

# Recalibrating Copyright Law?: A Comment on the Supreme Court of Canada's Decision in *CCH Canadian Limited et al. v. Law Society of Upper Canada*

By Teresa Scassa†

The Supreme Court of Canada's unanimous decision in *CCH Canadian Ltd. et al. v. Law Society of Upper Canada*<sup>1</sup> marks a second recent decision by the Court that has major implications for the development of copyright law in Canada. In *Théberge v. Galerie D'Art du Petit Champlain*,<sup>2</sup> the majority of the Court provided a significant articulation of the balance to be struck between the rights of creators and the rights of users of copyright-protected works. In doing so, it embraced an approach to copyright typical of U.S. copyright law in its heyday. The unanimous Court in *CCH Canadian* makes it clear that *Théberge* was not an isolated case; in an area of law where Parliament has been strongly lobbied to restrict users' rights,<sup>3</sup> the Court seems poised to take an interpretive approach that places limits on the scope of the rights of owners of copyright. In *CCH Canadian*, the Court does this on a number of fronts. The decision sets a new standard for originality in Canadian copyright law, reigns in the scope of certain acts of infringement in the technological context, and signals an open and expansive approach to interpreting the fair dealing defences.

The impact of *CCH Canadian* is likely to be far-ranging. For creators of so-called "utilitarian works",<sup>4</sup> the standard of originality set by the Court will have ramifications for the scope of protection available for these works. Individual and institutional users of works are given broader latitude to make use of the works without payment to the creators. The implications of the decision may be particularly important for those who assist users in accessing works; such as libraries, schools and other public institutions. The decision may also have broader implications, as the trends it signals are relied upon in the larger context of interpreting the provisions of the legislation in an ever-changing digital environment.<sup>5</sup>

Yet for all of the issues that *CCH Canadian* addresses and seeks to resolve, further areas of uncertainty remain. The approach that the courts may take to interpreting fair dealing remains substantially con-

strained by the wording of the legislation, and the criteria outlined by the Court raise as many questions as they resolve. The standard set for originality developed by the Supreme Court is one that fits more easily with utilitarian works than it does with traditional copyright works, raising new questions about core issues in copyright law. In addition, the direction taken by the Court would appear to run counter to current reforms being contemplated by Parliament in its latest round of copyright revision.<sup>6</sup> While this may have the salutary effect of providing a users' rights check on the pro-creator legislative initiatives, it may also mean that the impact of the decision will be blunted by legislative reforms that more explicitly narrow the rights of users to access and use copyright-protected works.

## Facts

The *CCH Canadian* case emerged from a concerted effort by Canadian law book publishers to crack down on what they perceived to be copyright infringing activities arising from the document delivery services of the Great Library of the Law Society of Upper Canada (LSUC), as well as from the provision of free-standing photocopy machines in the library. The publishers argued that their products, which included edited reasons for judgment, head notes, case summaries, topical indices and treatises, were protected by copyright, and that the LSUC, by not complying with the rules set out in section 30.2 of the *Copyright Act*,<sup>7</sup> by not strictly monitoring fair dealing by its patrons, and by providing free-standing photocopiers with insufficient warnings regarding copyright infringement, was without an acceptable defence for the infringing acts. The LSUC's response to these claims was wide-ranging. It challenged the subsistence of copyright in many of the publishers' works, it argued that it was not liable for authorizing infringement, that its patrons were not infringing, and that any infringing copying activities would fall within the scope of the fair dealing defence.

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The issues in the case had received a mixed reception in the courts below. At trial, Gibson J. found that the bulk of the publishers' works at issue in the case failed to meet the threshold for originality.<sup>8</sup> The Court of Appeal reversed on this point, finding originality in the publishers' works and finding the library liable for authorizing copyright infringement through the provision of free-standing photocopiers for its patrons.<sup>9</sup> The Great Library was also found liable for infringing copyright *via* its document delivery service to patrons of the library.<sup>10</sup> In contrast to the trial decision, the Supreme Court of Canada found that copyright subsisted in most of the works of the publishers, found the LSUC was not liable for authorizing infringement, and expanded the scope of the fair dealing defence.

## Originality

Perhaps the most anticipated part of the Supreme Court of Canada's decision in *CCH Canadian* was that which tackled the issue of the standard for originality in Canadian copyright law. This issue had been the topic of much debate in recent years, ever since the U.S. Supreme Court's landmark decision in *Feist Publications Inc. v. Rural Telephone Services Co. Inc.*<sup>11</sup> In that case, the U.S. Supreme Court bluntly rejected "sweat of the brow" as a basis for finding the requisite originality in a work for the purposes of copyright protection. The U.S. Court ruled that copyright could only subsist in an original selection or arrangement of data, and that originality in that selection or arrangement would require a "creative spark"<sup>12</sup> or some "minimal level of creativity".<sup>13</sup> A few years later, in *Tele-Direct (Publications) Inc. v. American Business Information Inc.*,<sup>14</sup> the Canadian Federal Court of Appeal ruled, on a somewhat similar set of facts to those in *Feist*, that there was likewise a requirement of some minimal amount of "creativity" for a finding of originality in Canadian copyright law.<sup>15</sup> The Canadian decision in *Tele-Direct* left much uncertainty and debate as to the appropriate test for originality in Canadian law.<sup>16</sup> By the time the Federal Court of Appeal heard the appeal in *CCH Canadian*, it was ready to distance itself from Decary J.A.'s references to "creativity" in *Tele-Direct*.<sup>17</sup> The majority of the Court took the view that "creativity" set the threshold for originality too high. Instead, they extracted from *Tele-Direct*, and adopted in their own reasons the formula of "skill, judgment and labour",<sup>18</sup> which was a grammatically questionable rephrasing of an earlier standard of "skill, judgment or labour".<sup>19</sup> This did little to resolve the controversy over originality. The Australian Federal Court's decision in *Telstra Corporation Ltd. v. Desktop Marketing Systems Pty Ltd.*<sup>20</sup> gave hope to those who advocated a pure "sweat of the brow" standard of originality in Canada, while others argued that "skill, judgment and labour" precluded "sweat of the brow".

McLachlin C.J. made relatively short work of the long controversy over the standard for originality in Canadian copyright law. She identified "sweat of the brow" as occupying one end of an originality continuum, and the U.S. "creativity" requirement as occupying the other. In typical Canadian fashion, she took the view that "the correct position falls between these extremes."<sup>21</sup> More specifically, she identified that originality in Canadian copyright law required first that the work "must be more than a mere copy of another work."<sup>22</sup> Beyond that, while it need not be creative "in the sense of being novel or unique",<sup>23</sup> it must reflect "an exercise of skill and judgment",<sup>24</sup> which in turn incorporates some form of "intellectual effort".<sup>25</sup>

In McLachlin C.J.'s view, the "sweat of the brow" standard adopted in the U.K. and Australia is inconsistent with the original *Berne Convention*,<sup>26</sup> and with the approach of continental civilian jurisdictions. It is also, in her view, inconsistent with the purpose of Canadian copyright law in that to reward industriousness alone would disrupt the balance between the rights and interests of creators and those of society more generally.<sup>27</sup> More specifically, she identified the interest of society "in maintaining a robust public domain that could help foster future creative innovation."<sup>28</sup> A requirement of "skill and judgment" as a prerequisite to copyright would, in her view, provide "room for the public domain to flourish as others are able to produce new works by building on the ideas and information contained in the works of others."<sup>29</sup> In this regard, she embraced the position of O'Connor J. in *Feist* that there is no copyright in facts.<sup>30</sup> In the end result, McLachlin C.J. affirmed that an original work must originate from the author and "be the product of the exercise of skill and judgment that is more than trivial".<sup>31</sup> Applying this standard to the facts of the case, she found all of the works in question to be original.

