

Federal Court



Cour fédérale

Date: 20161214

Docket: T-339-14

Citation: 2016 FC 1369

Ottawa, Ontario, December 14, 2016

PRESENT: The Honourable Madam Justice St-Louis

BETWEEN:

**COROCORD RAUMNETZ GMBH AND
KOMPAN A/S**

Plaintiffs

AND

DYNAMO INDUSTRIES INC.

Defendant

JUDGMENT AND REASONS

I. Facts

(1) *The Parties*

[1] The plaintiff Corocord Raumnetz GmbH (Corocord) is a company incorporated under the laws of Germany. It is owned by Kompan Holding Flensburg GmbH, who in turn is owned by Kompan A/S. The plaintiff Kompan A/S (Kompan) is a company incorporated under the laws of Denmark. The plaintiffs specialize in the design, development, manufacture, marketing and branding of playground equipment. They developed a line of what they call “playground sculptures” which includes the Performer Arch, the Performer Dome and the Explorer Dome.

The Court may refer to the design of those three playground structures as the Performer Designs and may refer to the actual structures as the Performer Structures.

[2] Corocord presents itself as the owner of all copyright in the Performer Designs and Performer Structures, while Kompan as holder of a worldwide license to produce and reproduce them.

[3] The defendant, Dynamo Industries Inc. (Dynamo), is a company incorporated under the laws of Ontario. It is in the business of manufacturing playground equipment, including the Nebula Mini (DX-912), Nebula (DX-910) and Nebula II (DX-913) playground structures, which the Court may refer to collectively as the Nebula Structures.

(2) *Background*

[4] In 2008, the plaintiffs initiated the process towards the design and production of a new line of playground structures and, in 2009, the Performer Designs and Performer Structures were designed and created by Ms. Samantha Jeffery, Mr. Andreas Aschmann, and Mr. Torsten Frank, employed by Corocord, and by Mr. Michal Larris, employed by Kompan.

[5] Since their launch in the spring of 2011, and until August 2016, the plaintiffs sold one Performer Arch, five Performer Dome and 22 Explorer Dome structures in Canada (P-54). They sold more than 50 of each structure worldwide, reaching that threshold in September 20, 2013 for the Performer Arch; in June 8, 2011 for the Performer Dome; and in December 9, 2011 for the Explorer Dome.

[6] The plaintiffs submit that shortly after the launch of their Performer Structures, Dynamo, with its Nebula Structures, imitated, copied and reverse engineered the Performer Designs, Performer Structures as well as what they allege to be a distinguishing guise, or get up, hereinafter referred to as the Performer Trade Dress. In particular, they submit that the defendant, with its Nebula Mini (DX-912), Nebula (DX-910) and Nebula II (DX-913) playground structures, started to manufacture, market, sell, offer for sale, distribute and export copy-cat playground structures confusingly similar to the plaintiffs' Performer Arch, Performer Dome, and Explorer Dome, respectively. By doing so, the defendant would have depreciated and would continue to depreciate the value of the goodwill attached to the Performer Trade Dress, which is defined further below.

[7] The present case raises issues of the existence of an enforceable trade-mark, of false and misleading statement, and of passing off, engaging mainly sections 2, 7(a) and 7(b) of the *Trade-marks Act*, RSC 1985, c T-13 (*Trade-marks Act*). It also raises issues of copyright infringement, defences, and counter defences, and engages mainly sections 3, 27, 32.2, 64 and 64.1 of the *Copyright Act*, RSC 1985, c C-42 (*Copyright Act*).

II. Issues

[8] On December 23, 2015, Case Management Judge Aalto issued a bifurcation Order determining the liability and the quantification issues arising from this action, and stating that the quantification issues shall be determined separately from, and after, the liability issues, and only if necessary. On September 6, 2016, the parties submitted a joint Statement of Issues, which the Court will follow, although in a different order.

III. General submissions of the parties

(1) *The plaintiffs*

[9] Regarding the trade-mark issues, the plaintiffs claim they possess an enforceable trade-mark in the form of a distinguishing guise, as per the definition of section 2 of the *Trade-marks Act*, i.e. the Performer Trade Dress. The plaintiffs also claim that the defendant made false and misleading statements tending to discredit the plaintiffs' playground equipment and business, contrary to subsection 7(a) of the *Trade-marks Act*; and that it directed public attention to its wares and business in such a way as to cause or be likely to cause confusion between the two lines of playground structures, contrary to subsection 7(b) of the *Trade-marks Act*.

[10] Regarding the copyright issues, the plaintiffs claim that the defendant infringed Corocord's copyright in the Performer Sculptures and the Performer Designs, contrary to sections 3 and 27 of the *Copyright Act*.

(2) *The defendant*

[11] The defendant first contends generally that the plaintiffs' omission to seek protection under the *Industrial Designs Act* is fatal to their case, and that they have, in any event, no relief available under the *Trade-marks Act* or the *Copyright Act*.

[12] In relation to the trade-mark issues, the defendant submits that the plaintiffs have no enforceable trade-mark, as what they allege to be a distinguishing guise, i.e. their Performer Trade Dress, has not been used as such.

[13] In the event that trade-mark rights subsist in the Performer Trade Dress, which they deny, the defendant submits that (1) it has not engaged in questionable business practices as per subsection 7(a) of the *Trade-marks Act* as the plaintiffs have not establish any of its statement or representation to have been false or misleading; and (2) it has not contravened the statutory passing off provision of subsection 7(b) of the *Trade-marks Act* as there is no likelihood of confusion arising from the marketing, manufacture or sale of the defendant's Nebula Structures since the plaintiffs have not proven their Performer Trade Dress to have any reputation or goodwill.

[14] In relation to the copyright infringement allegation, the defendant conceded after having heard the evidence, that copyrights subsist in the design of the Performer Structures, and that Corocord is the owner of said rights.

[15] Although copyright subsists, the defendant responds that there is no infringement, that it has valid defences. It relies on (1) subsection 64(2) of the *Copyright Act* as the plaintiffs' Performer Structures and Performer Designs are useful articles and have been reproduced in a quantity of more than fifty in Canada or elsewhere; (2) section 64.1 of the *Copyright Act* since the Performer Structures and Performer Designs are useful article features that are dictated solely by a utilitarian function of the article; and (3) section 32.2 of the *Copyright Act* as the Performer Structures are permanently situated in a public place and/or are an architectural work.

IV. Evidence

[16] The evidence before the Court comprised examination and cross-examination of witnesses appearing in person before the Court as well as read-ins from discovery, and the

numerous documents they introduced as evidence such as employment contracts, sketches, catalogs, photos, specifications, and playground safety requirements.

[17] Five fact witnesses and one expert witness appeared in person before the Court, although the expert witness was heard under objection from the defendant.

Fact witnesses

[18] Mr. Torsten Frank is director of Corocord. He provided background on Corocord and its acquisition by the Kompan group, and testified as to the ownership and licensing of the intellectual property rights in the Performer Designs and Performer Structures. He introduced evidence regarding the events surrounding the development of the Performer line, the employment contracts of Ms. Samantha Jeffery and Mr. Andreas Aschmann, which he signed on behalf of Corocord, as well as Mr. Michael Larris's employment contract with Kompan and his own employment contract with Corocord. These contracts were filed before the Court in their original language, German, and in their English translation (P-2 to P-9).

