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INTELLECTUAL PROPERTY LAW

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DAVID VAVER

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ESSENTIALS OF
CANADIAN LAW

INTELLECTUAL PROPERTY LAW

Copyright, Patents, Trade-marks

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INTELLECTUAL PROPERTY LAW

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FOREWORD

Communication, invention, and commerce are the engines that propel our society. It comes as no surprise, then, that the branches of law which govern the rights of people to the products of mind fuelling these engines should enjoy increasing prominence as we approach the twenty-first century.

Canada is responding in its own unique way to the needs for better law in the field of intellectual property. As a result, our law of copyright, patent, and trade-marks has undergone important changes in recent decades. The law of intellectual property not only touches more people than ever before but touches them in new and different ways.

Canadians, more than ever before, stand in need of a guide to mark the new and emerging boundaries of the law of copyright, patent, and trade-marks. To meet that need, David Vaver has written this book. On a subject noted for its complexity, it offers simplicity. The rules are set out with clarity and concision. Exceptions are succinctly detailed. Policy issues are objectively discussed. This is the type of book that interested persons — non-lawyers and lawyers alike — can access with ease. It constitutes an important addition to the legal literature on copyright, patent, and trade-marks. I recommend it unreservedly to lawyers, students, and the creators of ideas whose rights it addresses.

The Honourable Madam Justice Beverley McLachlin
Supreme Court of Canada

To
My mother and late father
and to
the students whom I have taught and who have taught me

PREFACE

Intellectual property suddenly is hot. Comedians joke about it. The mainstream press features it. We read of some rock star's "patented" lifestyle, of someone "copyrighting" an idea, of a hockey player's "trade-mark" slapshot, and of nations fighting trade wars over "piracy" of videotapes, compact disks, and computer software. Anyone with an idea talks of his or her "intellectual property" in it. Discussion groups on the Internet buzz about intellectual property — and its impending death. The preserve of a select group of specialist lawyers has suddenly shifted to the screens and the streets. Or so it seems. Like the old story about the blind men trying to tell the shape of an elephant by standing at different ends and touching different parts of it, what one sees and hears about intellectual property is often confusing and sometimes downright wrong.

This book examines the three main branches of modern intellectual property law: copyright (chapter 2), patents (chapter 3), and trade-marks (chapter 4). Chapter 5 discusses how the rights are managed and enforced, and chapter 6 concludes by looking at reform and the future. The account is necessarily abbreviated. One text on Canadian copyright law alone runs into thousands of pages, and the detail and nuance possible in such a work cannot be achieved in a shorter and more general book.

This book is directed towards anyone who wants to know more about these subjects: the general reader, as much as the university student or the non-specialist lawyer. The footnotes are there for lawyers and law students, who would otherwise not believe a word of what is said in the text; but citation and a detailed discussion of many disputed points have often been condensed or omitted. General readers can safely avert their eyes from the bottom of most pages without missing anything of substance except cross-references. A glossary at the back deals with technical terms and abbreviations.

Aficionados of industrial designs, integrated circuit topographies, and plant varieties may be disappointed, for space limitations have meant that these topics have been relegated to a paragraph or two, though they are integrated into the discussion in chapters 5 and 6. Various common law actions that protect intellectual property — breach of confidence, passing-off, and misappropriation of personality — also receive short shrift, though again they are woven into the general discussion. Those seeking further elucidation should look to the suggested readings at the end of each chapter. The body of literature on intellectual property law is enormous, so these listings represent only a personal selection.

I have tried to state the law as I understand it, while simultaneously providing a critical context. Intellectual property law is far from static. New legislation, judicial decisions, and technology constantly work to reshape it. I have sought to give some sense of the changes and how the law may be affected by them. Not everyone may agree with all the views presented here. For the last three centuries or more, any suggestion that intellectual property law, in its then current state, has not attained a state of ultimate perfection has managed to touch a raw nerve somewhere. This book repeats that suggestion in respect of the present state of the law, in the hope of stimulating further constructive thought and debate.

A number of people have made this book possible. In particular, William L. Hayhurst, QC, Professor Harry Glasbeek, George Klippert, and Natalie Derzko provided detailed criticism from their special experience and perspective. Professor Reuben Hasson, besides reading the manuscript, has over the years assiduously passed on copious intellectual property material that I surely would not otherwise have come across. Maxine Vaver made sure that the details of the culinary example in chapter 3 were plausible. Tai Nahm and Michael Crinson provided research assistance on various aspects of the work. Rebecca Thompson checked the quotations and citations and compiled the table of cases. Rosemary Shipton performed the final edit with care and sensitivity. I am grateful to them all. I also thank William Kaplan for suggesting the project and providing support as it proceeded, Jeffrey Miller for gracefully guiding the work through its technical phases, and Madam Justice Beverley McLachlin for agreeing to read the text and provide a foreword.

DV

Toronto, November 1996

INTELLECTUAL PROPERTY: AN OVERVIEW

A. INTRODUCTION

What is intellectual property law? It starts from the premise that ideas are free as the air — a common resource for all to use as they can and wish. It then proceeds systematically to undermine that principle.

Some trace the desire to privatize the fruits of the mind back to time immemorial, but the common law recognized no such right and, indeed, legislation was needed to create it.¹ The regulation of patents protecting industrial inventions, the oldest form of intellectual property, goes back to a Venetian decree of 1474 (or the English *Statute of Monopolies* of 1624, depending on one's taste and chauvinism), but the practice of encouraging new enterprise by granting monopolies may be even older. Copyright started as a response to the protectionist bent of the early eighteenth century London book trade, then reeling from the demise of its role as the Crown's censor of books. France repackaged this protectionist urge more attractively as a basic human right after the French Revolution of 1789. In that guise, copyright expanded to cover the whole gamut of the creative arts and beyond, into the murky world of tax tables, lottery numbers, and now computer programs. Industrial

1 *Donaldson v. Beckett* (1774), 4 Burr. 2408, 1 E.R. 837 (H.L.), rejecting a common law copyright for published works outside the *Copyright Act, 1710* (U.K.), 8 Anne c. 19.

design protection came out of late eighteenth-century England to give the textile trade lead time against foreign competition. Trade-marks were used by ancient merchants to identify their goods, and later by guild craftsmen as guarantees of quality. Modern trade-mark law is, however, a product of the Industrial Revolution, when judges started protecting business names and symbols. Such attitudes led to systems of national trade-mark registration in the second half of the nineteenth century. More recently, semi-conductor chip makers and seed companies have persuaded the relevant authorities that integrated circuit topographies and new plant varieties need and deserve protection as well.

The argument has always been that, without protection, people would not let the public have the benefit of the good ideas they had, through fear of competition from imitators. Those who sowed had to be protected from those who wanted to reap without sowing. The Bible could be used to support that sentiment.

Even before Confederation, Canada's settlers took the need to protect intellectual property as a self-evident truth. Today's copyright, patent, trade-mark, and industrial design laws are direct descendants of laws tracing back before 1867. Upper Canada passed a trade-mark law in 1860, anticipating Britain's by fifteen years, but Canadian statutes were mostly modelled on earlier British and, occasionally, U.S. laws. Although recent Canadian revisions have moved away from their foreign forebears in form, they are typical of those established by other major nations in substance.

This outcome is no accident. The late nineteenth century saw the creation of two major international multilateral treaties on intellectual property. The *Paris Convention for the Protection of Industrial Property* of 1883 covered patents, trade-marks, designs, and unfair competition. The *Berne Convention for the Protection of Literary and Artistic Works* of 1886 covered authors' rights. Britain, as an initial signatory, brought itself and its empire into these folds. So, early in its history, Canada came to protect foreign authors and enterprises alongside its native born — at least those native born descended from settlers. Both the *Paris* and the *Berne* conventions were highly Eurocentric treaties that ignored the culture of indigenous peoples. Native culture was thought to be free for the taking, the product of many and so the preserve of none — except when it was transformed by the mediation of Europeans, whereupon it magically gained cultural legitimacy.