Although the Court in *CCH Canadian* is unequivocal about the new standard for originality in Canadian copyright law, the standard chosen by the Court leaves room for its own interpretive issues. The standard set by the U.S. Supreme Court in *Feist* has been referred to by the Federal Court of Appeal and the Supreme Court of Canada as that of "creativity",<sup>32</sup> although in reality, the U.S. Supreme Court required only a "spark" or a "modicum" of creativity. In rejecting this standard, McLachlin C.J.'s critique of the U.S. standard is not that it is too ambiguous or difficult to interpret on a case-by-case basis;<sup>33</sup> rather, her critique appears to be that it sets too high a threshold for originality. In her view, the Canadian standard of "skill and judgment" requires something less than a "modicum" or "spark" of creativity. She argued: "A creativity standard implies that something must be novel or non-obvious — concepts more properly associated with patent law than copyright law."<sup>34</sup> Yet this critique is overstated.<sup>35</sup> While it might be true of a

standard of “creativity” *simpliciter*, it is much less true of a standard that requires only a “minimal level” or “spark” of creativity. In practical terms, a “spark” of creativity may be very little indeed.

The Canadian Court’s newly minted standard of originality is not obviously less exacting than the U.S. standard, nor is it any less ambiguous. In elaborating on the standard of “skill and judgment”, McLachlin C.J. stated that the “exercise of skill and judgment required to produce the work must not be so trivial that it could be characterized as a purely mechanical exercise.”<sup>36</sup> It is difficult to see how the assessment of a non-trivial exercise of skill and judgment is any less subjective than the assessment of a “spark” of creativity. Further, it is difficult to see how, in terms of practical effect, a non-trivial exercise of skill and judgment will amount to anything other than a “spark” of creativity. While it is possible to argue that the different standards might result in different decisions in some cases, the reality is that each is sufficiently subjective and fluid to result in identical decisions in a wide range of cases. While not wanting to go so far as to say that the result in any given case will depend on what the judge had for breakfast, this consideration is, in practical terms, likely to be as significant as the difference between the two standards.

It is arguable that the Canadian standard is more oriented towards utilitarian works than is the U.S. standard. Utilitarian works are ones that do not have creativity or artistic expression as a main object; rather, they are works that are primarily functional, such as telephone directories, computer software, or fillable forms. In such a context, assessing the “intellectual effort” in the form of skill and judgment that goes into the works makes more sense than conceptualizing this effort as a “spark” of creativity. It is arguable that the U.S. language of “creativity”, even if what is required is minimal, could place utilitarian works at a disadvantage in assessing their worthiness for copyright protection.<sup>37</sup> By contrast, it could be argued that the Canadian standard, by focusing on “skill and judgment” or intellectual effort, embraces the possibility of utilitarian works being protected by copyright wherever there is some authorial effort. However, the reality in the United States is that utilitarian works have been protected using the *Feist* standard;<sup>38</sup> it is not clear whether the difference in semantic emphasis is significant enough to regard the two tests as marking different points on an “originality” continuum, as opposed to the two being differently coloured dots at more or less the same point in the continuum.

Although the U.S. standard has been criticized for importing a subjective assessment of creativity into the originality analysis, the new Canadian standard is open to criticism for similar reasons, though on the other end of the issue. The Canadian standard, formulated in *CCH Canadian* in the context of utilitarian, rather than more traditional creative works, emphasizes skill, judgment, and intellectual effort as being hallmarks of originality.

Although McLachlin C.J. is careful to note that “creative works will by definition be ‘original’ and covered by copyright”,<sup>39</sup> this ultimately does little more than confirm that creativity reflects an exercise of skill and judgment. Any other reading would lead to the conclusion that works of a certain kind are inherently “creative”, and therefore protectable by copyright.

The “skill and judgment” standard may put into question copyright in a range of works on the basis of fairly subjective considerations. For example, while a photograph taken by a professional photographer would be considered as original under the *CCH Canadian* standard because its composition reflects “skill and judgment” on the part of the photographer, it is less clear whether a family snapshot, taken by a parent too busy to finish reading the manual on how to operate the camera, reflects any skill and judgment on the part of the “author” of the photo. A gleeful splashing of paint by a small child on canvas reflects very little skill or judgment; the same splashing of paint by a renowned artist will be presumed to reflect his or her skill and judgment as an artist. When seen from the perspective of more traditional copyright works, the U.S. “modicum” or “spark” of creativity test eliminates the likelihood of distinctions being made between more traditional kinds of artistic works on the basis of subjective assessments of either the quality of the work or the pedigree of the creator. The difference between the Canadian and the U.S. standards, therefore, is one of perspective. The U.S. standard embraces traditional copyright works while creating considerable leeway for utilitarian works. The Canadian standard embraces a broad range of utilitarian works while raising the spectre of more subjective interpretations of copyright in the traditional categories of copyright works.

The concern about subjective assessments of the intellectual effort that goes into a work is not artificial. In considering the works at issue in this case, it is clear that McLachlin C.J.’s inquiry into intellectual effort or skill and judgment includes an assessment of the “intellectual pedigree” of the creators of the work. In considering the head notes, for example, she refers to the need of the authors to “use their knowledge about the law and developed ability to determine legal ratios to produce the headnotes.”<sup>40</sup> In assessing the “skill and judgment” that went into case summaries and topical indices, McLachlin C.J. also references the kind of skill and judgment that comes from legal training and expertise in the subject area.

Interestingly, McLachlin C.J. finds no “skill and judgment” in the work that goes into editing the judicial reasons. She refers to the correction of “minor grammatical errors and spelling mistakes”<sup>41</sup> as involving skill and judgment that is “too trivial to warrant copyright protection.”<sup>42</sup> This would presumably imply that the ability to revise a work for spelling and grammatical errors amounts to a trivial exercise of skill and judgment, some-

thing that would likely be challenged by anyone with experience in a post-secondary institution.<sup>43</sup> It is wrong to say such work does not reflect skill and judgment (unless some forms of skill and judgment are valued above others); it is perhaps more palatable to say that such work lacks a spark of creativity, as the correction of spelling and grammar generally involves ensuring conformity with a fairly fixed set of rules.

In summary then, the Court's new standard for originality raises as many questions as it resolves. While it reflects a positive trend by the Court towards a more balanced approach to interpreting the *Copyright Act*, and a welcome concern for the public domain, it is questionable whether the attempt to be distinctly "Canadian" in our approach to originality has led us to our own distinct set of interpretive problems and issues. Copyright law has increasingly been stretched to accommodate a growing range of utilitarian works. Interpretations of the Act or of basic copyright principles such as originality should be sensitive to the differences between the more traditional kinds of copyright works and the ever-increasing range of utilitarian works.