[19] Mr. Kerrin Smith is the president of Kompan Inc., the North American sales and marketing arm of Kompan. He testified as to Kompan's corporate structure, as to the manufacture and sales of the Performer Structures in North America by Kompan's distributors and sales agents, as well as to the marketing and advertising of these products. He also testified regarding interaction with Dynamo and the company's knowledge regarding Dynamo's activities and communications. Mr. Smith introduced as evidence several catalogs and a "Google

Analytics” document (P-30) which provides Kompan’s website activities for Canada from 2013 to 2016.

[20] Mr. David Parker, a Kompan sales representative in Southern Ontario since 1998, provided evidence related to the marketing and promotion of the Performer Structures in Canada. He also testified as to interactions between Kompan and Dynamo, and more particularly regarding events surrounding the sale of a playground structure in the town of Richmond Hill, Ontario.

[21] Ms. Samantha Jeffrey is designer manager. Her employment contract, as filed with the Court, is with Corocord. She provided evidence in relation to the creative efforts involved in the development and creation of the Performer Designs.

[22] Mr. Richard Martin is chief executive officer and owner of Dynamo. He testified as to the background of the company, the intellectual property it owned, its innovative products, the bidding process in the playground industry and the substitution requests received by the company.

Expert witness

[23] Mr. David Wagner is a landscape architect with over 36 years of experience and whose work encompasses over 150 projects dealing with recreational parks and playground designs. His clients include municipalities, school boards, land developers and daycare centers which have sites for the installation of playgrounds. Mr. Wagner provided his opinion regarding the playground structure industry and the role of aesthetics in the design of playgrounds, and he

compared the products at issue, among other things. His expert report and his testimony have been received under objection from the defendant.

[24] The Court will address the defendant's objection to Mr. Wagner's expert report and testimony.

[25] The defendant argues that Mr. Wagner's expert report does not meet the requirement of necessity set out in *R v Mohan*, [1994] 2 SCR 9 [*Mohan*], reaffirmed in *Masterpiece Inc v Alavida Lifestyles Inc.*, 2011 SCC 27. According to the defendant, the observations of Mr. Wagner concerning the shape and appearance of the playground structures are observations that are not outside the experience and knowledge of a judge. Moreover, the defendant argues that the proposed expert's conclusions regarding the "confusing similarity" between the parties' respective structures and how the "average consumer" is likely to react when presented with the trade dress of those structures are unnecessary and constitute an attempt to usurp the function of the judge in determining one of the ultimate issues in this case (*British Drug Houses Ltd v Battle Pharmaceuticals*, [1944] Ex CR 239, aff'd [1946] SCR 50). The defendant also referred, after the hearing, to a decision recently rendered by the Court in *Association of Chartered Certified Accountants et al v Canadian Institute of Chartered Accountants et al*, 2016 FC 1076, currently under appeal, where two reports were struck out.

[26] On the contrary, the plaintiffs submit that the requirement of necessity should not be judged "by too strict a standard", here referring to *Mohan* at para 22. They also submit that the

goods in question are sophisticated goods, for which an expert opinion is necessary in order to provide the perspective of the average consumer (*Masterpiece* at para 80, 88).

[27] The Court sides with the defendant in that Mr. Wagner's report and testimony is not necessary for assessing the resemblance between the structures at issue, a question that is not even at stake. However, the report and testimony address other issues which assist the Court to better understand the playground structures' Canadian market and the plaintiffs' place in the market. Therefore, the Court sides with the plaintiffs and dismisses the objection of the defendant.

V. Analysis

[28] The present analysis will address the issues set out by the parties in their joint Statement of Issues although in a slightly different order. Since the analysis pertaining to the existence of a trade-mark in the form of a distinguishing guise is necessary to determine issues both under the *Trade-marks Act* and under the *Copyright Act*, the Court will begin with this determination.

- (1) Do the Performer Arch, Performer Dome and Explorer Dome have a protectable trade-mark in the form of a distinguishing guise/trade dress under the *Trade-marks Act*?

[29] The Court must first start by determining if the plaintiffs have proven possession of a valid and enforceable trade-mark, in this case unregistered, as defined in section 2 of the *Trade-marks Act*.

[30] The enforceable trade-mark the plaintiffs claim to hold, in the form of a distinguishing guise, is represented by the three-dimensional shape and the visible external appearance of each of the Performer Structures, which comprises the elements listed at paragraph 15 of their Further Amended Statement of Claim :

- Round arch(es) spanning over an inner net structure;
- The inner net structure comprising a geometry of both vertical and horizontal net arrangements, with net platforms or levels;
- Various net, pole or rope constructions tensioned onto and/or between the arches;

And the following additional elements in the case of the Performer Arch and Performer Dome:

- Vertical, coloured panels integrated into the net structure and placed relative to the arch(es), rope and netting in a distinctive and interesting way; and/or,
- Climbing walls and/or discs attached directly onto the arches.

[31] It is those aesthetic elements which are referred to as the Performer Trade Dress. It is presented by the plaintiffs as a unique and distinctive look that sets them apart from their competitors. Likewise, they argue that their Performer Structures are recognized by customers as originating from a single source and as having the same high-quality characteristics. They further submit that the Performer Trade Dress has acquired a significant reputation in Canada and has become distinctive of the plaintiffs because of the considerable amount of time, money and resources they spent to promote and advertise them.

[32] According to the *Trade-marks Act*, the definition of a trade-mark comprises, *inter alia*, a “distinguishing guise”, which is in turn also defined in same section 2 as “a shaping of goods

[...] the appearance of which is used by a person for the purpose of distinguishing or so as to distinguish goods or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others” (emphasis added).

[33] As the use of the appearance is central to the definition of a distinguishing guise, subsection 4(1) of the *Trade-marks Act* provides guidance in that “[a] trade-mark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred” (emphasis added).

[34] The plaintiffs contend that the appearance of the Performer Structures became recognized by the public as having a particular source; that the visible external appearance and three dimensional shape of each of the Performer Structure constitute a distinguishing guise, i.e. the Performer Trade Dress, and can thus be covered by trade-mark rights. Furthermore, the plaintiffs contend that in fact, the purpose of the Performer Trade Dress is not for children play but for aesthetic. The protection they seek is thus in respect of aesthetic elements that form the visual appearance of the Performer Structures, not their function. They rely in that regards to Mr. Wagner’s testimony that identified their coloured panels and the intricate netting within the structures as unique and distinctive elements indicative of a specific source.

[35] The plaintiffs also assert that the Performer Trade Dress has been properly “used” as per subsection 4(1) of the *Trade-marks Act*. They base this assertion on the fact that sales of the Performer Structures were first made in 2011, and an association between the distinguishing guise and the Performer Structures was thus allegedly well in place in the mind of the consumers when Dynamo started selling its products in 2013. They also base this assertion on the fact that the transfer of the goods referred to in subsection 4(1) actually occurs once the structures are installed, and are thus then clearly visible to the customer, and that the installation manuals also bear depiction of the structures.