The pattern of reciprocal and intensifying international protection continued after Canada attained full control over its foreign policy in the early twentieth century. Canada actively participated in the periodic revisions of *Paris* and *Berne* that took place during the century. But,

until recently, Canada had adhered only to the 1934 revision of *Paris*; the 1967 revision was ratified only in 1996. Ratification of *Berne's* 1971 version is yet to come.

The most recent major international developments have been the *North American Free Trade Agreement* of 1992 and the *Agreement on Trade-Related Aspects of Intellectual Property Rights* appended to the *World Trade Organization Agreement* of 1994 [WTO]. These agreements mandated the entrenchment of national treatment and high standards of protection for intellectual property, first in North America and then worldwide.² Non-observance can lead to trade sanctions against offenders. The process continues as revisions to *Berne* are proposed to intensify and expand copyrights further, especially to regulate digital technology. International corporate power has effectively curbed national sovereignty in the field of intellectual property policy.

1) Why “Intellectual”? Why “Property”?

Why were these rights thought necessary? Why do they even deserve the labels “intellectual” or “property”? It was not always so. The talk once was more of “privilege” than “property,” as grants of monopoly depended on the favour of the monarch and the royal entourage. This favouritism changed in the West during the eighteenth century as the forces of the Enlightenment and the Industrial Revolution consciously worked to switch discourse from privilege to property. Capitalists want to “own” whatever their enterprise produces and to exclude everyone else from its enjoyment except on their terms. Ownership includes control of not merely *tangible* items of commerce exchangeable for profit but also the *intangible*: ideas, schemes, product and business imagery, even relationships with the public, or “goodwill.” Everything can be turned into cash. Those who imitate or appropriate such assets can then be called thieves and pirates, whether the activity took place on land or at sea. Judges can rule that taking intellectual property is not actually

2 Ratification by Canada of the latest versions of the *Paris Convention for the Protection of Industrial Property*, 20 March 1883, 828 U.N.T.S. 107 [*Paris*], and the *Berne Convention for the Protection of Literary and Artistic Works*, 9 September 1886, 828 U.N.T.S. 221 [*Berne*] therefore seems little more than a formality, since the *North American Free Trade Agreement*, 17 December 1992 (Ottawa: Supply & Services, 1993) [NAFTA], and the *Agreement on Trade-Related Aspects of Intellectual Property Rights, Including Trade in Counterfeit Goods*, (1994) 25 I.L.C. 209 [TRIPs], obliged Canada to bring all its intellectual property laws substantively in line with what *Paris* (1967) and *Berne* (1971) required; Canada has, of course, now done so.

theft, since it is not property — its owner is still left in possession after the taking³ — but such decisions can be treated as pettifoggery.

Lawyers and lawmakers have sometimes joined in the rhetoric that treats property as a transcendental notion. A 1985 parliamentary subcommittee report on copyright reform took as its lodestar the assertion “that ‘ownership is ownership is ownership’: the copyright owner owns the intellectual works in the same sense as a landowner owns land.”⁴ As a prescription for policy making, this notion is fatuous at best and question-begging at worst: unsurprisingly, the committee did not recommend that copyright should embrace 999-year leases, zoning, and a registry that guarantees title. As description, the statement is a half-truth. The half that is not true is as important as the half that is. Intellectual property in this sense is a peculiarly Western conceit. It is founded on a modern emphasis on the individual and on individual rights, and on encouraging and celebrating creativity and innovation as paths to both self-fulfilment and social advance. By contrast, Eastern and traditional cultures that emphasize social obligation, submersion of the self, respect for tradition, and the replication of traditional forms and themes provide inhospitable soil for Western conceptions of intellectual property. They do, however, create fertile sources for serious misunderstanding and conflict between peoples and nations.

What is indisputable is that intellectual property has become the new wealth of the late twentieth century, and wealth must be measurable and hence commoditized. The law in Canada and most Western nations has come to accept this capitalist imperative. For many purposes, intellectual property is classed as personal property (or *chose in action*, for those who like legal mystique). It can be bought and sold, licensed, and used to obtain credit. It may be part of the matrimonial assets available to spouses on marriage breakdown; on death, it may form part of an estate. It can be charged, taxed, subjected to a trust, and often taken in satisfaction of a judgment debt. On insolvency, it can pass to the official assignee in bankruptcy or to a corporate receiver to be sold off for the benefit of creditors. It cannot — any more than any other asset — be expropriated without compensation.

3 *R. v. Stewart*, [1988] 1 S.C.R. 963.

4 House of Commons, Standing Committee on Communications and Culture, *Report of the Sub-Committee on the Revision of Copyright: A Charter of Rights for Creators* (Ottawa: Supply & Services, 1985) at 9.

Yet not all intellectual property rights can technically be called property.⁵ Even those that can may not everywhere have all the usual attributes of property. The right to stop one's name or image from being used in advertising may, according to some provincial privacy laws, die with the person and cannot be assigned, although at common law the right may pass to the estate and may also be licensed.⁶ Authors' "moral rights" — rights to attribution and to prevent distortion and unfavourable association of an author's work — also cannot be assigned, but do pass to the estate on the author's death.⁷ Trade secrets are in even more of a twilight zone: they are a mishmash of contract, equity, and property law,⁸ and are probably capable of being passed on in bankruptcy, but are otherwise of uncertain assignability. Most trade-marks are assignable to others, but some may not be. The trade-mark a famous artist puts on her works to indicate authorship may fall into this latter class, because nobody else may be able to use it without deceiving the public.

In short, we can talk about intellectual property as we talk about military intelligence: as useful shorthand for a phenomenon, but with no implication that its components — intellectual or property — do or should exist. In particular, the property part of intellectual property should not close off debate about what rights attach or should attach to a particular activity. There is, after all, property and property. To compare the rights someone has in a manuscript or a trade-mark with those he has in an automobile or a piece of land is an exercise in contrast more than anything else.

What intellectual property law needs, whenever a policy or a concrete dispute is being debated or resolved, is a careful weighing and balancing of interests. How the appropriate balance may be struck is discussed in the chapters that follow and is reconsidered structurally in the conclusion. At this point, it is necessary to say only that throwing property onto the scales contributes nothing to this balancing exercise. At worst, it unfairly tends to bias the process in favour of protection, at the expense of other values. For against intellectual property as an absolute ideal are ranged values of at least equal importance: the right of people

5 Compare *Compo Co. v. Blue Crest Music Inc.* (1979), [1980] 1 S.C.R. 357 at 372–73: "copyright law is neither tort law nor property law in classification, but is statutory law. . . . Copyright legislation simply creates rights and obligations upon the terms and in the circumstances set out in the statute."

6 *Gould Estate v. Stoddart Publishing Co.*, [1996] O.J. No. 3288 (Gen. Div.) (QL) [Gould].

7 Copyright Act, R.S.C. 1985, c. 42, s. 14.1(2). See section I, "Authors' Moral Rights," in chapter 2.

8 *LAC Minerals Ltd. v. International Corona Resources Ltd.*, [1989] 2 S.C.R. 574, 61 D.L.R. (4th) 14 at 74.

to imitate others, to work, compete, talk, and write freely, and to nurture common cultures. The way intellectual property should be reconciled with these values — or vice versa — has changed much over time and continues to vary among countries and among legal systems. The adjustments occur for social and economic reasons; they are not preordained by natural law. Where a particular line should be drawn can certainly not be answered by circularities like “intellectual property is property” or “ownership is ownership is ownership.” For example, at one time, newspapers freely borrowed news items from one another. Western writers and dramatists used to recycle stories and plots that had come down from old Graeco-Roman times — and some still do. Popular works used to be translated without any thought of seeking the author’s consent; indeed, the original author would as likely thank the translator for causing the author’s thoughts to be brought before a wider audience. Practices like these may now be frowned on in many Western countries as inconsistent with the cult of originality and individualism. Will the denizens of cyberspace be as censorious tomorrow? Are many even as censorious today?