## Infringement by Authorization

It was argued by the law book publishers that the provision of free-standing photocopy machines in the Great Library amounted to an authorization of any infringing copying done by patrons of the library. If this were the case, the LSUC could be held liable for the authorization of the infringing acts. The publishers drew support for their argument from the decision of the High Court of Australia in *University of New South Wales v. Moorhouse*,<sup>44</sup> which addressed the specific case of library photocopy machines. In *Moorhouse*, the High Court found that the provision of free-standing photocopy machines by a university library amounted to the authorization of any infringing copying by users of the library. The Court applied the same standard of "sanction, approve, countenance", but took the view that

... a person who has under his control the means by which an infringement of copyright may be committed — such as a photocopying machine — and who makes it available to other persons, knowing, or having reason to suspect, that it is likely to be used for the purpose of committing an infringement, and omitting to take reasonable steps to limit its use to legitimate purposes, would authorize any infringement that resulted from its use.<sup>45</sup>

The Federal Court of Appeal in *CCH Canadian* cited *Moorhouse* with approval, and reached the same conclusion as the Australian Court on the issue of authorization by the Great Library. Because the library provided the photocopying machines and provided the copyright-protected works all in one convenient location, and because the machines could be expected to be used for copying these works, Linden J.A. opined that the LSUC's acts made it "as if the Law Society operates a game park, and provides each of its invited guests with a

loaded gun."<sup>46</sup> The Court of Appeal faulted the Law Society for its lack of concrete effort to take steps "to monitor, to police or to otherwise dissuade its patrons from infringing copyright or to ensure that its photocopiers were used legitimately."<sup>47</sup>

The Supreme Court of Canada reached a different conclusion from both the Federal Court of Appeal and the Australian High Court. The result comes as a surprise, since the other decisions reflected emerging and existent practices in the university and library sectors in both countries. For example, licence agreements with reprography collectives in Canada have reflected an understanding that some library photocopying amounted to infringement, and that libraries could be held legally responsible.<sup>48</sup> McLachlin C.J.'s decision briefly canvassed the extensive case law on "authorization" to distill some basic principles. She rejected the notion accepted by the Federal Court of Appeal that where a library is aware of the likelihood of infringing copying, it will authorize infringement if it fails to take concrete steps to prevent the illicit copying. Noting that the case law established the test of authorization as to "sanction, approve and countenance",<sup>49</sup> McLachlin C.J. insisted that the term "countenance" be given its strongest possible meaning. She took the view that "a person does not authorize infringement by authorizing the mere use of equipment that could be used to infringe copyright."<sup>50</sup> Further, she noted that "Courts should presume that a person who authorizes an activity does so only so far as it is in accordance with the law."<sup>51</sup> The presumption is rebuttable if "a certain relationship or degree of control"<sup>52</sup> can be established. While she acknowledged that authorization need not be express, but can be implied from the facts, she did not find that control of users is required as a positive step to avoid infringement through authorization.

The Supreme Court of Canada specifically rejected the line of reasoning developed in *Moorhouse*. McLachlin C.J. took the view that "the *Moorhouse* approach to authorization shifts the balance in copyright too far in favour of the owner's rights and unnecessarily interferes with the proper use of copyrighted works for the good of society as a whole."<sup>53</sup> She found no authorization on the basis of a combination of factors, including a lack of evidence of actual infringing use of the copiers, and the ultimate lack of control that the Great Library would have over the actions of its patrons.<sup>54</sup> Noting that there was no master-servant or other relationship between the Library and its patrons, she found that there was no basis for any exercise of control.

The decision on authorization is an important one, and one with potentially far-reaching consequences. It is made in a context where university and public libraries have struggled under the threat of liability for authorizing copyright infringement, and where many patrons have been, as a consequence, on the receiving end of an increase in copying costs to offset blanket copyright

licences entered into with reprography collectives with a view to eliminating this potential liability. The decision amounts to a significant victory for libraries and library patrons.

The decision should also be considered in a broader context of the debate over the liability of providers of technology for infringing uses of this technology.<sup>55</sup> While the photocopy and fax machines at issue in *CCH Canadian* are now on the low-tech end of the spectrum, it is unfortunate that the Court did not provide a set of reasons that addressed the relationship of technologies of reproduction and distribution to issues of authorization. Instead, by bluntly identifying control over users as a factor, McLachlin C.J. severely limits authorization as a basis for copyright liability.

The full significance of the decision in relation to technologies of reproduction and distribution is more difficult to gauge. However, the recent litigation in *BMG Canada Inc. v. John Doe*<sup>56</sup> suggests that the implications may be far ranging. In that case, which involved, *inter alia*, the issue of whether music downloads over the Internet infringed copyright, von Finckenstein J. of the Federal Court of Canada took the view that those who uploaded music onto a shared directory available to others over the Internet did not authorize copyright infringement. Citing the *CCH Canadian* decision, von Finckenstein J. stated:

I cannot see a real difference between a library that places a photocopy machine in a room full of copyrighted material and a computer user that places a personal copy on a shared directory linking to a P2P service. In either case the preconditions to copying and infringement are set up but the element of authorization is missing.<sup>57</sup>

There are few differences between the two situations when it comes to the level of control; the person who stores files on a shared directory does not control the people who access those files, or the purposes for which they access the files. On the other hand, uploaders are in a significantly different position from a library in a number of ways. First, the rights of uploaders of music to reproduce that music into shared directories is subject to challenge in a way that the rights of libraries to own or provide the contents of the libraries to users is not. The rights of users of libraries to access those works is unquestioned, and they can make any number of uses of the works that do not infringe copyright in the work, from reading, borrowing, and browsing, to copying in amounts and for purposes that are considered fair dealing. The rights of individuals to make use of music from the Internet are not as broad, and are constrained by the terms of the private copying exception, and by geography and national borders. It is also much less likely that any significant amount of copying of music from the Internet would qualify as fair dealing under the Act. Another key difference, of course, is between technology for reproduction and technology that intrinsically links both reproduction and distribution, two acts that are treated separately under the Act. Leaving these issues

aside for a different case comment, it is sufficient to note here that the potential impact of the Supreme Court's approach to "authorization" in *CCH Canadian* is far ranging.

## Fair Dealing

The main issue of fair dealing in this case was raised in relation to the custom photocopy service of the Great Library. Under this service, the staff of the Great Library would photocopy materials requested by patrons and send the materials to them. The issues here were twofold: whether the Library could benefit from any fair dealing exception that would apply to its patrons, and whether the copying of the extracts in the circumstances amounted to fair dealing.

The copying done by the Great Library as part of its document delivery service was performed under the Library's *Access to the Law Policy*. This policy indicated that, in pursuance of the objectives of serving the administration of justice and the rule of law, the Library would provide "[s]ingle copies of library materials, required for the purposes of research, review, private study and criticism, as well as use in court, tribunal and government proceedings".<sup>58</sup> The policy stipulated that only single copies would be made, and that the copying would only be for specific purposes made explicit by patrons to staff in advance of the copying. The policy set other parameters to copying as well.

At trial, the Great Library asserted a fair dealing defence of its custom photocopy service on the basis that its *Access to the Law Policy* amounted to fair dealing with copyright-protected works. While the Court of Appeal had accepted that the Law Society could invoke the purposes of its patrons in a fair dealing defence, the majority of the Court had found insufficient evidence of the purposes of the patrons to support the defence. The Supreme Court of Canada's approach to this issue gave greater scope to the fair dealing defence: according to McLachlin C.J., not only could the Great Library rely upon the purposes of its patrons to establish the defence, it was entitled to rely upon its general practices rather than upon specific evidence of usage by individual patrons. In the words of McLachlin C.J.:

"Dealing" connotes not individual acts, but a practice or system. This comports with the purpose of the fair dealing exception, which is to ensure that users are not unduly restricted in their ability to use and disseminate copyrighted works. Persons or institutions relying on the s. 29 fair dealing exception need only prove that their own dealings with copyrighted works were for the purpose of research and private study and were fair. They may do this either by showing that their own practices and policies were research-based and fair, or by showing that all individual dealings with the materials were in fact research-based and fair.<sup>59</sup>

It would seem that if the "big picture" policy is relied upon, the level of actual compliance with the policy is of lesser importance. Once again, the decision of

the Court should prove extremely encouraging to libraries and universities which attempt, through document delivery services, to provide materials to patrons in keeping with fair dealing principles, but which lack the means or resources to be certain that each individual request complies with the requirements of fair dealing.

