ceremonies with individuals who have earned, inherited, and/or gone through a cultural and/or educational process.
- Art forms and techniques as well as herbal and medicinal techniques cannot be practised, and/or certain motifs cannot be used, until the emerging trainee has apprenticed under a master of the technique.
- Certain ceremonial art and herbal and medicinal techniques can be shared only for specific internal Indigenous cultural and/or spiritual reasons and within specific Indigenous cultural contexts.<sup>58</sup>

The specific right or claim asserted under section 35 will depend on the traditions of the local community. As the Truth and Reconciliation Commission (TRC) notes, “Indigenous law is

diverse; each Indigenous nation across the country has its own laws and legal traditions.”<sup>59</sup>

Those developed by the Maliseet present as one case study. In 2009, the Maliseet Nation Conservation Council developed a “Traditional Knowledge Protocol.”<sup>60</sup> While its pith and substance is not the specific delineation of IP rights (as is the case with Canadian statutes), it does apply to — and potentially conflict with — much of what would be the purview of IP legislation. In scope, the protocol applies broadly, including to artistic works, stories, songs, tools, and primary research materials gathered from Maliseet people. Like Canadian statutes, it establishes an agency for its implementation, the Maliseet Research Review Board (MRRB). Again, while not in pith and substance about establishing the content and assignment of IP rights, it does assert that all forms of traditional knowledge “are and must remain the collective property and responsibility of our people.”<sup>61</sup> It implies protections of unlimited term, both by (1) allowing the MRRB to identify and establish “claims” to cultural materials in the public domain and (2) requiring that the Maliseet be credited as rights owners even after statutory copyright periods expire. It also controls what can be done with Maliseet cultural property, allowing the MRRB to prohibit the display or publication of such property and to sanction those who defy their orders. It is, in sum, a sophisticated and multi-faceted law, and one that operates in much the same space as laws of Parliament.<sup>62</sup>

There are several authorities that one might cite in support of a self-government claim. On matters pertaining to social and civil rights, courts have long recognized Indigenous customs as a source of law that survived the assertion of Crown sovereignty. The leading case is *Connolly v Woolrich*, a decision handed down a mere nine days after Confederation.<sup>63</sup> The Quebec Superior Court was asked to decide the legitimacy of a marriage between a Quebec man and a Cree woman solemnized according to the customs of her tribe. The court found the marriage valid, holding that European settlement did not accompany a wholesale displacement of Indigenous laws. Monk J stated:

58 Gregory Younging, “Gnaritas Nullius (No One’s Knowledge): The Public Domain and Colonization of Traditional Knowledge” (Paper delivered at the Seventeenth Session of the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore concerning experiences from Canada, 6 December 2010) at 4.

59 Truth and Reconciliation Commission of Canada, *Canada’s Residential Schools: Reconciliation—The Final Report of the Truth and Reconciliation Commission of Canada*, vol 6 (Winnipeg: TRC, 2015) at 45, online: <nctr.ca/assets/reports/Final%20Reports/Vol-ume\_6\_Reconciliation\_English\_Web.pdf> [TRC Final].

60 Maliseet Nation Conservation Council, *Traditional Knowledge Protocol* (St Mary’s First Nation, NB: Maliseet Nation Conservation Council: 2009), online: <achh.ca/wp-content/uploads/2018/07/Protocol\_TK\_Maliseet.pdf>.

61 *Ibid* at appendix B, part I, section F.

62 Note that it is not necessary that a community codify its IP laws in order to be given effect. See Lord Denning in *R v Secretary of State for Foreign and Commonwealth Affairs*, [1982] 2 All ER 118 at 123, [1982] 2 WLR 641 (EWCA) (“In early societies custom is the basis of law. Once a custom is established it gives rise to rights and obligations. ... These customary laws are not written down. They are handed down by tradition from one generation to another. Yet beyond doubt they are well established and have the force of law within the community”); quoted with approval in *Harpe v Massie and the Ta’an Kwäch’än Council*, 2005 YKSC 54 at para 46; and *Campbell et al v AG BC/AG Cda & Nisga’a Nation et al*, 2000 BCSC 1123 at para 85.

63 *Connolly v Woolrich* (1867), 11 LCJ 197, 17 RJRQ 75, aff’d (1869), 1 RL 253 (QCCA) [*Connolly*]; also cited with approval in *Yew v BC (Attorney General)* (1923), [1924] 1 WWR 753 at para 43 [WL], [1924] 1 DLR 1166 (CA) (“the learned Judge came, I think, to the right conclusion, and a judgment given nearly sixty years ago which is peculiarly adapted to the social requirements of the development of our great country, vast portions of which are still in a wild state, should not be lightly disturbed”).



Will it be contended that the territorial rights, political organization ... or the laws and usages of the Indian tribes were abrogated; that they ceased to exist when these two European nations began to trade with the aboriginal occupants? In my opinion, it is beyond controversy that they did not, that so far from being abolished, they were left in full force, and where not even modified in the slightest degree in regard to the civil rights of the natives.<sup>64</sup>

It was but the first in a series of judgments predating the *Constitution Act, 1982* that recognized the legitimacy of marriages performed under Indigenous customs.<sup>65</sup>

The applicability of *Connolly* is not restricted to marriage.<sup>66</sup> In a landmark case concerning adoption, the BC Court of Appeal cited *Connolly* — “a most remarkable authority in this field” — in holding that customs of the Stellaquo Band were sufficient to ground a parentage claim. At issue in the case of *Casimel* was whether the biological grandparents of a deceased motorist, who had raised the deceased from birth and were regarded by the community as his parents, were entitled to be treated as such for the purposes of recovering under British Columbia’s insurance statute.<sup>67</sup> The court held that they were, readily accepting that adoptions effected by local custom could be given legal recognition. In doing so, the court adopted a legal test from the High Court of Australia in *Mabo v Queensland*. That court held:

The incidents of a particular native title relating to inheritance, the transmission or acquisition of rights and interests on death or marriage, the transfer of rights and interests in land and the grouping of persons to possess rights and interests in land are matters to be determined by the laws and customs of the Indigenous inhabitants, provided those laws and customs are not so repugnant to natural justice, equity and good conscience that judicial sanctions under the new regime must be withheld.<sup>68</sup>

This test has since been cited in Canadian jurisprudence.<sup>69</sup> It has also spread in popularity, with Saskatchewan lawyer Norman Zlotkin expressly recommending the *Connolly/Casimel* line of authority as the means for Indigenous communities to acquire rights over their traditional knowledge.<sup>70</sup>

One must be mindful, however, of the fate of the claimants in *Pamajewon*. In that case, leaders in the Shawanaga and Eagle Lake First Nations attempted to avoid conviction for illegal gaming by asserting that their nations retained a self-government right to regulate gaming. Their claim failed for want of evidence that gambling on the reserve lands was an integral part of their distinctive cultures.<sup>71</sup> A generalized right of self-government was not enough. The *Maliseet* case, though, seems convincingly distinguishable. Not only was storytelling an integral cultural practice, successive generations actively regulated their treatment. *Pamajewon* left a small door open for practices that were “the subject matter of aboriginal regulation,”<sup>72</sup> and *Maliseet* storytelling fits the bill.

With all this in mind, communities have a few routes open to them. Claiming an integral historic practice is likely the simplest, but it means that the right can only be used defensively. The problem of appropriation is left unaddressed. Another route is to follow a title claim framework and assert *sui generis* IP rights in traditional knowledge. The most ambitious route is to assert the applicability, and supremacy, of Indigenous laws. Choosing among these options depends on the remedy sought as well as the factual matrix underlying a community’s claim.

## 2.2 Step Two: Extinguishment

In step two of a claim, we grapple with the fact that the text of section 35 protects only those rights still “existing” when the new constitution came into force.<sup>73</sup> It would fall to an opposing party to prove that, prior to 1982, the Crown expressed a “clear and plain intention” to extinguish the right being claimed.<sup>74</sup>

Parliament’s regulation of the IP space is likely not enough to amount to extinguishment. The argument arises because statutes like the *Copyright Act* and *Patent Act*, which

64 *Connolly*, *supra* note 63 at para 23.

65 See *R v Bear’s Shin Bone* (1899), 4 Terr LR 17, 3 CCC 329 (NWTSC); *R v Nan-e-quis-a Ka* (1889), 1 Terr LR 211, 2 CNLC 368 (NWTSC); *R v Williams* (1921), 20 BCR 303 (SC); *Re Noah Estate* (1961), 36 WWR 577, 32 DLR (2d) 185 (NWT Terr Ct).

66 See *Re Katie* (1961), 32 DLR (2d) 686, 38 WWR (NS) 100 (NWT Terr Ct); *Re Beaulieu* (1969), 3 DLR (3d) 479, 67 WWR 669 (NWT Terr Ct); *Re Deborah E4-789* (1972), 28 DLR (3d) 483, [1972] 5 WWR 203 (NWTCA); *Re Wah-Shee* (1975), 57 DLR (3d) 743 (NWTSC).

67 *Casimel v Insurance Corp of BC*, [1993] BCWLD 2373, 82 BCLR (2d) 387 (CA). *Casimel* was heard by the BC Court of Appeal just a few weeks after its decision in *Delgamuukw*, and before the latter had been affirmed at the Supreme Court of Canada.

68 *Mabo v Queensland (No 2)* (1992), BC9202681 at 51, 107 ALR 1 (HCA) [emphasis added].

69 *Manychief v Poffenroth* (1994), [1995] 3 WWR 210 at para 25, 164 AR 161 (QB); *Klahoose First Nation v Cortes Ecoforestry Society*, 2003 BCSC 430 at para 35.

70 Norman Zlotkin, “From Time Immemorial: The Recognition of Aboriginal Customary Law in Canada” in Bell & Paterson, eds, *Protection of First Nations Cultural Heritage: Laws, Policy and Reform*, *supra* note 1, 343 at 362.

71 *Pamajewon*, *supra* note 30 at para 28.

72 *Ibid* at para 29.

73 *Sparrow*, *supra* note 12 at para 23.

74 *Ibid* at para 37.

predate 1982, are sometimes seen as “complete codes.”<sup>75</sup> In assigning and omitting rights, one might infer from Parliament an intention to govern the entire IP space such that no rights are to exist outside the four corners of the legislation. There also exist provisions like section 5(1.2) of the *Copyright Act*, which states, “Copyright shall not subsist in Canada otherwise than as provided” by the statute. This line of argument is bolstered thematically by the theory of users’ rights, which holds that knowledge is by default “as free as the air.”<sup>76</sup> Rights given by statute are to be seen as limited exceptions to that rule, with Parliament intending that all else be left to the public.

On a comparative note, this is effectively the position taken by the Federal Court of Australia in *Bulun Bulun*.<sup>77</sup> In that case, the Indigenous Ganalbingu sought a declaration that they were the equitable owners of a copyright subsisting in a painting. Because the painting was of a sacred site, and Ganalbingu customs placed restrictions on the “corpus of ritual knowledge” associated with their lands and culture, equitable title was said to arise as an incident of their Aboriginal title to the land. The court held that while Aboriginal customary laws over artistic works had survived the introduction of the common law, they were extinguished with the introduction of copyright legislation. In doing so, the court rejected the possibility of “Aboriginal copyrights” as an extension of Aboriginal title.

Courts have not adopted *Bulun Bulun* into Canadian law, nor is there reason to expect it to be forthcoming. Most notably, Australia does not have an equivalent to section 35 to entrench Aboriginal rights against Parliamentary power. The threshold for extinguishment is therefore lower in Australia, though aspects of the “clear and plain” intention test still remain.<sup>78</sup> One might also expect greater thought to go into the differences between copyrights and traditional knowledge rights. Gray questions the intellectual soundness of the *Bulun Bulun* decision, noting that traditional knowledge rights would be “*sui generis* right[s] which cannot be equated exactly with ... copyright law” and thus might be accommodated alongside existing statutes.<sup>79</sup> Canadian scholar Robert Paterson agrees, speculating that the Canadian *Copyright Act* would not extinguish customary law because “copyright and Indigenous traditional knowledge ... are different things” entailing a different bundle of rights.<sup>80</sup> It is, however, a reminder that section 35 claimants should not

use the language of “equitable copyrights” lest the lines be blurred.

*Bulun Bulun* notwithstanding, a deeper look reveals exactly why the proposition of extinguishment by IP statute must fail. First, there is some doubt as to whether IP statutes form complete codes. Courts commonly apply laws from other sources in the resolution of IP disputes. In a recent decision, the Ontario Superior Court of Justice recognized that causes of action are not limited to those found in statute:

The Defendants say, in effect, that the *Copyright Act* is a complete code and that Mr. John cannot seek a remedy in negligence when he has no remedy under the *Copyright Act*. They cite in support of this proposition [*Blue Crest*, *supra* note 75]. ...

I disagree. Estey, J. does not say that the *Copyright Act* creates a complete code. Indeed, he declines to make such a broad statement.<sup>81</sup>

Nor are heads of damages so restrained. In this regard, too, courts see the statutes as one source of law within a larger context:

It was argued on behalf of the defendant that ss 20 to 24 of the Act are a complete code of the remedies available in copyright actions and as there is no provision for exemplary damages, the Court has no authority to award any. ... There is certainly no prohibition in the Act to an award of exemplary damages and if the plaintiff is entitled to all such remedies by way of damages and otherwise as are or may be conferred by law for the infringement of a right, it is my view that it was not the intention to exclude exemplary damages. Exemplary damages are well recognized at common law.<sup>82</sup>

Note that while section 22 of the *Copyright Act* opens the door to damages “otherwise ... conferred by law,” punitive damages are also available in patent suits though no provision of the *Patent Act* invites them in.<sup>83</sup> While damages and heads of actions are but examples,

75 *Compo Co Ltd v Blue Crest Music et al*, [1980] 1 SCR 357 at paras 10 and 23, 105 DLR (3d) 249 [*Blue Crest*]; *DBC Marine Safety Systems Ltd v Canada (Commissioner of Patents)*, 2008 FCA 256 at para 2.

76 *International News Service v Associated Press*, 248 US 215 at 250, 39 S Ct 68 (1918); see also *Moreau v St Vincent*, [1950] Ex CR 198 at 203, [1950] 3 DLR 713; Yochai Benkler, “From Consumers to Users: Shifting the Deeper Structures of Regulation Toward Sustainable Commons and User Access” (1999) 52 Fed Comm LJ 561.

77 *Bulun Bulun and Milpururru v R & T Textiles Pty Ltd* (1998), 41 IPR 513, 86 FCR 193 (FCA) [*Bulun Bulun*].

78 For more in the Australian context, see Gray, *supra* note 51 at 241.

79 *Ibid* at 244.

80 Paterson, *supra* note 5 at 222.

81 *John v Richards*, 2017 ONSC 6307 at para 46.

82 *Pro Arts Inc v Campus Crafts Holdings Ltd* (1980), 110 DLR (3d) 366 at paras 72–73, 28 OR (2d) 422 (H Ct J).

83 *Lubrizol Corp v Imperial Oil Ltd*, [1996] 3 FC 40 at para 33, [1996] FCJ No 454 (CA) (“We can see no reason why, in appropriate circumstances, punitive or exemplary damages could not be available in a copyright or patent infringement case”), cited with approval

it appears that existing statutes, though comprehensive in some respects, are not an exhaustive testament on the governance of the IP space.

Nor would it be appropriate to attribute users' rights to all Indigenous knowledge that currently wants for protection. This is a distributive justice concern, but must be the formalist's position as well. IP regimes are often characterized in terms of a quid pro quo. In return for enriching society with their knowledge or creativity, those responsible are granted exclusive rights to benefit from their work for a period of time.<sup>84</sup> Authors have conceptualized this bargain as a social contract between creators and users.<sup>85</sup> Applying this contractarian framework to traditional knowledge would be misguided. Society appears to pass no "consideration" to Indigenous communities in return for the benefits that users receive. Rather than granting any rights of exclusivity, IP laws relegate much of traditional knowledge to the public domain.<sup>86</sup> Nor did traditional knowledge develop in response to monopoly incentives; it was brought about in accordance with Aboriginal laws. Harvard's Ruth Okediji notes this creative maladjustment, writing:

To the extent traditional knowledge fails to satisfy standard property justifications, it is because those justifications are imbued with assumptions that are misaligned with the conditions that inform the productive and creative processes of Indigenous groups and local communities.<sup>87</sup>

To suggest that traditional knowledge fits the character of the public domain is to "dehistoricize" both concepts.<sup>88</sup> That bargain has not been struck. For the purposes of legal analysis, then, the fiction of the quid pro quo cannot be invoked; one cannot suggest on that basis that Parliament intended to assign rights over Indigenous traditional knowledge to users or the public domain.

