The Copyright Pentalogy

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Righting a Right:  
*Entertainment Software Association v SOCAN* and the Exclusive Rights of Copyright for Works

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I: Introduction

In *Entertainment Software Association v SOCAN* [ESA], in a 5-4 decision, the Supreme Court ruled that the delivery of a copy of a video game containing musical works over the Internet did not implicate the section 3(1)(f) right to communicate to the public by telecommunication under the *Copyright Act*. The practical result of the decision is that video game publishers and distributors are not required to pay royalties to SOCAN, the collective society that administers the right to public performance and the right to communicate a work by telecommunication for musical works, for the communication of the musical works included in video games. Such a royalty would have been in addition to the royalties that are paid for permission to reproduce the musical works in the video games.

The more far-reaching implications of the decision, however, lie with its debate over the nature of the exclusive rights of copyright for works. As Rothstein J noted in his dissent, in this decision he and the majority “part company…on some fundamental principles of copyright law.” The central disagreement between the majority and dissent goes to the core of the definition of “copyright” and
the relationship between the general rights that are set out in the introductory paragraph of section 3(1) and the more specific rights listed in sections 3(1)(a)-(i). The majority concludes that the exclusive rights of copyright are exhaustively defined by the rights set out in the introductory paragraph of section 3(1)—namely, reproduction, performance and publication—and that subsections 3(1)(a)-(i) are merely illustrative of those general rights. The dissent conversely argues that the rights set out in section 3(1) are all separate and distinct. Whereas the majority argues that the communication right is a subset of the performance right, the dissent argues that the performance right and the communication right are independent. Both the majority and the dissent invoke the principles of balance and technological neutrality in support of their reasoning.\(^3\)

Although the judgment’s discussion of the principle of technological neutrality and the decision’s financial import of rejecting the communication tariff have received the most attention in the immediate aftermath of ESA, the majority’s interpretation of the exclusive rights of copyright for works is arguably its most noteworthy pronouncement and one that rebalances (again) the relationship between authors and the public interest. The majority’s conclusion that the section 3 listed rights are not independent is a striking interpretation of the precedents with important implications in practical terms for the administration of copyright through licensing and collective societies, but also in theoretical terms for the definition of copyright itself. The nature of the disagreement in the closely split Supreme Court arguably goes to the most central principle of copyright law: the nature of the exclusive rights of copyright, which defines how many rights an owner has, how many rights an owner can simultaneously assert, and when the exercise of a right pre-empts other rights.

**II: ESA v SOCAN**

**A. Justices Abella and Moldaver’s Majority Reasons for Judgment**

The majority’s reasons for judgment, written by Abella and Moldaver JJ (and joined by McLachlin CJ and Deschamps and Karakatsanis JJ), concludes that the communication right cannot apply to the downloading of a video game containing musical works, where the
reproduction of the musical works has already been cleared and a reproduction royalty paid. This conclusion rests on a chain of reasoning for which the definition of copyright is a central component. Although the majority does not explicitly spell out the progression of their argument in this fashion, it rests on the following chain of logic. First, each of the “illustrative” rights tracks back to one of the three categories in section 3(1), i.e. reproduction, performance and publication.⁴ For example, the section 3(1)(i) rental right is within the general category of reproduction rights and the section 3(1)(f) communication right is within the general category of performance rights. Second, there is a “traditional distinction” between “performance and communication rights on the one hand and reproduction rights on the other.”⁵ Third, any “single activity” cannot violate two separate rights at the same time.⁶ Fourth, here there is “only one activity at issue: downloading a copy of a video game containing musical works.”⁷ Fifth and finally, the communication right cannot apply to the downloading of a video game because that single activity has already been covered by the reproduction right and therefore there should not be more than one type of royalty.

According to the majority, copyright is exhaustively defined in the introductory paragraph to section 3(1), and the rights in sections 3(1)(a)-(i) are “simply illustrative”:⁸

Nor is the communication right in s. 3(1)(f) a *sui generis* right in addition to the general rights described in s. 3(1). The introductory paragraph defines what constitutes “copyright”. It states that copyright “means” the sole right to produce or reproduce a work in any material form, to perform a work in public, or to publish an unpublished work. This definition of “copyright” is exhaustive, as the term “means” confines its scope. The paragraph concludes by stating that copyright “includes” several other rights, set out in subsections (a) through (i). As a result, the rights in the introductory paragraph provide the basic structure of copyright. The enumerated rights listed in the subsequent subparagraphs are simply illustrative: Sunny Handa, *Copyright Law in*
Canada (2002), at p. 195; see also Apple Computer Inc. v Mackintosh Computers Ltd., [1987] 1 F.C. 173 (T.D.), at p. 197. The rental rights in s. 3(1)(i) referred to by Justice Rothstein, for example, can fit comfortably into the general category of reproduction rights.

The majority thus contends not only that applying a communication right in addition to the performance right would constitute double counting, but that applying a right from the broad category of “performance and communication rights” to the “same activity” that is already covered by a reproduction right would constitute double counting. To phrase the majority’s position more generally, a right in the lettered list cannot apply in addition to another right that is part of the same category of general rights in the introductory paragraph; presumably, that rule means not only that a general right and a lettered right from the same category cannot apply at the same time, but that more than one right in the lettered list cannot apply if they fall within the same category of rights in the introductory paragraph. Moreover, for any single activity, the rights are effectively exhausted once any copyright right applies to it.