The Court's decision in relation to the actual interpretation of the fair dealing defence is also welcome, given that this has been a relatively under-litigated area of copyright law. The structure of the defence in the legislation may be largely to blame; by framing the defence narrowly, it invites a more restrictive approach to interpretation.<sup>60</sup> Perhaps surprisingly, in this context, the decision of the Supreme Court of Canada breathes significant life into the defence, beginning with McLachlin C.J.'s statement that "[i]n order to maintain the proper balance between the rights of a copyright owner and users' interests, [fair dealing] must not be interpreted restrictively."<sup>61</sup>

In order to qualify as fair dealing, a use of a work must fall within one of the three statutory provisions that establish the defence.<sup>62</sup> This means that the use of the work must be for research or private study,<sup>63</sup> criticism or comment,<sup>64</sup> or news reporting.<sup>65</sup> In *CCH Canadian*, it was the use of the works for "research or private study" that was at issue. McLachlin C.J. mandated a "large and liberal interpretation"<sup>66</sup> of the term "research". As such, the defence would not be limited to private or non-commercial forms of research. Research for the purpose of serving clients in a legal practice would certainly fall within the scope of the defence, notwithstanding the fact that such research is carried out for profit.<sup>67</sup> The determination of what amount of dealing is "fair" is one that must be made on the facts of a given case. McLachlin C.J. approved of and adopted the set of six criteria outlined by Linden J.A. in the Federal Court of Appeal decision in the case. The factors are drawn in part from a decision by Lord Denning in *Hubbard v. Vosper*,<sup>68</sup> and in part from the statutory criteria for assessing fair use in the U.S. The factors are:

- (1) the purpose of the dealing; (2) the character of the dealing; (3) the amount of the dealing; (4) alternatives to the dealing; (5) the nature of the work; and (6) the effect of the dealing on the work.<sup>69</sup>

The factors are accompanied by the usual *caveats*: that they may not all be present in any given case, that no one factor is determinative, and that other factors might also be relevant, depending upon the particular set of facts.<sup>70</sup>

It is odd that in a case where the Court struggled to develop a uniquely Canadian standard for originality, it was so quick to graft what are essentially the American fair use criteria onto a very different sort of defence under Canadian copyright law. While the criteria may be useful as analytical tools, they could well have been better crafted to the particular context of fair dealing under Canadian law. For example, "the purpose of the dealing" is hardly a criterion for determining if a partic-

ular dealing is fair; rather, it is a precondition for the existence of the defence. In order to qualify as fair dealing, the use made of the work must fall within one of the specified categories of use as outlined in sections 29, 29.1 and 29.2.<sup>71</sup>

"Purpose of the dealing" is thus best left off a set of criteria for assessing fair dealing, as it is already specifically addressed in the legislation. To leave it as a criterion suggests that "purpose of the dealing" has a meaning that goes beyond the purposes required by the Act. This is, in fact, what occurred in *CCH Canadian*: In this regard, McLachlin C.J. indicated that some allowable purposes may be considered more or less fairer than others, depending upon the context. Thus, she suggested that "research done for commercial purposes may not be as fair as research done for charitable purposes".<sup>72</sup> With respect, this is a troubling distinction, and one that appears to contradict earlier statements regarding the defence. In the statutory defence for "research or private study", the term research is not qualified, and McLachlin C.J. herself urges that the defence be given a large and liberal interpretation so as to preserve the balance between the interests of copyright owners and society generally. Much research is conducted for somebody's profit, as is, for example, research by lawyers for their clients. There is no sensible reason why the nature of one's clients or profit motives should limit one's access to the defence. It might be reasonable, in some circumstances to find that uses for certain commercial purposes do not amount to fair dealing where, for example, the research is used to create a product in competition with the original, but these considerations can be dealt with under other criteria in the list.

The second consideration is the "character" of the dealing. This allows a court to consider the way in which the works were used. McLachlin C.J. gave the example of multiple copies of a work being widely distributed, and suggests that this kind of dealing would likely be unfair as compared with the use of a single copy for a specific purpose.<sup>73</sup> She also noted that the particular practice in any given industry as to how works are customarily dealt with may be useful in assessing fairness. However, this latter consideration has the potential to be problematic. If an industry or even a group of users has developed a series of practices out of fear that the traditionally narrow fair dealing defences might not be available to them, the weight of this practice under the more expansively defined approach by the Supreme Court of Canada would have the effect of constricting the scope of the available defence. Given the spotty history of the fair dealing defence, a reliance on past practices to interpret the actual scope of the users' rights may be problematic.

The third criterion identified by the Court is the amount of the work. McLachlin C.J. indicated that "[b]oth the amount of the dealing and the importance of the work allegedly infringed should be considered".<sup>74</sup> The reference to the "importance of the work" must

surely be a misstatement; such qualitative judgments about the worth of the underlying work should be avoided. Instead it might well have been intended to be an instruction to consider the importance of the *extract* from the work in assessing fair dealing. McLachlin C.J. reiterates the common *caveat* that insubstantial or trivial taking from a work is not infringement, and so does not need to be considered under a fair dealing analysis.<sup>75</sup> She indicates as well that it is possible for the copying of an entire work to be fair, depending on the purpose.<sup>76</sup> Thus, it might be fair dealing to copy an entire journal article for the purpose of research, but not to copy the entirety of another work in a different context.

Under “alternatives to the dealing” McLachlin C.J. suggests that where there is “a non-copyrighted equivalent of a work that could have been used instead of the copyrighted work, this should be considered by the court.”<sup>77</sup> In her more specific analysis of the facts of the case, she also appears to consider whether there was an alternative to the custom photocopy service provided by the Great Library. She notes, for example, that it would not be reasonable to expect all patrons of the service to do their research on site at the Great Library, as so many of them lived outside a reasonable geographic radius of the library.<sup>78</sup>

The consideration of such alternatives in a fair dealing analysis is also problematic. It is not clear, for example, on these reasons, whether the existence of a free online source for court decisions, such as CanLii<sup>79</sup> or court Web sites, would mean that the delivery of a copy of a court decision from a case reporter, complete with headnote and case summary, could not constitute fair dealing, since an alternative existed to the researcher that would not infringe the copyright of the publisher. In theory, this should not matter: the issue with fair dealing really should be whether a particular use of a work amounted to fair dealing; the analysis should not degrade into whether the user considered or pursued other avenues to acquire the work.<sup>80</sup> In a similar vein, it is not clear why the photocopying of an article for research or private study by someone who lives next door to a library should be evaluated differently from the same act by someone who lives at greater remoteness from the library. The fair dealing analysis cannot become bogged down by this level of detail about the user, the work used, competing works, and other ways in which the user might have accessed or used the work. The issue of the “non-copyright equivalent” of a work raises even more potential problems: what is an “equivalent” to a particular work, such that copying the work could cease to be fair dealing because of the existence of the unprotected “equivalent”?<sup>81</sup>

In a related consideration, it is not clear how the fact that the publishers provide many of their major works through online subscription services that can be remotely accessed should be factored in under this criterion of analysis. It is certainly much more difficult to say

that the Great Library can fairly provide a document delivery service to those unable to travel to the library to do legal research if one is willing to accept that a real alternative existed in the form of an online subscription service. The fact that this is a paid service is likely offset by the fact that the research is being conducted for profit in most cases. While this raises interesting access to justice and public policy issues, the fact is that neither the existence of these alternatives nor the public policy issues are considered by the Court. To be meaningful, fair dealing with a work should be fair dealing with a work regardless of whether other commercial options existed by which a user could have paid for the same extract from the work. The introduction by the Supreme Court of Canada of the criterion of “alternatives to the work” leaves open the possibility that future courts will make much of pay-per-use models in an assessment of fair dealing in a variety of contexts. The reality is that digitization makes possible the marketing of works in a variety of formats, and according to a variety of business models. The impact of these changing practices on a fair dealing analysis should not be significant according to the broad principles laid out by the Court, but may end up being significant by virtue of the structure and criteria for analysis set out in the same decision.