Lastly, and most fatally, even if the statutes are complete codes that intended for traditional knowledge to be in the public domain, the jurisprudence makes clear that regulation does not entail extinguishment. A complete code is not enough.<sup>89</sup> A clear and plain intention must demonstrate more than the fact that Aboriginal rights have been subject to a regulatory scheme.<sup>90</sup> This is so even if Parliament has legislated in a manner "necessarily inconsistent" with the exercise of an Aboriginal right.<sup>91</sup> Because existing statutes do not expressly state such an intention, the most likely remaining source of extinguishment would be by treaty.<sup>92</sup> That said, in reading those treaties whose texts are publicly available,<sup>93</sup> and being mindful of the principles of interpretation that apply,<sup>94</sup> one finds no indication that the Crown turned its mind to issues of traditional knowledge, much less had a clear and plain intention to override customary law in this regard. Though not heavy on detail, this is where Ottawa professor Daniel Gervais lands on the issue as well:

Intellectual property statutes in Canada generally do not deal with aboriginal customs and practices. Certain treaties only reserve the subject matter, but that seems far from a clear and plain intention to extinguish an aboriginal right.<sup>95</sup>

### 2.3 Step Three: Infringement of the Right

Step three requires the Indigenous claimant to demonstrate that application of the government regulation would be unreasonable, cause undue hardship, and/or deny their preferred means of exercising their right.<sup>96</sup> In many circumstances, social context of reconciliation will weigh heavily toward such a finding.

Consider again the *Glooskap* book. Its primary purpose is to preserve the Maliseet language — which is why the stories remain untranslated.<sup>97</sup> It is a language in dire need of aid. More than

in *Whiten v Pilot Insurance Co*, 2002 SCC 18 at 125.

84 See in the patent context *Teva Canada Ltd v Pfizer Canada Inc*, 2012 SCC 60 at para 32.

85 See Alina Ng, "The Social Contract and Authorship: Allocating Entitlements in the Copyright System" (2009) 19:2 Fordham IP Media & Ent LJ 413.

86 Chidi Ogumanam, "Wandering Footloose: Traditional Knowledge and the Public Domain Revisited" (2018) 21 J World IP 306.

87 Ruth L Okediji, "Traditional Knowledge and the Public Domain" (2018) Centre for International Governance Innovation Paper No 176 at 4, online: <[cigionline.org/sites/default/files/documents/Paper%20no.176.pdf](http://cigionline.org/sites/default/files/documents/Paper%20no.176.pdf)>.

88 See Kimberly Christen, "Does Information Really Want to Be Free? Indigenous Knowledge Systems and the Question of Openness" (2012) 6 Int J Comm 2870 at 2880.

89 See consideration of the *Customs Act*, RSC 1970, c C-40 in *Mitchell v MNR*, [1997] FCJ No 882 at para 289, [1997] 4 CNLR 103 (TD), aff'd [1998] 1 FC 375, 167 DLR (4th) 702 (CA)..

90 *Gladstone*, supra note 44 at para 34.

91 *Sparrow*, supra note 12 at para 35.

92 On sources of extinguishment, see Jacqueline F Pruner, "Aboriginal Title and Extinguishment Not So Clear and Plain: A Comparison of the Current Maori and Haida Experiences" (2005) 14 Pac Rim L & Pol'y J 253 at 273.

93 See Indigenous and Northern Affairs Canada, *Treaty Texts* (last modified 29 August 2013), with texts dating from the 1700s to early 1900s, online: <[www.rcaanc-cirnac.gc.ca/eng/1370373165583/1581292088522](http://www.rcaanc-cirnac.gc.ca/eng/1370373165583/1581292088522)>.

94 *Badger*, supra note 26 at para 41.

95 Daniel J Gervais, "Spiritual But Not Intellectual? The Protection of Sacred Intangible Traditional Knowledge" (2003) 11 Cardozo J Int'l & Comp L 467.

96 *Sparrow*, supra note 12 at para 70.

97 See Goff, supra note 38.

100 years ago when the language first became alphabetized, the visiting scribes noted intergenerational losses already occurring:

They still use their own language, though it is becoming corrupted by white influence. ... The younger people among them care nothing for such things, and when the present generation of older Indians shall have passed away, it is doubtful if anything of value to Ethnology or Philology can be obtained from them.<sup>98</sup>

The impact of residential schools surely worsened this impact. Among the most troubling findings of the TRC were those concerning the “cultural genocide” against Indigenous languages, such that restoration efforts form the basis of six calls to action.<sup>99</sup> Today, there is “almost no one under 70” who speaks Maliseet,<sup>100</sup> an observation in keeping with UNESCO’s categorization of the Maliseet language as “severely endangered.”<sup>101</sup> The ability to teach and disseminate Indigenous languages is critical in reversing these effects.<sup>102</sup>

In a situation like this, where cultural revitalization is the goal, an inability to access one’s traditional knowledge because of statutory barriers seems an obvious example of undue hardship. In a theoretical case involving use of patented traditional medicine, the inability to use healing techniques developed within one’s own community seems another easy example. Any statute that puts obstacles between a community and its traditional knowledge is likely to meet the requirements of this third step.

## 2.4 Step Four: Justification

Being outside the *Charter*, section 35 is not subject to a standard section 1 justification. Courts have nonetheless held that the state can infringe section 35 rights by proving (1) a compelling and substantial legislative objective and (2) that the means being taken are consistent with the government’s fiduciary duty to Indigenous peoples.<sup>103</sup> Where there is competition over finite resources, the government must prove that it has accommodated and given priority to the exercise of the Aboriginal right.<sup>104</sup> Concerns that meet these criteria are typically

linked to conservation, because this form of regulation furthers the interests of Aboriginal rights holders and accords with the Crown’s fiduciary responsibility.<sup>105</sup> Economic fairness was given as a legitimate ground for reallocating some Aboriginal fishing rights to non-Indigenous people in Gladstone, because it was seen as necessary for the attainment of reconciliation.<sup>106</sup>

This framework puts the Crown in a difficult position should it try to justify an existing IP statute. Canadian IP laws are not meant to cure mischiefs relating to public safety, conservation, or market failures that stand in the way of Indigenous peoples’ well-being. The primary justifications for our copyright and patent regimes are to provide economic incentives for creation and to respect the personality embodied in the creative or inventive act.<sup>107</sup> Trademarks serve a purely commercial purpose.<sup>108</sup> While of doubtless importance generally, these acts do not evidence a consideration of IP’s impact on Indigenous peoples, or an attempt by the Crown to regulate traditional knowledge as would a fiduciary.

Were Parliament to get serious about traditional knowledge and amend the legislation in response, this may well change. But at present, Canada’s IP statutes contain nothing akin to conservation a federal government could rely upon to suggest that it is mindful of its fiduciary duty.

## 2.5 Conclusion

In summary, Indigenous communities seem well positioned to take advantage of section 35 to protect their traditional knowledge. Although a great deal of historical evidence will be required, the path to such recognition appears to have already been established in the case law. Section 35 appears to be a flexible tool, presumably ready for use to provide defensive protections against appropriation and positive rights in works themselves.

## 3.0 Discussion

It seems that a section 35 solution is within reach — but is it desirable? What would this mean in practice? Even one successful claim through the courts would have “considerable symbolic

<sup>98</sup> William F Ganong, “Introduction” (1893) in Chamberlin, *supra* note 42.

<sup>99</sup> Truth and Reconciliation Commission of Canada, *Calls to Action* (Winnipeg: TRC, 2012) at calls 10(iv), 14, 15, 16, 84, 85, online: <nctr.ca/assets/reports/Calls\_to\_Action\_English2.pdf> [TRC Calls to Action].

<sup>100</sup> CBC, “Truth and Reconciliation Report Unlikely to Deal with Language: Prof” (2 June 2015), online: <cbc.ca/news/canada/new-brunswick/truth-and-reconciliation-report-unlikely-to-deal-with-language-prof-1.3096714>.

<sup>101</sup> Christopher Moseley, *Atlas of the World’s Languages in Danger*, 3rd ed (Paris: UNESCO Publishing, 2010) at “Maliseet,” online: <unesco.org/new/en/culture/themes/endangered-languages/atlas-of-languages-in-danger>.

<sup>102</sup> Andrea Bear Nicholas, “Linguicide: Submersion Education and the Killing of Languages in Canada” (March/April 2011) *Briarpatch Magazine*, online: <briarpatchmagazine.com/articles/view/linguicide>; Lafontaine, *supra* note 40; Tove Skhuthabb-Kangas & Robert Dunbar, “Indigenous Children’s Education as Linguistic Genocide and a Crime Against Humanity? A Global View” (Finnmark County, Norway: Gáldu ála, 2010), online: <www.afn.ca/uploads/files/education2/indigenousschildrenseducation.pdf>.

<sup>103</sup> Sparrow, *supra* note 12 at para 71.

<sup>104</sup> Gladstone, *supra* note 44 at para 64.

<sup>105</sup> Jack et al v *The Queen* (1979), [1980] 1 SCR 294 at para 42, [1979] 5 WWR 364.

<sup>106</sup> Gladstone, *supra* note 44 at para 75.

<sup>107</sup> Daniel J Gervais, “A Canadian Copyright Narrative” (2009) 21 IPJ 269; Daniel J Gervais, “The Purpose of Copyright Law in Canada” (2005) 2 U Ottawa L & Tech J 315; Dale Nance, “Owning Ideas” (1990) 13 Harv JL & Pub Pol’y 757..

<sup>108</sup> *Mattel, Inc v 3894207 Canada Inc*, 2006 SCC 22 at para 21.

significance.”<sup>109</sup> While it certainly opens the door for litigation, protracted court cases are a less than optimal way of determining Aboriginal rights.<sup>110</sup> The time, cost, and adversarial nature of proceedings all make for an ill fit. In an ideal setting, parties might use this section 35 analysis as a basis for future negotiations, as recommended by experts and the courts.<sup>111</sup>

From an Indigenous perspective, section 35 seems to be a promising solution. Deferring to the Assembly of First Nations on what criteria would make for a culturally appropriate IP regime, it seems that an ideal framework would

- originate in Indigenous rather than Western law;
- be based, epistemologically, in Indigenous conceptions of property and society;
- apply on the basis of criteria reflective of traditional knowledge, notwithstanding issues such as originality or fixation, and to all potential forms in which traditional knowledge may manifest itself;
- offer protections in duration and substance appropriate to traditional knowledge, which may include indefinite term protections where appropriate;
- allow the vesting of rights in the community as a whole; and
- be enforceable in Canadian courts.<sup>112</sup>

One notices a tension. A good solution must strike a balance between being authentically Indigenous yet still cognizable to the Canadian legal system. It appears that protecting traditional knowledge through section 35 would fit this balance well. One assumes that no set of laws could be more perfectly tailored to Indigenous traditional knowledge than those originating in their own local laws and customs.

At a philosophical level, it is also encouraging that the source of rights will likely be recognized as originating from a community’s historic relationship with its traditional knowledge rather than having rights assigned by virtue of being a traditional knowledge “creator.” The latter is a fundamentally Western way of looking at IP;

the relationships involved in Indigenous cultural creation are often seen to be much broader. As Christie explains, Indigenous peoples often see works as coming into existence by virtue of a more holistic process of mutual inspiration:

From [a traditional Aboriginal] perspective the “self” is ... a nexus in a web of being, capable of creation only because of its interconnections with all of reality. Nothing, on this model, is ever solely the creation of the atomistically defined individual artist or intellectual, for the inspiration comes from the world around, the skill is courtesy of gifts from various spiritual sources, and the resources to work on the project are made available by the community and the world around.<sup>113</sup>

Recognizing that rights stem from a community’s relationship with its traditional knowledge aligns the law with Indigenous cultural epistemology.

At the same time, section 35 protections utilize a constitutional mechanism well known to the Canadian legal system. Some jurisdictions, such as New Zealand, have achieved little by developing traditional knowledge solutions that are celebrated by Indigenous people but impossible to put into practice.<sup>114</sup> While not downplaying the practical challenges associated with litigating Aboriginal rights, Canadian Indigenous groups would at least be relying on a provision already established within the legal system. From a practical point of view, this is undoubtedly beneficial.

### 3.1 On Reconciliation

A final word before concluding. Today’s discourse on Indigenous policy is centred on one concept: reconciliation. As put plainly by the TRC:

Reconciliation is in the best interests of all of Canada. It is necessary not only to resolve the ongoing conflicts between Aboriginal peoples and institutions of the country, but also in order for Canada

<sup>109</sup> Gray, *supra* note 51 at 247.

<sup>110</sup> *R v Marshall*; *R v Bernard*, 2005 SCC 43 at para 142.

<sup>111</sup> See Zlotkin, *supra* note 70 at 343; Gray, *supra* note 51 at 246; Sparrow, *supra* note 12 at para 53; see also Matthew Palmer, “Constitutional Realism About Constitutional Protection: Indigenous Rights Under a Judicialized and Politicized Constitution” (2006) 26:1 Dal LJ 1 at 23.

<sup>112</sup> AFN Discussion Paper, *supra* note 4 at 14–17. Note that these aims are consistent with the vast majority of literature that considers the flaws of current IP regimes: see Michael F Brown, *Who Owns Native Culture?* (Cambridge, MA: Harvard University Press, 2003) at 59–68.

<sup>113</sup> Christie, *supra* note 1 at 450.

<sup>114</sup> *Wai 262 Report*, cited as Waitangi Tribunal, *Ko Aotearoa Tenei: A Report into Claims Concerning New Zealand Law and Policy Affecting Maori Culture and Identity* (2 July 2011), online: <wai262.weebly.com/>. Its most notable recommendation is to assign a Maori guardian to all products of Maori traditional knowledge, including those in the public domain, essentially mandating an Indigenous consent requirement on all further uses. This recommendation inflamed opposition and gave rise to complaints that the proposals did not fall within the bounds of the legal system: see “Editorial: Caution the Right Approach to Report”, *The Dominion Post* (7 July 2011), online: <stuff.co.nz/dominion-post/comment/5245734/Editorial-Caution-the-right-approach-to-report>; Tova O’Brien, “Iwi Shouldn’t Get Special Treatment with Wai 262 — Brash”, *3 News* (2 July 2011), online: <newshub.co.nz/nznews/iwi-shouldnt-get-special-treatment-with-wai-262--brash-2011070217>; Paterson, *supra* note 5 at 233.



to remove a stain from its past and be able to maintain its claim to be a leader in the protection of human rights among the nations of the world.<sup>115</sup>

Regrettably, the literature to date shows little consideration for how traditional knowledge regulation can further reconciliation, and no extant framework by which to judge whether a solution would further reconciliation in the Canadian IP context. While the TRC and Royal Commission on Aboriginal Peoples make some recommendations that pertain to culture, neither address the IP space with enough specificity to use as an analytical framework. It is unfortunately beyond the scope of this article to develop such a framework, as helpful as such an assessment would be. That said, a few positive observations are warranted.

It does appear that a section 35 solution adheres to many national and international articulations of best practices for reconciliation. For one, it accords with the TRC's recommendation on cultural revival, which states that "[t]he preservation, revitalization, and strengthening of Aboriginal languages and cultures are best managed by Aboriginal people and communities."<sup>116</sup> It offers legal backing for the conclusion of the Royal Commission on Aboriginal Peoples that section 35 should include a substantive right to self-government, and that a community's "language, culture, values and traditions" must fall within the "core jurisdiction" for Indigenous governance.<sup>117</sup> It also achieves the goals set out in international frameworks, most notably the *United Nations Declaration on the Rights of Indigenous Peoples*; its articles recognize Indigenous rights to "maintain, control, protect and develop their cultural heritage, traditional knowledge and traditional cultural expressions, as well as the manifestations of their sciences, technologies and

cultures, including human and genetic resources."<sup>118</sup> Similar statements can be found in the *Convention of Biological Diversity*,<sup>119</sup> in draft articles of the World Intellectual Property Office,<sup>120</sup> and conventions by UNESCO<sup>121</sup> and the International Labour Organization,<sup>122</sup> all of which seem consistent with the "recognition and affirmation" of traditional knowledge rights.