As further support for their position, the majority emphasizes that the interpretation of section 3 should adhere to technological neutrality, a principle that underlay the judgment in Robertson v Thomson Corp. Under technological neutrality, they argue, there should be no difference between an end purchaser who buys a physical copy of the video game and one who elects to receive it as a digital download because “[t]he Internet is simply a technological taxi that delivers a durable copy of the same work to the end user.” Hence, they reason, a “separate, ‘communication’ tariff applied to downloads of musical works violates the principle of technological neutrality.” As the majority defines that term, it “requires that the Copyright Act apply equally between traditional and more technologically advanced forms of the same media.”

B. Justice Rothstein’s Dissenting Reasons for Judgment
By contrast, Rothstein J, in his dissent (joined by LeBel, Fish and Cromwell JJ) argues that all the rights in section 3, whether in the introductory paragraph or in the lettered list, are independent, and
that the majority’s “propositions pre-empt the application of other rights of the copyright holder to this set of facts and divest these rights of their independent content.” Rothstein J invokes first principles of copyright law, including the traditional metaphor of copyright rights as a bundle of sticks:

Copyright is a creature of statute (Théberge v Galérie d’Art du Petit Champlain inc., 2002 SCC 34, 2002 SCC 34, [2002] 2 S.C.R. 336, at para. 5; Compo Co. v Blue Crest Music Inc., [1980] 1 S.C.R. 357, at p. 373; Bishop v Stevens, [1990] 2 S.C.R. 467, at p. 477). Copyright is comprised of a bundle of independent statutory rights (Bishop v Stevens, at p. 477; Compo Co. Ltd. v Blue Crest Music, at p. 373). Courts must give effect to these independent rights as provided by Parliament. While courts must bear in mind that the Copyright Act “is…a balance between promoting the public interest in the encouragement and dissemination of works of the arts and intellect and obtaining a just reward for the creator” which balance requires “not only…recognizing the creator’s rights but in giving due weight to their limited nature” (Théberge, at paras. 30 and 31), courts must still respect the language chosen by Parliament—not override it.

Rothstein J, like the majority, remarks the bi-partite structure of section 3 but interprets that as supporting, rather than detracting from, the status of the communication right as a “self-standing right” that is independent of the general rights:

I digress briefly to point out that the structure of s. 3(1) implies that the communication right in paragraph (f) is a self-standing right independent of the performance right in the introduction of the section. The first lines of the English version of s. 3(1) provide that “copyright’…means the sole right to produce or reproduce the work…. to perform the work…in public or…to publish the work…and includes the sole right”....
There then follow specific rights listed as paragraphs (a) to (i). Paragraph (f) provides for the sole right to “communicate the work to the public by telecommunication”.

Parsing the listed rights, Rothstein J rejects the idea that they each could “fit comfortably”, as the majority put it, within one of the general rights in the introductory paragraph:16

While the use of the word “includes” could indicate that the rights listed in subparagraphs (a) to (i) are instances of one of the rights in the opening words of s. 3(1), the context indicates otherwise. Several of the listed rights are clearly outside of the right to produce or reproduce, perform or publish. For example, paragraph (i) provides for the right to rent out a sound recording embodying a musical work. It is difficult to see how this right fits within the right to produce or reproduce, perform or publish the work. Indeed, it would be contrary to Théberge, in particular at paras. 42 and 45, where the majority of this Court held that a “reproduction” within the meaning of the Act requires a multiplication of copies. All the prerogatives of the copyright holder in s. 3(1) are better considered as separate and distinct rights (Bishop v Stevens, at p. 477, per McLachlin J.; Compo Co. v Blue Crest Music Inc., at p. 373, per Estey J.).

Finally, the dissent turns to the French version of section 3 as support for the interpretation that the listed rights are in addition to, and not mere illustrations of, the general rights in the introductory paragraph:17

This interpretation of the English version of s. 3(1) is consistent with the French version of the text, which states that “[l]e droit d’auteur sur l’oeuvre comporte le droit exclusif de produire ou reproduire, [représenter ou publier] l’œuvre; ce droit comporte, en outre, [les droits énumérés aux alinéas (a) à (i)].” The use of the phrase “en outre”—in addition—indicates paras. (a) to (i) are in addition to those in the opening words.
Hence, as the rights are all independent and can be separately exercised, Rothstein J avers it “cannot be inferred that the independent right of communication to the public by telecommunication in s 3(1) (f) cannot be engaged where, at the same time, copies of a work are made available.” \cite{legal_ref} In other words, the reproduction right and the communication right may both apply.

The dissent likewise supports a principle of technological neutrality but disagrees with the majority’s application of the principle, instead observing that “technology neutrality is not a statutory requirement capable of overriding the language of the Act and barring the application of the different protected rights provided by Parliament.” \cite{legal_ref} As Rothstein J points out, the passage in Robertson that referenced technological neutrality was protective of the author’s (and the public’s) rights. As that decision put it, “Media neutrality is not a licence to override the rights of authors—it exists to protect the rights of authors and others as technology evolves.” \cite{legal_ref} In the dissent’s reading, technological neutrality requires that the Copyright Act apply to different media, but it does not dilute the exclusive rights. Technological neutrality, according to the dissent, ensures that reproduction rights apply to digital copies and that communication rights apply to technologies other than broadcasting, but it does not vitiate the application of section 3(1)(f). \cite{legal_ref} Attacking the majority’s technological taxi metaphor, Rothstein J counters that though “the Internet may well be described as a technological taxi…taxis need not give free rides.” \cite{legal_ref} The dissent instead suggests that if the application of statutory rights results in an imbalance, the appropriate recourse is Parliamentary amendment or for the Copyright Board to exercise its discretion to adjust the tariff rates. \cite{legal_ref}