[36] The Court sides with the defendants in that regard, in that the plaintiffs tendered no evidence that the relevant market had begun to recognize the shape of the Performer Structures as having a single source. Furthermore, the evidence does not show the shape or aesthetics elements having been used particularly to market the Performer Structures. The Court notes that even Mr. Wagner, the plaintiffs’ expert, confirmed having never seen the Performer Structures before they were shown to him by the plaintiffs in 2016, in connection with these proceedings. Mr. Wagner attributed the Performer Structures to Kompan and Corocord based on their coloured panels and intricate netting, but specifically excluded the round arch surmounting the structures.

[37] Furthermore, there is no evidence that the plaintiffs used the shaping of the structures for the purpose of identifying and distinguishing its goods from those sold by others. There is no evidence that the appearance of the Performer Structures was used in the catalogs in any other manner than the appearance of all the other structures sold by the plaintiffs. On the contrary, the

evidence points to the fact that the source of their products was rather indicated by the use of the KOMPAN or of the COROCORD logo, be it affixed on the packaging, in their promotional material, and on the Performer Structures themselves.

[38] As stated in *Kirbi AG v Ritvik Holdings Inc*, 2005 SCC 65 at para 39 [*Kirkbi*], “despite its connection with a product, a mark must not be confused with the product – it is something else, a symbol of a connection between a source of a product and the product itself”.

[39] In this case, absent any evidence to the contrary, the Court can only conclude that the plaintiffs have not successfully proven possession of a valid and enforceable trade-mark in the form of a distinguishing guise. However, should the Court be wrong on this aspect, it will nonetheless consider the claims of false and misleading statement and of passing off under subsections 7(a) and 7(b).

- (2) Has the defendant made false or misleading statements tending to discredit the plaintiffs’ goods, business or services, contrary to subsection 7(a) of the *Trade-marks Act*?

[40] Three elements must be proven to successfully claim contravention to subsection 7(a) of the *Trade-marks Act*: (i) a false or misleading statement; (ii) which tends to discredit the business, wares or services of a competitor; and (iii) resulting damage (*S & S Industries Inc v Rowell*, [1966] SCR 419 [*S & S Industries Inc*] at 424).

[41] However, the scope of subsection 7(a) is “limited to creating a cause of action relating to false and misleading statements made about a trade-mark or other intellectual property owned by

the claimant” (*Canada (Canadian Copyright Licensing Agency) v Business Depot Ltd.*, 2008 FC 737 at para 27, referring to *MacDonald v Vapor Canada Ltd.*, [1977] 2 SCR 134). For example, subsection 7(a) was applied when the lawyer of a patentee sent “cease and desist” letters to customers of a competitor threatening to take patent infringement proceedings against them if they purchased product from the competitor, but that no such action was taken (*S & S Industries Inc v Rowell*, [1966] SCR 419).

[42] The plaintiffs submit that the defendant has approached the plaintiffs’ customers or potential customers, and made representations to members of the public about the plaintiffs and their products, such statements being false and misleading in a material respect. These statements would have tended to discredit the playground equipment, services and business of the plaintiffs for the purpose of dissuading potential customers from purchasing the plaintiffs’ products, while promoting the purchase of the defendant’s products.

[43] More precisely, according to the plaintiffs, the defendant used comparisons between its products and those of the plaintiffs in promotional materials and in correspondence involved in bid requests, such comparisons being false and misleading “as they are biased, inaccurate and/or incomplete and are not based on any actual physical tests conducted by the defendant” (plaintiffs’ closing submissions at para 104). The defendant was involved in a substitution request in Hawaii where it compared the properties of its products with those of the plaintiffs, asserting that they were of equal or better value, resulting that even if the plaintiffs still won the bid, they were forced to lower their price to maintain the sale. The plaintiffs also submit that this

was not an isolated event as the defendant admitted that it employs a similar course of conduct with respect to other bids.

[44] Regarding the statements made by the defendant's representatives to its distributor in Hawaii, the defendant submits that these statements are not actionable because the plaintiffs "failed to prove that the statements were false or that anyone was misled; the statements were made to someone outside Canada; the statements were not directed to the alleged intellectual property owned by the plaintiffs; and, as the plaintiffs won the bid, they suffered no harm and did not prove that any reduction in price negotiated with the entity in Hawaii was the direct result of any such statements" (defendant's closing submissions at para 134).

[45] The Court previously established that the plaintiffs owned no enforceable trade-mark right with regards to the Performer Structures. Moreover, the defendant made no statements about intellectual property rights owned by the claimant, and the Court is satisfied the plaintiffs adduced no evidence proving that the statements made by the defendant were false or misleading. The plaintiffs' claim can therefore not succeed.

- (3) Has the defendant directed public attention to its Nebula Mini (DX-912), Nebula (DX-910), and Nebula II (DX-913) playground structures in such a way as to cause or be likely to cause confusion in Canada, at the times the defendant commenced so to direct public attention to them, between such goods and the plaintiffs' Performer Arch, Performer Dome and Explorer Dome playground structures, contrary to subsection 7(b) of the *Trade-marks Act*?

[46] Under the common law tort of passing off, a plaintiff bears the burden of establishing (i) existence of goodwill or reputation; (ii) deception of the public due to misrepresentation, and (iii) actual or potential damage (*Ciba-Geigy Canada Ltd v Apotex Inc*, [1992] 3 SCR 120 at para 33).

[47] Subsection 7(b) of the *Trade-marks Act*, for its part, can be read as follows:

7 No person shall

[...]

(b) direct public attention to his goods, services or business in such a way as to cause or be likely to cause confusion in Canada, at the time he commenced so to direct attention to them, between his goods, services or business and the goods, services or business of another;

[48] Under the statutory passing off provided at subsection 7(b) of the *Trade-marks Act*, the criteria are different whereas the plaintiff must encounter: (i) a conduct test: “direct public attention the [the defendant’s] wares”; (ii) a confusion test: “in such a way as to cause or be likely to cause confusion in Canada”, and (iii) a timing test: “at the time [the defendant] commenced so to direct attention to them” (Roger T. Hughes, *Hughes on Trade-marks* (Toronto: LexisNexis) (2016, release 48), at 989).

[49] It appears that the Courts have usually followed the methodology established by the Supreme Court of Canada in *Ciba-Geigy Canada Ltd* and *Kirkby* for both the common law tort of passing off and the statutory passing off claim under subsection 7(b). For example, the Federal Court of Appeal recently wrote:

In a claim of passing off, either at common law or under subsection 7(b) of the *Trade-marks Act*, a plaintiff must establish three elements: first, that it possesses goodwill in the trade-mark;

second, that the defendant deceived the public by misrepresentation; and, third, that the plaintiff suffered actual or potential damage through the defendant's actions. (*Sadhu Singh Hamdard Trust v Navsun Holdings Ltd*, 2016 FCA 69)

[50] However, it appears prudent to consider the passing off claim under subsection 7(b) as different from the common law tort of passing off in two aspects: the timing test, as assessed above, and the necessity of the possession of an enforceable trade-mark, whether registered or unregistered (*Kirkbi* at para 26; *BMW Canada Inc v Nissan Canada Inc*, 2007 FCA 255). Apart from these distinctions, both require proof of goodwill in respect of the distinctiveness of the product at stake (*Kirbi* at paras 66-67).