The point seems to be partially addressed when McLachlin C.J. makes one clarification of the issue of alternatives in the defence of fair dealing which is likely to be of great importance to libraries and universities in particular. She states that the “availability of a licence is not relevant to deciding whether a dealing has been fair.”<sup>82</sup> In other words, the fact that a photocopy licence was available to the Great Library through a collective society, but was not obtained, does not have any bearing on the assessment of whether there was fair dealing. The Court notes that

If a copyright owner were allowed to license people to use its work and then point to a person's decision not to obtain a licence as proof that his or her dealings were not fair, this would extend the scope of the owner's monopoly over the use of his or her work in a manner that would not be consistent with the *Copyright Act's* balance between owner's rights and user's interests.<sup>83</sup>

This is an extremely important statement for libraries and universities, which have struggled with the costs of reprography licences to protect them against copyright infringement actions. Interestingly enough, the *Copyright Act* suggests that Parliament might take a different view on this point. Section 30.3 exempts educational institutions, libraries, archives, and museums from copyright infringement in the provision of free-standing photocopyers if, *inter alia*, the institution has entered into an agreement with a collective society. Quite apart from the fact that the Court's decision on authorization has undermined any basis for the liability of a library, museum, or archive in the provision of free-standing photocopy machines, the Court's position emphasizes that the fair dealing defence is available notwithstanding

any other exemptions that might be available in the Act.<sup>84</sup>

The fifth criterion, the nature of the work, allows courts to consider such things as whether the work is published or unpublished, confidential, and so on. In applying this criterion to the facts, the Court also assessed the nature of the work in terms of its particular purpose and audience. Because the works at issue in *CCH Canadian* were court decisions and other legal research documents, the Court emphasized the public interest in having unimpeded access to these works. The public interest in access to these works is an important factor for the Court throughout the decision, a fact that is not surprising given the Court's own involvement in and commitment to the fair administration of justice in Canada. The question for more general-purpose libraries is to determine the extent to which the nature of the works at issue was a deciding factor in the fair dealing analysis.

Finally, in any fair dealing analysis, courts are to consider the effect of the dealing on the work. Where a work is reproduced so that the reproduction will compete in the marketplace with the original, a finding of fair dealing is less likely. The Court also considered whether the market for the publisher's works was affected by the copying done through the document delivery service of the Great Library. The Court noted that no such evidence was introduced by the publishers.

It is refreshing to have a view from the Supreme Court of Canada on the proper interpretation of the fair dealing defences contained in the *Copyright Act*. The Court provides an important statement that the defences should be interpreted with a view to the overall purpose of the legislation first articulated by the Court in *Théberge*. This alone suggests a more expansive approach to the defence that has been seen up to this point in Canadian case law on fair dealing. The Court has also given its blessing to a set of criteria that allow for a more flexible, context-specific analysis of fair dealing on a case-by-case basis. While this kind of guidance is welcome, the Court has offered some vague pronouncements and generalities regarding these criteria that may lead to some potentially disturbing results in future cases. To the extent that these criteria are drawn largely from the U.S. "fair use" criteria, it is also reasonable to consider the extent that U.S. fair use case law can now be referenced in constructing a fair dealing argument.

## Purpose of Canadian Copyright Law: A Balancing of Interests

As noted above, the Court's statement of the purpose of copyright informs its approach to issues of originality, authorization, and fair dealing in this case. The statement of purpose is interesting for a number of reasons. It cements a very recent shift in approach to copyright law by the Canadian Supreme Court. In theory, at

least, it also further aligns Canadian copyright law with U.S. law. In this regard, the new "purpose" of Canadian copyright law is worthy of some analysis.

McLachlin C.J. adopted the statement of the purpose of copyright law in Canada that was put forth by a majority of the Court in *Théberge*, and later reiterated in *Desputeaux v. Chouette*.<sup>85</sup> Without a doubt now, the proper approach to interpreting copyright law in Canada is to take an approach that balances "promoting the public interest in the encouragement and dissemination of works of the arts and intellect and obtaining a just reward for the creator."<sup>86</sup> This approach is one that is prepared to recognize limitations to creators' rights. While in *Théberge*, this interpretive approach involved the majority in giving a more limited scope to the right of reproduction, the issue in *CCH Canadian* turned on the interpretation of "originality" as a line between copyright protection and the public domain, and the interpretation of the rights of users under the fair dealing defences.

The balancing approach articulated by the Supreme Court in *Théberge*, and reiterated in subsequent recent decisions marks an important judicial statement of the purpose of Canadian copyright law. While some have argued that this was the underlying purpose in the past,<sup>87</sup> judicial interpretations have not consistently reflected this purpose, and in fact, some have overtly taken a more narrow approach to the interpretation of copyright legislation.<sup>88</sup> In this context, the importance of the approach of the Court should not be underestimated; it sends a clear message to other courts as to how the legislation should be interpreted. This message has not been lost. In *BMG Canada Inc. v. John Doe*,<sup>89</sup> von Finckenstein J. of the Federal Court Trial Division ruled that Internet music file-sharing did not amount to copyright infringement. Although he referred to relatively little authority to support this view, the Supreme Court's new direction was clearly an influencing factor.<sup>90</sup>

The Canadian Supreme Court's statement of purpose is largely drawn from both the U.S. Constitution, and U.S. case law that follows it. In the U.S. Constitution, Congress is granted jurisdiction over copyright law in the following terms: it may legislate "to Promote the Progress of Science and useful Arts by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."<sup>91</sup> U.S. copyright case law has been consistently more favourable to users' rights, in part because of judicial attitudes conditioned by the statement of purpose, and in part because of the more generous rights given to users in the U.S. *Copyright Act*.<sup>92</sup> This is in part reflective of the fact that the U.S. statement of the purpose of copyright law is embedded in the Constitution, and thus serves as a guide to both Congress and the courts.<sup>93</sup> By contrast, Parliament receives no comparable constitutional direction in its approach to copyright monopolies. The Supreme Court of Canada's interpretive approach ulti-



mately only directs courts as to how they should interpret the provisions of the legislation; it has no effect on Parliament's policy-making function. It is also questionable whether the Court's direction would survive an explicit restatement of the purpose of copyright by Parliament.