### III: Defining Copyright’s Exclusive Rights

#### A. Section 3

Section 3, the interpretation of which is the focus of ESA, defines copyright’s exclusive rights for works: that is, the economic rights. The Copyright Act defines “copyright” in section 2, which states, in part, that it “means the rights described in…section 3, in the case of a work.” \cite{legal_ref} Section 3 in turn defines “copyright” in relation to works.
For ease of reference, section 3 provides:

3 (1) For the purposes of this Act, “copyright”, in relation to a work, means the sole right to produce or reproduce the work or any substantial part thereof in any material form whatever, to perform the work or any substantial part thereof in public or, if the work is unpublished, to publish the work or any substantial part thereof, and includes the sole right

(a) to produce, reproduce, perform or publish any translation of the work,

(b) in the case of a dramatic work, to convert it into a novel or other non-dramatic work,

(c) in the case of a novel or other non-dramatic work, or of an artistic work, to convert it into a dramatic work, by way of performance in public or otherwise,

(d) in the case of a literary, dramatic or musical work, to make any sound recording, cinematograph film or other contrivance by means of which the work may be mechanically reproduced or performed,

(e) in the case of any literary, dramatic, musical or artistic work, to reproduce, adapt and publicly present the work as a cinematographic work,

(f) in the case of any literary, dramatic, musical or artistic work, to communicate the work to the public by telecommunication,

(g) to present at a public exhibition, for a purpose other than sale or hire, an artistic work created after June 7, 1988, other than a map, chart or plan,

(h) in the case of a computer program that can be reproduced in the ordinary course of its use, other than by a reproduction during its execution in conjunction
with a machine, device or computer, to rent out the computer program, and

(i) in the case of a musical work, to rent out a sound recording in which the work is embodied,

[(j) in the case of a work that is in the form of a tangible object, to sell or otherwise transfer ownership of the tangible object, as long as that ownership has never previously been transferred in or outside Canada, with the authorization of the copyright owner,]

and to authorize any such acts.

The Copyright Modernization Act, 2012, which came into force a few months after the Supreme Court’s decision in ESA, added section 3(1)(j), which provides first distribution rights. It did not otherwise change the structure of section 3. Thus, if the majority’s interpretation applies, section 3(1)(j), like section 3(1)(f), is illustrative of one of the three general rights. If the dissent’s interpretation applies, section 3(1)(j), like section 3(1)(f), is a separate right that applies independently.

The structure of the Canadian Copyright Act thus has an introductory paragraph that describes copyright as comprising three rights (copyright “means” the sole right “to produce or reproduce”, “to perform” and, for unpublished works, “to publish” the “work or any substantial part” of it). The right “to produce or reproduce” is the only one of the three rights for which the more expansive language “in any material form whatever” applies. Further, it is only in the introductory paragraph that the language “or any substantial part thereof” appears; that phrase is not repeated anywhere in the list of lettered rights.

The introductory paragraph states that copyright “means” those rights, but then concludes by stating that copyright “includes the sole right”, followed by a list of several rights, many of which are particular to only certain kinds of works. According to legislative drafting practice, the term “means” conventionally signals that a statutory term of art has been exhaustively defined, while “includes” conventionally signals a non-restrictive definition. Thus the use of
both “means” and “includes” in statutory definitions, as in section 3, has been discouraged as contradictory. For example, the Drafting Conventions of the Uniform Law Conference of Canada provide:

“Means” and “includes”

(4) “Means” and “includes” have different uses.

Note that the French version of this subsection is different.

“Means” is appropriate for exhaustive definition (where French uses s’entend de, or no linking word at all).

“Includes” is appropriate for two kinds of definitions; those that extend the defined term’s usual meaning (here French uses techniques such as assimiler à), and those that merely give examples of the defined term’s meaning without being exhaustive (here, French generally uses s’entend notamment de). When a bilingual Act is being prepared, the two drafters must consider the issues together. The drafter should exercise caution when using “includes”. It should not be used in exhaustive definitions, and the contradictory “means and includes” should never be used.

The conflict between the majority’s and dissent’s approaches to interpreting section 3 may be attributed in great part to the ambiguity of a statutory definition that employs both “means” and “includes”, a conjunction that “inevitably raises a doubt as to interpretation.” The majority and the dissent agree that the issue turns on statutory interpretation, but part ways on the preferred interpretation. The majority’s approach characterizes the individual listed rights as mere illustrations constituting a sub-category of an exhaustively defined term. In effect, the majority partially adopts the second sense of “includes” referred to by the Uniform Law Conference of Canada’s drafting conventions—to merely give examples—but then adapts it for the context of a restrictive definition. The dissent’s approach characterizes the individual listed rights as an extension of the defined term’s usual meaning, consistent with the first sense
of “includes” referred to by Uniform Law Conference of Canada’s drafting conventions, but interprets the overall definition to be non-restrictive.