Admittedly, some commentators wish for more, noting that affirmed rights are still premised on the dominion of the Crown and the legitimacy of the constitution itself.<sup>123</sup> Yet, as Zlotkin notes, some degree of state involvement will always be necessary if rights are to be given effect beyond a group's own borders.<sup>124</sup> Even Christie, who can be skeptical about greater involvement from Ottawa, concedes this point.<sup>125</sup> Moreover, the TRC itself has endorsed the use of section 35 to advance the cause of reconciliation, writing:

The road to reconciliation ... includes a large, liberal, and generous application of the concepts underlying Section 35(1) of Canada's Constitution so that Aboriginal rights are implemented in a way that facilitates Aboriginal peoples' collective and individual aspirations.<sup>126</sup>

These are all positive early indicators. Ultimately, a full assessment of the reconciliatory potential of constitutionalized traditional knowledge rights will require consideration of non-Indigenous perspectives as well. As the TRC defines it, reconciliation "is about establishing and maintaining a mutually respectful relationship between Aboriginal and non-Aboriginal peoples in this country."<sup>127</sup> Whether constitutionalized traditional knowledge rights achieve this end is an issue yet to be determined, though

115 Truth and Reconciliation Commission, *Honouring the Truth, Reconciling for the Future: Summary of the Final Report of the Truth and Reconciliation Commission* (Winnipeg: TRC, 2015), at 183, online: <nctr.ca/assets/reports/Final%20Reports/Executive\_Summary\_English\_Web.pdf> [TRC Summary].

116 TRC Calls to Action, *supra* note 99 at 14(iv); see also TRC Final, *supra* note 59 at 51, 74.

117 Royal Commission, *supra* note 48 at 206–213, recommendation 2.3.5. It also supports recommendation 2.3.29, which encourages Indigenous communities to implement their own strategies for cultural revitalization.

118 *United Nations Declaration on the Rights of Indigenous Peoples*, GA Res 61/295 (Annex), UNGAOR, 61st Sess, Supp No 49, Vol III, UN Doc A/61/49 (2008) 15 at art 31; see also arts 11, 24 [UNDRIP]. Note that the TRC has endorsed UNDRIP as a framework for reconciliation: see TRC Final, *supra* note 59 at 137.

119 *Convention on Biological Diversity* (entered into force 29 December 1993), Can TS 1993/24, online: <cbd.int/convention/text/>.

120 World Intellectual Property Office, "The Protection of Traditional Knowledge: Draft Articles" (28 September 2018) document code WIPO/GRtraditional knowledgeF/IC/38/4, online: <wipo.int/meetings/en/doc\_details.jsp?doc\_id=416956>.

121 *Convention for the Safeguarding of Intangible Cultural Heritage* (entered into force 2006, not ratified by Canada), online: <ich.unesco.org/en/convention>.

122 *International Labour Organization Convention Concerning Indigenous and Tribal Peoples in Independent Countries* (No 169), arts 7(1), 23 (entered into force 5 September 1991, not ratified by Canada), online: <ilo.org/dyn/normlex/en/f?p=NORMLEX-PUB:12100:0::NO::P12100\_ILO\_CODE:C169>.

123 See James Youngblood Henderson, *First Nations Jurisprudence and Aboriginal Rights* (Saskatoon: Native Law Centre, 2006); Naomi Sayers, "#Indigenous #Sovereignty and Contradictions in Section 35(1)" (21 December 2013), *kwetoday*, online: <kwetoday.com/2013/12/21/indigenous-sovereignty-contradictions-in-section-351/>.

124 Zlotkin, *supra* note 70 at 366.

125 Christie, *supra* note 1 at 453.

126 TRC Final, *supra* note 59 at 49.

127 *Ibid* at 3.

its prima facie alignment with TRC recommendations is encouraging.

### 4.0 Conclusion

The primary contribution of this article is the assertion that even by conservative doctrinal principles, protecting traditional knowledge under section 35 of the *Constitution Act, 1982* seems quite possible. It appears to offer the first practical, in-depth analysis of how a claimant might make such a claim. It also observes that protecting traditional knowledge under section 35 seems to be a positive step forward toward reconciliation.

Because it covers so much ground, the article leaves much for subsequent scholars to develop. As referenced earlier, it would be beneficial to have experts develop a more specialized framework by which Canada might assess whether future traditional knowledge proposals serve the end of reconciliation. Further thoughts on cultural uses of section 35 would be beneficial, as would analyses on the economic and trade ramifications of such constitutionalized rights. Impacts on the *Agreement on Trade-Related Aspects of Intellectual Property Rights* (TRIPS) and the *Canada-United States-Mexico Agreement* (CUSMA) may be important determinants of whether Canadians embrace this solution.

One lingering question in any section 35 matter concerns the duty to consult.<sup>128</sup> Given the complexity of this topic, I have purposely declined to answer how the work of administrative bodies might be affected by a section 35 claim. Although statutory and traditional knowledge rights are distinct and can coexist, they can also come into conflict. The implications for Aboriginal administrative law deserve exploration in their own piece.

An avenue of research that Canada sorely requires is a collection, compiled in culturally appropriate ways, of Indigenous traditional knowledge laws. This will give IP scholars, many of whom are not Indigenous, a better base on which to develop proposals. This exercise is also sure to benefit Indigenous communities.<sup>129</sup>

Lastly, the article opens opportunities for further research in the core IP wheelhouse. Top of mind is the question of whether an Indigenous community's use of traditional knowledge would be considered a fair dealing.<sup>130</sup>

Around the world, scholars have been searching for solutions to the misuse of traditional knowledge. Canada seems to have a solution knocking at the door. With any luck, Canada will use its unique constitutional setting not only to protect

traditional knowledge domestically, but to become a model of legal pluralism for the international community. My commendations go to the legal minds that make it happen.

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128 *Chippewas of the Thames First Nation v Enbridge Pipelines Inc*, 2017 SCC 41 at para 29; *Clyde River (Hamlet) v Petroleum Geo-Services Inc*, 2017 SCC 40 at para 47.

129 Napoleon, *supra* note 1 at 383.

130 See an early venture into this question in Denise Brunson, "Recognizing Indigenous Legal Values in Modern Copyright Law" (2015) 6:3 Western J Leg Studies 1.



Peter Wells



Tilaye Terrefe

# A Brief History of the Evolution of the Patent of Invention in England

Peter Wells and Tilaye Terrefe\*

## Abstract

The modern patent of invention evolved over the course of about 500 years from a form of letter of protection into something we would recognize today. An understanding of that process of evolution and the circumstances that drove the process of change is the foundation of a more thorough understanding of the present system. Even the meaning of words such as "invention" have changed so significantly that reading an older case with the modern meaning in mind will lead to confusion. It is also important to understand that patent policy 500 years ago was concerned with more than stimulating industry, and a failure to understand that there were competing policy objectives in play will also confuse the unwary reader.

## Résumé

Au cours des 500 dernières années, le brevet d'invention moderne a considérablement évolué, passant d'un type de lettre de protection vers sa forme actuelle. Une bonne connaissance de ce processus d'évolution et les circonstances qui ont mené à ce processus de changement sont à la base de notre compréhension plus approfondie du système en vigueur. Même le sens de mots comme « invention » a tellement évolué que la lecture d'un cas plus ancien en gardant à l'esprit la signification moderne du mot portera à confusion. Il est en plus très important de bien comprendre que les politiques en matière de brevets en vigueur il y a 500 ans visaient beaucoup plus que la stimulation de l'industrie et que le refus de reconnaître l'existence d'objectifs politiques contradictoires confondra aussi le lecteur non averti.

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\* Peter Wells and Tilaye Terrefe, Technology, Intellectual Property and Privacy Group, McMillan LLP, Toronto. Peter retired from McMillan LLP at the end of 2019. The authors would like to express their appreciation to McMillan LLP's library staff who were able to locate several of the documents referred to in this article. They would also like to thank Adam Chisholm of McMillan LLP for his thoughtful comments and suggestions on earlier drafts of this article.

## 1.0 Introduction

What we call a patent of invention today, with its description, claims, and drawings, looks nothing like the documents from which it evolved over the centuries. The description and claims were themselves “invented” to deal with issues that arose as the law developed, and only later did they become a statutory requirement. While the history of patents is interesting in itself, knowing a little about that history helps us understand why the modern *Patent Act* requires an invention to be new, inventive, and useful in order to merit the grant of a statutory monopoly.

While the process of development described in this article is based primarily on events that occurred in England, that process still has importance for Canadian patent practitioners. For example, most of the provinces that joined together at Confederation in 1867 had received English law at various dates.<sup>1</sup> Some provinces had their own pre-Confederation patent legislation, but when responsibility for “patents of invention and discovery” was assigned to the federal government by section 91(22) of the *Constitution Act, 1867*, in 1869 Canada adopted its first post-Confederation patent legislation.<sup>2</sup>

## 2.0 The Meaning of Letters Patent

Letters patent were not restricted to the granting of monopolies to inventors. The government used them to create joint stock companies, such as the Hudson’s Bay Company,<sup>3</sup> and to grant

land in fee simple.<sup>4</sup> The word “patent” simply means open or public and refers to a document with the Great Seal affixed so that a person asserting a right granted by patent could prove his claim by showing the document.<sup>5</sup>

There is no shortage of materials on the history of patents,<sup>6</sup> including a series of papers published in the *Law Quarterly Review* and in *Engineering* by Edward Wyndham Hulme.<sup>7</sup> Hulme spent his career in the British Patent Office, starting as a clerk and retiring in 1919 as its librarian.<sup>8</sup> The purpose of the present article is to provide a short, and we hope engaging, description of the evolution of a form of letter of protection into the modern patent of invention. Although the development of the modern patent system has been related to a number of economic or political theories, it is not clear that the development of the patent system was motivated by anything other than expediency in response to changing circumstances.

## 3.0 The First Efforts to Encourage Industry

England’s economy in the 14th century was largely agricultural, and its manufacturing capabilities were far behind those of France, Spain, Italy, Germany, and the Low Countries.<sup>9</sup> The kings of England sought to remedy this deficiency by bringing knowledge of a number of trades to England. One example<sup>10</sup> is a 1331 letter of protection given by Edward III to John Kempe of Flanders, a weaver of cloths. The letter declared that Mr. Kempe

1 The reception of English law is a process by which an English colony was deemed to adopt, or in some cases expressly through legislation chose to adopt, English statute law and common law as of a particular date. From that date forward, the law of the colony developed separately from English law. The provinces that joined Confederation in 1867 were New Brunswick (English law received in 1660), Nova Scotia (English law received in 1758), Ontario (English law received in 1791), and Quebec. The reception of English law in Quebec is a story on its own, and beyond the scope of this article..

2 *An Act respecting Patents of Invention*, 32 & 33 Vict, c 11, s 14 (Canada) [*Patent Act, 1869*]. As discussed later in this article, the *Patent Act, 1869* generally followed the US patent statute of 1836, although the Canadian legislation was generally interpreted by reference to UK cases.

3 Letters patent creating the “The Governor and Company of Adventurers of England, trading into Hudson’s Bay” (2 May 1670); <[www.hbcheritage.ca/things/artifacts/the-charter-and-text](http://www.hbcheritage.ca/things/artifacts/the-charter-and-text)>.

4 See, for example, *Conveyancing and Law of Property Act*, RSO 1960, c 66, s 13.

5 See the definition of letters patent, or letters overt, in Jowitt’s *The Dictionary of English Law* (London, UK: Sweet & Maxwell, 1959).

6 For example, Harold G Fox, *Monopolies and Patents: A Study of the History and Future of the Patent Monopoly* (Toronto: University of Toronto Press, 1947); and Christine MacLeod, “Inventing the Industrial Revolution—The English Patent System, 1660–1800” (Cambridge, UK: Cambridge University Press, 1988).

7 In 1854, following the establishment of the British Patent Office, the “Superintendent of Specifications, Indexes, &c.” published three indexes of patents of invention in the period from March 2, 1617 to October 1, 1852. These indexes were arranged chronologically, alphabetically by title, and by subject matter. These indexes are available online through Hathi Trust: chronological, <<https://catalog.hathitrust.org/Record/101716272>>; alphabetical, <<https://babel.hathitrust.org/cgi/pt?id=mdp.39015001793291&view=1up&seq=7>>; and subject matter, <<https://catalog.hathitrust.org/Record/101716271>>. The Patent Office later printed the text of the specifications covered by the indexes in the “Blue Books,” which apparently comprise some 691 thick volumes. We were unable to find an accessible version of these Blue Books either in print in a Canadian library or online. Nothing official was done to address patents of invention that predated March 2, 1617. The only resources we were able to locate dealing with patents in this period are the various articles by Hulme referred to in several of the notes that follow.

8 Thomas Dousa, “E. Wyndham Hulme’s Classification of the Attributes of Books: On an Early Model of a Core Bibliographical Entity,” in *Proceedings from North American Symposium on Knowledge Organization*, vol 6 (Champaign, IL: University of Illinois at Urbana-Champaign), 21–38.

9 The Low Countries are a geographical area in northwestern Europe comprising the lower basin of the Rhine–Meuse–Scheldt delta. The political boundaries within this region have changed several times over the centuries, but today most of the region is located within the Netherlands, Belgium, and Luxembourg. Some portions lie within modern-day France (that is, Flanders) and modern-day Germany. Flanders was known for its textiles and lace.

10 E Wyndham Hulme, “The History of the Patent System Under the Prerogative and at Common Law” (1896) 12 LQ Rev 141 at 142 [Hulme, “The History of the Patent System”].

(as well as his servants and apprentices) had the King's protection, and contained a general offer to extend similar privileges to any foreign weaver, dyer, or fuller who would settle in England and teach their art or trade to those willing to learn.

This general policy was confirmed by a 1337 statute, which provided that "all clothworkers of strange lands, of whatsoever country they may be, which will come into England, Ireland, Wales, and Scotland, and within the King's power, shall come safely and surely and shall be in the King's protection and safe-conduct to dwell in the same lands, choosing where they will; and to the intent that the said clothworkers shall have the greater will to come and dwell here, Our Sovereign Lord the King will grant them franchises as many and such as may suffice them."<sup>11</sup>

More than a century later, in 1483, during the reign of Richard III, Parliament passed a restrictive trade statute "touching the merchants of Italy." At Richard's behest, the legislation provided an exemption for those who brought with them or produced written or printed<sup>12</sup> books, and thus brought foreign knowledge to England.<sup>13</sup>

As recounted by Hulme,<sup>14</sup> these letters patent with the promise of protection continued to be issued to persons with particular skills, such as clockmaking or mining, into the reign of Henry VI. The nature of the patent related to new trades and technology appears to have changed beginning with a statute passed during the reign of Queen Mary, Elizabeth's half-sister.<sup>15</sup> Instead of a grant of protection, this form of patent granted a monopoly and

assigned regulation of the trade to those responsible for introducing a new technology.

On the continent, a method of making a class of fabrics including satin was developed. In Norwich, weavers turned wool from the surrounding area into a worsted fabric, but the introduction of the new class of fabric displaced the older worsted fabric, leading to a decline of the weaving business in Norwich. Those in Norwich believed that the foreign fabric was made of Norwich area wool.<sup>16</sup> Not content to let the industry die without a challenge, the mayor and aldermen of Norwich and several merchants brought Italian clothworkers to Norwich to teach the local weavers the "Misteries" of making satin and similar cloth. By statute, a corporation was created to regulate the quality of the product made in Norwich, to admit new persons to "occupie the said Misterie," and the corporation and those it admitted to the "Misterie" were granted an effective monopoly on the manufacture of this class of cloth.<sup>17</sup>

#### 4.0 Patents in the Reign of Elizabeth I

##### 4.1 The Use of Letters Patent to Encourage Industrial Development

From the Patent Rolls and Calendars, Hulme prepared a list said to constitute the first attempt to fix the date of the English patent system. He also believed the list to be a complete record of industrial monopoly licences.<sup>18</sup> It appears that in 1559 James Acontius suggested to the government of Queen Elizabeth that a monopoly would be the most effective means of rewarding an inventor. The idea appears to have been favourably received, because just such a form of patent was issued two years later, in

11 *Ibid* at 143.

12 Printing emerged in Europe during the 1450s with Gutenberg's press.

13 1 Ric III, c 9; Paul Murray Kendall, *Richard the Third* (New York: W.W. Norton, 2002) at 342–43.