2) Justifying Intellectual Property

How is legal protection for intellectual property commonly justified?⁹ Morally, a person may be said to have a “natural right” to the product of her brain; a variant is to say that society should reward persons to the extent that they have produced something useful for society: as one sows, so should one reap. However plausible as prescriptions, these arguments have never been accepted to the full — or even the half full. We know that ideas are not protected once they leave their producer’s brain and, when society does protect ideas after they have taken some concrete shape, the protection is always limited in time and in space: nobody anywhere has ever argued for worldwide protection of every new idea in perpetuity. Nor, if social reward is the criterion, can we say exactly what services deserve what reward. Does a pulp novelist read by millions merit as much as the inventor of insulin, even if readers are shown to need the pulp for their sustenance as much as a diabetic needs insulin to survive? And why should an intellectual property right be the appropriate reward? Isaac Newton could get no patent for the principle of gravity, yet his idea has proved more scientifically and socially useful over time than the finest Stephen King thriller, for which society thinks

⁹ Based on D. Vaver, “Some Agnostic Observations on Intellectual Property” (1991) 61 P.J. 125 at 126–28.

fit to award King or his assignee a copyright for the author's life plus fifty years. The decision on who gets the monopoly right where two or more persons invent something independently, without knowing of the other's work, is often more a matter of luck than anything else: the history of science and invention suggests that the phenomenon of simultaneous discovery is the rule, not the exception.¹⁰ The sower who first turns up at a patent office will reap; the other sower will rue.

On the economic plane, patents and copyrights are supposed to encourage work to be disclosed to the public and to increase society's pool of ideas and knowledge. Yet much inventiveness and research are kept secret, and the law rigorously protects that decision, whether or not disclosure would be more socially useful than secrecy. Whoever finds the cure for AIDS or cancer can lock the recipe in a drawer forever. Copyright law, too, allows an author not to publish his work and shades off into a tool of censorship. The Australian government stopped the publication of embarrassing official documents about its duplicitous policy towards East Timor by asserting copyright in its literary creativity.¹¹ J.D. Salinger also used copyright to stop an unofficial biography that quoted from the author's correspondence. The biographer could paraphrase the ideas found in the publicly archived correspondence, but could not use Salinger's expression without the author's permission.¹² The law of confidential information can sometimes stop even paraphrase, as historian William D. Le Sueur found out at the beginning of the twentieth century. His biography of William Lyon Mackenzie was suppressed because Mackenzie's heirs had given him access to their forebear's papers so he could depict Mackenzie as one of the "Makers of Canada," not the "puller down" that Le Sueur ultimately suggested he was. Le Sueur owned the copyright in his manuscript, but Mackenzie's heirs were able to enjoin its publication as a breach of confidence.¹³

At a more basic level, intellectual property regimes are said to encourage the initial creative act. Yet, in the centuries before copyright and patent laws were established or were rigorously enforced, inventive and creative

10 R. K. Merton, *The Sociology of Science: Theoretical and Empirical Investigations* (Chicago: Chicago University Press, 1973) at 356. Compare *Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470 (1974) at 490-91: "If something is to be discovered at all very likely it will be discovered by more than one person. . . . Even were an inventor to keep his discovery completely to himself, . . . there is a high probability that it will be soon independently developed."

11 *Australia v. John Fairfax & Sons Ltd.* (1980), 147 C.L.R. 39 (Austl. H.C.).

12 *Salinger v. Random House Inc.*, 811 F.2d 90 (2d Cir. 1987).

13 *Lindsey v. Le Sueur* (1913), 29 O.L.R. 648 (C.A.); C. Harvey & L. Vincent, "Mackenzie and Le Sueur: Historians' Rights" (1980) 10 Man. L.J. 281.

work flourished throughout the world. And if the *Statute of Monopolies* of 1624 really did encourage greater inventiveness, why did the Industrial Revolution take more than a century to arrive in England? Such a time lag suggests a lack of, or at least a serious discrepancy between, cause and effect in the law. In any event, much creative and inventive work today is carried out by employees who work for reasons other than intellectual property. The system celebrates quite trivial advents compared with the body of public knowledge on which they have built. The pygmy standing on the giant's shoulders may well see further than the giant, but the giant usually represents the contributions of many communities and individuals over centuries. In focusing on the present and the individual, intellectual property tends to discount the accumulated social wisdom of the past.

The strongest economic argument for intellectual property is utilitarian: without such rights, much research and creativity would not be carried on or would not be financed by capitalists. But this argument is only partly true. No doubt, less activity would occur — but how much less, and in what areas? It seems impossible to argue that the current laws encourage just the right amount of research, creativity, and financing, and in just the right areas. In any event, the rationale fails to make the case for intellectual property. If the allocation of these property rights is simply a means to an end — to make the fruits of creativity and research available to users — one must ask if the means is the most effective way to that end. If the rights restrict availability and use more than they increase them, they are unjustifiable; if the converse, one must ask if there are better means of increasing availability and use, either by modifying the rights or by finding alternative means.

3) Intellectual Property versus Other Means

Questions about how intellectual property is justifiable tend to be ignored. They sit uncomfortably with capitalist societies driven by notions of property, fences, privatization, and markets. Alternatives to intellectual property are often denounced as government subsidies or as other “interferences” in the free play of market forces. This designation conveniently ignores the fact that establishing a property right is in itself a form of subsidy. True, the state may pay no money from general revenue, but it sheds this responsibility by dictating that one person or one class of people should pay another person or another class a fee — that is, subsidize them — ostensibly for the benefit of the community as a whole. It is a subsidy with a difference. Questions of who can benefit directly and who must pay directly or indirectly are constrained by the classification of intellectual property.

One example will suffice. Assume for argument's sake that it is a good idea to compensate musicians for the unauthorized taping of their records, as the *Act to Amend the Copyright Act* of 1996, Bill C-32, advocates. There are many ways to achieve this end. Direct grants may be made from central funds, as is the case with Canadian authors, who are compensated annually for public library lending of their books. Or the Canada Council or the provincial arts councils may be funded to subsidize struggling musicians. Or tax write-offs may be allowed for private contributions to societies representing such musicians. Or buyers of blank tapes may be given vouchers, redeemable on later record purchases.¹⁴ The money could come from general revenue or from direct taxes imposed on blank tapes. The beneficiaries could be precisely targeted: struggling performers could be preferred over the well-heeled; or Canadian performers, or certain record companies could be favoured over others.

Bill C-32, however, proposes a private tax, though it is not called that. The euphemism employed is a "right to remuneration."¹⁵ Makers and importers of blank audio tapes would be obliged to pay sums to the holders of this right: composers, lyricists, performers, and record companies. The cost would be passed on to all buyers of tapes. Whether they use the tapes to record their friends' records or their own performances, or to transfer a compact disk they own onto a tape for the car, would not matter. Packaged as a copyright, this tax cannot discriminate between the wealthy and the struggling musician, the Canadian-owned record company and the branch plant of a major foreign company. It must conform to Canada's international treaty obligations, such as the *Berne* requirement of equal treatment for all foreign composers and lyricists. It also has a political consequence. Other governments will undoubtedly pressure Canada, under threat of trade reprisals, to give their performers and record companies equal treatment, too. Canada would extend the benefits of this tax at least to countries that provide Canadians with like benefits. This coverage means either that the local tax would go up or that the amount each performer receives would go down. If the tax goes up, demand for tapes may decline as people search for cheaper substitutes, and the returns to beneficiaries will also further decline.

14 See, for example, the voucher scheme proposed in the Federal Cultural Policy Review Committee, *Report* (Ottawa: Supply & Services, 1982) (Co-chairs: L. Applebaum & J. Hébert) at 244.

15 The Australian High Court ruled the blank tape levy to be a tax and invalidated it, since the Australian constitution forbids tax measures from being mixed up in a bill with other non-tax matters like copyright: *Australian Tape Manufacturers Assn Ltd. v. Australia* (1993), 176 C.L.R. 480 (Austl. H.C.).