The complication with the majority’s approach to section 3 is that the particular rights in the lettered list after “includes” sometimes, but not always, map neatly onto one of the three main rights in the introductory paragraph. For example, translating a work may be seen as a form of reproduction, albeit one that is metaphorical rather than literal. But section 3(1)(a), which refers to translation, more comprehensively covers the rights to “produce, reproduce, perform or publish” any translation of a work, and thus cannot be contained solely within the category of reproduction rights. Section 3(1)(j)’s distribution right, which had been introduced in a bill at the time of the ESA decision but which came in force a few months later, is also convoluted to map onto one of the general rights. If one had to choose from among the majority’s three broad rights, the closest analogy to the right to the first sale or other transfer of the ownership in the tangible object would seem to be publication. But this poor fit underscores the dubious exercise of trying to map all the listed rights back onto the general rights. Indeed, the very existence of some of the explicitly stated rights may fairly be attributed to conflicting judicial interpretations or ambiguities, often occasioned by new technological developments, as to whether a given act was already encompassed, or potentially encompassed, by one of the three main rights. As Rothstein J summarizes, the “legislation has evolved to recognize the evolution of technologies.” Some section 3 rights were motivated by the development of new technologies; both the majority and dissent explain that this was the reason for amending section 3(1)(f) to refer to telecommunication rather than broadcasting, making it a more technologically neutral right. In other cases, rights were added to satisfy treaty obligations (e.g., section 3(1)(f) was added in 1931 to implement the Rome agreement), which suggests that it was not obvious that all the particularized rights were implicit in one of the general rights, and that the uncertainty merited at least a “for greater clarification” amendment.

Thus, the rights in the lettered list are more than what might be assumed to be in reproduction, performance and publication;
conversely, they are also *less* than the universe of what reproduction, performance and publication might conceivably include, leaving room not only for courts to interpret a right in the introductory paragraph to include acts that are not in the lettered list but also for Parliament to add other individual rights (as was in fact done in the 2012 *Copyright Modernization Act*). Under this interpretation, the listed rights are part of, and within, the definition of “copyright”, but not necessarily a foreseeable subset of one of the three main rights nor the only analogous and historically related rights that might be envisioned. That is, in contrast to the majority’s reading and consistent with the dissent’s reading, section 3(1) can be interpreted as stating that “copyright” means the sole right to produce or reproduce the work…to perform the work…in public…to publish the work…and [also] includes the sole rights” in the list that follows, including the right to communicate to the public by telecommunication. In that interpretation, *each* of the rights, including the rights in sections 3(1) (a)-(j), is separate, distinct and independent, and the rights owner can exercise *any and all* of those rights. This interpretation seems most consistent with the French version of the text and with Elmer Driedger’s sole principle for statutory interpretation: “namely, the words of an Act are to be read in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament.”

Confusingly, the ESA majority acknowledges that the “rights enumerated in section 3(1) are distinct”, but then states that the communication right in section 3(1)(f) is not a “*sui generis* right in addition to the general rights described in s. 3(1).” The majority thus contends that the listed rights, although “distinct”, are not “*sui generis*” rights and are not additional to the three general rights. Although the majority rejects the idea that the listed rights are “*sui generis*”, that is not really the key point; rather, it is whether all the rights (general and listed) may be exercised independently. *Black’s Law Dictionary* defines “*sui generis*” as “of its own kind or class; unique or peculiar.” Both the dissent and the majority agree that the right to communicate to the public by telecommunication historically derived from the right to public performance; thus, both sides may be taken to agree that the communication right is not “*sui generis*”, if the use of that term
suggests that a “sui generis” communication right would have no historical linkage to one of the three main rights. The most important question, however, is whether the listed rights and general rights are distinct rights that may be exercised independently, regardless of their historical connections, and on that point Canadian case law, including the Supreme Court’s own precedents, gives credence to the dissent’s position that the listed rights be treated as independent rights.

B. Canadian Case Law

As Rothstein J outlines, an alternative interpretation of the structure of the Copyright Act to the one put forward by the majority is that copyright is defined as all the rights in section 3, each right is independent of the others, and an owner may exercise any and all of the rights. This seems to be what La Forest JA intended when he wrote: “Section 3(1) defines the rights comprised in a copyright in a non-exhaustive way. Generally it is the sole right to produce or reproduce the work or a substantial part of it in any form, but as will be seen later the law also affords protection to the author against certain interferences with the right.” In other words, copyright generally consists of a reproduction right, but it is not confined to that right. Copyright also protects against other interferences, for example, the unauthorized communication to the public by telecommunication.

The difference between the majority and dissent in ESA lies in whether the listed rights are all individual rights that a copyright owner may separately exercise or whether a copyright owner for any given act is effectively limited to reproduction, performance and publication. Under the latter interpretation of the Supreme Court majority, for a given activity, a copyright owner may exercise one, and only one, of the three major rights. Under the former interpretation, a copyright owner may exercise more than one of the general rights and particular rights, and thus could exercise both public performance and communication to the public rights, as well as reproduction rights. The Supreme Court’s own precedents repeatedly characterize the rights as separate and distinct and thus support the former interpretation.

In Compo Co v Blue Crest Music Inc., Estey J, for a unanimous Court, concluded that a person pressing phonograph records
infringes the exclusive section 3 rights of the copyright holder of the musical work. Notably, the decision characterizes one of the listed rights (in that case, section 3(1)(d)), one of the general rights (performance or reproduction), and the authorization right as “separate and distinct rights”: 39

The sole right to perform the work resides in the owner of the copyright therein (s. 3(1)). The sole right to make such contrivance is in the copyright owner (s. 3(1)(d)). The sole right to authorize either performance or the making of the record is in the copyright holder (s. 3(1)). Sections 3 and 19(9)(c) very clearly establish these rights as separate and distinct rights, exclusive to the owner of the copyright in the work.