14 Hulme, "The History of the Patent System," *supra* note 10 at 143.

15 The details of Henry VIII's marriages, his split from Rome, and the religious strife between Catholics and Protestants that resulted are beyond the scope of this brief history of patent law, but some superficial understanding is helpful to understand the context of the development of the patent system under Elizabeth I. Mary was the daughter of Henry's first wife, Catherine of Aragon, and was Catholic. Elizabeth was the daughter of Henry's second wife, Anne Boleyn, and was Protestant. Their half-brother, Edward, the son of Henry's third wife, Jane Seymour, was Protestant. When Henry died, Edward became Edward VI at the age of nine, and continued (or at least his advisers continued) with the Protestant Reformation begun by his father. An account of this period can be found in Diarmaid MacCulloch, *The Boy King Edward VI and the Protestant Reformation* (New York: Palgrave, 1999). Edward VI died at age 15, and his half-sister Mary eventually became queen. She married Philip II of Spain (who was born in Castile), with an act of Parliament setting out the terms of the marriage, including terms that neither Mary nor any child of their marriage should leave the kingdom and that, should Mary predecease Philip, he would have no claim on the Crown. Mary sought to re-establish Catholicism with considerable vigour. When Mary died childless in 1558, Elizabeth became queen, and reinstituted the Protestant Reformation. Philip initially hoped to maintain the alliance between Spain and England, but as they were on opposite sides of the religious turmoil in Europe, this proved to be impossible. An engaging account of Elizabeth's upbringing and reign is presented in Helen Castor, *Elizabeth I—A Study in Insecurity* (London, UK: Allen Lane, 2018).

16 This belief may have been mistaken. See Eric Kerridge, *Textile Manufactures in Early Modern England* (Manchester, UK: Manchester University Press, 1985) at 46.

17 1 & 2 Phil & Mar, c 14 (1554–1555) (available through Hein Online). The preamble of the statute reads in part: "Where of late years passed, Russels called Russells Sattens and Sattens Reverses have bene practiced to be made beyonde the Seas of the Woolles bredd in the Countye of Norfolke, and by reason thereof so greate quantitie of the said Russels Sattens and Sattens Reverses have been brought into this Realme, sold and worne as well in every parte of this Realme as in the partes beyonde the Seas, that therby the Misteries of Woostedes making and weaving, whereby Merchantes and Inhabitantes of the Cytte of Norwiche have heretofore bene well maintained and relieved, ys [is] now at this point almost wholye decayed and brought out of estimation and very little worne, either within this Realme or in any other forreine Realmes, to the great hindrance and decaye of the said Cittie and Citisens of the same Citie."

18 Hulme, "The History of the Patent System," *supra* note 10 at 145–50.



1561. (Mr. Acontius himself would have to wait until 1565 before he received a monopoly patent.<sup>19</sup>)

This first patent granted a monopoly licence to Stephen Groyett and Anthony Le Leuryer for a 10-year term for the making of Castile soap, which was considered superior for fine laundry work to the best English soap. The grant stipulated that at least two of the servants of the patentees must be native-born and that the soap produced be as good and fine as that made in the “Sope house of Triana or Syvile.” The patent required the patentees to submit their soap to the mayor and aldermen of the City of London for inspection, and if the wares were defective, the patent would be void.<sup>20</sup> One is tempted to wonder what part, if any, Philip II’s connection to Castile played in the decision to grant this patent.

It is easier to understand the motivation for the second patent that Elizabeth I granted in 1561. Saltpetre, or potassium nitrate, was one of the three key ingredients in the manufacture of gunpowder. At the time of the grant, England imported all of its saltpetre through Antwerp, which was under the control of Philip II of Spain. Given the circumstances, this was a risk to the security of England. The process leading to the patent began when Elizabeth I made a bargain with a German captain to come to England to teach her subjects “the true and perfect art of making saltpetre” in return for a payment of £300, on condition that the process and all of its secrets be reduced to writing.<sup>21</sup> When the captain arrived in England, Elizabeth I assigned her bargain to Philip Cockeram and John Barnes, both London tradesmen, and by patent granted them a monopoly licence for a term of 10 years, on condition that they establish the manufacture of saltpetre within a year.<sup>22</sup> Some years later, Elizabeth I granted a patent for the manufacture of sulphur, another ingredient of gunpowder.<sup>23</sup> She also granted patents indirectly related to the production of bronze and brass for the casting of ordnance in 1564 and 1565.<sup>24</sup>

Given the strategic importance of saltpetre to the defence of England, one can understand why the bargain with the German captain included the requirement that he provide a written description of the process. Nevertheless, it is the first instance of

the government requiring a written description of the process as a condition for the granting of a monopoly over the practice of the process. However, even the early 14th-century patents that took the form of a letter of protection had at least an implicit requirement that the holder of the patent transmit his knowledge to others, usually by means of apprenticeship.

In this period, a person wanting to obtain a patent would submit a petition. Generally, the petition would assert that the petitioner had invested time and money and had thereby learned the secrets of a trade or industry. The petition would generally assert that the trade or industry would be of benefit to the Realm, and had not previously been in practice in England. These assertions were then recited in the preamble of the patent.<sup>25</sup> The description of the trade or industry in the petition and the resulting patent was generally superficial—of necessity in some cases, such as the saltpetre patent, where the purpose of the grant was to obtain disclosure of the process. The assertions made in the petition were critical to the validity of the resulting patent, because these were representations to the Crown justifying the exercise of the prerogative in the petitioner’s favour. There were three grounds available to revoke letters patent: (1) when the monarch had granted several letters patent for the same thing; (2) when the monarch granted a patent based on a false suggestion by the petitioner; or (3) when the monarch purported to grant anything, which by law he or she could not grant.<sup>26</sup>

#### 4.2 The Use of Letters Patent to Achieve Other Policy Objectives

The government policy of encouraging new and improved industries and the importation of superior knowledge from abroad is clear from the patents discussed above. However, additional considerations guided the development of the patent system during the reign of Elizabeth I and into the Stuart period. One consideration was to improve employment, including ensuring that no workers were displaced from their trade. Another consideration was the regulation of trade or industry. Many early patents can be considered a form of contracting out of government functions. One example is the letters patent creating the Hudson’s Bay Company, which effectively contracted out to the company the task of colonizing the vast tract of North

<sup>19</sup> *Ibid* at 148.

<sup>20</sup> *Ibid* at 145. The text of the patent can be found in the June 22, 1894 edition of *Engineering* at 805. Copies of this publication are available, among other places, at the Gerstein Library, University of Toronto.

<sup>21</sup> The text of the disclosure is reproduced in the June 15, 1894 edition of *Engineering* at 773. The process, as described, was noxious, involving the mixing of black earth (“the blacker the better”), urine (“namely of those persons whose drink is either wyne or beare”), dung (“especially of those horses which be fed with oots, and be always kept in the Stable”), and lime (preferably made from oyster shells).

<sup>22</sup> E Wyndham Hulme, “On the Consideration of the Patent Grant, Past and Present” (1897) 13 LQ Rev 313 at 314 [Hulme, “On the Consideration of the Patent Grant”]; Hulme, “The History of the Patent System,” *supra* note 10 at 145.

<sup>23</sup> Hulme, “The History of the Patent System,” *supra* note 10 at 147.

<sup>24</sup> *Ibid* at 147, 148.

<sup>25</sup> Hulme, “On the Consideration of the Patent Grant,” *supra* note 22 at 315. This can also be seen in the preamble to 1 & 2 Phil & Mar, c 14 (1554–1555), quoted in note 17 *supra*.

<sup>26</sup> *R v Mussary* (1738), 1 Hayward’s Patent Cases 154. The report of this case in Hayward’s Patent Cases is from 1 WPC 41.

America that drained into Hudson's Bay.<sup>27</sup> The monopolies granted to Sir Edward Dyer, giving him control over the tanning industry, and to Sir Walter Raleigh, for the regulation of taverns,<sup>28</sup> are other examples of the government turning over the regulation of an industry to a private party.<sup>29</sup>

Another form of patent at the time was a *non obstante* patent, which granted a licence to the holder to carry on a trade or business notwithstanding a general prohibition against the trade or business. An example concerns woad, a type of cabbage plant used to make a blue dye for the textile industry. Woad was relatively profitable compared to grain.<sup>30</sup> In some years so much land was used to grow woad that the amount of grain produced was insufficient to last through the winter. As a result, Elizabeth I issued a number of proclamations restricting the growing of woad. However, she also issued patents permitting holders to sow a maximum number of acres of land with woad.<sup>31</sup> By this means, the government was in effect setting quotas on the production of woad.<sup>32</sup>

#### 4.3 The Preservation of Existing Trades Emerges as the Governing Principle

A fuller discussion of patent policy in the reign of Elizabeth I is beyond the scope of this review,<sup>33</sup> but there is no doubt that occasionally these different policy considerations came into conflict with one another. The case of *Darcy v Allein*<sup>34</sup> provides a concrete example of such a conflict. *Darcy's* patent was granted to him after an earlier grant of a similar monopoly of 12 years to one Ralph Bowes. *Darcy's* patent recites that Queen Elizabeth "intending that her subjects being able men to exercise

husbandry, should apply themselves thereunto, and that they should not employ themselves in making playing cards, which had not been any ancient manual occupation within this realm, and that by making such multitude of cards, card-playing was becoming more frequent and especially among servants and apprentices, and poor artificers; and to the end her subjects might apply themselves to more lawful and necessary trades." She granted a monopoly first to Bowes, and later to Darcy.

The patent recital states that the purpose for granting the monopoly was to restrict the supply of playing cards to encourage workers and apprentices to concentrate on their trade and not on card playing. It also asserts that the making of playing cards was not an ancient manual occupation in the realm. Despite these recitals, the patent was found to be void because those who had previously made playing cards were deprived of their trade. Among the grounds for declaring the patent void was that a monopoly

tends to the impoverishment of divers artificers and others, who before, by the labour of their hands in their art or trade, had maintained themselves and their families, who now will of necessity be constrained to live in idleness and beggary ... and the common law, in this point, agrees with the equity of the law of God, as appears in Deuteronomy cap. xxiv ver. 6 ... you shall not take in pledge the nether and upper millstone, for that is his life: by which it appears, that every man's trade

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- 27 Among other things, the Charter of the Hudson's Bay Company empowered the company "to make, ordain, and constitute, such, and so many reasonable Laws, Constitutions, Orders and Ordinances" to enforce those laws, and it empowered "the said Governor and Company, and their Successors, free Liberty and Licence, in case they conceive it necessary, to send either Ships of War, Men or Ammunition, unto any [of] their Plantations, Forts, Factories, or Places of Trade aforesaid, for the Security and Defence of the same, and to choose Commanders and Officers over them, and to give them Power and Authority, by Commission under their Common Seal or otherwise, to continue or make Peace or War with any Prince or People whatsoever, that are not Christians, in any Places where the said Company shall have any Plantations, Forts or Factories, or adjacent thereunto, as shall be most for the Advantage and Benefit of the said Governor and Company, and of their Trade": *supra* note 2 at 5.
- 28 Chris Dent, "Patent Policy in Early Modern England: Jobs, Trade and Regulation" (July 2007), U of Melbourne Legal Studies Research Paper No 237; Intellectual Property Research Institute of Australia Working Paper No 06.07, online: SSRN <<https://ssrn.com/abstract=1001611>>, at 4–5.
- 29 The practice of turning over regulation of an industry or several industries to a corporation continues today. One example is Ontario's *Technical Standards and Safety Act, 2000*, SO 2000, c 16 [TSSA], which provides for inspections of devices such as elevators, boilers, and pressure vessels, and also governs the certification of, among others, oil and gas technicians and operating engineers. The TSSA is administered by the Technical Standards and Safety Authority, which was created by letters patent but is continued under the TSSA as a corporation without share capital. Section 3.3 of the TSSA provides, "The Corporation and its members, officers, directors, employees and agents, together with the persons whose services it retains, are not agents of the Crown and shall not hold themselves out as agents of the Crown." There is also Ontario's *Highway 407 Act, 1998*, SO 1998, c 28, which grants the management of a highway to a private corporation.
- 30 Woad was about six times more profitable than corn (what North Americans would call cereal crops such as wheat or oats): see Frederick A Youngs, *The Proclamations of the Tudor Queens* (Cambridge, UK: Cambridge University Press, 1976) at 151.
- 31 Dent, *supra* note 28 at 4; Youngs, *supra* note 30 at 151–53.
- 32 See, for example, the *Canadian Dairy Commission Act*, RSC 1985, c C-15, which established the Canadian Dairy Commission and created a framework for regulating the quantity (by quotas), quality, and price of milk. Section 8 of the Act provides, "The objects of the Commission are to provide efficient producers of milk and cream with the opportunity of obtaining a fair return for their labour and investment and to provide consumers of dairy products with a continuous and adequate supply of dairy products of high quality."
- 33 See Dent, *supra* note 28.
- 34 *Darcy v Allein* (1602), 1 Hayward's Patent Cases 1 (also known as the *Case of Monopolies*). The reports of this case collected in Hayward's Patent Cases are from 77 ER 1260, 74 ER 1131, 72 ER 830, and 1 WPC 1. In usual Elizabethan fashion, the various reports spell Allein's name in a variety of ways, including Allin and Allen.

maintains his life, and therefore he ought not to be deprived of it or dispossessed of it, no more than his life.<sup>35</sup>

This impulse to maximize employment went so far as to prevent the issuance of a patent during the reign of Elizabeth I for a new and useful stocking knitting machine, because a patent would put those who produced stockings by hand out of work.<sup>36</sup> Later, during the reign of James I, not only was a similar patent refused, but the device itself was abolished.<sup>37</sup> Sir Edward Coke, in his chapter on monopolies, refers to a fulling mill that permitted more caps and bonnets to be thickened in a day “then by the labours of fourscore<sup>38</sup> men, who got their livings by it.” Consequently, it “was ordained that bonnets and caps should be thickened and fulled by the strength of men, and not in a fulling mill, for it was holden inconvenient to turn so many labouring men to idleness.”<sup>39</sup>

As noted earlier, the early Elizabethan patents generally had only a superficial description of the subject matter of the patent. Apart from the saltpetre patent, there was no formal requirement to provide a detailed description of the device or process in question. In the few years before Elizabeth's death in 1603, dissatisfaction with monopolies began to grow, as a result of the perception that many beneficiaries of such monopolies were close to the Queen. In 1601 a bill respecting monopolies was put forward in Parliament, but it was withdrawn when Elizabeth I conceded that the validity of her grants should be left to the law without the force of her prerogative.<sup>40</sup> In 1602 the Court of Queen's Bench heard the case of *Darcy v Allein* and held that a monopoly that took away a person's trade was void.<sup>41</sup>

## 5.0 Descriptions as a Means of Establishing Novelty

In 1611, one Sturtevant applied for a patent on the use of coal for smelting iron, and more generally the use of coal as a substitute for wood in other industries. With his application he included a “treatise” on metals, and promised to supplement this description by a more detailed description to be printed and published within a fixed period after the grant of the letters patent. In his final description, Sturtevant gave the following reasons for providing these descriptions: “(1) that it might appear that his inventions were new, and of his own devising, and not stolen from any other; (2) that the endeavours and inventions of other men, being different from his own, might not be prevented by him; (3) that none other should hereafter presume to petition His Majesty of inventions identical with those described by him.”<sup>42</sup>

In effect, Sturtevant, or those who assisted him, invented the description as an aid to upholding the validity of the patent should it be challenged later for taking away an existing trade.<sup>43</sup>

Hulme<sup>44</sup> refers to a second patent issued in 1712 where the petitioner proposed to describe the invention in writing by filing a written description, to be enrolled in Chancery within a reasonable time after the patent was granted. Eventually this voluntary practice was made mandatory.

## 6.0 The Beginnings of the Industrial Revolution

From about 1630 until the Restoration in 1660, the Civil War and its prelude had convulsed Britain. Following the Restoration, society began to change. People were publishing new and, for the time, radical ideas. In 1695, the geologist John Woodward argued that fossils were the remains of ancient organisms and not mysterious designs placed in the rocks by God.<sup>45</sup> Alchemy

35 *Ibid* at 5.

36 Dent, *supra* note 28 at 10.

37 *Ibid* at 10, footnote 44, thus anticipating the Luddite movement by about 200 years.