The new approach signaled by the Court comes at a time when there are many indications within the United States that there is a legislative will to reduce the public domain and to produce legislation that is often significantly more restrictive of users' rights. Notable examples include the enactment of the *Digital Millennium Copyright Act*,<sup>94</sup> and the extension of the term of protection for copyright law in the 1998 *Copyright Term Extension Act*.<sup>95</sup> In addition, the recent United States' Supreme Court ruling in *Eldred v. Ashcroft*<sup>96</sup> makes it clear that in the view of the majority of that Court, the courts should defer to the means chosen by the legislature to achieve the balance of rights.<sup>97</sup> In Canada, we are left with a situation where Parliament is not bound by the Constitution to achieve any particular balance, but where the Courts have adopted the view that copyright law serves to achieve a balance between the rights of users and creators of works. The situation is, if anything, more tenuous than that in the United States. In any event, the new Canadian orientation may be too little, too late in the larger scheme of where copyright law is heading. This is in part because the development of copyright policy in Canada is significantly constrained by Canada's international obligations under treaties such as the *Berne Convention*<sup>98</sup> and, most recently WIPO's *Copyright Treaty*<sup>99</sup> and WIPO's *Performances and Phonograms Treaty*,<sup>100</sup> as well as its international trade obligations under treaties such as the *North American Free Trade Agreement*<sup>101</sup> and the *TRIPS* agreement.<sup>102</sup> In its most recent report on copyright reform, the federal government has signaled an intention to crack down on music downloading, and to implement the WCT, which contains provisions that have the potential to further limit rights of fair dealing and open access to works.<sup>103</sup>

The traditional "balancing" approach between the rights of users and the rights of creators belongs, in some respects, to a simpler era. The interests to be balanced today are so complex and multi-faceted, that it is overly simplistic to speak of "creators" on the one hand and "users" or even "society" on the other. The interests of the actual "creators" of works may be very limited in the context of industries where it is typical for commercial enterprises such as publishers or record companies to seek a full assignment of copyright in a work. In such circumstances, "creators" rapidly take a back seat to "owners" of copyright. Ironically, in some cases dealing with new and emergent technologies, the interests of owners of copyright may ultimately be served by decisions which, by not expanding or extending their rights, force them to adopt new business models.<sup>104</sup> Further, there are many different types of creators: there are artists, musicians, writers, and photographers, but there are

also employees, whose day-to-day compensation has little direct or immediate correlation with the success or failure of a particular "work" (as, for example, in the software industry). There are creators of entire works, and value-added creators (such as publishers), there are creators of utilitarian works (such as directories or other fact-based works) and there are creators of more traditional types of works. In the digital and information society, copyright has come to be the main vehicle for protecting a wide range of works that can be called "utilitarian works" or "information products". With a one-size fits all statute, and with the commercial sector having much deeper pockets to support litigation, the interpretation of copyright law has been significantly influenced by disputes arising with respect to utilitarian works and information products.

The diversity in the interests of "creators" is matched by the diversity of interests as between "users" and "society". The two terms are sometimes used to mean the same thing (what is good for users is good for society), but the interests are not necessarily aligned. For example, if society would benefit economically from a strongly competitive digital economy, then the interests of society might be best served by a very robust copyright system that strongly favours the rights of owners of copyright.<sup>105</sup> To the extent that knowledge and information generation becomes more commercialized (even within the university context), arguments that a robust protection of the rights of owners of copyright better serves the public interest gain strength. This is because, the argument goes, being able to profit from knowledge generation and dissemination ensures that such investments will continue to be made in such knowledge generation and dissemination.

The point to be made here is that while the Canadian Supreme Court's new balancing approach offers users greater scope under the existing copyright legislation than they have ever realistically been able to hope for, it is an approach that may be anachronistic, insufficient, and ultimately against the grain of current legislative and international directions.<sup>106</sup> The Court may well be situating itself as the last champion of a much beleaguered underdog — the ordinary user, and in this respect, the effort is welcome.

## Conclusion

The decision of the Supreme Court of Canada in *CCH Canadian* is one of the most significant copyright decisions made by that Court in recent times. In a single decision, the Court has confirmed and consolidated its new interpretive approach to copyright law, provided a new standard of originality in copyright, updated the law on authorization in relation to those who provide both the means and content for copying, and set new, expansive parameters to the fair dealing defence. It has done so in a way that is encouraging and

supportive of users' rights, and which may be of great significance to major publicly funded users of copyright works such as libraries, schools, and archives. At the same time, by dealing with so many major issues in such a relatively brief and sparsely reasoned decision, the Court has raised new questions and created new problems for future courts to tackle.

The message from the Court in recent decisions such as *Théberge* and *CCH Canadian*, which recalibrate the rights of users and creators of works into something much more balanced than the courts or legislatures have

arrived at in Canadian copyright history, seems ironically at odds with the new directions for copyright law reform proposed by the current federal government in its most recent policy paper on copyright reform.<sup>107</sup> Given the political realities of copyright policy and the legislative level, the approach of the Court gives some hope that users, however drastically they see their rights constrained by Parliament, may have some room for optimism in a more generous interpretive approach by the courts.

## Notes:

<sup>1</sup> *CCH Canadian Ltd. v. Law Society of Upper Canada*, 2004 SCC 13 [*CCH Canadian*].

<sup>2</sup> *Théberge v. Galerie D'Art du Petit Champlain*, [2002] 2 S.C.R. 336 [*Théberge*].

<sup>3</sup> These lobbying efforts show signs of success. In its recently released report on copyright reform, the Standing Committee on Heritage adopts an approach to various copyright issues that would strengthen creators' rights at the expense of those of users of works. See: Standing Committee on Canadian Heritage, *Interim Report on Copyright Reform*, Ottawa: Communication Canada, May 2004. Online: <http://www.parl.gc.ca/InfocomDoc/Documents/3773/parlbus/commbus/house/reports/herirp01/herirp01-e.pdf>, [*Interim Report*].

<sup>4</sup> See: T. Scassa, "Originality and Utilitarian Works: The Uneasy Relationship between Copyright Law and Unfair Competition" (2004) 1 *Ottawa Technology Law Journal* 51 at 53. A utilitarian work is defined as: "works that do not have creative or artistic expression as their primary purpose. Instead, they are intended to perform a practical or useful function." Examples of such works can include phone directories, tax return forms, race track forms, menus, and several of the law book publishers' works in the present case.

<sup>5</sup> *BMG Canada Inc. v. John Doe*, 2004 FC 488.

<sup>6</sup> Interim Report, *supra* note 3.

<sup>7</sup> R.S.C. 1985, c. 42, as am.

<sup>8</sup> *CCH Canadian Ltd. v. Law Society of Upper Canada* (T.D.), [2000] 2 F.C. 451 at paras. 138–143.

<sup>9</sup> *CCH Canadian Ltd. v. Law Society of Upper Canada* (C.A.), [2002] 4 F.C. 213.

<sup>10</sup> *Ibid.* at para. 113.

<sup>11</sup> 449 U.S. 340 (1991) [*Feist*].

<sup>12</sup> *Ibid.* at 359.

<sup>13</sup> *Ibid.*

<sup>14</sup> (1996), 74 C.P.R. (3d) 72 (F.C.T.D.), aff'd [1998] 2 F.C. 22; (1997), 76 C.P.R. (3d) 296 (F.C.A.), leave to appeal to S.C.C. denied, [1998] 1 S.C.R. xv [*Tele-Direct*].

<sup>15</sup> *Ibid.* (F.C.A.), at para. 15: "... compilations of data are to be measured by standards of intellect and creativity".

<sup>16</sup> The Federal Court of Appeal tackled the standard of originality again in *Edufile v. Automobile Protection Ass'n*, [2000] 4 F.C. 195; 6 C.P.R. (4th) 211 (F.C.A.), rev'g (1997), 81 C.P.R. (3d) 338 (F.C.T.D.), and in *CCH Canadian* (C.A.), *supra* note 9. See also *Hager v. ECW Press* (1998), 85 C.P.R. (3d) 289 (F.C.T.D.).

<sup>17</sup> Linden J.A. reviewed the decision of Décary J.A. in *Tele-Direct*, and softened its impact by stating: "I am not persuaded that the Federal Court of Appeal intended a significant departure from the pre-existing law." [Emphasis in original] (*CCH Canadian* (C.A.), *supra* note 9 at para. 46).