This approach is different from the way intellectual property is usually discussed today. The discourse is of intellectual property as opposed to subsidy, whereas it could equally be framed around intellectual property as itself subsidy. Thomas Macaulay could in 1841 speak frankly in the British House of Commons of copyright as “a tax on readers for the purpose of giving a bounty to writers”; but talk today of taxes and subsidies is even more emotionally charged than in nineteenth-century Britain. The result is to prevent the fullest range of policy options for a given objective from being openly aired and debated. Instead, entrepreneurs — who have no difficulty co-opting authors and performers with the lure of untold riches — press for rights. Direct subsidies or taxes mean more government involvement, an outcome inimical to the political agenda of most entrepreneurs. Worse still, subsidies and taxes can come and go with governments. Rights, on the other hand, once granted, can rarely be taken away, at least for long. Record companies in 1971 lost the right to charge for the play-time their records got on radio and television. Twenty-five years later, Bill C-32 would give the right back to them. The difference is that, this time, the right would be fully entrenched by international law, since Canada would adhere to the international treaty (*Rome*, 1961) guaranteeing the right.

4) Traditional Perspectives

Two other traditional ways of viewing intellectual property trace back to the Western Enlightenment. Both reject the idea that intellectual property rights are somehow “natural.” Both recognize them as limited by other values. One, which still retains some attraction today, sees intellectual property law as a device to balance creator and user interests. The other, now less persuasive, considers intellectual property a contract between the creator and the state, representing the public.

a) Balancing Owner and User Interests

Since the eighteenth century it has been common in Anglo-American theory to treat intellectual property as the product of competing interests and values. Lord Mansfield expressed copyright’s dilemma in this way:

[W]e must take care to guard against two extremes equally prejudicial; the one, that men of ability, who have employed their time for the service of the community, may not be deprived of their just merits, and the reward of their ingenuity and labour; the other, that the world may not be deprived of improvements, nor the progress of the arts be retarded.¹⁶

16. *Sayre v. Moore* (1785), 1 East. 361n, 102 E.R. 139n.

In practice, this policy produces two poles in constant tension. One, driven by the “rough practical test that what is worth copying is *prima facie* worth protecting,” pulls towards protection.¹⁷ The second pole pulls towards broad rights of use. It holds that culture and the economy need a dynamically functioning public domain, so “care must always be taken not to allow . . . [patent and copyright laws] to be made instruments of oppression and extortion.”¹⁸

Even within a liberal democratic framework, modern courts — often composed of judges who, as lawyers, acted for entrepreneurs and so easily empathize with their viewpoint — often favour protection for most products that result from intellectual endeavour or for which a demand exists, just as they extend property rights to the tangible creations of manual labour. If they deny property status to an intellectual creation or other valuable intangible, they decide in effect that everyone is free to use it; the originator can benefit from her creation only in competition with others who did not share its cost of creation and development. There is, of course, a tendency to gloss over the fact that the person claiming protection is often not the originator, but the firm to which the originator is bound in contract. But this slippage also occurs when property rights in the products of manual labour are allocated, and is treated as inevitable under capitalist modes of production.

Despite the tendency of some judges to let their natural rights instincts roam free, no intellectual property law says that every tangible product or idea deserves protection. Indeed, the opposite is true. The way intellectual property laws are carefully circumscribed shows that copying or independently producing an identical item is acceptable, even to be encouraged, unless it is clearly prohibited. Keeping a broad public domain itself encourages experimentation, innovation, and competition — and ultimately the expectation of lower prices, better service, and broader public choice.

Further, the decision to protect, once taken, must be matched by an equally careful decision on how far to protect. Overprotection imposes social costs by stopping or discouraging others from pursuing otherwise desirable activities. Before the public is excluded, clear harm should first be found to the particular right-holder or the intellectual property system

17 *University of London Press Ltd. v. University Tutorial Press Ltd.*, [1916] 2 Ch. 601 at 610. The aphorism conveniently begs all questions of initial eligibility, protectability, and even infringement.

18 *Hanfstaengl v. Empire Palace*, [1894] 3 Ch. 109 at 128 (C.A.), approved 100 years later in *Canadian Assn. of Broadcasters v. Society of Composers, Authors & Music Publishers of Canada* (1994), 58 C.P.R. (3d) 190 at 196 (Fed. C.A.).

as a whole. The restrictive treatment of parody by trade-mark and copyright law — penalizing humorous comments on products or business activity — is an example of business interests being overly protected to the disadvantage of an effectively operating public domain. Intellectual property law as written does not mandate these results. They come from knee-jerk tendencies to interpret the law to prefer business investment over critical comment, and not to ignore some grievances as *de minimis*. Intellectual property's legitimacy suffers with each such decision. Protection should be confined to intellectual property's "just" merits. The "progress of the arts" of which Mansfield spoke two centuries ago must, overall, not be retarded. The contribution of a later actor to this progress must be assessed as carefully as that of the first on the scene.

b) Contract

Patents were once treated as bargains between the state and the inventor. The inventor introduced a new trade or, more recently, disclosed a new invention; in return, the state paid the entrepreneur or inventor with a temporary protection from competition. The patent explicitly set out the conditions and representations (the "consideration") on which it was granted. Legal arguments could then be made that patents must be benevolently construed and that any failure of the consideration (such as not disclosing the invention fully) invalidated the grant.¹⁹ Conversely, it could be argued that grants could not be unilaterally revoked or modified by the state once the consideration was fully performed. The theory was also politically expedient for patent proponents. A patent for invention was not just any old monopoly; it was one the public offered in consideration of getting a new trade or a public disclosure. Attacks on the grant were attacks on the sanctity of this contract — a more daunting hurdle to overcome than an attack on a simple monopoly.²⁰ Copyrights and other intellectual property could also be fitted into a similar theoretical mould: the rights flowed from a public offer of a monopoly in return for an author's producing and giving to the world a work that had never existed before.

These rhetorical flourishes may have made sense in the eighteenth century. The statutes then were cryptic. Patents were largely self-contained, spelling out the conditions of grant on their face. The magic word "contract" tended to shield almost any institution from criticism. None of

19 For example, *Pioneer Hi-Bred Ltd. v. Canada (Commissioner of Patents)*, [1989] 1 S.C.R. 1623, 60 D.L.R. (4th) 223 at 232 (S.C.C.).

20 Compare H.G. Fox, *Monopolies and Patents: A Study of the History and Future of the Patent Monopoly* (Toronto: University of Toronto Press, 1947) at 202.

these conditions exists today. What serves to invalidate grants is now largely settled by case law or is explicit in the legislation. Where doubt exists, contract analysis will hardly explain whether some infirmity is serious enough to invalidate a grant. The lexicon of contract may therefore be dropped from intellectual property law, with no corresponding loss of understanding. One may as plausibly claim that welfare beneficiaries or other receivers of statutory benefits make bargains with the state. Several questions remain to be answered: What are or should be the terms or duration of these “contracts”? Are they susceptible to change or revocation? What contract doctrines apply? Is it plausible today to claim that legislation that increases or decreases benefits mid-term is invalid, merely because the people it targets do not consent or provide fresh consideration?

B. SOME COMMON FEATURES OF INTELLECTUAL PROPERTY LAW

The specifics of copyright, patent, and trade-mark law are examined in the chapters that follow. In this introduction, however, some features and themes common to intellectual property law as a whole are noted.

1) Territoriality

Intellectual property rights are both territorial and international. They are territorial in that a Canadian right is effective in Canada only. It cannot be infringed by acts occurring entirely in France. Nor can a French intellectual property right be infringed by acts done in Canada. Similarly, an infringement in France must be pursued there according to French law; a French owner whose right is infringed in Canada must pursue the infringer according to Canadian law in a Canadian court. Some rights may cross boundaries. For example, a foreign trade-mark may be so well known in Canada that the Canadian Trade-marks Office [TMO] will refuse to register it in anyone else's name, and a Canadian court will enjoin its use by anyone else as passing-off.

On the other hand, intellectual property rights are international in that their existence does not depend on where the activity creating them took place. A book written by a French author in France automatically has a Canadian copyright; a Canadian patent can be granted for something invented abroad (indeed most Canadian patents are). The rights are protected by a web of interlinking international treaties by which almost every country in the world is bound. These treaties ensure that national

laws do not discriminate against foreign producers and owners. Canadian laws implement these treaties, which are therefore essential background material for understanding and even interpreting Canadian law.²¹ But harmonization as a goal, one that is striven for in the European Union [EU], is still far off the world agenda. Significant differences in approach and detail exist between national laws. So an infringement in country A may not necessarily infringe in country B; a right valid in country A may without incongruity be denied or found invalid in country B.