38 Eighty.

39 Coke's *Third Institutes (Monopolies)* at 184, reproduced in 1 Hayward's Patent Cases 75.

40 Hulme, “The History of the Patent System,” *supra* note 10 at 150–52. This was not the end of the matter. Similar concerns with the functioning of the patent system arose in the reign of James I, leading to the passage of the *Statute of Monopolies* in 1623 (it received royal assent in May 1624). See Chris R Kyle, “‘But a New Button to an Old Coat’: The Enactment of the Statute of Monopolies, 21 James I cap.3” (1998) 19 Legal History 203. While the *Statute of Monopolies* had a number of effects, including the demise of the *non obstante* patents, it was effectively a statutory declaration of the common law. Neither the description portion of the specification, nor the claims that define the monopoly, owe anything to the provisions of section 6 of the *Statute of Monopolies*, because the requirement of novelty predated the Statute. However, the later development of the requirement of invention, or inventive ingenuity, arose from the efforts of judges to interpret what section 6 of the Statute meant by “new manufacture.” The following version of section 6 was obtained from Legislation.gov.uk, although there are small differences from other sources. In particular, “tres,” the abbreviation for “letters,” has been printed as “tres” in the Legislation.gov.uk version. “Provided alsoe That any Declaracion before mencioned shall not extend to any tres Patents [letters patent] and Graunt of Privilege for the tearme of fowerteene yeares or under, hereafter to be made of the sole working or makeinge of any manner of new Manufactures within this Realme, to the true and first Inventor and Inventors of such Manufactures, which others at the tyme of makeinge such tres Patents and Graunts shall not use, soe as alsoe they be not contrary to the Lawe nor mischievous to the State, by raisinge prices of Commodities at home, or hurt of Trade, or generallie inconvenient; the said fourteene yeares to be [accomplished] from the date of the first tres Patents or Grant of such priviledge hereafter to be made, but that the same shall be of such force as they should be if this Act had never byn made, and of none other.” <<http://www.legislation.gov.uk/aep/Ja1/21/3/section/VI>>.

41 *Supra* note 34 at 7 and 25–26.

42 Hulme, “On the Consideration of the Patent Grant,” *supra* note 22 at 315–16.

43 There is a suggestion in a footnote to the report of *Dudley's Patent* (1622), 1 Hayward PC 47 at 50 that Sturtevant was required to provide his description as a condition of the grant.

44 Hulme, “On the Consideration of the Patent Grant,” *supra* note 22 at 316–17.

45 Jenny Uglow, *The Lunar Men—Five Friends Whose Curiosity Changed the World* (New York: Farrar, Straus & Giroux, 2003) at xv.

was evolving into chemistry, and the growing demands of industry fuelled the development of the metallurgical branch of chemistry. Richard Watson, the fifth professor of chemistry at Cambridge, studied and published on the smelting and processing of several metals, including methods of recovering by-products that would otherwise be waste. Science and religion intersected in ways that surprise us today; indeed, Professor Watson became the Regis Professor of Divinity at Cambridge in 1771.<sup>46</sup> Lectures and public demonstrations and experiments became a form of popular entertainment, and the study of natural philosophy a socially acceptable pastime.<sup>47</sup> From this ferment, we see the modern patent system begin to take shape.

### 7.0 The Description as a Means of Teaching the Invention

The usual stipulation that a patentee describe his invention did not become compulsory until about 1740.<sup>48</sup> From the beginning of the use of letters patent in England, both with letters of protection and the Elizabethan patents discussed above, instruction in the new art or trade was an essential if not the primary function of the patent grant. In the majority of cases with these early patents, the patentee was expected to fulfill this obligation by taking on and training apprentices. However, as with the case of the saltpetre patent of 1561, there were times when the patent grant required that the details of the process be reduced to writing.

By the 18th century, patents no longer contained a requirement that the patentee instruct apprentices.<sup>49</sup> The principle that one role of the specification is to instruct those of skill in the trade, in effect assigning to the specification the instructional role formerly performed by the requirement to instruct apprentices, first appeared in the 1778 case of *Liardet v Johnson*.<sup>50</sup> There, Lord Mansfield stated:

The general questions on patents are, 1<sup>st</sup>, whether the invention was known and in use before the patent; and, 2<sup>d</sup>, whether the specification is sufficient to enable others to make it up. The meaning of the specification

is, that others may be taught to do the thing for which the patent is granted; and if the specification is false, the patent is void, for after the term the public ought to have the benefit of the discovery. Hence the law requires as the price the patentee should pay to the public for his monopoly, that he should, to the very best of his knowledge, give the fullest and most sufficient description of all the particulars on which the effect depends.<sup>51</sup>

Subsequent cases expanded on this principle, including the 1785 case of *R v Arkwright*,<sup>52</sup> which was tried by a jury before Justice Buller. The patent was said to concern “certain instruments or machines, which would be of public utility in preparing silk, cotton, flax, and wool for spinning, and constructed on easy and simple principles, very different from any that had ever been contrived.” The patent described several components of the machine, including a beater or breaker of seeds (no. 1); an iron frame with teeth (no. 2); a piece of cloth with wool, flax, hemp, or any other such materials spread thereon (no. 3); a crank (no. 4); a cylinder (no. 5); rollers fixed to a wooden frame (no. 6); a cylinder box for twisting the contents of the wooden frame (no. 7); a machine for twisting the contents of no. 6 (no. 8); a spindle and flyer (no. 9); and a spindle, which was described as fixed to no. 6 (no. 10). Justice Buller charged the jury that if the specification were such that mechanical men of common understanding could comprehend it and make the machine by following the directions of the specification without any inventions or additions of their own, the specification was sufficient. There was evidence to show that it was not possible to build a working machine from the description alone. The evidence also showed that the specification included elements (nos. 8 and 9) that were of no use and that Mr. Arkwright had never included these elements in his actual device. The evidence also showed that some parts of the machine described in the specification were old. The jury returned a verdict that the patent was invalid.

In *Wood v Zimmer*,<sup>53</sup> the patent concerned a method of making verdigris, a blue-green pigment derived from copper. The

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- 46 Mary Archer & Christopher Haley, *The 1702 Chair of Chemistry at Cambridge—Transformation and Change* (Cambridge, UK: Cambridge University Press, 2005) ch 3.
- 47 Uglow, *supra* note 45 at xvi..
- 48 E Wyndham Hulme, “On the History of Patent Law in the 17th and 18th Centuries” (1902) 18 LQ Rev 280 at 283 [Hulme, “On the History of Patent Law”].
- 49 Hulme, “The History of the Patent System,” *supra* note 10. See, for example, the patents numbered by Hulme as I, XII, and XIX.
- 50 *Liardet v Johnson* (1778), 1 Hayward’s Patent Cases 195 (KB). The reports of this case collected in Hayward’s Patent Cases are from 1 CPC 35, 1 WPC 52, and 62 ER 1000. See also the discussion of this case in Hulme, “On the Consideration of the Patent Grant,” *supra* note 22 at 317; and Hulme, “On the History of Patent Law,” *supra* note 48 at 283.
- 51 *Liardet v Johnson*, *supra* note 50 at 198. This may fairly be regarded as an early statement of the “bargain theory” of patents of invention.
- 52 *R v Arkwright* (1785), 1 Hayward’s Patent Cases 249. (Other reports of the various *Arkwright* cases may be found in 1 Hayward’s Patent Cases at 215–311.) The reports of this case collected in Hayward’s Patent Cases are from G 15, 1 WPC 64, 1 CPC 53, and 1 CPC 101. A similar case is *Turner v Winter* (1787), 1 Hayward’s Patent Cases 321. The reports of this case collected in Hayward’s Patent Cases are from G 470, 99 ER 1274, and 1 WPC 77.
- 53 *Wood v Zimmer* (1815), 1 Hayward’s Patent Cases 652. The reports of this case collected in Hayward’s Patent Cases are from G 502, 171 ER 161, and 1 CPC 290.

specification did not disclose a step that the patentee used in his own process. In charging the jury, Chief Justice Gibbs stated:

A man who applies for a patent, and possesses a mode of carrying on that invention in the most beneficial manner, must disclose the means of producing it in equal perfection, and with as little expense and labour as it costs the inventor himself. The price that he pays for his patent is, that he will enable the public, at the expiration of his privilege, to make it in the same way, and with the same advantages. If anything which gives an advantageous operation to the thing invented is concealed the patent is void. Now though the specification would enable a person to make verdigris substantially as good without *aqua fortis* as with it, still, insomuch as it would be made with more labour by the omission of *aqua fortis*, it is a prejudicial concealment and a breach of the terms which the patentee makes with the public.

## 8.0 The Requirement of Utility

As we have seen, the early letters of protection were concerned with bringing to England methods of manufacture already known in Europe. Although the requirement of utility was not stated explicitly, it was implicit in the Elizabethan grants, which either required the goods to meet a particular standard (for example, soap as fine as soap from the “Sope house of Triana or Syvile”) or that production of the goods begin by a certain date. If the patent covered subject matter that the patentee could not put into effect profitably, the government had no interest in maintaining a patent that might only interfere with others.

As noted above, the patent specification in *Arkwright* included some elements that would not work.<sup>54</sup> However, Justice Buller’s charge to the jury seems to suggest that the inclusion of elements that Mr. Arkwright did not use and that would not work related to the issue of the sufficiency of the specification and was not an independent

ground of invalidity. However, by at least 1815 judges were instructing juries that utility was an independent requirement for a valid patent.<sup>55</sup>

## 9.0 The Patentability of Improvements and Additions

It appears that in Elizabeth I’s time, a valid patent could not be granted for an improvement or addition to an existing process or device. In his chapter on monopolies,<sup>56</sup> Coke referred to *Bircot’s Case*, decided in Exchequer. He stated:

[S]uch a privilege, as is consonant to law, must be substantially and essentially newly invented, but if the substance was *in esse* before, and a new addition thereunto, though that addition make the former more profitable, yet it is not a new manufacture in law: and so it was resolved in the Exchequer Chamber, Pasch. 15 Eliz. in *Bircots case* of a privilege concerning the preparing and melting, etc. of lead ore: for there it was said, that that was to put but a new button to an old coat: and it is much easier to adde then to invent. And there it was also resolved, that if the new manufacture be substantially invented<sup>57</sup> according to law, yet no old manufacture in use before can be prohibited.

*Stanyforth’s Case*, decided in 1741, held that a patent for a new form of plough was invalid on the authority of *Bircot’s Case*: the patent plough “was not substantially and absolutely a new invention but barely and only a small additional improvement on an old invention, such as was frequently made on many other utensils in husbandry.”<sup>58</sup> *Jessop’s Case* does not appear to have come up in *Stanyforth’s Case*, although it must have been decided no later than 1738.<sup>59</sup> In *Jessop’s Case*, the patent was found to be invalid on the basis that the specification described a watch, when it appeared that what Jessop had invented was a new movement in the watch. Implicit in this decision is the principle that if Jessop had confined his description to the movement itself, the improvement would have been patentable.

<sup>54</sup> See *supra* note 52 at 253.

<sup>55</sup> See *Bovil v Moore* (1815), 1 *Hayward’s Patent Cases* 613 at 615: “In point of law, it is necessary that the plaintiff should prove that this is a new and useful invention, in order to entitle himself to the present action.” The reports of this case collected in *Hayward’s Patent Cases* are from G 74, 47 ER 1048, 1 CPC 320, and 1 CPC 348. See also *Hill v Thompson and Forman* (1817), 1 *Hayward’s Patent Cases* 717 at 719: “In his direction to the jury, the judge has stated the law on the subject of patents—first, that the invention must be novel; secondly, that it must be useful; and, thirdly, that the specification must be intelligible.” The reports of this case collected in *Hayward’s Patent Cases* are from G 241, 36 ER 239, 171 ER 367, 129 ER 427, and 1 WPC 225..

<sup>56</sup> Coke’s *Third Institutes (Monopolies)* at 184, reproduced in 1 *Hayward’s Patent Cases* 75.

<sup>57</sup> Hulme points out in “On the History of Patent Law,” *supra* note 48 at 280–81, that the word “invent” has a somewhat more restricted meaning today than it did in the time of Elizabeth I and James I, when it included “to originate, to bring into use formally or by authority, to found, establish, institute or appoint.”

<sup>58</sup> Christine MacLeod, *Inventing the Industrial Revolution—The English Patent System, 1660–1800* (Cambridge, UK: Cambridge University Press, 1988) at 67. It appears that the records of the case can only be found in the Public Records Office.

<sup>59</sup> *Jessop’s Case* is referred to briefly in the reports of *R v Mussary* (1738), 1 *Hayward’s Patent Cases* 153 at 155 and *Boulton and Watt v Bull* (1795), 1 *Hayward’s Patent Cases* 378 at footnote (a) and 388. The patent apparently failed because the invention was for a particular movement in a watch, but the specification described the entire watch.



About 25 years after *Stanyforth's Case*, the issue of the patentability of an improvement or addition to a known manufacture was considered again, in *Morris v Bramson*.<sup>60</sup> The invention in that case consisted of an alteration to a previously known knitting machine so that the altered machine produced a different type of fabric. The matter was tried before a jury, and Lord Mansfield, in summing up the case to the jury, stated that he had received a letter from one of the jurors, which he had mentioned to the other judges. The letter was to the effect that if the objection to a patent on the grounds of the invention being only an addition to an old machine were to prevail, that objection would go to repeal almost every patent ever granted. The jury returned a verdict for the plaintiff with £500 damages. The defendant acquiesced in the verdict.

In *R v Else*,<sup>61</sup> the specification described the invention as mixing a fine thread of silk with flax, hemp, or cotton thread for making lace. At trial, the party seeking to invalidate the patent proved that others had used a mixture of silk and cotton for making lace. Although the patentee attempted to show that his product was better than the prior product, Justice Buller held that "[t]he patent claims the exclusive liberty of making lace composed of silk and cotton thread mixed, *not of any particular mode of mixing it*, and therefore, as it has been proved that silk and cotton there were before mixed on the same frame for lace in some mode or other, the patent is clearly void" (emphasis added).

This, however, was not the end of the matter. One of the arguments made in objection to the patent granted to James Watt for the external condenser for use with a steam engine<sup>62</sup> was that the specification described a steam engine and not just the external condenser.

The development of this invention is a reflection of the new age; indeed, it may well be the invention that made the Industrial Revolution possible. Watt was a member of the Lunar Society, an informal group in Birmingham who met to discuss science at one another's houses.<sup>63</sup> Among the members were Erasmus Darwin, grandfather of Charles; Matthew Boulton, who had followed his father into the metalworking trade; Joseph Priestly, who would

become known for his work with gases and the isolation of oxygen from mercury (II) oxide and from saltpetre; and the potter Josiah Wedgwood.<sup>64</sup>

Together, Watt and Boulton had obtained an act of Parliament to extend the patent term from the original 14 years to 25 years. Boulton and Watt brought their original action for infringement of the extended patent in Common Pleas, which the chief justice tried in 1793. The jury returned a verdict for the plaintiffs that the invention was new and useful, it had been infringed by the defendants, and the specification was of itself sufficient to enable a mechanic acquainted with steam engines previously in use to construct a steam engine incorporating Watt's energy-saving external condenser. A case was reserved for the opinion of the court on several questions, including whether the patent claimed the whole steam engine or only the improvement of the external condenser, and whether an addition to a known device was patentable. For reasons not explained in the report, the questions were argued twice by different counsel for both plaintiffs and defendants. In his opinion, Justice Buller referred to *Morris v Bramson* and Coke's discussion of monopolies, including *Bircot's Case*. No mention was made of *Stanyforth's Case*. Two judges found the patent valid, and two found it void; as a result, the court could give no judgment.

The plaintiffs had previously obtained an injunction in Chancery, and following the outcome of the proceedings in Common Pleas the defendant moved to dissolve the injunction. The Lord Chancellor declined to do so or to impose terms on the plaintiffs. The defendants in the Common Pleas proceeding then brought a writ of error in King's Bench. In light of the divided opinions of the judges in Common Pleas, the Court of King's Bench awarded the parties a second argument of the case. As before, different counsel argued on the two occasions. A unanimous court found the patent to be valid.<sup>65</sup>

## 10.0 The Evolution of Claims

The need for a patent applicant for an addition to or improvement of a known manufacture or process to distinguish between the invention and what was old was decided in *Jessop's*

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- 60 *Morris v Bramson* (1776), 1 Hayward's Patent Cases 181. The reports of this case collected in Hayward's Patent Cases are from G 311, 1 CPC 30, and 1 WPC 50.
- 61 *R v Else* (1785), 1 Hayward's Patent Cases 313. The reports of this case collected in Hayward's Patent Cases are from G 190, 1 WPC 75 and 1 CPC 103.
- 62 The reports of *Boulton and Watt v Bull* and the subsequent proceedings in King's Bench by writ of error from the proceedings in Common Pleas as *Hornblower v Boulton and Watt* are reproduced in 1 Hayward's Patent Cases 369. The reports of this case collected in Hayward's Patent Cases are from G 70, 126 ER 651, 30 ER 937, G 263, and 101 ER 1285. For a description of the overlapping jurisdiction of the English courts at the time, and the competition among them for business, see AH Manchester, *Modern Legal History* (London, UK: Butterworths, 1980) ch 6.
- 63 The name came from the fact the meetings took place on the Monday closest to the full moon so that the members would have light to ride home.
- 64 Uglow, *supra* note 45. Uglow's detailed account of the development of the Watt invention into a transformative technology, including the process of obtaining an extension of the patent term by an act of Parliament, is fascinating—see 93–104 and 243–94 especially. See also Simon Winchester, *The Perfectionists—How Precision Engineering Created the Modern World* (New York: HarperCollins, 2018) at 45–51.
- 65 The cost and complexity of patent litigation continue to be an issue to the present day. In *Ungar v Sugg* (1892), 9 RPC 113 at 117 (CA), Lord Esher was moved to say, "Why, that a man had better have his patent infringed, or have anything happen to him in this world, short of losing all his family by influenza, than have a dispute about a patent. His patent is swallowed up, and he is ruined."