<sup>18</sup> *CCH Canadian* (C.A.), *ibid.* at para. 44, citing Décary J.A. in *Tele-Direct*. It was Décary J.A. in *Tele-Direct* who converted "skill, judgment or labour" to "skill, judgment and labour", *supra* note 14, at para. 29.

<sup>19</sup> Emphasis added. The "skill, judgment or labour" standard comes from the decision in *Slumber-Magic Adjustable Bed Co. v. Sleep-King Adjustable Bed Co.* (1984), 3 C.P.R. (3d) 81 (B.C.S.C.). This decision was also penned by McLachlin J. (as she then was), at a much earlier stage in her career.

<sup>20</sup> F.C.A. 612 [*Telstra*].

<sup>21</sup> *CCH Canadian*, *supra* note 1 at para. 16.

<sup>22</sup> *Ibid.*

<sup>23</sup> *Ibid.*

<sup>24</sup> *Ibid.*

<sup>25</sup> *Ibid.* at para. 18.

<sup>26</sup> *Berne Convention for the Protection of Literary and Artistic Works* (1886), referred to by McLachlin C.J. in *CCH Canadian*, *ibid.* at para. 19.

<sup>27</sup> *CCH Canadian*, *ibid.* at para. 23.

<sup>28</sup> *Ibid.* at para. 23.

<sup>29</sup> *Ibid.*

<sup>30</sup> *Ibid.* at para. 22.

<sup>31</sup> *Ibid.* at para. 28.

<sup>32</sup> *Ibid.* at para. 15.

<sup>33</sup> Linden J.A. in the Federal Court of Appeal was concerned about the inherent subjectivity of a "creativity" standard. He wrote:

Inevitably, judges will be forced to create their own definitions of creativity, resulting in substantial uncertainty and further jeopardizing the public benefit that accrues from the production of new and original works. The fact that an objective and coherent definition of "creative" is elusive at best and that "creativity" can sometimes connote qualities that are not required of an "original" work makes it preferable to avoid such unpredictable labels when assessing originality.

(*CCH Canadian* (F.C.A.), *supra* note 9 at para. 58.)

<sup>34</sup> *CCH Canadian*, *supra* note 1 at para. 24.

<sup>35</sup> Note that O'Connor J. in *Feist*, *supra* note 11 at 358, specifically states that "novelty is not required" by the standard for originality. At the Federal Court of Appeal, Linden J.A. acknowledged that Canadian, British, and U.S. case law "has firmly established that copyright law is unlike patent law in that novelty or non-obviousness are not required and that courts must not subjectively judge the quality or merit of an author's work." (*CCH Canadian* (F.C.A.), *supra* note 9 at para. 56.)

<sup>36</sup> *CCH Canadian*, *supra* note 1 at para. 25.

<sup>37</sup> For example, in the trial level decision in *CCH Canadian* (T.D.), *supra* note 8, Gibson J. used the "creativity" requirement as a basis for finding that the majority of the publishers' works lacked originality.

<sup>38</sup> For example, in *Bell South Advertising & Publishing Corporation v. Donnelley Information Publishing*, 933 F.2d 952, 958 (11th Cir. 1999), the Court applied *Feist*, and found that a directory of classified ads could constitute a compilation protected by copyright based on acts of selection and arrangement of the information that met "the minimal level of independent creativity required to qualify as original." In *Key Publications Inc. v. Chinatown Today Publishing Enterprises Inc.*, 945 F.2d 509 (2nd Cir. 1991), the Court found sufficient originality in the selection and arrangement of entries in a yellow pages directory of Chinese American businesses.

<sup>39</sup> *CCH Canadian*, *supra* note 1 at para. 25.

<sup>40</sup> *Ibid.* at para. 30. The Federal Court of Appeal also made much of the "pedigree" of the authors of footnotes. Linden J.A. observed:

I take judicial notice of the fact that in the past Canadian headnotes have been authored by some of the greatest legal minds in our country such as the late Chief Justice Bora Laskin, Dean Cecil A. Wright and other well-respected academics and practitioners including the witnesses professors Dunlop and Feldthusen.

(*CCH Canadian* (C.A.), *supra* note 9 at para. 73).

<sup>41</sup> *CCH Canadian*, *supra* note 1, at para. 35.

<sup>42</sup> *Ibid.* at para. 35.

<sup>43</sup> Although basic word processing programs now include spelling and grammar checking programs that might support an argument that these functions do not require human skill and judgment to perform, the reality is that such programs cannot be relied upon to properly edit more sophisticated texts.

<sup>44</sup> (1975), 133 C.L.R. 1 (H.C.A.) [*Moorhouse*].

<sup>45</sup> *Ibid.* at para. 10.

<sup>46</sup> *CCH Canadian* (C.A.), *supra* note 9, at para. 109.

<sup>47</sup> *Ibid.* at para. 110.

<sup>48</sup> See, for example, the Access © Agreement with Dalhousie University. Online: <http://www.dal.ca/~copyright/licence.html>.

<sup>49</sup> *CCH Canadian*, *supra* note 1, at para. 38, citing *Muzak Corp. v. Composers, Authors and Publishers Association of Canada Ltd.*, [1953] 2 S.C.R. 182 at 193.

<sup>50</sup> *CCH Canadian*, *ibid.* at para. 38.

<sup>51</sup> *Ibid.*

<sup>52</sup> *Ibid.*

<sup>53</sup> *Ibid.* at para. 41.

<sup>54</sup> By contrast, in *Moorhouse*, *supra* note 44, at para. 15, the Australian High Court had found that the university was liable for authorizing infringement by its patrons because it “did not adopt measures reasonably sufficient for the purpose of preventing infringements taking place”.

<sup>55</sup> Two cases have brought this issue to the fore in both Canada and the U.S.: *SOCAN v. CAIP* (2002), 19 C.P.R. (4th) 289 (F.C.A.), on appeal to the Supreme Court of Canada, explores the liability of Internet service providers in relation to music communicated to the public over the Internet; in the United States, the *Napster* saga generated a great deal of attention in relation to the liability of a business organized to facilitate music file-sharing over the Internet. See: *A & M Records, Inc. v. Napster, Inc.*, 114 F. Supp. 2d 896 (N.D. Cal. 2000) [*Napster #1*]; 239 F.3d. 1004 (9th Cir. 2001).

<sup>56</sup> *Supra*, note 5.

<sup>57</sup> *Ibid.* at para. 27.

<sup>58</sup> *Access to the Law Policy*, reproduced in *CCH Canadian*, *supra* note 1 at para. 61.

<sup>59</sup> *CCH Canadian*, *supra* note 1 at para. 63.

<sup>60</sup> Sections 29.1 and 29.2, for example, require that the source of the work and the author's name be mentioned for a use to qualify as fair dealing for the purposes of criticism, review or news reporting. This is a firm requirement: *Compagnie Générale des Etablissements Michelin — Michelin & Cie v. National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada)*, [1997] 2 F.C. 306 at 357; *British Columbia Automobile Assn. v. Office and Professional Employees' International Union, Local 378c* (2001), 10 C.P.R. (4th) 423 at 475 (B.C.S.C.).

<sup>61</sup> *CCH Canadian*, *supra* note 1, at para. 48.

<sup>62</sup> These are: sections 29, 29.1 and 29.2 of the *Copyright Act*, *supra* note 7.

<sup>63</sup> *Ibid.* at section 29.

<sup>64</sup> *Ibid.* at section 29.1.

<sup>65</sup> *Ibid.* at section 29.2.

