

Federal Court of Canada
Trial Division



Section de première instance de
la Cour fédérale du Canada

Date: 19971219

Docket: T-1151-96

BETWEEN:

ÉDUTILE INC.,

Plaintiff,

- and -

**AUTOMOBILE PROTECTION
ASSOCIATION (A.P.A.),**

Defendant.

REASONS FOR JUDGMENT

DUBÉ J.:

[1] The plaintiff (Édutile) has brought an action for infringement and seeks a permanent injunction against the defendant (the Association) on the ground that the Association infringed Édutile's copyright.

[2] The facts on which this case is based are as follows. Édutile is a small business that has since 1994 developed and sold price guides for used cars

and trucks. The Association is a non-profit association for the protection of vehicle consumers.

[3] Édutile published two guides entitled *Used Car Price Guide includes new cars (Spring/Summer 1994)* and *Used Truck Price Guide includes new trucks (Spring/Summer 1994)*. It submits that these guides, and the presentation of three separate price categories for each used vehicle in particular, constitute original literary works in which it holds a copyright. These categories, which correspond to the three types of sales transactions, are:

[TRANSLATION]

"Trade-in": the trade-in value of a used vehicle when purchasing a new vehicle.

"Private Sale": the value of a used vehicle in a transaction between two private consumers.

"Retail Price": the price that would be paid for a used vehicle at a dealership.

[4] In 1995, Édutile joined forces with the Association to have it verify, for consideration, the vehicle prices in Édutile's guides for the summer/fall 1995 period. After this was published, the agreement was terminated because the parties were unable to agree on appropriate remuneration for the Association.

[5] Then, in 1996, the Association, in conjunction with a Toronto company, published and distributed its own used automobile price guide. This guide, published in English only and entitled *Used Automobile Price Guide*, includes three categories of prices: "Wholesale", "Private" and "Retail". Édutile alleges that this guide uses the same three categories devised and developed by itself.

[6] To prevent the Association from selling its guide, Édutile first filed a motion for an interim injunction in May 1996, but that motion was unsuccessful. It then filed a motion for an interlocutory injunction, which was also dismissed. Independently of those two unsuccessful proceedings, the Court must now determine whether a permanent injunction should be granted.

[7] The parties' positions can be summarized as follows. Édutile alleges that it owns a copyright in its guides on the ground that, in light of the presentation of three separate price categories, they constitute original literary works. It submits that these guides are the only ones produced for the Canadian consumer market. Édutile contends that, unlike the other used vehicle guides developed for professionals (see the *Canadian Red Book* and the *Canadian Black Book*), its guide is intended to meet the true information needs of consumers.

[8] Édutile submits that it was during the term of the agreement between itself and the Association that the Association learned of the three-category concept developed by Édutile. It states that in the course of that confidential relationship, the Association's president, Georges Iny, referred to the superior quality of the guide and expressed his appreciation of the arrangement of the three price categories.

[9] Then, on May 3, 1996, Édutile realized in observing the Association's guide that the Association had without permission adopted the three-category concept developed by Édutile. It accordingly submits that this act constitutes a deliberate reproduction by the Association of an essential part of the work created and published by Édutile. It alleges that, had Édutile's "original guide" not existed and had the discussions between the parties not taken place, the Association would never have published a guide presenting the three categories.

[10] The Association submits that it had for a number of years been seeking a commercial partner with which to publish and distribute a used vehicle price guide. During the negotiations between the two parties, it was not particularly impressed with Édutile's alleged three-column concept, since a similar three-column classification already appeared in the

Canadian Red Book. Furthermore, at one meeting, the Association informed Édutile that it had not renounced its intention to publish its own price guide at some time in the future should it find a suitable partner.

After its relationship with Édutile was broken off, it therefore published its used vehicle guide with another company.

[11] The Association points out a number of differences between its guide and that of Édutile: its guide is published in English only and is accordingly not distributed in Quebec; the colour and format of the cover page are different, which means that it is impossible to confuse the two publications; the Association begins its listing of model years with the oldest and rises to the most recent, whereas Édutile does the exact opposite; for the 1995 model year, Édutile gives only the manufacturer's suggested list price, unlike the Association, which instead gives a used value; for the other model years, the categories are different, as the Association's guide refers not to the "Trade-in" value but to the "Wholesale" value, which is far more precise.

[12] The Association alleges that in evaluating a vehicle's trade-in price, it is necessary to take the wholesale price and adjust it on the basis of a number of other factors, such as the price of the vehicle when new, how attached the consumer is to his or her vehicle, and the local market.

For this reason, the Association submits that the trade-in value of a vehicle is far more elastic than the wholesale price and can as a consequence vary significantly. Furthermore, the prices given by the Association in its guide are all different from those of Édutile. In addition, the Association contradicts Édutile in asserting that the company 2950-5914 Canada Inc. has been publishing automobile price guides for use by consumers since 1991.

[13] The first issue is accordingly whether Édutile's guide constitutes an original literary work entitled to the protection of the *Copyright Act*¹ (the Act). If so, does the Association's work reproduce a substantial part of Édutile's work, thereby infringing Édutile's copyright?