The same pattern held in Bishop v Stevens, where then McLachlin J, for a unanimous court, described section 3(1) in total as listing “a number of distinct rights belonging to the copyright holder” and went on to characterize one of the general rights and one of the listed rights as “distinct rights”. As she continued, “The right to perform (including radio broadcast), and the right to make a recording, are separately enumerated in s 3(1). They are distinct rights in theory and in practice, as is evident from a description of the licensing system by which musicians obtain payment for use of their works.” 40 As Rothstein J summarizes these precedents, “the rights of copyright holders under s. 3(1) are distinct and separate rights. Bishop v Stevens re-affirmed…the holding in Compo…that the rights listed in s. 3(1) are distinct and separate rights.” 41

That idea was reaffirmed in the Supreme Court’s 2004 ruling in SOCAN v CAIP, which specifically used section 3(1)(f) to illustrate the principle that the exercise of any right exclusive to the copyright owner infringes copyright. 42

It is an infringement for anyone to do, without the consent of the copyright owner, “anything that, by this Act, only the owner of the copyright has the right to do” (s. 27(1)), including, since the 1988 amendments, the right “to communicate the work to the public by telecommunication…and to authorize any such acts” (s. 3(1)(f) [emphasis added]).
Further support is provided by *CCH Canadian v Law Society of Upper Canada* [CCH], which established that the authorization right, which is part of section 3(1) but not part of the list of particularized rights, was a separate right.\(^{43}\)

Following a recent pattern in Supreme Court decisions of moving away from *Bishop v Stevens*, especially its “author-centric view”, the ESA majority here distinguishes *Bishop v Stevens* on the ground that it involved “two activities”—making an ephemeral copy of a musical work for a broadcast and the broadcast of the work.\(^{44}\) By contrast, the facts in ESA, according to the majority, involved only one activity—downloading a copy of a video game containing musical works. The practical implication of the majority’s reasoning is that there is only one tariff (based on reproduction), and SOCAN is not entitled to an additional royalty based on the section 3(1)(f) communication right.

But even if one were to allow the majority’s argument that the communication right is a subset of performance rights, and that by implication it would be a form of double counting to allow both, that does not explain why the reproduction right and the performance right could not both apply to this situation. Indeed, in *Bishop v Stevens*, a variant of the reproduction right and the performance right both applied. Nevertheless, the ESA majority distinguishes *Bishop v Stevens* on the grounds that it stands for the proposition that there may be only one right per one “activity”. But that reading deviates from the language in the *Bishop v Stevens* excerpt that is quoted in support. *Bishop v Stevens* approvingly quotes an English Court of Appeal decision that refers to “acts”, not “activities”. Moreover, the term “acts” is used synonymously with “rights”, not with “activities”, in that excerpt by the English Court of Appeal: \(^{45}\)

It is clear from an examination of s. 3(1) that it lists a number of distinct rights belonging to the copyright holder. As stated in *Ash v. Hutchinson & Co. (Publishers), Ltd.*, [1936] 2 All E.R. 1496 (C.A.), at p. 1507, *per* Greene L.J.:

> Under the Copyright Act, 1911 [on which the Canadian Act was based], s. 1(2), the rights of the owner of copyright are set out. A number of acts are
specified, the sole right to do which is conferred on the owner of the copyright. The right to do each of these acts is, in my judgment, a separate statutory right, and anyone who without the consent of the owner of the copyright does any of these acts commits a tort; if he does two of them, he commits two torts, and so on.

See also *Compo Co. v. Blue Crest Music Inc.*, supra, at p. 373.

In context, it is clear that “acts” are intended to be equivalent to the sole rights of copyright and not with activities. Yet Abella and Moldaver JJ, in paraphrasing that decision, write: “*Bishop does not* stand for the proposition that a single activity (i.e., a download) can violate two separate rights at the same time. This is clear from the quote in *Ash v. Hutchinson*, which refers to ‘two…acts.’”

It breaks from precedent to contend that a copyright owner cannot exercise more than one right per “activity.” “Activity” appears in only a few places in the *Copyright Act*, and the only close instances to the majority’s usage are the references in sections 27(2) and 27.1, where it is used to refer back to previously described activities that constitute secondary infringement. In the legislation, the term “activity” is never used to delimit how the copyright owner may exercise exclusive rights. However, that is what the majority does in *ESA*. The majority invokes “activity” as a restrictive device to address their concern that applying the communication right to the download of musical works would “capture activities akin to reproduction” and “would result in abandoning the traditional distinction in the Act between performance-based rights and rights of reproduction.” But recognizing that the transmission of a work is a communication to the public by telecommunication does not amount to a wrongful incursion into the realm of reproduction rights. The reproduction of the work (which, as Rothstein J notes, the Supreme Court has already defined in *Théberge* as requiring the multiplication of copies) is a distinct act from the communication of that work and thus both rights may apply.

Further, the majority does not clearly explain why, if these rights are indeed distinct, more than one right cannot be involved in an
“activity”. It is a truism of intellectual property that any given physical property can implicate more than one type of intellectual property right. The rights protect different aspects, so generally this is not double counting or overprotection. For example, an electronic device will likely have a trademark, copyrighted software and a patented process. Similarly, for each type of intellectual property right, owner’s rights are usually characterized as a bundle of rights, and the owner can exercise any or all of them. The rights can be disentangled and separately exercised, including by assignment and licensing, and can be limited in duration or by region. That structure is replicated in the collective society regimes in which different collectives exercise different rights (e.g., the music performing rights administered by SOCAN and the reproduction rights administered by ACCESS). It follows then, as Rothstein J writes:49

The occurrence of one infringement therefore does not preclude the finding of another. As “[i]nfringement is the single act of doing something which ‘only the owner of the copyright has the right to do’” (Compo Co. v. Blue Crest Music Inc., at p. 375), if two protected acts occur without authorization of the copyright holder, there are two infringements. The fact that there are two protected rights does not restrict the protection afforded by each right.