[51] The Court concluded above that the plaintiffs had no enforceable distinguishing guise, and thus no trade-mark. Hence, given this conclusion, it flows that they cannot claim any remedy under subsection 7(b) of the *Trade-marks Act*.

[52] Even if the Court had concluded otherwise, the plaintiffs' claim must fail as they failed to demonstrate goodwill in relation to the Performer Structures at the time the defendant commenced to direct attention to its Nebula Structures. It is agreed by the parties that the defendant commenced to direct such public attention to its goods when it started to offer them for sale in Canada, being no later than January 2012 for its Nebula Mini (DX-912) and Nebula (DX-910), and no later than March 2013 for its Nebula II (DX-913).

[53] The plaintiffs bore the burden of establishing goodwill in respect of the distinctiveness of their products (*Kirkbi* at para 67). Goodwill, even though not defined in the act, "connotes the

positive association that attracts customers towards its owner's wares or services rather than those of its competitors” (*Veuve Clicquot Ponsardin v Boutiques Clicquot Ltée*, 2006 SCC 23 at para 50). As the defendant puts it, this requires the demonstration that consumers have, by reason of the appearance of the goods of the plaintiffs, come to regard them as having one trade source of provenance (*Apotex Inc v Canada (Registrar of Trade-marks)*, 2010 FC 291 at para 13, aff’d 2010 FCA 313; *Kirkbi* at para 69). The plaintiffs have tendered into evidence marketing and sales efforts through email campaigns, distribution of catalogs and the likes, but have tendered nothing pertaining to the shape of the Performer Structures and nothing establishing that the Performer Trade Dress is identified as having one trade source.

[54] As the Court noted already, the plaintiffs’ expert himself had never seen or heard about the Performer Structures prior to his involvement in these proceedings in 2016 although presented as a leader in this field. Therefore, the plaintiffs’ expert did not know about the Performer Structures in 2012-2013, despite the sales efforts pleaded by the plaintiffs. Furthermore, he did not identify the shape of the Performer Structures as leading to the source, but limited said identification to the colored panels and the netting systems.

- (4) Does copyright exist in the Performer Arch, Performer Dome and Explorer Dome structures or designs – are they protectable “artistic” works?

[55] The defendant conceded, in its closing statement, that copyright subsists in the design of the Performer Structures, and that Corocord is the owner of said copyright. The Court is satisfied the evidence establishes as much, that the Performer Designs and Performer Structures are copyrighted works owned by Corocord.

- (5) Has the defendant reproduced, in whole or substantial part, the Performer Arch, Performer Dome and Explorer Dome structures or designs by its alleged production in Canada of the Nebula Mini (DX-912), Nebula (DX-910), and Nebula II (DX-913) structures respectively, contrary to sections 3 and 27 of the *Copyright Act*?

[56] Copyright will be infringed where there is reproduction of “the work or any substantial part thereof” (*Copyright Act*, ss 3(1) and 27; *Cinar Corporation v Robinson*, 2013 SCC 73 at para 25). Copying can also be inferred by a combination of substantial similarity and a proof of access to the protected work (*Atomic Energy of Canada Ltd v Areva NP Canada Ltd*, 2009 FC 980 at para 35).

[57] In the case at hand, Mr. Richard Martin confirmed, during his cross-examination, that the Nebula Structures were engineered to be equivalents of each of the Performer Structures. These Nebula Structures were produced following the defendant’s receipt of requests for substitution from its distributors. It was not contested that the defendant made four reproductions of playground structures which were sold in Canada. Indeed, the Nebula (DX-910) was first sold in Canada in September 2012 and the Nebula II (DX-913) in September 2013. At the time of the trial, the Nebula Mini remained unsold. All these sales were made after the plaintiffs authorized the 51st reproduction of their structures, as it will be discussed further below.

- (6) If so, does subsection 64(2) of the *Copyright Act* apply?

[58] As the defendant’s manufacture and sale of the Nebula (DX-910) and Nebula II (DX-913) in Canada occurred after the 51st reproduction of the Performer Structures, it relies on subsection 64(2) to submit that there is no liability on the defendant arising from the

manufacturing sale of these four structures. This subsection is applicable where copyright subsists in a design applied to a useful article or in an artistic work from which the design is derived and, by or under the authority of any person who owns the copyright in Canada or who owns the copyright elsewhere, the article is reproduced in a quantity of more than fifty.

[59] The Court must thus determine if the Performer Structures are indeed useful articles or not, and if they have been reproduced in a quantity of more than fifty or not.

- (a) *Are the plaintiffs' structures "useful articles" within the meaning of section 64 of the Copyright Act?*

[60] A "useful article" is defined in section 64 of the *Copyright Act* as "an article that has a utilitarian function". "Utilitarian function" is in turn defined as "a function other than merely serving as a substrate or carrier for artistic or literary matter". Regarding the usefulness of an article, the Federal Court of Appeal, in an *obiter*, provided some insight in regards to the usefulness of a jewel or a sculpture:

It is doubtful whether the usefulness of a work of art can be determined solely by its existence; there must be a practical use in addition to its esthetic value. Some items of jewellery that are worn may be useful whereas others may not be. For example, a tie pin or cuff links may be useful types of jewellery holding clothing together, while other objects such as a brooch or an earring may be purely ornamental and not useful at all, valuable only for their own intrinsic merit as works of art. Further, a sculpture may be created merely to be observed and admired or it may be made to be used as a paper weight. (*Pyrrha Design Inc v 623735 Saskatchewan Ltd*, 2004 FCA 423 at para 14)

[61] Here, despite the plaintiffs' assertion that the Performer Structures are not useful, it appears evident that they are. The Court is convinced they were designed and built first as

playgrounds for children, hence to be played upon, climbed on, etc., which is clearly useful, and that they are thus more than just a work of art to be merely observed and admired.

[62] As reflected in Mr. Frank, Ms. Jeffrey, Mr. Smith and Mr. Parker's testimonies, the plaintiffs' Performer Structures needed to be aesthetic, and the Court accepts this proposition. However, they also needed to be climbed and played on; to be playful and safe. As such, they were subject to technical safety aspects such as arm reach and rope sizes, that were not guided by aesthetic purposes, but by security concerns and safety standards precisely because the initial purpose of the structures was not merely to serve as art work, but as playgrounds for children.

[63] Based on the evidence, the Court concludes that the plaintiff's Performer Structures are indeed "useful articles" within the meaning of section 64 of the *Copyright Act*.

(b) *Have the plaintiffs' structures met the reproduction requirement of subsection 64(2)?*

[64] The defendant invokes subsection 64(2) of the *Copyright Act* and submits that the plaintiffs have reproduced each of their useful articles in a quantity of more than fifty. It is worthy to reproduce this subsection:

(2) Where copyright subsists in a design applied to a useful article or in an artistic work from which the design is derived and, by or under the authority of any person who owns the copyright in Canada or who owns the copyright elsewhere,

(a) the article is reproduced in a quantity of more than fifty, or

(b) where the article is a plate, engraving or cast, the article is used for producing more than fifty useful articles,

it shall not thereafter be an infringement of the copyright or the moral rights for anyone

[65] It is undisputed that the plaintiffs have authorized more than 50 reproductions of each of their Performer Structures worldwide. This occurred no later than June 8, 2011 for the Performer Dome; December 9, 2011 for the Explorer Dome; and September 20, 2013 for the Performer Arch. As discussed previously, the Nebula (DX-910), an equivalent of the Performer Dome, was first sold in Canada in September 2012, and the Nebula II (DX-913), an equivalent of the Explorer Dome, was first sold in Canada in September 2013.