[14] The Association submits that Édutile's work is not protected by the Act because it is not original. That is why the first issue concerns the existence of Édutile's copyright. In this respect, subsection 34(3) of the Act sets out certain presumptions:

34(3) In any action for infringement of copyright in any work in which the defendant puts in issue either the existence of the copyright or the title of the plaintiff thereto,

(a) the work shall, unless the contrary is proved, be presumed to be a work in which copyright subsists; and

(b) the author of the work shall, unless the contrary is proved, be presumed to be the owner of the copyright.

¹

R.S.C., 1985, c. C-42.

[15] Thus, the onus is on the Association to disqualify Édutile's work by demonstrating that it does not meet the requirements of the Act. To do so, the Association must prove that Édutile's guides do not constitute an original literary work within the meaning of subsection 5(1) et of the definition set out in section 2 of the Act:

5. (1) Subject to this Act, copyright shall subsist in Canada, for the term hereinafter mentioned, in every original literary, dramatic, musical and artistic work. . . .

2. "**literary work**" includes tables, computer programs, and compilations of literary works. . . .

(Emphasis added)

[16] In the case at bar, it is agreed that Édutile's guides are compilations of information on used vehicle prices. What remains to be determined is whether the work in question is original. The tests for determining whether a work is original were set out by Tessier J. in *Éditions Hurtubise HMH LTÉE v. Cégep André-Laurendeau*,² at p. 1010:

[TRANSLATION] What are the tests for determining whether a work is original? Quite obviously, it must above all else be the result of a creative effort and must not be a copy. The creative aspect requires a certain personal effort on the author's part together with knowledge, skill, time, reflection, judgment and imagination. The author must expend his or her intellectual energy to the extent required by the nature and anticipated content of the work.

[17] The Privy Council held in *G. A. Cramp & Sons Ltd. v. Frank Smythson, Ltd.*,³ at pp. 330-36, that a compilation requiring no creative effort cannot be considered an original work.

... I cannot see that the selection of lists and tables and the arrangement of the diary are anything other than a commonplace selection of gobbets of information and a commonplace arrangement, neither of which involved any real exercise of knowledge, labour, judgment or skill. In my opinion, therefore, the work is not entitled to copyright ... the bundle of information furnished in the respondents' diary is commonplace information which is ordinarily useful. . . .

[18] In the case at bar, I must conclude that Édutile's work is not original. First, contrary to the testimony of Michel Gagnon, the owner of Édutile, a guide for Canadian consumers entitled *Évaluation des Voitures Neuves et d'Occasion* already existed before Édutile's guide was published. Second, Édutile's three price columns already existed in the *Canadian Red Book*. Third, Édutile's compilation did not in my view require personal effort or particular knowledge, since it came from information that was common knowledge in the used car market and was in the public domain.

[19] Even had I concluded that Édutile's work does constitute an original literary work protected by the Act, the fact remains that it has not been substantially reproduced by the Association. In this respect, it must be determined whether the Association's work reproduces a substantial part of Édutile's work.

³

[1944] A.C. 329.

Since subsection 3(1) of the Act provides that copyright includes the reproduction of a "substantial part" of a work, it will suffice in the case at bar to determine whether the three price categories in the Association's guide reproduce those in Édutile's guide. For this purpose, the following statement by Tessier J. in *Éditions Hurtubise, supra*, at p. 1017, should be noted.

[TRANSLATION] . . . The copy must be substantial. What is substantial is a question of fact and of degree.⁴ Whether a part is substantial depends more on the quality than on the quantity of the reproduced portion of the work.⁵

Moreover, the requisite degree of similarity will vary with the nature of the work. Thus, a high degree of similarity will be required where the content of a work is objective or can be presented in fundamentally different ways. This is true, for example, of compilations, dictionaries, data tables and maps.⁶

[20] In the case at bar, while the arrangement of the three price categories does constitute a substantial part of Édutile's guide, I cannot conclude that the three categories found in the Association's guide constitute a substantial reproduction of that part. It does not contain the "high degree of similarity" required by the judgments discussed *supra*.

⁴ *Ladbroke (Football) Ltd. v. William Hill (Football) Ltd.*, [1964] 1 All E.R. 465.

⁵ *Ibid.*, 481.

⁶ Christian Vincke, *Problèmes de droit d'auteur en éducation* (Québec: Éditeur officiel, 1977), at p. 40, who refers to: *Beauchemin v. Cadieux* (1901), 10 B.R. 255; *Deeks v. Wells*, [1933] 1 D.L.R. 353; *Garland v. Gemmil* (1884-88), 14 S.C.R. 321; and *Emmett v. Mergs* (1921), 56 D.L.R. 63 (Alta. S.C.).

[21] I must accept the important distinction pointed out by the Association between the term "Trade-in" found in Édutile's guide and the term "Wholesale" found in the Association's guide. At trial, Michel Gagnon contended that there is no difference between these terms. However, he was contradicted by his own witness, Mike Jetté. Mr. Jetté, who apparently designed Édutile's guide, stated that the two terms do not have the same meaning.


[22] I accordingly conclude that Édutile's literary work is not original within the meaning of the Act, that it is therefore not a work in which copyright subsists and that, even if it were such a work, the copyright therein has not been infringed by the Association.

[23] The action is accordingly dismissed with costs.

Judge

OTTAWA, ONTARIO
December 19, 1997

Certified true translation



Stephen Balogh

FEDERAL COURT OF CANADA
TRIAL DIVISION

NAMES OF COUNSEL AND SOLICITORS OF RECORD

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ASSOCIATION

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REASONS FOR JUDGMENT BY DUBÉ J.

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