FASKEN MARTINEAU

Intellectual Property

Winter 2006-07 Fasken Martineau DuMoulin LLP

Implied Licence Exists for Copyrights

By Julie Desrosiers

On October 12, 2006, the Supreme Court of Canada determined, in *Robertson* v. *Thompson Corporation et al.*, [1] that the Globe and Mail's (the "Globe") reproduction of freelancers' articles in computer media could not be done without their consent, but that this consent could be implicitly deduced from the circumstances of the case.

Here is a summary of the facts in this case.

Heather Robertson is a freelance journalist. In 1995, she wrote two articles that were published in the Globe. Afterwards, they were reproduced electronically in the Info Globe Online database and were electronically distributed with other articles published in various newspapers and periodicals. She initiated a class action against the editors of the Globe on the grounds that they authorized the electronic reproduction of the freelancers' articles without their written consent, and sought a summary judgment for copyright infringement.

The central issue to which the Supreme Court responded consisted in determining whether an editor of a newspaper is authorized, under the *Copyright Act*,[2] to electronically reproduce articles for which it has received a reproduction licence for the newspaper, without compensation or the specific consent of the authors.

What is the scope of the newspaper editor's right to reproduce all or part of the works included in the compilation? This question is obviously appropriate in this age of information technology that has transformed the way that newspapers are distributed. Today, newspapers can be accessed not only in paper format, but also largely in electronic format. This change in the way works are reproduced leads to new challenges. Freelance articles, along with any other article published in a newspaper, are reproduced electronically by Info Globe Online, which is a commercial database. Subscribers can access articles taken from the Globe for an annual fee. These databases reproduce articles without, however, reproducing the advertisements, photographs, artwork, photo captions, birth and death notices, financial tables, weather forecasts and other design elements from the print edition of the newspaper.

I. Infringement of Robertson's rights

In Canada, the *Copyright Act* establishes a regime of overlapping rights. This case involves two concurrent rights that co-exist in our copyright system: the copyrights that freelance authors hold over their articles, and the copyrights of the newspaper editors who reproduce these articles in a compilation, that is to say, a newspaper.

In order to determine whether the editor of the newspaper had the right to electronically reproduce in databases the articles that made up the newspaper, the Court had to determine whether the newspaper was a

compilation within the meaning of the *Copyright Act* and if the electronic databases containing the Globe articles reproduced the newspaper itself, and therefore the compilation or a substantial part of it, or whether they simply reproduced the original articles in a decontextualized format. If the databases reproduced a substantial part of the newspaper, then the editor would own the copyright, and therefore have the exclusive right to authorize its reproduction. If the databases reproduced the articles decontextualized from the newspaper without the consent of the work's author, then this would constitute copyright infringement.

To determine whether the newspaper was a compilation, the Supreme Court reviewed the criteria previously developed, notably in *CCH Canadian Limited* v. *Law Society of Upper Canada*,[3] according to which a work is a compilation within the meaning of the *Copyright Act* if it is original, without inasmuch needing to be creative, in other words, innovative or unique. In order for the expression of an idea to be entitled to the protection of a copyright, there must be the exercise of skill and judgment. Therefore, the court found that the newspaper editors own a copyright in their newspapers since a newspaper constitutes an original compilation of different elements that testify to the exercise of skill and judgment. The act of putting different articles together using a particular layout that the editor creates, of adding photos, artwork, advertisements, etc., in order to create a compilation, gives the editor a specific copyright on the whole compilation.

The court then had to determine if the databases reproduced the compilation or a substantial part of it, or simply the articles themselves without the context of the newspaper. The Supreme Court turned to the criteria developed by the Federal Court of Appeal in *Édutile Inc.* v. *Automobile Protection Association.*[4] To determine whether a significant part of the protected work was reproduced, it is not the quantity so much as the quality and nature of what was reproduced that must be analyzed. It seems obvious that the appropriation of the very essence of a work would constitute the appropriation of a substantial part.

In the Info Globe Online databases, only the articles themselves are reproduced. A link remains to the newspaper they were taken from in that the date, number and page of the newspaper are mentioned. Therefore, a large part of the articles are reproduced without, however, reproducing those elements that make the newspaper an original compilation. The court ruled by a 5-4 majority that the decontextualization of the newspaper articles as they appeared in the databases was such that it was not the newspapers that were reproduced, but the articles themselves. It found that the databases at issue in the appeal were compilations of individual articles presented outside of the context of the collective work from which they originated, and that for this reason a substantial part of the newspaper had not been reproduced. The court therefore found that the newspaper editor should have obtained the consent of the work's author before electronically reproducing the articles.

II. Can a licence be verbal and implied?

Because the court found that the newspaper editor had to obtain the consent of the author before electronically reproducing the articles, it then analyzed the issue of consent and examined whether, for a non-exclusive license, explicit written consent was required, as Robertson alleged.

The Supreme Court makes a distinction between exclusive licences and ordinary licences. The first amounts to an assignment of copyright or of the attributes of copyright and must be set down in writing under the terms of section 13(4) of the *Copyright Act.* However, an ordinary license that is non-exclusive, like that in the case at hand, can be granted verbally and can even be implied and presumed, depending on the particularities of each case.

It remains to be seen in this case whether freelance authors granted the newspaper editor verbal, implied or presumed licence to reproduce their articles in the electronic databases, or if the existence of such license can be presumed from the facts of each case. It should be noted that, because this consisted of a motion for summary judgment and the principal debate has not been completed, the file has been sent before Ontario's Superior Court of Justice where the debate must be carried out.

It is interesting to note that, in making this distinction, the Supreme Court might just have placed a heavier burden on freelancers when it comes class actions. In fact, class action rules in Canada force the applicant to prove that he or she is representing the members of a class raising similar issues. It will have to be determined whether licence was given to the newspaper editor, considering that it can be verbal, implied or presumed, depending on the circumstances. As the situation can vary from one freelancer to the next, it will be difficult for freelancers to claim they have a similar issue to defend with a class action.

This is a debate worth following.

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1) [2006] S.C.R. 43; See: http://www.canlii.org/ca/cas/scc/2006/2006scc43.html;
2) R.S.C. 1985, c. C-42;
3) 2004] 1 S.C.R. 339;
4) [2000] 4 F.C. 195.