[66] However, they have not been reproduced more than fifty times each in Canada. Between 2010 and 2016, the plaintiffs concluded one sale of the Performer Arch, five sales of the Performer Dome, and 22 sales of the Explorer Dome in Canada. Prior to 2013, when the selling and manufacturing of the Nebula II (DX-913) occurred, these numbers are even smaller, respectively none, one and eight (P-54).

[67] The Court must thus assess whether the reproduction requirement of subsection 64(2) refers to the number of reproductions in Canada or to the number of reproductions worldwide.

[68] The plaintiffs submit that only the number of reproductions in Canada must be considered as “[s]ubsection 64(2) is specific to rights that can be enforced in Canada and addresses the interplay between industrial design and copyright in Canada. As such, the Copyright Act should not concern itself with the actions of the owner outside of Canada, where

the applicable laws and protection afforded to intellectual property differ” (Plaintiff’s Closing Submissions at para 63).

[69] On the other hand, the defendant submits that “[b]y the enactment of ss. 64(2) of the Act, Parliament has decided that the owners of copyright who permit their designs to be applied to useful articles for industrialization on a commercial scale are not entitled to a lengthy, exclusive monopoly under copyright law. Such designs are only protectable for a considerably reduced monopoly duration of 10 years if protection is sought under the provisions of the Industrial Design Act” (Defendant’s Closing Submissions at para 42). The defendant submits that there is no ambiguity in the intention of the Parliament and that a plain reading of this subsection “confirms that copyright subsisting in designs applied to industrial articles of manufacture [...] become unenforceable once the copyright owner, in Canada or elsewhere, authorizes the reproduction of the useful articles bearing the designs in a quantity of more than 50” (Defendant’s Closing Submissions at para 43). The defendant relies on the wording of subsection 64(2) itself, that refers to Canada and elsewhere to state:

Moreover, the plaintiffs ignore the fact that just as copyright may subsist in the design of an article in Canada without the owner ever setting foot in Canada, and without the owner ever having produced or reproduced the work in Canada, copyright may also be justifiably *limited* in Canada by the worldwide reproduction of a useful article. Just as copyright rights may arise as a result of the actions of the author or owner of the copyright anywhere within a treaty country – those rights should thus be limitable by the same measure.” (Defendant’s Closing Submissions at para 48)

[70] It is well established that Canadian law cannot be enforced in another state's territory without that state's consent (*R v Hape*, 2007 SCC 26). The question here, however, is whether an event that happened outside Canada can affect the outcome of a dispute in Canada. To answer

this question, it is relevant to take a look at the applicability of the *Copyright Act* with regards to activities outside our borders.

[71] The Supreme Court of Canada in *Society of Composers, Authors and Music Publishers of Canada v Canadian Assn of Internet Providers*, 2004 SCC 45, discussed the extraterritorial effects of the *Copyright Act*. It stated that while the Parliament of Canada “has the legislative competence to enact laws having extraterritorial effect, it is presumed not to intend to do so, in the absence of clear words or necessary implication to the contrary” (at para 54). With regards to communications originating abroad but received in Canada, the Supreme Court however concluded that the Act could be applicable as it is “not only consistent with our general law [...], but with both national and international copyright practice” (at para 76).

[72] Conversely, in *Layette Miniôme Inc v Jarrar*, 2011 QCCS 1743, where infringing articles were produced in China following the request of a resident of Dubai and were distributed in the Middle East, it has been decided that the *Copyright Act* could not be applicable because the infringement of the copyright took place outside Canada.

[73] In *Magasins Greenberg Ltée v Import-Export René Derhy (Canada) Inc*, [2004] JQ no 2705, the Quebec Court of Appeal applied subsection 64(2) as it found that the article at issue had been reproduced more than 50 times in Canada and elsewhere. The Court wrote, in French: “*le modèle Barbitol a été reproduit au Canada et à l'étranger à plus de 50 exemplaires avec l'autorisation du titulaire du droit d'auteur*”, which can be translated as: “the Barbitol model has been reproduced in Canada and elsewhere in a quantity of more than fifty with the authorization

of the owner of the copyright” [emphasis added]. In that situation, however, it was not contested that the article had been reproduced more than 50 times in Canada alone.

[74] From the wording of subsection 64(2), it is clear that the scope of at least part of this subsection is worldwide: “by or under the authority of any person who owns the copyright in Canada or who owns the copyright elsewhere”. These are clear words intended to have an extraterritorial effect with regards to ownership of the copyright. Even if these words are not repeated under paragraph (a), they are nevertheless included in subsection 64(2).

[75] In view of the above, and keeping in mind that “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” (Elmer Driedger, *Construction of Statutes*, 2nd ed (Toronto: Butterworths (1982)) at 87; *Rizzo & Rizzo Shoes Ltd (Re)*, [1998] 1 SCR 27 at para 21) and that the *Copyright Act* is intended to provide “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” (*Théberge v Galerie d'Art du Petit Champlain Inc*, 2002 SCC 34 at para 30), I believe that it is compatible with the intention of the Parliament to interpret paragraph 64(2)(a) as “the article is reproduced in a quantity of more than fifty in Canada and elsewhere”.

[76] Hence, in this case, as it is admitted that the Performer Designs and Performer Structures were reproduced more than 50 times each worldwide, with the consequence that the defendant’s defence is valid.

- (c) *If (a) and (b), is the defendant's production of all or any of its Nebula structures in Canada a non-infringing act under subsection 64(2) of the Copyright Act and if so, what is the effect of this on the available remedies?*

[77] In view of the above, the defendant's production of its Nebula Structures in Canada constitutes a non-infringing act under subsection 64(2).

[78] However, before concluding on this matter, subsections 64(3)(b) and (d) of the *Copyright Act* must now be assessed as they could offer the plaintiffs an opposition to the defence.

- (7) Are the Performer Arch, Performer Dome and Explorer Dome structures or designs exempted from the application of subsection 64(2) of the Copyright Act by paragraphs 64(3)(b) or (d) of the Copyright Act?

[79] After determining that subsection 64(2) applies, the plaintiffs may avoid the consequences of the defense if, by means of paragraphs 64(3)(b) or (d) reproduced in annex, the Court is convinced that the structures are used as or for "a trade-mark or a representation thereof or a label", or "an architectural work that is a building or a model of a building".

[80] As previously discussed, the Court concluded that the plaintiffs had not established their possession of an enforceable trade-mark in the form of a distinguishing guise.