Case,<sup>66</sup> discussed above, and *MacFarlane v Price*.<sup>67</sup> The patent in *MacFarlane v Price* concerned an umbrella. Lord Ellenborough, the Chief Justice of the Court of King's Bench, stated:

The patentee in his specification ought to inform the person who consults it what is new and what is old. He should say my improvement consists in this, describing it by words if he can, or if not, by reference to figures. But here the improvement is neither described by words nor figures, and it would not be in the wit of man, unless he were previously acquainted with the construction of the instrument, to say what was new and what was old. The specification states that the improved construction was made in manner following: this is not true, since the description comprises that which is old, as well as that which is new. Then it is said that the patentee may put in aid the figures, but how can it be collected from the whole of these in what the improvement consists. A person ought to be warned by the specification against the use of the particular invention; but it would exceed the wit of man to discover from what he is warned in a case like this.

Although claims were not a statutory requirement or even customary,<sup>68</sup> it appears that as early as 1785 patents were being invalidated for purportedly claiming something more than or different from what had been invented, usually because the specification included old matter.

Another factor that contributed to some unevenness in the application of the developing legal principles was the use of juries to try patent cases. In *Morris v Bramson*,<sup>69</sup> a juror's question about the statement of the law led to reconsideration of the patentability of an addition or improvement to what was old. In other cases, the juries appear to have been unpersuaded by the law as explained by the judge in his charge to them.

The 1789 case of *Bramah v. Hardcastle*<sup>70</sup> involved a patent granted in 1778 for a water closet. The specification included the statement "I, the said Joseph Bramah, do hereby declare, that my said invention is composed and made in a manner following: that is to say; The merits of this my invention depend chiefly on two valves, so situated and constructed as totally to prevent the great inconvenience complained of in every sort of water-closet hitherto made use of." In his charge to the jury, Chief Justice Kenyon conceded that Bramah's patent disclosed something "very ingenious and perfectly new"<sup>71</sup>—namely, conducting the wire that actuated the valves through a hollow tube so as to prevent obstruction from frost. Earlier water closets ran the wire through the water-filled passage, where it could freeze in place. However, he instructed the jury that because the patent claimed the use of two valves to prevent offensive smells by causing the water to rush in and out at the same time, when a prior device used a valve and a plug for the same purpose, the patent was void. The jury ignored his instruction, and found the patent valid and infringed. It is tempting to wonder whether one or more of the jurors had direct personal experience with use of the prior art in winter.

On the one hand, a patentee who failed to mention a step or element necessary for the best working of the invention could lose his patent for non-disclosure. On the other, including in the description of the invention matter that was old could prove equally fatal to the patent. Over the course of years, inventors

<sup>66</sup> *Supra* note 59.

<sup>67</sup> *MacFarlane v Price* (1816), 1 Hayward's Patent Cases 687 (KB). The reports of this case collected in Hayward's Patent Cases are from G 294, 171 ER 446, and 1 CPC 309. The full specification is reproduced in the reports.

<sup>68</sup> It is difficult to pinpoint a date when patentees began to include a statement that sought to define the scope of the monopoly that they claimed. In *R v Else*, *supra* note 61 at 314, the report states, "The specification stated the invention to be 'mingling a fine thread of silk or other such material with thread, flax, hemp, cotton which has usually been worked in a stocking-frame, which addition gives strength, firmness and durability to the work. The manner of working the same is such as is common in making open work.' There was no separate claim." In *Bovil v Moore* (1815), 1 Hayward's Patent Cases 613 at 614–15, the report summarizes the specification as follows: "The specification stated:—'My invention consists, as represented by the drawings hereto annexed, and is hereinafter described.' Then followed a description of the entire machine. There was no separate claim." This makes sense if the principle that a failure to properly describe the improvement to a machine instead of the whole machine had been laid down prior to 1738 in *Jessop's Case* (*supra* note 59). Both reports with the statement that the specification had no separate claim originally came from Davies' Patent Cases, which were published from 1785 until 1816, and are contemporaneous with the cases being reported.

<sup>69</sup> *Supra* note 60.

<sup>70</sup> *Bramah v Hardcastle* (1789), 1 Hayward's Patent Cases 339. The report of this case in Hayward's Patent Cases is from 1 CPC 168.

<sup>71</sup> *Ibid.* Lord Kenyon stated at 343, "I doubt that: if a thing so near was done, I think it would be an infringement. In my opinion, the stress of the cause mainly depends upon this, whether the thing granted by the patent be entirely new. The conducting of the wire through the hollow tube, to prevent obstruction from frost, I admit, is very ingenious and perfectly new, but is not claimed by the patent. Unlearned men look at specification and suppose everything new that is there. If the whole be not new, it is hanging terrors over them. The plaintiff goes to the King, saying, Here are offensive smells: these are prevented by two valves, causing the water to rush in and out at the same time. That is not new: in the former machine there was one valve and a plug. The question for your consideration is, whether in principle that is the same, whether the effect obtained of stopping the apertures is by the same means? Whether those means differ in shape or not, I think is not material." Lord Kenyon concluded by telling the jury that the patent was void, the invention not being new, and that they should find a verdict for the defendant. The jury, however, found a verdict for the plaintiff.

and their advisers experimented with a variety of ways to avoid these twin problems, and from these experiments a statement resembling a claim evolved.

One approach was to state matter that the patentee did not claim. The specification of *Tennant's Patent*<sup>72</sup> for a new method of employing calcareous earth, for example, explicitly stated, "I disclaim any right to the discovery of the simple chemical solution of lime in water, commonly called lime water" (emphasis added).

In 1807, Alexander John Forsyth obtained a patent for a method of discharging artillery, which was litigated in *Forsyth v Riviere*.<sup>73</sup> The specification explicitly stated, "I do not lay claim to the invention of any of the said compounds or matters to be used for priming; my invention in regard thereto being confined to the use and application thereof to the purposes of artillery and firearms as aforesaid" (emphasis added).

*R v Cutler*<sup>74</sup> concerned a patent, granted in 1815, for a new mode of feeding the fire in a grate by a supply of fuel from below, instead of from above, in the usual way. The patent was vacated since the patentee in his specification failed to confine himself to this invention because "there is nothing predicated in the specification of raising the fuel from a chamber below into the grate."

In *Hall v Boot*,<sup>75</sup> the patent specification (granted in 1817) concludes with the claim-like statement, "But I do not claim the exclusive use of any apparatus, or combination of machinery, except in connexion with, and in aid of, the application of inflammable gas to the purposes above described in this specification."

Others tried to specify the subject matter of the invention in a positive way. James Hadden obtained a patent for the processing of wool in 1818. It included the following statement in the specification: "The application of heat to

wool, for the better preparing, roving, and spinning, all or either the same, being to the best of my knowledge and belief entirely new, and never before practiced in these kingdoms, I am desirous to maintain this my exclusive right and privilege."<sup>76</sup>

The specification of a later patent granted on November 1, 1820 to Thomas Crompton ended with the following statement: "Although I have specified with reference to the accompanying drawing, yet I consider any method of conveying paper over heated rollers or plates, for the purpose of drying paper, by means of a conductor or conductors, to be an infringement of my patent."<sup>77</sup> This form of statement more closely resembles a modern claim.

By 1836, the United States added an explicit requirement to its patent legislation that the inventor in the specification "particularly specify and point out the part, improvement, or combination, which he claims as his own invention or discovery."<sup>78</sup> Canada's first post-Confederation patent legislation, which harmonized and replaced the pre-existing legislation of the various provinces, contained the following requirement: "The specification shall correctly and fully describe the mode or modes of operating contemplated by the applicant,—and shall state clearly and distinctly the contrivances and things which he claims as new, and for the use of which he claims an exclusive property and privilege."<sup>79</sup> In 1884, the United Kingdom added the following provision to its legislation: "A specification, whether provisional or complete, must commence with the title, and in the case of a complete specification must end with a distinct statement of the invention claimed."<sup>80</sup>

### 11.0 The Requirement of Inventive Ingenuity

In the Elizabethan period, when the policy of monopoly patents was to encourage the copying of foreign technology, the question of invention as we understand the word today was irrelevant. At that time, "invent" had a much broader meaning than it does today; it included "to originate, to

72 *Tennant's Case* (1802), 1 Hayward's Patent Cases 443. The report of this case in Hayward's Patent Cases is from 1 CPC 177.

73 *Forsyth v Riviere* (1819), 1 Hayward's Patent Cases 783. The reports of this case collected in Hayward's Patent Cases are from G 197, 1 CPC 401, and 1 WPC 95.

74 *R v Cutler* (1816), 1 Hayward's Patent Cases 695. The reports of this case collected in Hayward's Patent Cases are from G 152, 171 ER 495, and 1 CPC 351.

75 *Hall v Boot* (1822), 1 Hayward's Patent Cases 835. The reports of this case collected in Hayward's Patent Cases are from G 217, 1 CPC 423, and 1 WPC 97.

76 *R v Hadden* (1826), 1 Hayward's Patent Cases 903 at 906 (KB). The reports of this case collected in Hayward's Patent Cases are from 172 ER 84 and 1 CPC 447. A footnote to the report of *Hadden* (at 906) states that the case was tried on the same day as *R v Lister*. The footnote also states that *Lister* had filed a specification for the same invention. Both sued, and both succeeded in invalidating the other's patent on the basis that the invention had already been in use in 1815 at Kidderminster.

77 *Crompton v Ibbotson* (1828), 1 Hayward's Patent Cases 935 at 938 (KB). The reports of this case collected in Hayward's Patent Cases are from G 135 and 1 CPC 458.

78 *An Act to promote the progress of useful arts, and to repeal all acts and parts of acts heretofore made for that purpose*, 24th Cong, Sess 1, 5 Stat 117 § 6.

79 *Patent Act, 1869*, *supra* note 2. The *Patent Act, 1869* generally followed the 1836 US legislation: *Consolboard Inc v MacMillan Bloedel (Sask) Ltd*, [1981] 1 SCR 504 at 518 [Consolboard].

80 *An Act to amend and consolidate the Law relating to Patents for Inventions, Registrations of Designs and of Trade Marks* (UK), 46 & 47 Vict, c 57, s 5(5), which came into effect 1 January 1884.

bring into use formally or by authority, to found, establish, institute or appoint.”<sup>81</sup>

As more cases of patents for improvements came before the courts, the courts had to grapple with the question of whether the improvement amounted to a “new manufacture” within the meaning of section 6 of the *Statute of Monopolies*. In effect, the question of putting “a new button to an old coat,” mentioned in *Bircot’s Case*, reappeared in a new guise. While a claim served to separate what the patentee claimed to be new from what was old,<sup>82</sup> some means had to be found to determine the degree of novelty that was required to justify the grant of a patent monopoly. The requirement of inventive ingenuity evolved to answer that question.

The question in *Brunton v Hawkes*<sup>83</sup> concerned the novelty of the ship’s anchor in the patent. The analysis in the reasons of Justice Bayley concentrated on whether there was sufficient novelty in the construction of the new anchor to justify the patent:

[I]n substance the patent is, for making in one entire piece, that which formerly was made in two. The two flukes of the anchor used to consist of distinct pieces of iron, fastened to the shank by welding. In the present form, the flukes are in one piece, and instead of welding them to the shank, a hole is made in the centre, and the shank introduced through the hole. Could there be a patent for making, in one entire piece, what before had been made in two pieces? I think not; but if it could, I think that still this would not be new. In the mushroom and the adze-anchors, the shank is introduced into the anchor by a hole in the centre of the solid piece; and in reality, the adze-anchor is an anchor with one fluke, and the double fluke-anchor is an anchor with two flukes. After having had a one-fluked anchor, could you have a patent for a double-fluked anchor? I doubt it very much. After the analogies alluded to in argument, of the hammer and pick-axe, I do not think that the mere introducing the shank of the anchor, which I may call the handle, in so similar a mode, is an invention for which a patent can be sustained. It is said in this case, that the mushroom-anchor, and adze-anchor, are

not ships’ anchors, but mooring-anchors. I think they are ships’ anchors; ... the analogy between the case of the mushroom-anchor, and of the adze-anchor, is so close to that of the present anchor, that it does not appear to me that this discovery can be considered so far new as to be the proper ground of a patent. In reality, it is nothing more than making in one piece, what before was made in two, and introducing into this kind of anchor, the shank in the way a handle is introduced into a hammer or pick-axe. I think, therefore, that this not being a new discovery, the patent is wholly void.<sup>84</sup>

Although the argument was framed as a question of sufficient novelty, today it would more likely be framed as a question of sufficient inventive ingenuity.

The question of inventive ingenuity also came up in *Cornish v Keene*.<sup>85</sup> The case concerned a fabric made by combining threads of India rubber with flax or cotton. The evidence showed that the use of elastic threads wound with filaments of cotton was old, as was the use of threads of cotton or other non-elastic material. What the patent described, however, was a method of alternating threads of cotton or flax in a warp with the threads or bands of India rubber under tension, and then combining them with a weft, so that the threads of cotton or flax in the warp served as a stop or maximum point to which the fabric could be stretched, so that the India rubber threads could not be easily broken. The defendant pleaded that the invention was not the subject matter of a patent because it was merely the application of a known material in a known manner to a known purpose. Chief Justice Tindall of the Court of Common Pleas ruled that the production was altogether new, and a manufacture at once ingenious and simple combining the two qualities of elasticity with a limit thereto. The patent was found to be valid.

Because the argument in these cases was based on whether the improvement was sufficient to qualify as a “new manufacture” within the meaning of section 6 of the *Statute of Monopolies*, for many years what we now refer to as the defence of obviousness or lack of inventive ingenuity was labelled as “want of subject matter.”<sup>86</sup> The development of the requirement of inventive ingenuity was not a direct and simple process. In some cases, the analysis was framed in terms of novelty, but in reality the cases were decided on the basis that the differences between the

81 See *supra* note 57..

82 *MacFarlane v Price* (1816), 1 *Hayward’s Patent Cases* 687 (KB).

83 *Brunton v Hawkes* (1820–1821), 1 *Hayward’s Patent Cases* 803. The reports of this case collected in *Hayward’s Patent Cases* are from G 97, 1 CPC 405, and 106 ER 1034.

84 *Ibid* at 817.

85 *Cornish v Keene* (1835), 2 *Hayward’s Patent Cases* 481 at 485. The reports of this case collected in *Hayward’s Patent Cases* are from G 127, 1 WPC 497, 2 CPC 314, 132 ER 530, 1 Jur 235, and 1 LonJ 336.

86 The requirement of inventive ingenuity is dealt with in the chapter on “subject matter” in Harold Fisher, Russell S Smart & William Joseph Lynch, *Canadian Patent Law and Practice* (Toronto: Canada Law Book, 1914).

device in the patent and the prior art were sufficient to justify a patent.<sup>87</sup> Other cases, such as the 1892 decision of *Gadd v Mayor of Manchester*,<sup>88</sup> clarified the distinction between novelty and the requirement of invention.

The invention in *Gadd* concerned a “gasometer,” which involved an inverted glass bell in a well of fluid. As gas was introduced into the well, the inverted bell would rise, and the higher it rose, the more unstable it became. The problem was to devise a simple mechanism for keeping the bell vertical as it rose and fell. The mechanism devised by Gadd for his gasometer was in principle identical to a known mechanism for a floating dock. The applicable legislation at the time was the *Patent Act of 1883*,<sup>89</sup> but its definition of “invention” referred back to section 6 of the *Statute of Monopolies* and the term “new manufacture.” Lord Justice Lindley stated the following propositions of law:

1. A patent for the mere new use of a known contrivance, without any additional ingenuity in overcoming fresh difficulties, is bad, and cannot be supported. If the new use involves no ingenuity, but is in manner and purpose analogous to the old use, although not quite the same, there is no invention; there is no manner of new manufacture within the meaning of the *Statute of James*.
2. On the other hand, a patent for a new use of a known contrivance is good and can be supported if the new use involves practical difficulties that the patentee has been the first to see and overcome through some ingenuity of his own. An improved thing produced by a new and ingenious application of a known contrivance to an old thing is a manner of new manufacture within the meaning of the *Statute of James*.