The dual national and international face of intellectual property rights has its controversial aspect. The rights are often used to create non-tariff barriers to trade by preventing parallel imports. Since a Canadian patent is in law a separate and different right from a French patent, a patented product lawfully made in France but exported to Canada may infringe a Canadian patent. This phenomenon allows intellectual property rights to be manipulated to prevent parallel imports where the same entity owns or controls both patents. Far from disapproving, the international treaties reinforce this right, and free-market unions like the EU, initially hostile, are succumbing to it. The result is to reinforce the policies of multinational corporations, which can set the price and quality of items differently in one country from another.

The most serious challenge to these structures and tendencies may come from a different direction: instantaneous communication technology. A Canadian may upload her writings or artwork electronically onto an Internet server located in Germany. From there, the material may be downloaded by another user located in Canada, Uganda, or Thailand. What law applies to the uploading: Canadian, German, or both? What law applies to the downloading: German, Canadian, Ugandan, Thai, or some combination? The rules governing conflicts of laws work even more arbitrarily in cyberspace. Critical events like uploading, accessing, downloading, and redistribution of material may occur anywhere. Concepts of territoriality may simply create chance applications of one or another country's laws. In the extreme, those laws may become practically unenforceable.

2) Cumulative Rights

Intellectual property rights are distinct from property rights in the tangible item to which they relate. Selling a patented machine or a book

21 *National Corn Growers Assn. v. Canada (Import Tribunal)*, [1990] 2 S.C.R. 1324, 74 D.L.R. (4th) 449 at 482-83 (S.C.C.) (GATT); *Milliken & Co. v. Interface Flooring Systems (Canada) Inc.* (1993), 52 C.P.R. (3d) 92 (Fed. T.D.), aff'd (1994), 58 C.P.R. (3d) 157 (Fed. C.A.) (copyright and Berne).

does not transfer any interest in the patent or copyright, but the intellectual property owner cannot prevent the buyer from using the article, at least in its expected way. For example, while articles may usually be repaired without problem, substantial changes or complete reconstruction may infringe the intellectual property owner's rights.²² Those with thoughts of livening up some dreary artwork will find that distortions or other prejudicial changes may infringe the moral rights of the artist.²³

Intellectual property rights are also distinct from one another. So, for example, a copyright owner cannot rely on its copyright to insulate it from other wrongs it may commit in relation to the work. The material in the work may have been obtained in breach of confidence. The title may be objectionable as a tortious passing-off if it suggests that the work is a sequel of another well-known work. The contents may also violate an author's moral right of attribution or integrity.

Many rights are also held cumulatively. A firm's logo may be registered as a trade-mark, a textile pattern may be registered as an industrial design, a computer program can be protected by a patent, yet copyright protection for all three is often cumulatively claimed and courts have usually accepted it unless a statute positively limits overlap. This is a debatable policy, for multiple protection is usually overprotection. If material is adequately protected by trade-mark law, why stretch copyright law to protect it more? If material such as a computer program has a copyright, why should it also be patented? If dual protection, such as copyright and patent, is available, why should the copyright not be forfeited on the voluntary acquisition of a patent?

3) Registration

Some rights exist without registration: trade-marks, business names, trade secrets, and other business confidences are protected at common law. Copyrights are also automatically protected under the *Copyright Act*, although they can optionally be registered, too. But many intellectual property rights depend for their existence on registration with the Canadian Intellectual Property Office in Hull, Quebec. Different branches are concerned with different rights: the Patent Office handles patents; the Trade-marks Office handles registration of trade-marks,

22 See "Repairs and Modifications" in section J(3) in chapter 2, section H(6) in chapter 3, and section I(5) in chapter 4.

23 Moral rights live on for fifty years after the author dies and may be exercised by the estate. See section I, "Authors' Moral Rights," in chapter 2.

and so on. Except for copyrights, the application for registration is first carefully checked by a specialized examiner to determine that the statutory conditions for obtaining the right exist. The procedure is usually between the applicant and the examiner only. Plant breeders' right and trade-mark applications are exceptions, in that third parties can oppose applications. Trade-mark oppositions are particularly frequent.

Once registered, the right is presumed valid in all judicial and administrative proceedings — but not indefeasibly so. Those with a legitimate interest can always challenge validity or title by applying to the Federal Court to have the right struck off the register, or by defending an infringement action by pleading invalidity or cross-claiming to expunge the right. The person challenging validity usually carries the burden of proof.²⁴

4) Marking Optional

It is common to see references to intellectual property rights on goods or on their advertising or packaging. Reflecting U.S. practice, trade-marks are often seen accompanied by some notation: a registered trade-mark ®, an unregistered trade-mark ™, or, less commonly, a service markSM. Books, films, and advertising often carry a legend such as "© Jane Bloggs 1997" or "Copyright Jane Bloggs 1997." Patented articles are also often marked with a patent number, country of patent, and patent owner's name. Still other products are sometimes marked "patent or trade-mark pending."

None of this marking is mandatory in Canada, but it is nonetheless legally useful.²⁵ It notifies the existence of a right or a claim and reduces the ranks of potential "innocent" infringers who might win a judge's sympathy. Marking may also help to create or to maintain rights, particularly for trade-marks. The first maker of shredded wheat breakfast cereal may have had a fighting chance of privatizing "shredded wheat" as its own brand had it consistently referred to its product as "SHREDDED WHEATTM brand breakfast biscuit." Instead, "shredded wheat" fell into the public domain, becoming the common name of the product itself.²⁶

24 See section C(2), "Presumption of Validity," in chapter 5.

25 A false marking can, however, be disadvantageous, particularly if the lie is deliberate: if persisted in, the practice may cause the refusal of discretionary relief (injunctions, accounts of profits, etc.) for lack of "clean hands." False marking does not, however, usually prevent registration or cause invalidation of the intellectual property right; compare *Enterprise Rent-A-Car Co. v. Singer* (1996), 66 C.P.R. (3d) 453 at 486–87 (Fed. T.D.).

26 See section C(1)(b), "Generic Marks" in chapter 4.

Marking can also clarify a right-holder's intentions where users are uncertain of their rights. Thus, on the Internet, right-holder notices often spell out what users may and may not do with material that can easily be accessed, downloaded, manipulated, reproduced, and redistributed electronically or in hard copy. The notices may technically be licences,²⁷ so disobedience may mean infringing the owner's copyright. But since the difficulties of detecting and enforcing such infringements are well known, the notices often operate on another level: as appeals to users' sense of honesty and fair play. In cyberspace, a version of the golden rule — do unto your neighbour as you would have your neighbour do unto you — may gain in moral force what it lacks in legal sanction.

Because marking is not mandatory, the onus is nonetheless squarely on all users to ensure that an activity does not infringe some intellectual property right of which they may be totally unaware. Even courts sympathetic to the innocent usually do not hesitate to grant injunctions and issue orders to withdraw offending goods.

5) Constitutional Problems

Some rights that protect intellectual property, such as actions for passing-off or breach of confidence, fall under provincial jurisdiction as "Property and Civil Rights in the Province" or "Matters of a merely local or private Nature in the Province."²⁸ Most intellectual property, however, comes under federal jurisdiction. Thus, the *Patent* and the *Copyright Acts* come under Parliament's exclusive power to legislate in respect of "Patents of Invention and Discovery" and "Copyrights," respectively.²⁹ The *Industrial Design Act* also draws on the "copyrights" power; indeed, design rights in the nineteenth century were commonly called "copyrights."

Surprisingly, trade-marks are not mentioned in the *Constitution Act, 1867* but immediately after Confederation Canada continued the trade-marks register established by the Province of Canada; trade-marks

27 See chapter 5.

28 *Constitution Act, 1867* (U.K.), 30 & 31 Vict., c. 3, ss. 92(13) & 92 (16) [1867 Act].