<sup>66</sup> *CCH Canadian*, *supra* note 1 at para. 48.

<sup>67</sup> *Ibid.* at para. 51.

<sup>68</sup> [1972] 1 All E.R. 1023 (C.A.) cited in *CCH Canadian*, *ibid.* at para. 52.

<sup>69</sup> *CCH Canadian*, *ibid.* at para. 53.

<sup>70</sup> *Ibid.* at para. 60.

<sup>71</sup> These categories are research and private study, criticism, review, and news reporting.

<sup>72</sup> *CCH Canadian*, *supra* note 1 at para. 54. This point is made by David Vaver in discussing a similar set of criteria. He relates the factor of “purpose” specifically to the purposes set out in sections 29, 29.1, and 29.2. See Vaver, *Copyright Law* (Concord, Ont.: Irwin Law, 2000) at 193–196.

<sup>73</sup> *CCH Canadian* (S.C.C.), *ibid.* at para. 55.

<sup>74</sup> *Ibid.* at para. 56.

<sup>75</sup> *Ibid.* at para. 56. This point is a fairly obvious one, as the reproduction of a “substantial part” of a work is required before there is copyright infringement: *Copyright Act*, subsection 3(1).

<sup>76</sup> *Ibid.* at para. 56. McLachlin C.J. cites Prof. Vaver on this point, who in turn cites *Allen v. Toronto Star Newspaper Ltd.* (1997), 78 C.P.R. (3d) 115. Yet the *Allen* case was not uncontroversial. See: Margaret Ann Wilkinson & Charles A. Painter, “Shifting the Balance of Copyright Control for Photographic Works in Canada” (1999) 13 I.P.J. 353.

<sup>77</sup> *CCH Canadian*, *supra* note 1 at para. 57.

<sup>78</sup> *Ibid.* at para. 69.

<sup>79</sup> Canadian Legal Information Institute. Online: <http://www.canlii.org>.

<sup>80</sup> See Vaver, *Copyright Law*, *supra* note 72 at 200.

<sup>81</sup> Consider the example of the court decision posted on a court Web site. Presumably this is a non-copyright equivalent to a decision in a publisher's case reporter (or at least, an equivalent for which there is a licence to reproduce). Is the online decision “equivalent”? Should this be assessed solely in terms of the contents of the reasons for judgment, or can head notes and other value-added materials be taken into account in assessing equivalence?

<sup>82</sup> *CCH Canadian*, *supra* note 1 at para. 70.

<sup>83</sup> *Ibid.*

<sup>84</sup> It was also argued that the LSUC's Great Library did not qualify for the “library, archive or museum” exception for copyright infringement set out in subsection 30.2(1) of the *Copyright Act*. This provision allows a library to do any act on behalf of a person that the person may do under one of the fair dealing exceptions provided the library meets the criteria in section 30.2. Although McLachlin C.J. found that the LSUC was entitled to rely on this exemption, she found that it did not need to in the circumstances, as its own dealings with the works could be considered fair under the fair dealing exceptions: *CCH Canadian*, *supra* note 1 at paras. 83-84.

<sup>85</sup> [2003] S.C.C. 17.

<sup>86</sup> *Théberge*, *supra* note 2 at para. 30.

<sup>87</sup> David Vaver argues that this was part of the original purpose of copyright law, although he questions whether it continues to be so: David Vaver, *Intellectual Property: Copyright, Patents, Trade-Marks*, (Concord, Ont.: Irwin Law, 1997) at 22.

<sup>88</sup> To give an extreme example, in *Geremia v. Maric et al.* (1987), 17 C.P.R. (3d) 433 at para. 10, Muldoon J. stated: “The purpose of copyright is to permit [the creator] to own it and control it when he creates it”. In *Compo Co. v. Blue Crest Music Inc.*, [1980] 1 S.C.R. 357 at 373, Estey J. referred to the *Copyright Act* as providing simply “rights and obligations upon terms set out in the statute”. This phrase was repeated by the Supreme Court of Canada in *Bishop v. Stevens*, [1990] 2 S.C.R. 467 at 477, where McLachlin J. (as she then was) stated that “copyright law is purely statutory law”, and took the view that resolving the issues in dispute was a matter of statutory interpretation.

<sup>89</sup> *Supra* note 5.

<sup>90</sup> One of the few cases cited in relation to the copyright issues was the Supreme Court of Canada decision in *CCH Canadian*.

<sup>91</sup> *United States Constitution*, art. I, s. 8, cl. 8.

<sup>92</sup> *Copyright Act 1976*, 17 USC § 101 (1976).

<sup>93</sup> In *Eldred v. Ashcroft*, 538 U.S. 916, at 784 (2003) [*Eldred*], the majority of the U.S. Supreme Court noted that the constitutional language “is both a grant of power and a limitation” (citing from *Graham v. John Deere Co. of Kansas City*, 383 U.S. 1, 5 (1966)). However, the Court also noted that it would give broad leeway to Congress to determine how best to implement the delicate balance. (*Eldred*, at 785.)

<sup>94</sup> *Digital Millennium Copyright Act*, Pub. L. No. 105–304, 112 Stat. 2860 (1998) (codified, in relevant part at 17 USC § 1201 (Supp IV 1999)) [DMCA].

<sup>95</sup> *Copyright Term Extension Act* (CTEA), Pub. L. No. 105-298, § 102(b) & (d), 112 Stat. 2827-2828 (1998) (codified as 17 USC § 302(a)) [CTEA].

<sup>96</sup> *Supra* note 93.

<sup>97</sup> *Ibid.*

<sup>98</sup> *Berne Convention for the Protection of Literary and Artistic Works*, 9 September 1886, 828 U.N.T.S. 221.

<sup>99</sup> *WIPO Copyright Treaty*, December 20, 1996 [WCT].

<sup>100</sup> *WIPO Performances and Phonograms Treaty*, December 20, 1996 [WPPT].

<sup>101</sup> 17 December 1992 (Ottawa: Supply & Services, 1993).

<sup>102</sup> *Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods*, (1994) 25 I.L.C. 209.

<sup>103</sup> See WIPO copyright treaty, *supra* note 99 at art. 11 (the most controversial of these provisions requires contracting parties to take steps to “provide adequate legal protection and effective legal remedies against the circumvention of effective technical measures that are used by authors in connection with the exercise of their rights . . .”).

<sup>104</sup> The classic U.S. Supreme Court decision in *Sony Corp. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984), is a good example of this point. The

motion picture studios which so opposed video cassette recorder technology later embraced the technology with profitable results.

<sup>105</sup> This is a view put forward by the federal government in a recent report. See: Minister of Industry, *Supporting Culture and Innovation: Report on the Provisions and Operation of the Copyright Act* (Ottawa, October 2002). Online: <http://strategis.ic.gc.ca/pics/ip/Section92eng.pdf>, Preface, at i.

<sup>106</sup> Several provisions of the WCT, *supra* note 99, could, if implemented, further strengthen the rights of creators of works at the expense of rights of users. This is particularly the case with the requirement in art. 11, to legislate to provide “adequate legal protection and effective legal remedies” against interference with technical measures of protection. TMPs would include encryption and other digital barriers that would prevent a users’ access to a work unless a licence or other fee is paid. This would make it impossible for users to freely browse works protected by TMPs or to copy them, even within the bounds of fair dealing, without having to pay for access. For a thorough discussion of TMPs and the issues they raise, see: Ian Kerr, Alana Maurushat and Christian S. Tacit, *Technical Protection Measures, Part I & II* (Ottawa: Canadian Heritage, 2003).

<sup>107</sup> *Supra*, note 3.