By about 1900, it was clear that whether an invention in a patent was a “new manufacture” in light of similar, but not identical, prior art depended on the court finding that some element of inventive ingenuity was necessary to make the changes from what was known in the prior art.

## 12.0 Conclusion

As early as the 14th century, English monarchs recognized that England lagged behind European countries in technologies such as weaving and clothmaking. The first solution involved granting the King’s protection by letters patent or by statute to foreign tradespeople who would come to England and teach their trade to apprentices. Another approach was to exempt foreign traders from import duties if they brought books with them containing useful knowledge. In the late Tudor period,<sup>90</sup> the approach shifted to the granting of monopolies to those who brought a new trade to England, as was done by the mayor and merchants of Norwich, who brought in Italian clothmakers to teach new methods of making cloth.

When Elizabeth I recognized that England’s supply of saltpetre, which was essential to making gunpowder, was under Spain’s control, she offered a reward to a German captain to disclose a process for making it. However, because the reward was to be paid to a foreigner, the payment was made contingent on having the captain reduce his process to writing. This requirement was not generally imposed with other patents of the day, but in the circumstances it was a prudent requirement.

Since a patent could not validly be granted that would interfere with an existing trade, inventors took to providing a written description of their devices or processes in order to be able to demonstrate that their patent did not affect existing practices. As time went on, the provision of a written description became more frequent, and eventually was made a requirement.

As we have seen, during the Elizabethan period (1558–1603) and Stuart period (1603–1714), letters patent were used for other purposes, such as the regulation of trade. Some of these patents were found to offend the rule against interference with an existing trade, and eventually led in 1623 to the enactment of the *Statute of Monopolies*, which essentially codified the common law that had developed.

On the authority of the Elizabethan decision in *Bircot’s Case*, a patent could not be granted for a mere improvement. There the law stood for some 200 years, until a jury member saw fit to question this principle in *Morris v Bramson*.<sup>91</sup>

<sup>87</sup> Some discussion of several of the cases decided in this period, and the fact that what was often described as an issue of novelty was what we would today call an issue of invention, can be found in Lewis Edmunds, *The Law and Practice of Letters Patent for Inventions* (London, UK: Stevens and Sons, 1897) at 81–84.

<sup>88</sup> *Gadd v Mayor of Manchester* (1892), 9 RPC 516 at 524 (CA).

<sup>89</sup> 46 & 47 Vict, c 57.

<sup>90</sup> The Tudor period spans the years 1485–1603 and includes the reign of Elizabeth I.

<sup>91</sup> *Supra* note 60.



The change in the law that made an improvement to an existing invention patentable soon led to two additional developments in the law. The first arose from the decision of Lord Ellenborough in *MacFarlane v Price*,<sup>92</sup> who held, “The patentee in his specification ought to inform the person who consults it what is new and what is old. He should say my improvement consists in this, describing it by words if he can, or if not, by reference to figures.” This requirement led inventors to insert a statement in their specifications that sought, in a variety of ways, to distinguish their invention from what was old. These statements soon evolved into a form of claim.

The second requirement arose from the need to determine whether the improvement was a “new manufacture” within the meaning of section 6 of the *Statute of Monopolies*.<sup>93</sup> This second requirement eventually evolved into the requirement of inventive ingenuity.<sup>94</sup>

By the early 20th century, the framework of a modern patent of invention was more or less complete. It had been built up over a period of some 500 years in response to particular circumstances that arose from time to time. Generally, the legislation followed the common law and common practice, and did not seek to shape the patent system. This may not be apparent to the modern practitioner accustomed to hearing or reading the now familiar refrain that patent law is *wholly* statutory.<sup>95</sup> It is interesting to speculate what the patent system might look like if the jury member in *Morris v Bramson* had not sent his letter to Lord Mansfield.

Since the beginning of the 20th century, the patent system has continued to evolve; however, these changes have not fundamentally changed the basic structure of the patent system. Some of these refinements have been driven by new technology (for example, whether new life forms are patentable, and software patents). Other refinements attempt to provide a clearer test for inventive ingenuity or for the construction of a patent. This evolution is fully discussed in at least two current textbooks.<sup>96</sup>

The 20th century was also a period when the law of patents became more uniform around the world, and major changes to the *Patent Act* resulted from treaties such as the *Patent Cooperation Treaty*, the *Patent Law Treaty*,<sup>97</sup> and the *North American Free Trade Agreement*. More changes will come into effect when the *Canada–United States–Mexico Agreement Implementation Act*<sup>98</sup> comes into force.

While the history of the development of the modern patent of invention is interesting on its own merits, knowledge of it has value for practitioners today. In *Consolboard*,<sup>99</sup> the Supreme Court of Canada had to address an argument by the defendant that the patent failed because the specification failed to adequately distinguish between what was old and what was new. The Supreme Court referred to a UK decision, *British United Shoe*,<sup>100</sup> to the effect that “distinguishing old from new” does not require an explicit statement of how the invention is different or novel. The true test is simply that “a man must distinguish what is old from what is new by his Claim, but he has not got to distinguish what is old and what is new in his Claim.”<sup>101</sup>

When one reads the decision of the Court of Appeal in *British United Shoe*, particularly the reasons of Lord Justice Fletcher-Moulton, it is immediately apparent that the basis of the defendant’s objection in *British United Shoe* can be traced back to Lord Ellenborough’s reasons in *MacFarlane v Price*,<sup>102</sup> a case that predated the requirement of claims and was decided some 92 years before *British United Shoe* and some 165 years before the argument was raised again in *Consolboard*. In his reasons, Lord Justice Fletcher-Moulton discussed the evolution of claims, and why the objection, diligently passed on through precedents from one generation of counsel to the next, was no longer sound by 1908. Only by being aware of how the current patent system came to be can we avoid being haunted by obsolete statements of principle from the past.

92 *Supra* note 67 at 688.

93 Reproduced in note 40 *supra*.

94 As discussed earlier, the requirement began as an inquiry into whether the described invention was sufficiently new to qualify as a “new Manufacture” within the *Statute of Monopolies*. Initially, this requirement was described as “want of subject matter,” a label we use today for a very different concept—namely, whether the claimed invention satisfies the definition of an invention in section 2 of the *Patent Act*. Eventually, the requirement of inventive ingenuity became the means to determine whether the claimed invention was sufficiently different from the prior art to merit the grant of a patent.

95 Asserted by the plaintiff in *AstraZeneca Canada Inc v Apotex Inc*, 2017 SCC 36.

96 Donald H MacOdum, *Fox on the Canadian Law of Patents*, 5th ed (Toronto: Carswell, 2020) (a loose-leaf service updated about five times annually); Stephen J Perry & T Andrew Currier, *Canadian Patent Law*, 3rd ed (Toronto: LexisNexis Canada, 2018).

97 The *Patent Law Treaty* came into force in Canada on 30 October 2019.

98 MSC 2020, c C-4.

99 *Supra* note 79.

100 *British United Shoe Machinery Company Ltd v A Fussell & Sons Ltd* (1908), 45 RPC 631 (CA).

101 *Ibid* at 651, quoted by the Supreme Court in *Consolboard*, *supra* note 79 at 532.

102 *Supra* note 67



### In Memoriam – Joan Clark Q.C.

IPIIC wishes to offer its sincere condolences following the passing of Past President and Member of Distinction Joan Clark Q.C. on April 8th, 2020.

As an influential member of the Canadian IP community, Joan was the first woman to become a Fellow of the Intellectual Property Institute of Canada. She served as President of the Institute from 1978-1979 and was made a Member of Distinction in 2008. In 2019, she was honoured as the first recipient of the WING Women in IP Trailblazer award.

After obtaining a B.A. from McGill, Joan pursued a law degree in French at the Université de Montréal and graduated magna cum laude at the top of her class with the Governor General's Medal in 1954 – the first woman to do so.

Admitted to the Bar of Québec, Joan Clark joined Ogilvy Renault in 1954 (now Norton Rose Fulbright), where she remained for the duration of her illustrious career. Miss Clark, as she was known throughout the firm, was its first female partner, the first woman head of a practice group (IP) and the first female senior partner of the firm. She also became a member of the Bar of Alberta in 1977.

An accomplished and tenacious litigator before the courts, Joan Clark went to the Supreme Court of Canada three times as an appellant and was successful on each try, against the odds.

She was also an ardent supporter of IPIIC and its causes. During the long-time struggle for Patent and Trademark agent privilege, she led an extensive letter-writing campaign with prominent lawyers in the Canadian IP community.

She was the first Canadian and the first woman to be named president of l'Association internationale pour la protection de la propriété intellectuelle (AIPPI). She was made a Member of Honour in 1995.

In addition to her career in law, Joan Clark was passionate about the humane treatment of animals. She was a past president of the Montreal SPCA. Among the many advancements that she spearheaded, she convinced the Québec government to introduce progressive legislation to ensure the protection of animals. In fact, she personally drafted the bill.

Joan Clark received the designation *Advocatus Emeritus* from the Quebec Bar in 2007 and she was named Officer of the Order of Canada in 2008. She received the Queen's Diamond Jubilee Medal in 2012.

Joan Clark was a notable person, principled, dignified but down-to-earth, with a love of life. She will be greatly missed by her many friends, colleagues and the Canadian IP community. IPIIC thanks her for her extensive contributions to the profession and extends its warmest condolences to all those whose lives she touched.

### En mémoire de Joan Clark, Q.C.

L'IPIIC tient à exprimer ses sincères condoléances, suite au décès de Mlle Joan Clark, Q.C., ancienne présidente et membre avec distinction de l'Institut, survenu le 8 avril 2020. À titre de membre influente de la communauté canadienne de la PI, Joan a été la première Fellow de l'Institut de la propriété intellectuelle du Canada. Elle a été la première présidente de l'Institut de 1978 à 1979 et l'IPIIC lui a décerné le titre de membre avec distinction en 2008. En 2019, elle est devenue la première récipiendaire du prix Pionnière du Réseau de femmes en PI.

Après avoir complété un baccalauréat à l'Université McGill, Joan a entrepris, en français, des études en droit à l'Université de Montréal et obtenu en 1954 son diplôme avec grande distinction en terminant première de sa classe, en plus de recevoir la Médaille du Gouverneur général – la première femme à y parvenir. Suite à son admission au Barreau du Québec, Joan Clark s'est jointe au cabinet Ogilvy Renault en 1954 (devenu depuis le cabinet Norton Rose Fulbright) et y est demeurée pendant toute son illustre carrière. Mlle Clark, telle qu'elle était connue par l'ensemble du personnel du cabinet, a été la toute première associée, la première dirigeante d'un groupe de pratique (PI) et la première associée principale du cabinet. Elle a également été admise au Barreau de l'Alberta en 1977. Joan Clark était une avocate plaignante aguerrie et tenace devant les tribunaux; elle a plaidé en appel à trois reprises devant la Cour suprême du Canada et, contre toute attente, a obtenu gain de cause dans les trois affaires. Elle a été un ardent défenseur de l'IPIIC et de ses causes. Pendant la longue lutte pour l'obtention du privilège pour l'agent de brevets et l'agent de marques de commerce, elle a mené une vaste campagne épistolaire avec des avocats réputés dans la communauté canadienne de la PI. Elle a été la première canadienne et la première femme à accéder au poste de présidente de l'Association internationale pour la protection de la propriété intellectuelle (AIPPI); elle a été nommée Membre d'honneur de l'Association en 1995.

En plus de sa carrière dans le domaine du droit, Joan Clark a toujours eu comme passion le bien-être des animaux. Elle a été présidente de la SPCA de Montréal; parmi les nombreuses avancées qu'elle a dirigées, elle a convaincu le gouvernement du Québec de présenter une législation progressiste pour veiller à la protection des animaux. En fait, elle a personnellement rédigé le projet de loi. En 2007, Joan Clark a reçu du Barreau du Québec le titre d'Avocate émérite et elle a été nommée Officier de l'Ordre du Canada en 2008. Elle a reçu la Médaille du Jubilé de la Reine en 2012. Joan Clark a été une personne remarquable, avec des principes bien arrêtés, distinguée mais terre-à-terre et respirant la joie de vivre. Elle manquera beaucoup à ses nombreux amis, collègues et membres de la communauté canadienne de la PI. L'IPIIC la remercie pour ses importantes contributions à la profession et exprime ses plus sincères condoléances à tous ceux et celles dont elle a enrichi la vie.



### In Memoriam – Joan Van Zant

IPIC wishes to offer its sincere condolences following the passing of IPIC Past President and Member of Distinction Joan Van Zant on December 16th, 2019.

As an influential member of the Canadian IP community, Joan was registered in 1968 as one of the first-ever female patent agents in Canada and as a trademark agent in 1981. She was a senior partner at Norton Ruse Fulbright who served as IPIC's President from 1997-1998 and worked tirelessly to lead the formation of the new College of Patent Agents and Trademark Agents while mentoring young professionals in the industry and acting as a role model for many women in IP.

As an IPIC Member of Distinction in 2015, Joan was recognized as an IP professional who has made a significant contribution to the Intellectual Property Institute of Canada over the course of her 45+ year membership – an honor bestowed to very few. Her remarkable involvement at IPIC including serving as Chair of the Professional Regulation Committee, Ex Officio of the Forums & Seminars, Industrial Design and Patent Practice Committees and a valued member of the Women in IP, Non-Lawyer Patent Agents, Patent Agent Examination Standards and Foundation networks and committees, amongst others.

The Canadian IP community has lost one of its most accomplished members this week. On behalf of all of us at IPIC, we wish to thank Joan for her contribution to the profession throughout her impressive career and extend our deepest condolences to her family, friends and peers throughout this difficult time. She will be greatly missed.

Donations may be made to the [Alberta Cancer Foundation](#) in Joan's memory.

### En mémoire de Joan Van Zant

L'IPIC tient à exprimer ses sincères condoléances, suite au décès de Mme Joan Van Zant, ancienne présidente et membre avec distinction de l'Institut, survenu le 16 décembre 2019.

À titre de membre influente de la communauté canadienne de la PI, Joan a été une des premières agentes de brevets certifiées en 1968 et une des premières agentes de marques de commerce en 1981. Elle a été une associée principale du cabinet Norton Ruse Fulbright et elle a servi à titre de présidente de l'IPIC de 1997 à 1998; elle a travaillé sans relâche à la coordination de la création du nouveau Collège des agents de brevets et des agents de marques de commerce tout en veillant au mentorat de jeunes professionnels de l'industrie et en servant de modèle pour plusieurs femmes appartenant à la communauté de la PI.

Nommée membre avec distinction par l'IPIC en 2015, Joan a été reconnue comme une professionnelle de la PI qui a apporté une énorme contribution à l'Institut de la propriété intellectuelle du Canada tout au long de son association de plus de 45 années avec l'organisation – un honneur accordé à très peu de gens. Son implication au sein de l'IPIC a été remarquable, entre autres à titre de présidente du Comité de réglementation professionnelle, de membre d'office du Comité des forums et séminaires, de membre du Comité de pratique en dessins industriels et du Comité de pratique en brevets, ainsi que sa participation au sein de nombreux réseaux et comités, par exemple le réseau Femmes en PI, le regroupement des agents de brevets autres qu'avocats, le comité des normes d'examen d'agent de brevets et la Fondation éducative.

La communauté canadienne de la PI a perdu un de ses membres les plus accomplis. Au nom de tous les membres de l'IPIC, nous tenons à remercier Joan pour sa précieuse contribution à la profession tout au long de son illustre carrière et nous exprimons nos plus sincères condoléances aux membres de sa famille, ainsi qu'à ses amis et collègues en cette période difficile. Elle nous manquera infiniment. Des dons peuvent être versés en son nom à la [Fondation du cancer de l'Alberta](#).



## In Memoriam – G. Ronald Bell

G. Ronald Bell died on June 8, 2018 at the age of 90, following a career in intellectual property that spanned 65 years. In 1953, Ron (or: Mr. Bell, as he was best known) immigrated to Canada from England to work in the field of patent agency. He joined the Patent and

Trademark Institute of Canada in 1956, and served as Editor of the Institute Bulletin through the 1960's while working at Gowling, MacTavish, Osborne & Henderson. In 1969, Ron formed his own intellectual property firm. He continued to practice actively and direct the firm of G. Ronald Bell & Associates until his death. Ron enjoyed having a smaller firm where he could personally interact with each person. Many members of his dedicated staff worked with him for decades. Ron is survived by his wife Shirley, their four children, and four grandchildren.