The majority stresses that the principle of technological neutrality demands that an Internet download be treated equivalently to a hard copy and that the mere choice of a delivery method should not implicate additional rights. But, as Rothstein J counters, a “media neutral application of the Act…does not imply that a court can depart from the ordinary meaning of the words of the Act in order to achieve the level of protection for copyright holders that the court considers is adequate.”50 For copyright purposes, the transmission of a digital work does implicate different rights than the sale of a hard copy. That conclusion is inherent in the catalogue of rights that the legislation provides. It is also consistent with prevailing contracting practices, with Canadian case law, and with international and other national definitions of the exclusive rights of copyright for works.
C. Other Sources

Copyright law is “purely statutory law”, which “simply creates rights and obligations upon the terms and in the circumstances set out in the statute.”\(^{31}\) As such, this question of how to define the exclusive rights of copyright is purely an exercise of statutory interpretation of the Canadian Copyright Act. The Supreme Court has rightly cautioned that other countries’ copyright acts “must be scrutinized very carefully”, given differences in the statutory wording.\(^{52}\) However, the Supreme Court has consulted international agreements, the legislation of member countries bound by the same treaties, and the legislation of “like-minded” countries to aid in interpreting the Canadian statute.\(^{53}\) The Berne Convention, the TRIPS Agreement and the copyright legislation of other countries, which, like Canada, share historical links with the United Kingdom, all support treating the listed rights as independent.

1. International Agreements

In the Berne Convention, the exclusive rights of copyright are listed in separate articles and are specific to particular types of works.\(^{54}\) Article 8 provides translation rights for authors of literary and artistic works. Article 9 provides reproduction rights for literary and artistic works and includes sound and visual recordings. Article 11 provides authors of dramatic and musical works with translation rights (art 11(2)), as well as the rights to authorize public performance (art 11(1) (i)) and communication to the public by telecommunication (art 11(1) (ii)). Article 11ter provides authors of literary works with the right to authorize the public recitation and communication to the public of their works and translation rights. Finally, Article 12 provides authors of literary and artistic works with the right to authorize adaptations, arrangements and other alterations of their works. Communication rights are present in both articles 11ter and 11 and, significantly, are in the same hierarchy as the reproduction rights and performance rights.

All of these rights are in TRIPS, which incorporates articles 1 through 21 of the Berne Convention (with the exception of the provisions in article 6bis on moral rights).\(^{55}\) In United States—Section 110(5) of the US Copyright Act, a WTO panel discussed “exclusive rights” in the context of addressing the application of TRIPS’s three-
step test for copyright, which WTO members must satisfy in order to impose limitations and exceptions to copyright. The test, which is set out in TRIPS article 13, provides that “Members shall confine limitations or exceptions to exclusive rights to certain special cases which do not conflict with a normal exploitation of the work and do not unreasonably prejudice the legitimate interests of the right holder.” The meaning of copyright “exclusive rights” is integral to the application of the three-step test because “whether a limitation or an exception conflicts with a normal exploitation of a work should be judged for each exclusive right individually.” The WTO panel treated each Berne subsection that was involved in that dispute as constituting a separate exclusive right: “In our view, normal exploitation would presuppose the possibility for right holders to exercise separately all three exclusive rights guaranteed under the three subparagraphs of Article 11bis(1), as well as the rights conferred by other provisions, such as Article 11, of the Berne Convention (1971).” Moreover, the panel determined that any limitation or exception must be justified for each right. The panel reasoned that “the exclusive rights conferred by different subparagraphs of Articles 11bis and 11 need not necessarily be in the possession of one and the same right holder”, and hence, “[i]f it were permissible to justify the interference into one exclusive right with the fact that another exclusive right generates more revenue, certain right holders might be deprived of their right to obtain royalties simply because the exclusive right held by another right holder is more profitable.” In this dispute, the WTO panel distinguished the right to authorize communication to the public by telecommunication of a musical or dramatic work as separate from the right to authorize a performance of a dramatic or musical work.

Analogizing the WTO panel reasoning on exclusive rights to the Canadian Copyright Act, the section 3(1)(f) communication right would likewise be a separate right from the performance right; that interpretation is consistent with the ESA dissent’s approach of treating sections 3(1)(a)-(i) as separate rights, rather than with the majority’s approach that they are merely illustrative of three broad rights. As the WTO panel emphasized, “[i]t must be remembered that a copyright owner is entitled to exploit each of the rights for which a treaty, and the national legislation implementing that treaty, provides.”
2. Other Countries’ Copyright Statutes

None of the statutes of the United Kingdom, Australia, New Zealand or Singapore have the split structure of the Canadian Act of an introductory paragraph with a general definition for copyright followed by other rights. Instead, the structure of these statutes accords equal precedence to each of the rights.

In the United Kingdom’s Copyright, Designs and Patents Act 1988, section 2 defines the “Rights subsisting in copyright works” as the exclusive right to do the acts in Chapter II. In Chapter II, section 16 provides that the copyright owner has the exclusive right to do six acts, including the right to “copy”, to “perform, show or play the work in public”, and “to communicate the work to the public.” Section 17 further provides that the right to communicate the work to the public, which applies to all types of work, covers any electronic transmission, including broadcasting, and also includes the making available right.

In Australia’s Copyright Act 1968, section 31 defines copyright as the right to do “all or any of the following acts”: reproduce, publish, publicly perform, communicate to the public and adapt the work in the case of literary, dramatic and musical works; and reproduce, publish and communicate the work to the public in the case of artistic works.