[81] The Court must thus assess if the Performer Structures are buildings or models of buildings. The term building is not defined in the Act. "It is suggested that the meaning of these words should be determined by making reference to their ordinary grammatical meanings as ascertained from the usual sources" (*Fox on Canadian Law of Copyright and Industrial Designs*,

(Toronto, Ontario: Carswell) (loose-leaf updated 2016, release 1) at 10-28). The *Oxford English Dictionary* defines the word “building” as “a structure with a roof and walls, such as a house, school, store, or factory”. The *Canadian Oxford Dictionary*, similarly, provides the following definition: “a permanent fixed structure forming an enclosure and providing protection from the elements etc. (e.g. an office building, school, house, etc.)”.

[82] As previously stated, the *Copyright Act* defines an “architectural work” as “any building or structure or any model of a building or structure”. It can therefore be inferred that a building and a structure are two different subject matters. Following the ordinary meaning of these words, the Court is satisfied that the Performer Structures are structures, but that they are not “buildings”.

(8) Is section 64.1 of the *Copyright Act* applicable?

[83] The defendant also raises section 64.1 of the *Copyright Act*, reproduced in annex, as an applicable defence. Under this section, neither the application of features dictated solely by a utilitarian function on a useful article nor the reproduction in any material form of any features of a useful article that are dictated solely by a utilitarian function constitute an infringement of the copyright. There is no necessity to address this section as subsection 64(2) was found to be applicable and already provides the defendant with a valid defense.

(9) Is paragraph 32.2(1)(b) of the *Copyright Act* applicable?

[84] The defendant also relies on section 32.2 of the *Copyright Act*. This section provides that the reproduction of an architectural work by way of painting, drawing, engraving, photograph or

cinematographic work does not infringe any copyright, as long as the copy is not in the nature of an architectural drawing or plan. Likewise, the reproduction of a sculpture or work of artistic craftsmanship that is permanently situated in a public place by way of painting, drawing, engraving, photograph or cinematographic work does not infringe any copyright. Again, there is no necessity to address this section as subsection 64(2) of the *Copyright Act* was found to be applicable and already provides the defendant with a valid defense.

VI. Conclusion

[85] In summary, the Court concludes that :

- (1) The Performer Structures do not have a protectable trade-mark under the *Trade-marks Act*;
- (2) There is no evidence that the defendant has made false or misleading statements tending to discredit the plaintiffs' goods, business or services contrary to subsection 7(a) of the *Trade-marks Act*;
- (3) The defendant has not directed public attention to its Nebula Structures in such a way as to cause or be likely to cause confusion in Canada, at the times the defendant commenced so to direct public attention to them, between such goods and the plaintiffs' Performer Structures contrary to subsection 7(b) of the *Trade-marks Act*;
- (4) Copyright exists in the Performer Structures and Performer Designs;
- (5) The defendant has reproduced, in whole or substantial part, the Performer Dome and the Explorer Dome by its production in Canada of the Nebula (DX-910) and Nebula II (DX-913) contrary to sections 3 and 27 of the *Copyright Act*;

- (6) Subsection 64(2) of the *Copyright Act* applies because (a) the plaintiffs' Performer Structures are useful articles within the meaning of section 64 of the *Copyright Act* and (b) the plaintiffs' Performer Structures have met the reproduction requirement of subsection 64(2), resulting that (c) the defendant's production of its Nebula (DX-910) and Nebula II (DX-913) in Canada constitutes a non-infringing act under subsection 64(2) of the *Copyright Act*;
- (7) The Performer Structures and Performer Designs are not exempted from the application of subsection 64(2) of the *Copyright Act* by paragraph 64(3)(b) or (d) of the *Copyright Act*.
- (8) It is not necessary for the Court to determine if section 64.1 of the *Copyright Act* is applicable;
- (9) It is not necessary for the Court to determine if paragraph 32.2(1)(b) of the *Copyright Act* is applicable.

[86] Finally, the Court did not find necessary to address the opportunity of the plaintiffs to seek protection under the *Industrial Designs Act* in order to assess the above issues.

VII. Remedies

- (10) What remedies, if any, are the plaintiffs entitled to?

[87] It is not necessary to address all the sub questions listed by the parties with regards to the remedies. Indeed, no remedy is available to the plaintiffs under the *Trade-marks Act* or under the *Copyright Act* as no enforceable trade-mark was found to exist and no infringement of the

copyright was declared. The plaintiffs are therefore not entitled to damages or to an accounting of the defendant's profits, nor to an injunctive relief.

(11) Is there an entitlement to costs and if so, how are they to be assessed?

[88] The parties asked to be granted the opportunity to submit further representations regarding this matter, and will be heard accordingly. The Court will therefore allow the plaintiffs and the defendant until January 16, 2017, to each prepare submissions on costs, limited to a maximum of ten pages in length.

JUDGMENT

THIS COURT'S JUDGMENT is that:

1. The plaintiffs' action is dismissed.
2. As per the mutual requests of the parties, the matter of costs be reserved pending the receipt of further submissions from the parties.

"Martine St-Louis"

Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET: T-339-14

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DATE OF HEARING: SEPTEMBER 12, 2016

JUDGMENT AND REASONS: ST-LOUIS J.

DATED: DECEMBER 14, 2016

APPEARANCES:

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Mr. Nikolas Purcell
Mr. Michal Kasprowicz

FOR THE PLAINTIFFS

Mr. Arthur Renaud
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FOR THE DEFENDANT

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FOR THE DEFENDANT

ANNEX

Trade-marks Act, RSC 1985, c T-13, s 4, 7

4 (1) A trade-mark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

(2) A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

(3) A trade-mark that is marked in Canada on goods or on the packages in which they are contained is, when the goods are exported from Canada, deemed to be used in Canada in association with those goods.

7 No person shall:

(a) make a false or misleading statement tending to discredit the business, goods or services of a competitor;

(b) direct public attention to his goods, services or business in such a way as to cause or be likely to cause confusion in

Loi sur les marques de commerce, LRC 1985, c T-13, art 4, 7

4 (1) Une marque de commerce est réputée employée en liaison avec des produits si, lors du transfert de la propriété ou de la possession de ces produits, dans la pratique normale du commerce, elle est apposée sur les produits mêmes ou sur les emballages dans lesquels ces produits sont distribués, ou si elle est, de toute autre manière, liée aux produits à tel point qu'avis de liaison est alors donné à la personne à qui la propriété ou possession est transférée.

(2) Une marque de commerce est réputée employée en liaison avec des services si elle est employée ou montrée dans l'exécution ou l'annonce de ces services.

(3) Une marque de commerce mise au Canada sur des produits ou sur les emballages qui les contiennent est réputée, quand ces produits sont exportés du Canada, être employée dans ce pays en liaison avec ces produits.

7 Nul ne peut :

a) faire une déclaration fautive ou trompeuse tendant à discréditer l'entreprise, les produits ou les services d'un concurrent;

b) appeler l'attention du public sur ses produits, ses services ou son entreprise de manière à causer ou à vraisemblablement

Canada, at the time he commenced so to direct attention to them, between his goods, services or business and the goods, services or business of another;

(c) pass off other goods or services as and for those ordered or requested; or
(d) make use, in association with goods or services, of any description that is false in a material respect and likely to mislead the public as to

(i) the character, quality, quantity or composition,

(ii) the geographical origin, or

(iii) the mode of the manufacture, production or performance of the goods or services

Copyright Act, RSC 1985, c C-42, s 3, 27(1), 32.2, 64, 64.1

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

causer de la confusion au Canada, lorsqu'il a commencé à y appeler ainsi l'attention, entre ses produits, ses services ou son entreprise et ceux d'un autre;

c) faire passer d'autres produits ou services pour ceux qui sont commandés ou demandés;

d) employer, en liaison avec des produits ou services, une désignation qui est fautive sous un rapport essentiel et de nature à tromper le public en ce qui regarde :

(i) soit leurs caractéristiques, leur qualité, quantité ou composition,

(ii) soit leur origine géographique

(iii) soit leur mode de fabrication, de production ou d'exécution.

