

## THE WRITER AND COPYRIGHT LAW

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Quels sont les droits d'auteur du rédacteur sur le fruit de ses labeurs? La question n'est pas dénuée d'intérêt. Qui, en effet, peut prétendre se désintéresser totalement du sort de ses créations? Nous examinerons certaines des règles de droit applicables à la lumière notamment des modifications récentes à la législation dans ce domaine.

The Copyright Act<sup>1</sup> has recently been amended.<sup>2</sup> The Copyright Act had been in force virtually unchanged since the 1920's. This is the first phase of a wide-ranging revision of the law of intellectual property. Other amendments to the Act will deal with the exceptions to copyright protection, including the fair use or dealing exception.

The basic rule is that copyright will arise and subsist automatically upon creation of the work. No special formalities, registration or other steps are required to trigger copyright protection. This contrasts with the requirements for the protection of other forms of intellectual property such as trademarks, patents and industrial designs.<sup>3</sup>

Among the works protected are "literary works", which now include tables, compilations and computer programs.<sup>4</sup> Bill C-60 defines "computer programs" as "a set of instructions that is expressed, fixed, embodied or stored in any manner and that can be used, directly or indirectly, in a computer in order to bring about a specific result."<sup>5</sup> The definition is quite broad. Other categories of protected works include dramatic works, musical works, artistic works and architectural works, as well as sound recordings.<sup>6</sup>

Two elements must be present: fixation, which means that the work must be fixed in some tangible form; and originality, which means that the work was not copied from another. Originality does *not* mean literary or artistic merit. A work may have minimal or no merit and, provided it is original, be protected by copyright because it required time, effort and labour by its author.

The copyright generally subsists for the life of the author plus 50 years. For copyright to exist in a published work, the author must be a Canadian or British citizen or resident, or a citizen or resident of a country adhering to the Berne Convention, and the first publication of the work must occur in Canada, in a British Dominion or in a Berne Convention country.<sup>7</sup> While the U.S. is not such a country, the rights conferred by the Copyright Act were extended to it in 1923.

The countries adhering to the Universal Copyright Convention,<sup>8</sup> including Canada, also benefit from such protection, although domestic legislation may provide that specific requirements must be met in order to secure copyright protection. By way of example, the U.S. "Semiconductor Chip Protection Act of 1984,"<sup>9</sup> provides that, to obtain protection, registration must occur within two years from the date of commercial exploitation anywhere in the world. The Universal Copyright Convention requires strict adherence to the use and the form of the International Copyright Notice.<sup>10</sup> The Notice must appear from the time of first publication, on all copies of the work, and be placed in such a manner as to give "reasonable notice" of the copyright claimed. It must include the symbol "C" encircled--terms such as "All rights reserved" are not sufficient--, the name of the copyright owner--not necessarily the author--and the year of first publication--not necessarily of creation or printing.

While copyright protection differs from trademark and patent protection, this is not to say that different types of rights cannot coexist in the same work. A trademark is used to distinguish products or services originating from one source from products and services from other sources. It may, however, meet copyright criteria. For example, a fairly long trademark such as "The scotch that dares to be known by its good taste alone" might qualify in terms of originality and distinctiveness. Copyright protection may be especially useful in "grey goods" cases, that is where goods which are marketed legally in one market are imported in another market where a distributor has exclusive selling rights to those goods. Since the goods are genuine, it cannot be said that the importer is confusing the public. Therefore no trademark or passing-off remedy is available to the exclusive distributor, unless the manufacturer grants it a copyright.

Who owns the copyright? The principle is that the author of the work is the first owner. While this may seem self-evident, this principle was not codified in law until the Statute of Anne<sup>11</sup>. Previously, the right to copy a book belonged generally in the first instance to the printer, and then to the bookseller. The preamble to the Statute stated that this right was conferred upon authors in order to encourage "learned men to compose and write useful books."