29 1867 Act, *ibid.*, ss. 91(22) & 91(23). The setting up and disbanding of compulsory licence schemes and rate-fixing tribunals have come within these powers: *Smith, Kline & French Laboratories Ltd. v. Canada (A.G.)*, [1986] 1 F.C. 274 (T.D.), *aff'd* [1987] 2 F.C. 359 (C.A.); *Society of Composers, Authors & Music Publishers of Canada v. Landmark Cinemas of Canada Ltd.* (1992), 45 C.P.R. (3d) 346 (Fed. T.D.); *Apotex v. Tanabe Seiyaku & Nordic* (1994), 59 C.P.R. (3d) 38 (Ont. Gen. Div.).

legislation therefore clearly was considered part of the "Regulation of Trade and Commerce."³⁰ The trade and commerce power may also support other rights, including the *Plant Breeders' Rights* and the *Integrated Circuit Topography Acts*, although patent-like PBRs can be based on the Parliament's exclusive jurisdiction over "Patents of Invention and Discovery," and design-like ICTs on its similar jurisdiction over "Copyrights." Of course, the fact that these laws may have been enacted to fulfil international treaty obligations does not by itself bring them within federal power.

A law may be constitutional as a whole, yet individual provisions may not be. For example, performers' rights over their live performances, found in the *Copyright Act*, are categorically different from copyrights historically, and so might not qualify constitutionally as "copyrights"; but, if enacted as a *World Trade Organization Agreement* obligation, such rights can be supported by reference to the "Trade and Commerce" power. Alternatively, they may validly "round out" intellectual property schemes if, for instance, a "rational functional connection" between the provision and a valid-as-a-whole scheme can be shown. Otherwise, they enter provincial territory and become invalid exercises of the federal legislative power.

Parts of the *Trade-marks Act* have been under attack as not sufficiently connected to trade and commerce. The complaints come typically from local businesses that rely on provincial law for their protection, while the *Trade-marks Act* is more designed to protect businesses operating interprovincially or across Canada. The resulting conflict has given neither the local merchant nor the national registrant much satisfaction when their businesses collide in a particular locality.³¹

Sections 7 and 9 of the *Trade-marks Act*, dealing with offensive business practices and "official" marks, have also drawn fire. Indeed, subsection 7(e), allowing civil actions for acts or business practices "contrary to honest industrial or commercial usage in Canada," has been struck down for attempting to create a tort within sole provincial competence.³² Similarly, subsection 7(a), allowing civil actions for misleading statements that discredit a competitor's business, has been limited to statements about existing intellectual property rights. It has not been applied to statements about inchoate intellectual property rights (as where a claimant has only applied for a patent) or about a competitor's

30 1867 Act, *ibid.*, s. 91(2); *Macdonald v. Vapor Canada Ltd.* (1976), [1977] 2 S.C.R. 134 [*Vapor*].

31 *Reference Re Constitution Act, 1867*, ss. 91 & 92 (1991), 80 D.L.R.(4th) 431 at 451-52 (Man. C.A.).

32 *Vapor*, above note 30.

business generally.³³ On the other hand, the passing-off tort created by subsection 7(b) of the *Trade-marks Act* has been upheld, since protecting the goodwill of unregistered trade-marks “rounds out” the registered marks system. The protection section 9 of the *Act* gives to official marks has also so far been ruled valid.³⁴

The question remains, however, of how far guarantees of freedom of the media and of expression in the *Canadian Charter of Rights and Freedoms* affect intellectual property rights — an issue that has been as yet little developed in the jurisprudence. For example, may comparative advertising, or parody that includes copyright and trade-marked material, be constitutionally protected from being infringement? If the *Charter* protects commercial speech (as the Supreme Court has held), should it not also protect speech in furtherance of a labour dispute?³⁵ Will the Internet be recognized as a new form of communication that may require all present intellectual property constraints to be reshaped in the light of the imperatives of free expression?³⁶

FURTHER READINGS

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33. *Safematic Inc. v. Sensodec Oy* (1988), 21 C.P.R. (3d) 12 (Fed. T.D.).

34. *Asbjorn Horgard A/S v. Gibbs/Nortac Industries Ltd.*, [1987] 3 E.C. 544 (C.A.); *Canadian Olympic Assn. v. Konica Canada Inc.* (1991), [1992] 1 E.C. 797 (C.A.).

35. Not according to *Rôtisseries St-Hubert Ltee v. Syndicat des Travailleur(euses) de la Rôtisserie St-Hubert de Drummondville (CSN)* (1986), 17 C.P.R. (3d) 461 (Que. S.C.), dismissing *Charter* argument and awarding damages for copyright infringement against a union using caricatures of the St-Hubert rooster logo on stickers during a labour dispute with the restaurant chain.

36. Compare *American Civil Liberties Union v. Reno*, 929 F.Supp. 824 (D. Pa. 1996), invalidating the part of the *Communications Decency Act 1996* that criminalized “patently offensive” material that was not obscene or child pornography.

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COPYRIGHT

A. INTRODUCTION

Copyright is protected solely under the *Copyright Act*.¹ This statute was enacted in 1921 as a substantial copy of the 1911 U.K. copyright law. It came into force in 1924 and underwent major amendments in 1931, 1988, and, more recently, in 1993 and 1994 as a result of the *North American Free Trade Agreement* and the *Agreement on Trade-Related Aspects of Intellectual Property Rights*. Its central aim is to grant rights of exploitation to authors of original literary, dramatic, musical, and artistic works.² The works may be created through old or new technology: an artist using a paintbrush computer program today should be as fully protected as one with a real brush and real canvas was in the nineteenth century. An electronic multimedia work or database should also be as fully protected as the traditional encyclopedia or card-index. Quality and legality are irrelevant: trash and the sublime — even works that are pornographic or that themselves infringe copyright (e.g., an unauthorized

1 R.S.C. 1985, c. C-42, [C Act]; [unless otherwise indicated, references are to the *Act* as amended].

2 C Act, *ibid.*, s. 5(1), s. 2, defines “every original literary, dramatic, musical and artistic work.” This tracks the latest (1971) version of the *Berne Convention for the Protection of Literary and Artistic Works*, 9 September 1886, 828 U.N.T.S. 221 [Berne]. The *North American Free Trade Agreement*, 17 December 1992 (Ottawa: Supply & Service, 1993) [NAFTA], compelled Canada, then bound only by the 1928 version of *Berne*, to protect copyright to the 1971 level of *Berne*.

translation) — all have been found equal under the copyright law.³ Protection is automatic and usually lasts for the author's life plus fifty years.

The original purpose of copyright may have been to encourage culture — by providing incentives to authors and artists to produce worthy work, and to entrepreneurs to invest in the financing, production, and distribution of such work. Whether copyright, as presently configured, achieves those ends is an interesting question. Many works, as we shall see, have little to do with culture and are simply industrial products. Protection for these products, as well as for fine art, runs for the author's life plus fifty years. The work may be produced by an employee, who never sees the copyright because it belongs to the employer; yet protection lasts as long, even though the original purpose of benefiting an author's surviving family is no longer there. No rational employer, financier, or entrepreneur needs protection that can run for well over a century.

By contrast, industrial designs for mass-produced items like automobiles or dishwashers are typically excluded from copyright protection. They, however, may be protected for ten years on registration under the *Industrial Design Act*.⁴ Protection like this might seem more apt for the many purely industrial items that presently fall automatically under copyright. For many other items, such as business letters, outmoded trademark designs and advertisements, and most computer programs, long-term protection seems equally unnecessary: Has not the cost of producing now obsolete WordPerfect 4.0 been amortized many times over? Needless to say, producers of such items would violently disagree. Nobody wants to give up a benefit that one day may possibly have some value, even though the item was originally produced without any thought of such opportunism.

1) Contours of Protection

The key features of copyright protection are as follows:

- Only original work is protected. This stipulation does not mean new work, but that the work must originate from the author, cannot be copied, and must involve some minimal intellectual effort. The level required can be judged from the fact that most private and commercial correspondence, however banal and cryptic, qualifies.⁵

3 *Aldrich v. One Stop Video Ltd.* (1987), 17 C.P.R. (3d) 27 (B.C.S.C.); D. Vaver, "Translation and Copyright: A Canadian Focus" (1994) 16 E.I.P.R. 159 at 161.