Loi sur le droit d'auteur, LRC 1985, c C-42, art 3, 27(1), 32.2, 64, 64.1

3 (1) Le droit d'auteur sur l'œuvre comporte le droit exclusif de produire ou reproduire la totalité ou une partie importante de l'œuvre, sous une forme matérielle quelconque, d'en exécuter ou d'en représenter la totalité ou une partie importante en public et, si l'œuvre n'est pas publiée, d'en publier la totalité ou une partie importante; ce droit comporte, en outre, le droit exclusif :

a) de produire, reproduire, représenter ou publier une traduction de l'œuvre;
b) s'il s'agit d'une œuvre dramatique, de la transformer

or other non-dramatic work,	en un roman ou en une autre œuvre non dramatique;
(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,	c) s'il s'agit d'un roman ou d'une autre œuvre non dramatique, ou d'une œuvre artistique, de transformer cette œuvre en une œuvre dramatique, par voie de représentation publique ou autrement;
(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,	d) s'il s'agit d'une œuvre littéraire, dramatique ou musicale, d'en faire un enregistrement sonore, film cinématographique ou autre support, à l'aide desquels l'œuvre peut être reproduite, représentée ou exécutée mécaniquement;
(e) in the case of any literary, dramatic, musical or artistic work, to reproduce, adapt and publicly present the work as a cinematographic work,	e) s'il s'agit d'une œuvre littéraire, dramatique, musicale ou artistique, de reproduire, d'adapter et de présenter publiquement l'œuvre en tant qu'œuvre cinématographique;
(f) in the case of any literary, dramatic, musical or artistic work, to communicate the work to the public by telecommunication	f) de communiquer au public, par télécommunication, une œuvre littéraire, dramatique, musicale ou artistique;
(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,	g) de présenter au public lors d'une exposition, à des fins autres que la vente ou la location, une œuvre artistique — autre qu'une carte géographique ou marine, un plan ou un graphique — créée après le 7 juin 1988
(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	h) de louer un programme d'ordinateur qui peut être reproduit dans le cadre normal de son utilisation, sauf la reproduction effectuée pendant son exécution avec un ordinateur ou autre machine ou appareil;

program,

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

(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.

(1.1) A work that is communicated in the manner described in paragraph (1)(f) is fixed even if it is fixed simultaneously with its communication.

27(1) It is an infringement of copyright for any person to do, without the consent of the owner of the copyright, anything that by this Act only the owner of the copyright has the right to do.

32.2(1) It is not an infringement of copyright:

(a) for an author of an artistic work who is not the owner of the copyright in the work to use any mould, cast, sketch, plan, model or study made by the author for the purpose of the work, if the author does not thereby repeat or imitate the main design of the work;

(b) for any person to reproduce, in a painting, drawing, engraving,

i) s'il s'agit d'une œuvre musicale, d'en louer tout enregistrement sonore;

j) s'il s'agit d'une œuvre sous forme d'un objet tangible, d'effectuer le transfert de propriété, notamment par vente, de l'objet, dans la mesure où la propriété de celui-ci n'a jamais été transférée au Canada ou à l'étranger avec l'autorisation du titulaire du droit d'auteur. Est inclus dans la présente définition le droit exclusif d'autoriser ces actes.

(1.1) Dans le cadre d'une communication effectuée au titre de l'alinéa (1)f), une œuvre est fixée même si sa fixation se fait au moment de sa communication;

27(1) Constitue une violation du droit d'auteur l'accomplissement, sans le consentement du titulaire de ce droit, d'un acte qu'en vertu de la présente loi seul ce titulaire a la faculté d'accomplir.

32.2(1) Ne constituent pas des violations du droit d'auteur :

a) l'utilisation, par l'auteur d'une œuvre artistique, lequel n'est pas titulaire du droit d'auteur sur cette œuvre, des moules, moulages, esquisses, plans, modèles ou études qu'il a faits en vue de la création de cette œuvre, à la condition de ne pas en répéter ou imiter par-là les grandes lignes;

b) la reproduction dans une peinture, un dessin, une gravure, une photographie ou

photograph or cinematographic work:	une œuvre cinématographique :
(i) an architectural work, provided the copy is not in the nature of an architectural drawing or plan, or	(i) d'une œuvre architecturale, à la condition de ne pas avoir le caractère de dessins ou plans architecturaux
(ii) a sculpture or work of artistic craftsmanship or a cast or model of a sculpture or work of artistic craftsmanship, that is permanently situated in a public place or building;	(ii) d'une sculpture ou d'une œuvre artistique due à des artisans, ou d'un moule ou modèle de celles-ci, érigées en permanence sur une place publique ou dans un édifice public;
(c) for any person to make or publish, for the purposes of news reporting or news summary, a report of a lecture given in public, unless the report is prohibited by conspicuous written or printed notice affixed before and maintained during the lecture at or about the main entrance of the building in which the lecture is given, and, except while the building is being used for public worship, in a position near the lecturer;	c) la production ou la publication, pour des comptes rendus d'événements d'actualité ou des revues de presse, du compte rendu d'une conférence faite en public, à moins qu'il n'ait été défendu d'en rendre compte par un avis écrit ou imprimé et visiblement affiché, avant et pendant la conférence, à la porte ou près de la porte d'entrée principale de l'édifice où elle a lieu; l'affiche doit encore être posée près du conférencier, sauf lorsqu'il parle dans un édifice servant, à ce moment, à un culte public;
(d) for any person to read or recite in public a reasonable extract from a published work;	d) la lecture ou récitation en public, par une personne, d'un extrait, de longueur raisonnable, d'une œuvre publiée;
(e) for any person to make or publish, for the purposes of news reporting or news summary, a report of an address of a political nature given at a public meeting; or	e) la production ou la publication, pour des comptes rendus d'événements d'actualité ou des revues de presse, du compte rendu d'une allocution de nature politique prononcée lors d'une assemblée publique;
(f) for an individual to use for private or non-commercial	f) le fait pour une personne physique d'utiliser à des fins

purposes, or permit the use of for those purposes, a photograph or portrait that was commissioned by the individual for personal purposes and made for valuable consideration, unless the individual and the owner of the copyright in the photograph or portrait have agreed otherwise.