The major exception to this principle is the ownership of "works made in the course of employment." When an employer hires an employee to create a given work, two different works to which rights may attach are created: the "thing" itself; the copyright in it. Ownership of the thing itself is determined by principles of labour or contract law: it generally belongs to the employer. The Copyright Act also gives ownership of the copyright to the employer "where the author was in the employment of some other person under a contract of service and the work was made in the course of his employment by this person."<sup>12</sup>

The first difficulty is to determine whether there was a contract of service, as opposed to a contract *for* services. The traditional test is whether the person employed is under the direction and control of the employer as to the manner in which he shall carry out his work, or whether he is employed to exercise his skill and achieve an indicated result in such manner as he should, in his own judgment, determine.<sup>13</sup> This test is a question of degree of control and is most difficult to apply: "It is often easy to recognize a contract of service when you see it, but difficult to say where the difference lies."<sup>14</sup> The greater the skill of the employee, the less significant is control in determining whether the employee is under a contract of service. A further test that has evolved is whether the work is an "integral part of the business", as opposed to work done under a contract for services, where the work, although done for the business, is only "accessory to it."<sup>15</sup>

The second requirement is that the work be made "in the course of employment". For example, an employee of the editorial staff of a newspaper, who translates and summarizes a speech for extra remuneration over and above his regular salary, holds the copyright in his translation since the translation is undertaken on the author's own time and not as part of his employment duties. Similarly, an accountant who lectures at universities and before professional societies holds the copyright to his lectures, since these are not prepared in the course of his employment.

Special rules apply to journalists, who have the right to restrict publication of their work, otherwise than as part of a newspaper, magazine or similar periodical.<sup>16</sup> The journalist may merely prevent publication. He or she does not have the right to publish, since this would be an infringement of the copyright vested in the employer. The journalist is not, however, prevented from writing another article based on the original one. This is because copyright does not protect ideas.

The second major exception to the fundamental principle of author as primary copyright holder pertains to works generally referred to as

"commissioned works", i.e. "produced on order for valuable consideration."<sup>17</sup> In this case, the copyright belongs to the person who commissioned or ordered the work. While the Act applies only to engravings, photographs or portraits, one must understand that the term portrait will include "any pictorial representation or delineation of a person."<sup>18</sup>

What of works of joint authorship, i.e. a "work produced by the collaboration of two or more authors in which the contribution of one author is not distinct from the contribution of the other author or authors"?<sup>19</sup> It is not necessary, however, that each author contribute the same amount of labour, as long as there is "joint labouring in furtherance of a common design."<sup>20</sup> Joint authors hold the copyright in equal unspecified, undivided shares, but one may not exercise his or her rights without the other's concurrence. In the U.S., one co-owner may exercise or licence his or her interest in the whole of the work without requiring the assent of his or her co-owner. Both rules seek to ensure proportionate benefits to each co-owner.

These must be distinguished from "collective works", which include encyclopaedia, dictionaries, yearbooks, or similar works; newspapers, magazines or similar periodicals; and generally any work written in distinct parts by different authors or in which works or part of works of different authors are incorporated. The essential difference between the two types of work is that a work of joint authorship is composed of contributions which are not distinct from one another, while collective works are written in distinct parts.<sup>21</sup> In the case of collective works, the copyright merely protects the owner against a third party copying or otherwise infringing the particular arrangement of the work; it does not afford protection against unauthorised copying of any individual work.

To illustrate, since the definition of musical works encompasses only arrangements of melody and harmony and not lyrics, a song composed of lyrics by one author and music by a second would constitute a collective work rather than a joint one. Each owns the copyright to his own work, not to the song. The copyright in the song belongs to whoever was responsible for bringing the two together, e.g. the producer of the record. Obviously, if the same person authors both, he or she will own the whole copyright on the work.

The rights granted by the copyright are known as economic or pecuniary rights. These are rights such as the right to reproduce, perform in public, publish, adapt or broadcast the work.<sup>22</sup> Independent of these economic rights are so-called "moral" rights, specifically the right of paternity

(i.e. the right to claim authorship) and the right of integrity (i.e. the right to restrain acts prejudicial to the author's honour or reputation). These rights remain in the author, whether he or she owns the copyright or not.