4 See section B(7), "Industrial Design," in this chapter.

5 See section C(1), "Originality," in this chapter.

- Copyright law prevents copying only. Nobody infringes unless they somehow copied a protected work. This requirement is what supposedly makes the long term of copyright tolerable and makes copyrights different from patents, industrial designs, or trade-marks, where the right may be infringed despite a defendant's independent creation.
- Copyright protects expression only: not ideas, schemes, systems, artistic style, or "any method or principle of manufacture or construction."⁶ Anyone was (and is) free to paint funny-looking people holding guitars: what they cannot do is imitate Picasso's expression of these subjects.

2) Non-traditional Subject Matter: Bill C-32 of 1996

Copyright has traditionally been the preserve of authors and artists, but performers, record producers, and broadcasters have internationally been accorded rights akin to copyright (sometimes called *droits voisins*: "neighbouring" or "allied" rights) by the *Rome Convention* [Rome]. Theoretically, none of these persons is an author, none does anything "original," none produces a "work." Performers interpret or execute works, record producers record them, broadcasters transmit them, so none is entitled to a traditional copyright.

Nonetheless, since 1924, Canada has protected sound recordings by copyright for a flat fifty-year period. A bill to amend the *Copyright Act*, Bill C-32, introduced into Parliament on 25 April 1996, would extend copyright coverage to broadcasters and increase the coverage now available to performers, both for a similar flat fifty years. Even though performers are often like authors, and indeed, when spontaneously improvising, can be authors, the protection is for the performance itself, not for any originality that went into it. Thus one hundred identical performances, whether recorded or not, of the same tune each have separate copyrights. Broadcasters do nothing original in transmitting or carrying a signal: it is their investment in distribution that would be protected.

Most traditional copyright principles would nonetheless be extended to these non-traditional subject matters. In applying them, however, one should recall that performances, sound recordings, and broadcasts differ in justification and practice as much from one another as they do from traditional copyright works.

⁶ C Act, above note 1, s. 64.1(1)(d).

3) Application to Register

Registration with the Copyright Office at Hull is optional, since copyright is fully protected automatically on creation of the work. Registration, however, creates a presumption of validity in litigation and some priority for registered grants of the copyright.⁷ Registration is particularly useful where the plaintiff's claim to title in the copyright is obscure or results from a chain of events, or where the work in question was produced far away in time or in place, for the person disputing what the register reveals bears the onus of proof. There is no time limit for registering. Certificates are often obtained at the last moment, just before infringement proceedings issue, causing some courts to baulk at giving them their full effect.⁸

Registration is a simple process: it involves filling out the prescribed application form and sending it with \$35 to the Copyright Office, which registers the details and issues a certificate, without even looking at the work.⁹ About 10,000 registrations are issued annually.

B. WHAT IS PROTECTED?

First we shall examine the traditional subject matter that is protected, and, second, the less traditional matter — sound recordings, performances, and, as Bill C-32 proposes, broadcasts.

1) Literary, Dramatic, Musical, and Artistic Works

Every original "literary, dramatic, musical and artistic work" is protected "whatever may be the mode or form of its expression."¹⁰ The categories are further defined and illustrated in the *Act*, an approach that often seems like categorization for categorization's sake, but there seems to be enough flexibility to include evolving technologies. For example, the *Act* does not refer to multimedia works on CD-ROM, but this material can be protected as a "compilation":¹¹ the "mode or form"

7 See section C, "Registration and Expungement," in chapter 5.

8 For example, *R. v. Laurier Office Mart Inc.* (1994), 58 C.P.R. (3d) 403 at 413–14 (Ont. Prov. Div.), aff'd (1995), 63 C.P.R. (3d) 229 (Ont. Gen. Div.) [*Laurier*].

9 *C Act*, above note 1, ss. 36–58; similarly, Bill C-32, *An Act to Amend the Copyright Act*, 2d Sess., 35th Parl., 1996, new Part V [Bill C-32].

10 *C Act*, *ibid.*, s. 5(1), s. 2, def. "every original literary, dramatic, musical and artistic work"; compare *Berne*, above note 2, art. 2(1).

11 See section B(9), "Compilation," in this chapter.

in which works are expressed is irrelevant, and a mixture of different forms — literary, musical, and so on — melded into a composite whole is expressly mentioned as being protectable as a compilation.¹² Still, there are difficulties where works cross formal boundaries; yet classification is sometimes practically unavoidable because not every item is protected by the Act for the same duration or in the same way.¹³

Copyright protection extends to almost anything written, composed, drawn, or shaped. It therefore recognizes the diversity of cultural activity. In practice, however, copyright has sprawled into the realm of purely industrial products. Lottery tickets, advertisements, jingles, product instructions, company logos, computer programs, and internal company memoranda all jostle for protection under the law with the work of Margaret Atwood, Roch Carrier, Gordon Lightfoot, Carol Shields, and Michael Snow — not to mention Danielle Steele, Irving Berlin, and Roland Barthes. Since it does not matter whether a work is good or bad art, almost anything has come to be protected — both works whose creation was induced by the prospect of life-plus-fifty year protection and those that were not.

This comprehensiveness may or may not be a good thing. Its defenders claim it is the only practicable way to run the system, unless judges are to become arbiters of aesthetics. But easy entrance to copyright entails a corresponding need to monitor and delineate the scope of protection very carefully. For example, a lottery ticket can be reproduced in many different ways: by an artist who enlarges and frames a reproduction as a form of social commentary; by a magazine that illustrates an article on chaos theory by reproducing a stylized photograph of the ticket; by an employee who scans the ticket into her computer and uses elements from it to decorate her employer's web site and letterhead; or by a lottery operator who takes the ticket for his own competing enterprise. Granted the ticket has copyright and granted all these acts may, on the face of it, be infringements; the question is, which should and which should not be treated legally as infringements? In other words, how far ought a copyright owner be able to control what others do with its work? Questions like these may ultimately be more crucial than the threshold question of whether a work is capable of having copyright protection. True, gatecrashers should be kept out, but courts should be at least as concerned to police what entrants do on copyright's expansive terrain — and what others may do with or to them.

12 *C Act, ibid.*, s. 2.1(1).

13 Photographs, for example, are protected for a flat fifty years, while other artworks are usually protected for the artist's life plus fifty years. See section E, "Duration," in this chapter.

That said, one must be aware of the enormous range of material that may be protected.

2) Literary Work: Books and Other Writings

Literary work covers everything "expressed in print or writing": the form in which this occurs (paper, diskette, and the like) is irrelevant.¹⁴ The Act mentions tables, computer programs,¹⁵ books, pamphlets, and other writings, lectures (including addresses, speeches, and sermons), and translations as examples.¹⁶ Also obviously included are novels, poems, biographies, histories, academic theses, newspaper articles, instruction manuals, preliminary drafts and working notes, and private diaries. Less obvious items have also been protected: *billets doux*, routine business letters,¹⁷ examination papers, medical records, legal contracts and forms, telegraph codes, even a list of computer-generated winning lottery numbers!¹⁸ But short combinations of words (e.g., trade-marks like EXXON and slogans lacking any literary composition) or simple product instructions are not protected, since granting protection risks monopolizing the ideas behind the expression.¹⁹

Spontaneous speech and signing are obviously not protected, but what of e-mail? Some e-mail may qualify as literary work, just as tradi-

14 *Apple Computer Inc. v. Mackintosh Computers Ltd.* (1987), [1988] 1 F.C. 673 (C.A.), aff'd [1990] 2 S.C.R. 209 [Apple].

15 See section B(3), "Computer Programs," in this chapter.

16 *C Act*, above note 1, s. 2, defs. "literary work" and "every original literary, . . . [etc.] work."