Ron was instrumental in the career development of many IP professionals in the Ottawa area. Many of us were given an opportunity to begin our IP careers at G. Ronald Bell & Associates, when such opportunities were hard to come by. Ron's professional legacy has a wide reach, with many of his former associates moving on to senior positions as agents and partners at IP firms in Canada and overseas, or as IP advisors in Canadian Government departments or universities.

Ron was a master storyteller, whether in his office or at The Rideau Club, talking about everything from intellectual property to English football. He loved to tell stories of client meetings, his trips to Japan, and the humble beginnings of his firm after beginning his career at "the Gowling firm". As patent agent trainees, we would each look forward to being called to his corner office to receive the next file within the "bailiwick of our technical expertise", each time learning from his experience and business acumen. In recent years, despite our having left his firm, Ron would be glad to meet us over tea or lunch to talk about our families and our current positions. We consider ourselves fortunate to have known him.

*Curtis Behmann  
Kathleen Marsman  
Andrew Sojonky*

## In Memoriam – G. Ronald Bell

G. Ronald Bell est décédé le 8 juin 2018 à l'âge de 90 ans, suite à une carrière de 65 ans dans le domaine de la propriété intellectuelle (PI). En 1953, Ron (mieux connu comme M. Bell) a immigré de l'Angleterre pour travailler dans le secteur de l'agence de brevets. Il s'est joint à l'Institut canadien des brevets et marques en 1956 et il a agi à titre de rédacteur du Bulletin de l'Institut au cours des années 1960, tout en exerçant au sein du cabinet Gowling, MacTavish, Osborne & Henderson. En 1969, Ron a créé son propre cabinet de PI. Il a continué de pratiquer activement, en plus de diriger le cabinet G. Ronald Bell & Associates jusqu'à son décès. Ron aimait travailler dans un cabinet de plus petite taille et interagir personnellement avec chaque membre de son équipe. Plusieurs membres de son dévoué personnel ont travaillé avec lui pendant des décennies. En plus de son épouse, Ron laisse dans le deuil quatre enfants et quatre petits-enfants.

Ron a nettement contribué à l'évolution de la carrière de plusieurs professionnels de la PI de la région d'Ottawa. Nous sommes nombreux à avoir eu le privilège d'amorcer notre carrière dans le domaine de la PI au sein du cabinet G. Ronald Bell & Associates, à une période où ce genre de possibilité se présentait rarement. L'héritage professionnel de Ron a une vaste portée, car plusieurs de ses anciens collègues occupent d'importants postes d'agents et d'associés au sein de cabinets de PI au Canada et à l'étranger ou de conseillers en PI au sein de ministères fédéraux ou d'universités canadiennes.

Autant dans son bureau qu'au Rideau Club d'Ottawa, Ron, un maître conteur, discutait de toutes sortes de sujets, allant de la PI jusqu'au soccer anglais. Il adorait raconter des histoires sur ses rencontres avec des clients, ses voyages au Japon et les humbles débuts de son entreprise après avoir amorcé sa carrière au sein du « cabinet Gowling ». Chaque apprenti agent de brevets avait hâte d'être convoqué dans son bureau pour recevoir le prochain dossier concernant son « domaine d'expertise technique », apprenant chaque fois de son expérience et de sens des affaires. Au cours des dernières années, même après avoir quitté le cabinet, Ron aimait nous rencontrer pour prendre le thé ou déjeuner et parler de nos familles et nos fonctions actuelles. Nous nous considérons privilégiés de l'avoir connu.

*Curtis Behmann  
Kathleen Marsman  
Andrew Sojonky*



### In Memoriam – James Daniel Kokonis

Described in condolence messages as a “pillar”, “giant” and “lion” of the intellectual property (IP) bar, and “one of Canada’s top IP lawyers and a leader in the profession”, Jim Kokonis was without doubt all of those and much more. He was an outstanding and highly respected IP litigator, a trusted advisor to clients large and

small, a visionary leader, a generous contributor to the IP profession, a colleague, a mentor and a good friend to many.

Jim Kokonis was born and grew up in Toronto. He graduated in metallurgical engineering from the University of Toronto in 1955. He subsequently attended Osgoode Hall, where at the time, the law program comprised two years of legal studies, a third year of full-time articling and a fourth year with time split between articling and classes. Jim first articulated with Smart & Biggar and then with McMillan, Binch. He was called to the bar in 1959 and immediately joined Smart & Biggar and its sister patent and trade-mark agency partnership, Fetherstonhaugh & Co. (collectively “Smart & Biggar” or the “firm”), in Ottawa. He spent the balance of his remarkable professional career with Smart & Biggar.

Jim was the overall manager and leader of Smart & Biggar from about 1980 to 2000. After his retirement in 2002, he continued limited involvement with the firm for several years on client and administrative matters. In 1980, Smart & Biggar had what was then referred to as “branch offices” outside Ottawa. Those offices, in Toronto, Montreal and Vancouver, were small; each staffed by a couple of patent and trade-mark agents or lawyers who were not partners of the firm and who primarily handled agency work. In 1984-1985, Jim developed and led the important initiative to have all of the branch offices become full service IP offices staffed by partners of the firm. Toronto was first in 1985, followed by Montreal in 1987 and Vancouver shortly after. Jim’s managerial insights and skill contributed greatly to the tremendous growth and success of the firm.

Jim was a very successful and respected IP litigator and patent and trade-mark agent throughout his long and distinguished career. His legendary reputation was international and extended to many large companies with highly recognizable names and businesses. He was counsel in the Supreme Court of Canada on numerous occasions in precedent setting

patent and trade-mark cases, including for Whirlpool Corp., Carling Breweries (B.C.) Limited, General Tire & Rubber Co., International Minerals and Chemical Corporation, Johnson (S.C.) and Son, Ltd., Farbwerke Hoechst and Ciba-Geigy Canada Ltd. Jim was also lead counsel in numerous “patent wars”. In the 1970s Jim acted for IBM in patent litigation involving photocopier technology. He acted for Nabisco in the 1980s in respect of a patent for a “crispy and chewy” cookie (also known as the “cookie war”). In the 1990s he acted for MCI in respect of long distance calling technology. Jim was always a formidable, yet respected, opponent in IP cases. He received numerous recognitions in international legal surveys and directories, including being ranked among the global top twenty in patent litigation by Legal Media Group in editions of the *Best of the Best*.

Jim was also a generous contributor to the IP profession. He was a past President of IPIC and an early Chair of the National IP Section of the CBA. In 2012, Jim was awarded the title of Member of Distinction at IPIC’s 86th Annual Meeting in Vancouver. This is the highest honour that IPIC bestows on a member. It recognizes outstanding achievements and service to the IP community in Canada.

On a personal note, I first met Jim in 1985 at the Chelsea Hotel on Gerrard St in Toronto. I was there to be interviewed for a job in the Toronto office of Smart & Biggar. Jim hired me on the spot in the bar over a drink and subsequently took me under his wing. He was a very generous and skilled mentor and shared with me a wealth of his legal and life experiences. He was kind enough to let me (try to) assist him on numerous litigation matters and to visit clients with him internationally. Jim was one of a kind. It was an honour and privilege for me to be able to work with and know Jim. I will be forever grateful to him.

Jim was also a devoted husband, father and grandfather. He especially treasured time with family at the cottage on Grand Lake in Quebec.

Jim passed away in Toronto, Ontario, on February 21, 2019. He was predeceased by his wife Helen in 2015, with whom he was married for close to 60 years, and a daughter Jennifer. He leaves his children John, Rob and Andrea, and eight grandchildren.

Gunars A. Gaikis



**In Memoriam – James Daniel Kokonis**

Décrit dans les messages de condoléances comme un « pilier », un « géant » et un « lion » parmi les juristes en droit de la propriété intellectuelle (PI), ainsi qu'« un des meilleurs avocats canadiens spécialisés dans le domaine de la PI et un leader de la profession », Jim Kokonis était sans aucun doute tout cela et bien plus encore. Il était un avocat plaignant remarquable et hautement respecté, un conseiller de confiance pour tous ses clients, un leader visionnaire, un généreux contributeur à la profession de la PI, un collègue, un mentor et un bon ami pour plusieurs.

Jim Kokonis est né et a grandi à Toronto. Il a obtenu son diplôme en génie métallurgique à l'Université de Toronto en 1955. Il a ensuite poursuivi ses études à Osgoode Hall dans un programme de droit comportant deux années d'études juridiques, une troisième année de stages à plein temps et une quatrième année composée de stages et de formation en classe. Jim a effectué son premier stage dans le cabinet Smart & Biggar, puis chez McMillan, Binch. Admis au Barreau de l'Ontario en 1959, il s'est immédiatement joint à l'équipe du cabinet Smart & Biggar et son organisme associé spécialisé en brevets et en marques de commerce Fetherstonhaugh & Co. (collectivement « Smart & Biggar » ou le « cabinet »), à Ottawa. Il a passé le reste de son illustre carrière professionnelle au sein du cabinet Smart & Biggar.

Jim a agi à titre de responsable général et dirigeant du cabinet Smart & Biggar pendant deux décennies (1980 à 2000). Après avoir pris sa retraite en 2002, il a pendant plusieurs années poursuivi une participation limitée concernant certains dossiers de clients et affaires administratives. En 1980, le cabinet Smart & Biggar possédait des « bureaux satellites » dans d'autres villes, notamment Toronto, Montréal et Vancouver; ces petites succursales comptaient quelques agents de brevets et de marques de commerce ou des avocats spécialisés dans ces domaines qui n'étaient pas des associés du cabinet et qui effectuaient principalement un travail d'agence. En 1984-1985, Jim a élaboré et dirigé l'importante initiative visant à faire en sorte que toutes les succursales deviennent des bureaux de PI qui offrent des services complets et qu'elles soient dotées d'associés du cabinet. La première succursale a été ouverte à Toronto en 1985, la deuxième à Montréal en 1987 et la troisième à Vancouver peu après. Les connaissances et les compétences de gestion de Jim ont grandement contribué à la croissance exceptionnelle et l'énorme réussite du cabinet.

Durant toute sa longue et brillante carrière, Jim est demeuré un avocat plaçant en droit de la PI et un agent de brevets et de marques de commerce extrêmement prospère et respecté. Sa réputation légendaire et internationale s'étendait à plusieurs entreprises importantes dont les noms et les activités sont hautement reconnus. Il a plaidé devant la Cour suprême du Canada à plusieurs reprises dans des litiges de brevets et de marques de commerce qui ont fait jurisprudence,

notamment pour Whirlpool Corp., Carling Breweries (C.-B.) Limited, General Tire & Rubber Co., International Minerals and Chemical Corporation, Johnson (S.C.) and Son, Ltd., Farbwerke Hoechst et Ciba-Geigy Canada Ltd. Jim a également agi à titre de conseiller principal dans nombreuses « guerres des brevets ». Dans les années 1970, Jim a représenté IBM dans un litige en matière de brevets concernant une technologie de photocopieur. Dans les années 1980, il a plaidé pour Nabisco dans une affaire de brevet concernant un biscuit « croustillant et moelleux » (aussi connue comme la « guerre du biscuit »). Au cours des années 1990, Jim a représenté MCI dans une affaire de technologie d'appels interurbains. Jim a toujours été un adversaire redoutable, mais respecté, dans des litiges en matière de PI. Il a reçu plusieurs reconnaissances dans des enquêtes et répertoires juridiques internationaux, y compris son classement parmi les vingt meilleurs avocats plaidants de la planète dans des litiges de brevets par Legal Media Group dans des numéros de son bulletin *Best of the Best*.

Jim a aussi contribué généreusement à la profession de la PI. Il a agi à titre de président de l'IPIC et il a été un des premiers présidents de la section nationale de la PI de l'Association du Barreau canadien. Dans le cadre de sa 86<sup>e</sup> Assemblée annuelle à Vancouver, l'IPIC lui a décerné le titre de Membre avec distinction, le plus grand honneur attribué à un membre de l'Institut, en reconnaissance de ses réalisations exceptionnelles et de son excellent service à la communauté canadienne de la PI.

Sur une note plus personnelle, j'ai rencontré Jim en 1985 à l'Hôtel Chelsea, rue Gerrard à Toronto. Je m'y étais rendu pour participer à une entrevue pour un poste dans les bureaux torontois du cabinet Smart & Biggar. Jim m'a embauché sur-le-champ dans le bar de l'hôtel et il m'a par la suite pris sous son aile. Il a été un mentor très généreux et expérimenté qui m'a fait profiter de sa vaste expérience du monde juridique et de la vie en général. Il m'a même laissé (essayer) de l'assister dans plusieurs affaires litigieuses et de l'accompagner dans ses visites de clients à l'étranger. Jim était unique; ce fut pour moi un honneur et un privilège de travailler avec Jim et d'apprendre à le connaître. Je lui serai éternellement reconnaissant.

Jim était également un homme dévoué à son épouse, ses enfants et ses petits-enfants. Il adorait plus particulièrement passer du temps avec sa famille dans leur chalet de Grand Lake au Québec.

Jim est décédé à Toronto (Ontario) le 21 février 2019. Prédécedé en 2015 par son épouse Helen, sa conjointe de près de 60 ans, ainsi que sa fille Jennifer, il laisse dans le deuil ses enfants John, Rob et Andrea et huit petits-enfants.

Gunars A. Gaikis

# Call for papers! Appel d'articles!

The Editorial Board of the CIPR invites you to submit articles between 2,000 and 20,000 words for consideration.

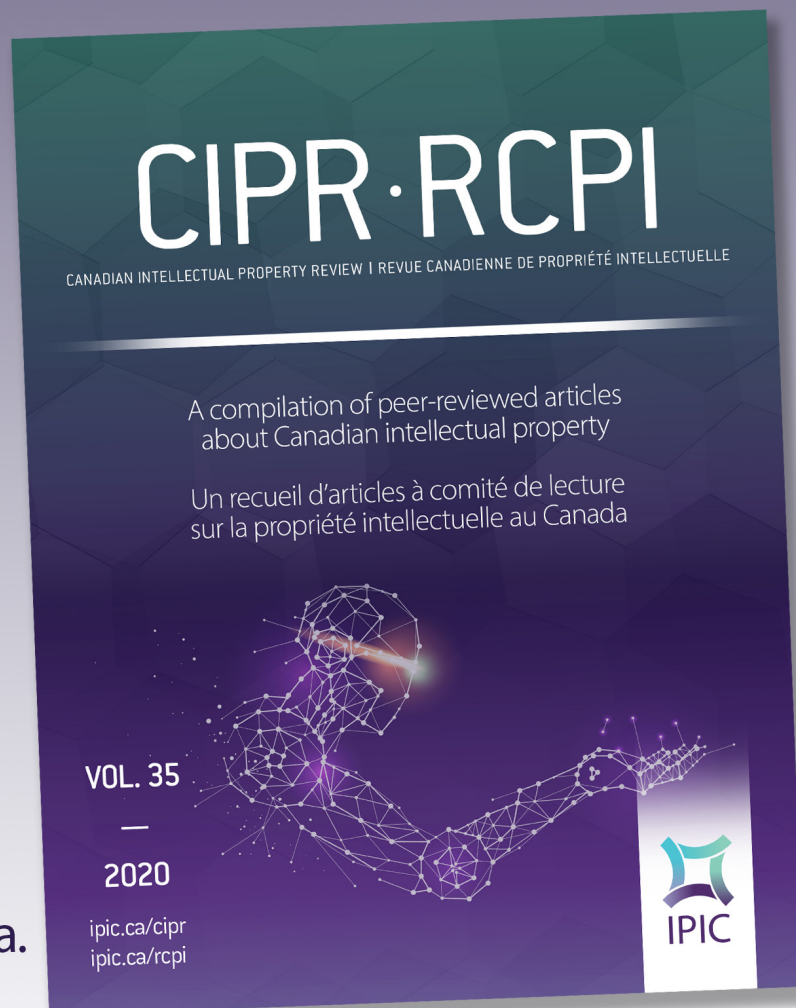
All articles undergo a double-blind review process and, once accepted, are published online at [ipic.ca/cipr](http://ipic.ca/cipr). They are also included in an annual print compilation.

For more information or to submit an article, contact Stephanie Naday at [snaday@ipic.ca](mailto:snaday@ipic.ca).

Le comité de rédaction de la RCPI vous invite à soumettre des articles de 2,000 à 20,000 mots pour la RCPI.

Chaque article est révisée à double insu et, une fois accepté, est publié en ligne à l'adresse [ipic.ca/rcpi](http://ipic.ca/rcpi). Les articles sont également inclus dans un recueil annuel.

Pour plus d'information ou pour soumettre un article, veuillez contacter Stephanie Naday par courriel à [snaday@ipic.ca](mailto:snaday@ipic.ca).



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