The new Act extends substantially the moral rights of the author. New section 12.1 states that: "the author of work has, subject to section 18.2, the right to the integrity of the work and ... the right, where reasonable in the circumstances, to be associated with the work as its author". Sub-section 18.2(3) relieves the author of an artistic work of the requirement to prove prejudice, since "the prejudice ... shall be deemed to have occurred as a result of any destruction, mutilation or other modification of the work". Moral rights may not be assigned, but they may be waived, in whole or in part. The assignment of the copyright does not in itself operate as an implied waiver of moral rights.

What constitutes infringement of copyright? The short answer is that there is "infringement" whenever a person does anything that only the owner of the copyright has the right to do, without the owner's consent. Obviously, if the owner has licensed the copyright, he or she cannot complain of infringement by the licensee, provided it conforms with the terms of the license. The copyright is quite independent from the physical object. The object may be sold with the copyright remaining with the seller, subject to the express or implied terms of the contract. Conversely, the copyright itself may be assigned or licensed, quite apart from transfer of the physical object. The copyright is divisible. Therefore the various separate rights (to reproduce, to perform, etc.,) may be assigned separately.<sup>23</sup> The assignment may also be limited geographically or temporally.<sup>24</sup>

Note that the Act provides for "compulsory" licensing where, after the death of the author, the owner of the copyright refuses to allow the work to be produced, by reason of which the work is withheld from the public, or where 25 years have elapsed, notice has been given and royalties are paid.<sup>25</sup>

For infringement to occur, there must be sufficient objective similarity between the infringing work and a substantial part of the copyrighted work, and the source for the infringing work must be the copyrighted work.<sup>26</sup> Copyright is confined to that which is special to the individual work, over and above the idea, which may not be copyrighted.<sup>27</sup> Similarity need not extend to the entire work. What is a "substantial part" requires both a quantitative and a qualitative determination.<sup>28</sup> There are three areas where the issue of non-literal similarity arises: the taking of literary and dramatic incidents and devices; the lifting of characters; and parodies or satire. As for devices, the favored test is the "abstraction test": a number of patterns of increasing

generality will fit equally well upon any work, as more and more of the incident is left out, but there comes a point where such patterns are no longer protected because of their non-specific nature. As for original characters, the rule seems to be that the less developed the character, the less it may be copyrighted. Finally, in parody or satire cases, the better criterion is a functional one: does the infringing work perform a different function from that of the copyrighted work?

There are both civil and criminal remedies available to the owner of the copyright. Bill C-60 substantially increases the penalties for infringement: a fine of up to \$25,000 and imprisonment of up to 6 months, on summary conviction; and a fine of \$100,000, and imprisonment of up to 5 years, on conviction on indictment.<sup>29</sup> The former penalties were \$10 for every copy, up to \$200, and imprisonment of up to 2 months. Among civil remedies are injunctions and damages, including punitive damages. Damages may also consist of an accounting of the profits realized by the offender by reason of the infringement. The plaintiff may also request destruction of the infringing articles. If there is a strong *prima facie* case of infringement and it is likely that the plaintiff will suffer serious damage, he or she may obtain an interlocutory injunction and seize evidence in possession of the defendant before trial.

Pour conclure, soulignons que tant les récentes modifications à la Loi que celles qui sont proposées en ce qui concerne l'usage équitable tendent à accroître la protection dont jouissent les créateurs d'œuvres protégées. Certaines questions restent toutefois à résoudre. Ainsi, le législateur n'a pas modifié l'attribution à l'employeur du droit d'auteur sur les œuvres de ses employés. Il nous paraîtrait préférable d'élargir le principe voulant que l'auteur soit titulaire du droit d'auteur, sous réserve de cession de ce droit. L'auteur serait assuré d'un meilleur contrôle de l'utilisation et de l'exploitation de son œuvre, et notamment lorsque celle-ci connaît un succès inattendu ou que les progrès technologiques en permettent une utilisation qui n'avait pas été envisagée à l'origine. De même, la réglementation de l'usage équitable par les chercheurs, les établissements d'enseignement, voir par les usagers des bibliothèques, est loin de faire consensus, comme en témoigne le vif débat engagé à ce sujet entre les intéressés.<sup>30</sup>

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## NOTES

<sup>1</sup>R.S.C. 1985, c. C-42.