17 Thus, in *Tett Brothers Ltd. v. Drake & Gorham Ltd.* (1934), [1928-1935] MacG. Cop. Cas. 492 (Ch.), the following letter (omitting "Dear Sir" and "Yours etc.") was protected as an "original literary work":

Further to the writer's conversation with you of to-day's date, we shall be obliged if you will let us have full particulars and characteristics of "Chrystalite" or "Barex." Also we shall be obliged if you will let us have your lower prices for 1, 2, 3, 4 and 5 ton lots and your annual contract rates.

We have been using a certain type of mineral for some time past and have not found it completely satisfactory, and as we shall be placing an order in the very near future we shall be obliged if you will let us have this information at your earliest convenience.

18 *Express Newspapers v. Liverpool Daily Post and Echo*, [1985] 1 All E.R. 680 (Ch.); D. Vaver, "Copyright in Legal Documents" (1993) 31 Osgoode Hall L.J. 661 ["Copyright"].

19 *Exxon Corp. v. Exxon Insurance Consultants International Ltd.*, [1982] Ch. 119 (C.A.) [Exxon]; *Promotions Atlantiques Inc. v. Handcraft Industries Ltd.* (1987), 17 C.P.R. (3d) 552 (Fed. T.D.).

tional letters do. But much activity on the Internet resembles conversation: person-to-person messages, "forums," and "discussion boards," where users instantly communicate with one another using a computer keyboard and screen instead of a telephone. This use could be analogized to instant versifying and a medium's automatic writing, which are considered protectable,²⁰ though these forms lack the interactivity that distinguishes speech, signing, and Internet exchanges from ordinary literary compositions. The Internet may have spawned a new hybrid: a communication literary in form, but oral in substance. Unlike most other laws, copyright usually celebrates form over substance. Whether this will continue with communication flows on the Internet remains to be seen.

3) Literary Work: Computer Programs

A computer program is defined as "a set of instructions or statements, expressed, fixed, embodied or stored in any manner, that is to be used directly or indirectly in a computer in order to bring about a specific result."²¹ It includes source and object codes for operating and application programs, component routines such as a table of numbers operating as a program lock, the screen display generated by the program, and perhaps even the language in which the source code is written.²² Most complex programs, such as a word-processing program, include many smaller linked programs and so are also a compilation²³ of literary works. But a literary work produced using a word-processing program is obviously not part of the program: the work's copyright belongs to the writer, not the programmer.

Copyright protection for programs is awkward and causes many practical problems. Programmers may enjoy being called "binary bards," and the codes they produce may look like telegraph code books (long considered literary works). But the purpose of the program is to embody the code in electronic circuitry, where it functions like, and often replaces, machine parts. Infringement trials resemble patent trials in scope and expense, except that they are more amorphous: no claims²⁴ stake out

20 *University of London Press Ltd. v. University Tutorial Press Ltd.*, [1916] 2 Ch. 601 at 609 [*University of London*]; *Cummins v. Bond*, [1927] 1 Ch. 167.

21 *C Act*, above note 1, s. 2, def. "computer program."

22 *Autodesk Inc. v. Dyason* (1992), 173 C.L.R. 330 (Austl. H.C.); *Delrina Corp. v. Triolet Systems Inc.* (1993), 47 C.P.R. (3d) 1 at 28 (Ont. Gen. Div.) [*Delrina*]; *Data Access Corp. v. Powerflex Services Pty Ltd.* (1996), 33 L.P.R. 194 (Austl. Fed. Ct.).

23 See section B(9), "Compilation," in this chapter.

24 See section C(4)(b), "Claims," in chapter 3.

what parts of the program are protected, causing major arguments over what exactly may or may not be taken from a program or its output. As a U.S. judge recently wrote:

[T]o assume that computer programs are just one more new means of expression, like a filmed play, may be quite wrong. The "form" — the written source code or the menu structure depicted on the screen — look hauntingly like the familiar stuff of copyright; but the "substance" probably has more to do with the problems presented in patent law or . . . in those rare cases where copyright law has confronted industrially useful expression. Applying copyright law to computer programs is like assembling a jigsaw puzzle whose pieces do not quite fit.²⁵

4) A Digression: Integrated Circuit Topographies²⁶

In the late 1970s semiconductor chip-makers operating out of Silicon Valley in the United States became worried that their output might not be fully protected worldwide under copyright and patent laws. They therefore persuaded the U.S. Congress to pass the *Semiconductor Chip Protection Act* of 1984. Shortly afterwards, the World Intellectual Property Organization convened an international meeting for the same purpose. It resulted in the *Washington Treaty on Intellectual Property in Respect of Integrated Circuits* of 1989, which almost nobody has ratified.

Canada nonetheless passed the *Integrated Circuit Topography Act* of 1990 to mirror the main aspects of the treaty. The *Act* excludes integrated circuit topographies — essentially layout designs embedded in computer semiconductor chips or circuit boards — from copyright protection, except for any computer program contained in a topography.²⁷ Integrated circuit topographies (ICTs) registered under the *Act* are protected for ten years against copying or independent creation. Time runs from the earlier of the date when the application was first filed or when the topography was first commercially exploited. The work must be

25 *Lotus Development Corp. v. Borland International Inc.*, 49 F3d 807 at 820 (1st Cir. 1995), aff'd 116 S. Ct. 804 (1996) [*Lotus*].

26 Integrated circuit topographies are not really literary works, but are so closely connected with computer programs that it was found convenient to deal with them here.

27 *C Act*, above note 1, s. 64.2(1). How far *Anacon Corp. Ltd. v. Environmental Research Technology Ltd.*, [1994] F.S.R. 659 (Ch.), extending U.K. copyright protection to a circuit board diagram, may apply in Canada is unclear. See J. Choksi, "The Integrated Circuit Topography Act: Approaching Ministerial Review" (1996) 12 Can. Intell. Prop. Rev. 379.

"original," which in this context means it must (a) not be copied, (b) be the result of an "intellectual effort," and (c) not be "commonplace" among ICT designers or manufacturers.²⁸

The *Act* is open to members of the World Trade Organization, but, compared with the United States, traffic to date has been light. Between 1993 and 1995, sixteen applications were filed and ten registrations were issued. Whether the *Act* benefits Canada much is unclear. Elsewhere the main effect of comparable legislation has been to stop the parallel import of videogames, an enterprise already adequately protected in Canada by the copyright and patent laws.

5) Dramatic Work: Plays, Films, Choreography

Dramatic works such as plays, operas, and operettas traditionally involve a thread of related events that are narrated or presented by dialogue or by action. Protection extends to the structure: the characters' "relationships with and integration into the sequence of incidents, scenes, locale, motivation, and dramatic expression" through which the story evolves.²⁹ Historical characters or events, however, cannot be monopolized; incidents and characterizations ("ideas") may be taken from earlier non-fiction if the treatment and development ("form") are different.³⁰

Choreography, mime, and recitation pieces are also protected if their "scenic arrangement or acting form" is "fixed in writing or otherwise."³¹ This definition should also cover abstract dance and mime if it has been previously recorded (e.g., by Labanotation) or if it is recorded as it occurs (e.g., by videotape). Choreographed marching bands and parades, ice-figure skating performances, sales promotions, and circus productions may also be included.³² Oddly, only choreography is mentioned as requiring no story line for the work to be protected.³³ One trusts that this example intends to clarify, not amend, the law: otherwise, mime and other work within the dramatic arts would be unprotected if it lacked a story line.

28 *Integrated Circuit Topography Act*, S.C. 1990, c. 37, ss. 2(2), 5, 4(1) and 4(2) [*ICT Act*]. The ten-year period runs to the end of the calendar year.

29 K.A. Raskin, "Copyright Protection for Fictional Characters" (1971) 2 *Performing Arts Rev.* 587 at 590.

30 *Harman Pictures NV v. Osborne*, [1967] 2 All E.R. 324 (Ch.) [*Harman Pictures*].

31 *C Act*, above note 1, s. 2, def. "dramatic work."

32 M.M. Traylor, "Choreography, Pantomime and the Copyright Revision Act of 1976" (1981) 16 *New Eng. L. Rev.* 227 at 229.

33 *C Act*, above note 1, s. 2, def. "choreographic work."