(2) It is not an infringement of copyright for a person to do any of the following acts without motive of gain at any agricultural or agricultural-industrial exhibition or fair that receives a grant from or is held by its directors under federal, provincial or municipal authority:

- (a) the live performance in public of a musical work;
- (b) the performance in public of a sound recording embodying a musical work or a performer's performance of a musical work; or
- (c) the performance in public of a communication signal carrying
 - (i) the live performance in public of a musical work, or
 - (ii) a sound recording embodying a musical work or a performer's performance of a musical work

(3) No religious organization or institution, educational

non commerciales ou privées — ou de permettre d'utiliser à de telles fins — la photographie ou le portrait qu'elle a commandé à des fins personnelles et qui a été confectionné contre rémunération, à moins que la personne physique et le titulaire du droit d'auteur sur la photographie ou le portrait n'aient conclu une entente à l'effet contraire.

(2) Ne constituent pas des violations du droit d'auteur les actes ci-après, s'ils sont accomplis sans intention de gain, à une exposition ou foire agricole ou industrielle et agricole, qui reçoit une subvention fédérale, provinciale ou municipale, ou est tenue par ses administrateurs en vertu d'une autorisation fédérale, provinciale ou municipale :

- a) l'exécution, en direct et en public, d'une œuvre musicale;
- b) l'exécution en public tant de l'enregistrement sonore que de l'œuvre musicale ou de la prestation de l'œuvre musicale qui le constituent;
- c) l'exécution en public du signal de communication porteur :
 - (i) de l'exécution, en direct et en public, d'une œuvre musicale,
 - (ii) tant de l'enregistrement sonore que de l'œuvre musicale ou de la prestation d'une œuvre musicale qui le constituent.

(3) Les organisations ou institutions religieuses, les

institution and no charitable or fraternal organization shall be held liable to pay any compensation for doing any of the following acts in furtherance of a religious, educational or charitable object:

- (a) the live performance in public of a musical work;
- (b) the performance in public of a sound recording embodying a musical work or a performer's performance of a musical work; or
- (c) the performance in public of a communication signal carrying
 - (i) the live performance in public of a musical work, or
 - (ii) a sound recording embodying a musical work or a performer's performance of a musical work.

64(1) In this section and section 64.1, *article* means anything that is made by hand, tool or machine; (*objet*) *design* means features of shape, configuration, pattern or ornament and any combination of those features that, in a finished article, appeal to and are judged solely by the eye; (*dessin*) *useful article* means an article that has a utilitarian function and includes a model of any such article; (*objet utilitaire*) *utilitarian function*, in respect of an article, means a function other than merely serving as a substrate or carrier for artistic or literary matter.

établissements d'enseignement et les organisations charitables ou fraternelles ne sont pas tenus de payer une compensation si les actes suivants sont accomplis dans l'intérêt d'une entreprise religieuse, éducative ou charitable :

- a) l'exécution, en direct et en public, d'une œuvre musicale;
- b) l'exécution en public tant de l'enregistrement sonore que de l'œuvre musicale ou de la prestation de l'œuvre musicale qui le constituent;
- c) l'exécution en public du signal de communication porteur :
 - (i) de l'exécution, en direct et en public, d'une œuvre musicale,
 - (ii) tant de l'enregistrement sonore que de l'œuvre musicale ou de la prestation d'une œuvre musicale qui le constituent.

64(1) Les définitions qui suivent s'appliquent au présent article et à l'article 64.1. *dessin* Caractéristiques ou combinaison de caractéristiques visuelles d'un objet fini, en ce qui touche la configuration, le motif ou les éléments décoratifs. (*design*) *fonction utilitaire* Fonction d'un objet autre que celle de support d'un produit artistique ou littéraire. (*utilitarian function*) *objet* Tout ce qui est réalisé à la main ou à l'aide d'un outil ou d'une machine. (*article*) *objet utilitaire* Objet remplissant une fonction utilitaire, y compris tout

(fonction utilitaire)

(2) Where copyright subsists in a design applied to a useful article or in an artistic work from which the design is derived and, by or under the authority of any person who owns the copyright in Canada or who owns the copyright elsewhere,

(a) the article is reproduced in a quantity of more than fifty, or

(b) where the article is a plate, engraving or cast, the article is used for producing more than fifty useful articles, it shall not thereafter be an infringement of the copyright or the moral rights for anyone

(c) to reproduce the design of the article or a design not differing substantially from the design of the article by

(i) making the article, or

(ii) making a drawing or other reproduction in any material form of the article, or

(d) to do with an article, drawing or reproduction that is made as described in paragraph (c) anything that the owner of the copyright has the sole right to do with the design

modèle ou toute maquette de celui-ci. *(useful article)*

(2) Ne constitue pas une violation du droit d'auteur ou des droits moraux sur un dessin appliqué à un objet utilitaire, ou sur une œuvre artistique dont le dessin est tiré, ni le fait de reproduire ce dessin, ou un dessin qui n'en diffère pas sensiblement, en réalisant l'objet ou toute reproduction graphique ou matérielle de celui-ci, ni le fait d'accomplir avec un objet ainsi réalisé, ou sa reproduction, un acte réservé exclusivement au titulaire du droit, pourvu que l'objet, de par l'autorisation du titulaire — au Canada ou à l'étranger — remplisse l'une des conditions suivantes :

a) être reproduit à plus de cinquante exemplaires;

b) s'agissant d'une planche, d'une gravure ou d'un moule, servir à la production de plus de cinquante objets utilitaires.

or artistic work in which the copyright subsists.

(3) Subsection (2) does not apply in respect of the copyright or the moral rights in an artistic work in so far as the work is used as or for:

(a) a graphic or photographic representation that is applied to the face of an article;

(b) a trade-mark or a representation thereof or a label;

(c) material that has a woven or knitted pattern or that is suitable for piece goods or surface coverings or for making wearing apparel;

(d) an architectural work that is a building or a model of a building;

(e) a representation of a real or fictitious being, event or place that is applied to an article as a feature of shape, configuration, pattern or ornament;

(f) articles that are sold as a set, unless more than fifty sets are made; or

(g) such other work or article as may be prescribed by regulation.

(4) Subsections (2) and (3) apply only in respect of designs created after the coming into force of this subsection, and section 64 of this Act and the Industrial Design Act, as they read immediately before the coming into force of this subsection, as well as the rules made under them, continue to apply in

(3) Le paragraphe (2) ne s'applique pas au droit d'auteur ou aux droits moraux sur une œuvre artistique dans la mesure où elle est utilisée à l'une ou l'autre des fins suivantes:

a) représentations graphiques ou photographiques appliquées sur un objet;

b) marques de commerce, ou leurs représentations, ou étiquettes;

c) matériel dont le motif est tissé ou tricoté ou utilisable à la pièce ou comme revêtement ou vêtement;

d) œuvres architecturales qui sont des bâtiments ou des modèles ou maquettes de bâtiments;

e) représentations d'êtres, de lieux ou de scènes réels ou imaginaires pour donner une configuration, un motif ou un élément décoratif à un objet;

f) objets vendus par ensembles, pourvu qu'il n'y ait pas plus de cinquante ensembles;

g) autres œuvres ou objets désignés par règlement.

(4) Les paragraphes (2) et (3) ne s'appliquent qu'aux dessins créés après leur entrée en vigueur. L'article 64 de la présente loi et la Loi sur les dessins industriels, dans leur version antérieure à l'entrée en vigueur du présent article, et leurs règles d'application, continuent de s'appliquer aux dessins créés avant celle-ci.

respect of designs created
before that coming into force.