<sup>2</sup>S.C. 1988, c. 15; came into force on June 30, 1988, save for s. 12 to 15. The Act replaces the Copyright Appeal Board with a new Copyright Board with extended powers to fix royalties for Copyright collectives and to licence use of copyright works when the copyright owner can not be located. Other changes are mentioned *infra*.

<sup>3</sup>See the following statutes: *Patent Act*, R.S.C. 1985, c. P-4; *Industrial Design Act*, R.S.C. 1985, c. I-9; *Trade-marks Act*, R.S.C. 1985, c. T-13. S. 18 and 19 of S.C. 1988, c. 15, amend the *Industrial Design Act* to clarify the criteria for determining whether an article can be protected by copyright, industrial design, both or neither.

<sup>4</sup>S.C. 1988, ss. 1(2).

<sup>5</sup>*Id.*, ss. 1(3)

<sup>6</sup>*Id.*, s. 1.

<sup>7</sup>Canada is a signatory of the Revised Berne Convention of Rome (1928), but has not acceded to the later revisions of Brussels (1948), Stockholm (1967) and Paris (1971).

<sup>8</sup>Geneva, September 6, 1952. Canada has not acceded to the 1971 Paris revision.

<sup>9</sup>17 U.S.C. 9-302.

<sup>10</sup>Art. III, s. 1 of the U.C.C.

<sup>11</sup>8 Anne, ch. 19, 1709.

<sup>12</sup>R.S.C. 1985, c. L-42, ss.12(3).

<sup>13</sup>LAHORE, J. *Intellectual Property in Australia: Copyright*, Sydney, 1982, Butterworths, p. 136.

<sup>14</sup>*Beloff v. Presslram Ltd.*, (1973) 1 All. E. R. 241, 250, per Ungood-Thomas. J.

<sup>15</sup>*Stevenson, Jordan & Harrison Ltd. MacDonald & Evans*, (1952) 1 T.L.R. 101, 111, *per* L. Denning.

<sup>16</sup>R.S.C. 1985, c. C-42, ss. 12(3).

<sup>17</sup>*Id.*, ss. 12(2).

<sup>18</sup>Since the term "portrait" is not defined in the Act, its ordinary meaning applies.

<sup>19</sup>R.S.C. 1985, C-42, s.2.

<sup>20</sup>*Levy v. Rutley*, (1871) L.R.6.

<sup>21</sup>Nimmer, M.B., *Nimmer on Copyright*, New York, Matthew Bender & Co., 1929, p.12 *et seq.*

<sup>22</sup>R.S.C. 1985, c. C-42, ss.3(1).

<sup>23</sup>*Id.*, ss. 12(5).

<sup>24</sup>*Id.*, ss. 12(4).

<sup>25</sup>*Id.*, s. 7(1) and 13. Compulsory licensing of sound recording has however been abolished, making it possible for composers to freely negotiate music royalties.

<sup>26</sup>*Gondos v. Hardy*, (1982) 38 O.R. 555.

<sup>27</sup>*Kerrick v. Lawrence*, (1880) 25 Q.B.D. 99, 104, *per* Wills, J.

<sup>28</sup>*Independent Television v. Time Out*, [1984] F.S.R. 64.

<sup>29</sup>S.C. 1988, c. 15, ss. 25(1).

<sup>30</sup>Voir sur cette question deux *Etudes sur la révision de la Loi sur le droit d'auteur* (Corporations et Consommation Canada): MAGNUSSON, D.N. et NABHAN, V., *Les exceptions à la protection du droit d'auteur au Canada* (1982) et TORNO, B., *La révision de la Loi sur le droit d'auteur et la nécessité de clarifier la notion d'utilisation équitable* (1981), Approvisionnement et Services Canada.