In New Zealand’s Copyright Act 1994, section 16(1) sets out nine acts that the copyright owner has the exclusive right to do, including to copy, perform the work in public, communicate the work in public, and to authorize the protected acts. Communicating the work in public is a restricted act for all types of works. Again, each of these rights is set out in the same hierarchy.

In Singapore’s Copyright Act, section 26 defines copyright as the exclusive right to do “all or any of the following acts”, including reproduction, publication, public performance, communication to the public, and adaptation for literary, dramatic and musical works; and reproduction, publication and communication to the public for artistic works.

While it must be stressed that these statutes have limited significance for the statutory interpretation of the Canadian Copyright Act, it is nonetheless interesting that in each of these “like-minded” and Berne- and WTO-member jurisdictions, the right to communicate to the public is separately listed, accorded equal weight.
to the other rights, and not treated as a subset of a more general right. Australia and Singapore emphasize this by stating that the copyright owner has the right to do “all or any” of the described acts; that is, each right may be exercised independently and more than one right may be exercised. Each of these jurisdictions lists performance and communication to the public as separate rights and places them in the same hierarchy of all the other rights (e.g., equal to reproduction). None of these jurisdictions first generally defines copyright and then lists more particular rights.

IV: Conclusion

In the wake of the Supreme Court’s decision in ESA, a group of companies providing mobile phone services have asked the Copyright Board to reconsider the certification of a different communication-based tariff (Tariff 24), which assesses royalties based on the communication right for the transmission of ringtones from wireless carriers to their subscribers, and seek the Federal Court to order SOCAN to repay $15 million in royalties that the phone companies have paid. Extrapolating from ESA, the companies contend that transmitting a ringtone implicates only the reproduction right and not the communication right and that Tariff 24 is invalid. In SOCAN’s response to the application to the Copyright Board, SOCAN conversely argues that even if ESA adversely affects Tariff 24, the making available right in the newly enacted section 2.4(1.1), which is part of the package of amendments in the Copyright Modernization Act that came into force shortly after ESA, restores its right to collect communication tariffs, and that section 2.4(1.1) applies not only to ringtones but to video games as well.

This development points to two open questions: how far does ESA’s ruling on the scope and number of section 3 rights extend? And how does ESA (and, more broadly, the other cases in the Supreme Court’s copyright pentalogy) intersect with the amendments in the Copyright Modernization Act, particularly those like section 2.4(1.1), which relate to treaty obligations under the WIPO Copyright Treaty?

If one were to emphasize the majority’s reasoning in ESA, one would argue that there are only three economic rights and thus only
one means per activity for a copyright owner to acquire a revenue stream. Downloads of works, whether they be ringtones or video games, by telecommunication is a reproduction that does not engage the performance right and hence does not support a right to collect tariffs based on a communication right. The implications of the majority’s logic in ESA would also seem to mean that section 2.4(1.1)’s making available right is not a freestanding right; it is simply a variant of the performance right. Regardless of the passage of section 2.4(1.1) in the Copyright Modernization Act, then, a collective society would not be able to collect a tariff based on the communication right for the Internet transmission of a permanent copy of a work (as opposed to streaming) since that properly falls within the reproduction right. This is the core of the phone companies’ argument.

But if the coming into force of the Copyright Modernization Act is emphasized, one could alternatively argue either that section 2.4(1.1) indicates Parliament’s intent to enact a new right for copyright owners (the making available right), which is separate from section 3 and therefore that ESA’s ruling on the interpretation of section 3 is not apposite, or that the making available right in section 2.4(1.1) is a species of a communication right, but its recognition in the Copyright Modernization Act overrides the earlier ruling in ESA. Either way, section 2.4(1.1) suggests a new basis on which to support a revenue stream through the imposition of tariffs. According to SOCAN,

the introduction of the MAR [making available right] re-establishes SOCAN’s right to require licences—and the Board’s jurisdiction to certify tariffs—in respect of the downloading of musical works made available to the public in such a way that members of the public may access the musical works from a place and at a time individually chosen by them. This would cover ringtones and ringbacks, as well videogames and full-length musical tracks.69

This is the central premise of SOCAN’s counter argument.

These tensions, both between the two views of section 3 rights and between ESA and the Copyright Modernization Act, will no doubt continue to ramify. Section 3 defines copyright’s economic
rights, those rights that Binnie J in Théberge described as “based on a conception of artistic and literary works essentially as articles of commerce” and as taking a more “dollars and cents view of the relationship between an artist and his or her work.” Hence, the composition and number of those rights has significant repercussions for a copyright owner’s revenue stream. If there are only three rights and if these rights are limited per activity, as the majority ruled in ESA, then that presages significant changes to tariffs and copyright licensing; but it also suggests a more profound reconceptualization of the legal framework for a copyright owner’s economic exploitation of a work and more broadly foretells a rethinking of the purpose of copyright law. The implications of ESA and its relationship to the Copyright Modernization Act affect elemental questions regarding the nature of rights in copyright law, the relationship between Canadian copyright law and international treaties, statutory interpretation, the interplay between Parliament and the courts, the role of policy in copyright law, and the delineation of the principles of copyright balance and technological neutrality. Rothstein J is thus no doubt correct to remark in ESA that it is “fundamental principles of copyright law” on which the majority and dissent “part company.”

2 ESA, supra note 1 at para 47.
3 Ibid at paras 5, 7-8 (Abella and Moldaver JJ) and paras 47, 49-50 (Rothstein J).
4 Ibid at para 42.
5 Ibid at paras 38-39.
6 Ibid at para 41.
7 Ibid.
8 Ibid.
“Copyright” as a term of art in the Copyright Act thus comprises only economic rights in copyright works and the related rights. “Copyright” does not include moral rights, which are those rights described in section 14.1(1), namely the right to the integrity of the work and to be associated with the work as an author by name or pseudonym or to remain anonymous, and the equivalent rights in section 17.1(1) for a performer. On the relationship between economic rights and moral rights, see Théberge v Galerie d’Art du Petit Champlain inc., 2002 SCC 34, [2002] 2 SCR 336. “The economic rights are based on a conception of artistic and literary works essentially as articles of commerce. … Moral rights, by contrast, descend from the civil law tradition. They adopt a more elevated and less dollars and cents view of the relationship between an artist and his or her work. They treat the artist’s œuvre as an extension of his or her personality, possessing a dignity which is deserving of protection” (ibid at paras 12, 15).

Copyright Modernization Act, SC 2012, c 20 (royal assent 29 June 2012, provisions in force on 7 November 2012, excepting the notice-and-notice regime for Internet service providers, which is pending regulations, and provisions relating to reciprocity under the WIPO Internet Treaties). Section 3(1)(j) is in force.

In Rogers Communications Inc. v Society of Composers, Authors and Music Publishers of Canada, 2012 SCC 35 at para 39, [2012] 2 SCR 283 (Rogers), Rothstein J for the majority applies that principle to the right to communicate to the public by telecommunication: “Although the words ‘in any material form whatever’ qualify the right to ‘produce or reproduce the work’ in s 3(1), the same principle should guide the application of the neutral wording of the right to ‘communicate…to the public by telecommunication.’”


31 ESA, *supra* note 1 at para 99. Similarly in *Rogers, supra* note 26, released the same day as ESA, Rothstein J, speaking for the majority of the Court, states at para 39: “this Court has long recognized in the context of the reproduction right that, where possible, the Act should be interpreted to extend to technologies that were not or could not have been contemplated at the time of its drafting.”

32 ESA, *supra* note 1 at paras 16-27 (Abella and Moldaver JJ) and paras 94-100 (Rothstein J).


35 ESA, *supra* note 1 at paras 41-42.

36 *Black’s Law Dictionary*, sub verbo “sui generis”.

37 ESA, *supra* note 1 at paras 27 (majority) and 98-101 (dissent). The majority agrees with the dissent that there is a historical relationship but contends that “this historical connection between communication and performance still exists today”, and presumably thus the communication right is a part of the performance right.

38 *John Maryon Intl Ltd v New Brunswick Telephone Co.* (1982), 141 DLR (3d) 193 (NBCA) at para 244.


40 *Bishop v Stevens, supra* note 33 at 477.

41 ESA, *supra* note 1 at para 119.

42 *Society of Composers, Authors and Music Publishers of Canada v Canadian Assn. of

43 CCH, supra note 34 at para 37.

44 ESA, supra note 1 at para 41. On the Supreme Court moving away from Bishop v Stevens, supra note 33, see Society of Composers, Authors and Music Publishers of Canada v Bell Canada, 2012 SCC 36 at para 9, [2012] 2 SCR 326 <http://scc.lexum.org/en/2012/2012scc36/2012scc36.html>: “Théberge reflected a move away from an earlier, author-centric view which focused on the exclusive right of authors and copyright owners to control how their works were used in the marketplace: see e.g. Bishop v Stevens [1990] 2 SCR 467, at 478-79.”

45 Bishop v Stevens, supra note 33 at 477.

46 ESA, supra note 1 at para 41.


48 Théberge, supra note 24 at para 42.

49 ESA, supra note 1 at para 120.

50 Ibid at para 122.

51 Bishop v Stevens, supra note 33 at 477; Compo, supra note 39 at 373. See also Théberge, supra note 24 at para 5; CCH, supra note 34 at para 9; SOCAN v CAIP, supra note 42 at para 82.

52 Compo, supra note 39 at 367, cited by Rothstein J, dissenting, in ESA, supra note 1 at para 104.

53 See e.g. Théberge, supra note 24 at para 6, Binnie J: “In light of the globalization of the so-called ‘cultural industries,’ it is desirable, within the limits permitted by our own legislation, to harmonize our interpretation of copyright protection with other like-minded jurisdictions”; SOCAN v CAIP, supra note 42 at para 43 (considering national and international copyright practices and the WIPO Copyright Treaty).


57 TRIPS, supra note 55, art 13.

58 United States—Section 110(5) of the US Copyright Act, supra note 56 at para 6.173.


60 Ibid at n 155.

61 Ibid at para 6.175.


Ibid, s 33.

Copyright Act (Cap 63, 2006 Rev Ed Sing) <http://statutes.agc.gov.sg/aol/search/display/view.w3p;query=DocId%3Ae20124e1-6616-4dc5-865f-c83553293ed3%20Depth%3A0%20ValidTime%3A31%2F12%2F2009%20TransactionTime%3A31%2F01%2F2006%20Status%3 Ainforce;rec=0>.


SOCAN response to Application to Vary SOCAN Tariff 24 (2003-2005 and 2006-2013) Ringtones and Ringbacks filed by Bell Mobility et al., letter to Copyright Board of Canada (10 September 2012). Section 2.4(1.1) states: “For the purposes of this Act, communication of a work or other subject-matter to the public by telecommunication includes making it available to the public by telecommunication in a way that allows a member of the public to have access to it from a place and at a time individually chosen by that member of the public.”

SOCAN response to Application to Vary SOCAN Tariff 24, ibid at 14 [emphasis added].

Théberge, supra note 24 at paras 12, 15.

ESA, supra note 1 at para 47.