



# INTELLECTUAL PROPERTY: THE LAW IN CANADA

Daniel Gervais & Elizabeth F. Judge

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# **Intellectual Property: The Law in Canada**

Elizabeth F. Judge  
and  
Daniel Gervais

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## Preface

This book covers all aspects of intellectual property law in Canada, including copyright, industrial designs, trade-marks and related torts such as the misappropriation of personality, patents, confidential information, plant varieties, integrated circuit topographies, and international intellectual property. The authors include extensive analysis of major Canadian cases, including all recent Supreme Court of Canada decisions and their contributions to the developing theory of Canadian intellectual property law. Throughout, the authors highlight continuing controversies, especially ones raised by new technologies. In copyright, they consider the effect of the Supreme Court's landmark decisions in *Théberge*, *CCH v. L.S.U.C.*, and *SOCAN* and provide commentary on the ongoing process of copyright reform, digital copyright issues, and topical issues such as the standard for originality, private copying and collective licensing. In patents, the authors discuss new developments in patentable subject matter including computer programs and life forms and the Supreme Court's recent decisions in *Harvard Mouse* and *Monsanto Canada v. Schmeiser*.

The book adopts an innovative format which blends the benefits of a treatise and casebook. We intend this book to be used by practising lawyers and in the curriculum for introductory and advanced law school courses. The book is suitable both for seminar style and lecture format courses.

For practitioners, this treatise provides succinct statements of the current law and analysis of the trends and debates. We have selected key passages from significant cases, and longer excerpts where the context and original wording is crucial. In addition to the major cases discussed in the text, we have also included ample citation of additional relevant cases as references for citation in litigation.

For instructors of intellectual property law, we have included many teaching materials, which accent issues raised by new technologies, such as peer-to-peer file sharing, internet service provider liability, traditional knowledge, biotechnology, and newer forms of intellectual property such as domain names and the protection of image. An extensive set of discussion questions is keyed to each topic area to facilitate class discussion and for practice by student study groups. Intellectual property law in practice can simultaneously involve multiple areas of intellectual property and applying these issues can be particularly challenging for new students of intellectual property law. An innovative chapter details such "overlaps" between intellectual property laws and is complemented by thematic questions designed to highlight these intricate overlaps and to teach students how to apply intellectual property laws to a particular factual scenario. Sample examination questions are also provided.

## Foreword

The law of intellectual property enjoys a new importance in the “information age” comparable to that formerly accorded to the law governing land and tangible assets when these were the rising stars of the commercial world. Knowledge and ingenuity, brand names and patents, copyright protection and the exclusive right to the exploitation of the products of the mind preoccupy the Canadian legal system today as never before. When I was called to the bar, the usual run of lawyers associated IP practice with Cratchett-type figures in stiff collars exchanging head notes of obscure English judgments. As recently as 1998, when the Supreme Court heard a case involving the IP bar, the judges were told that this was “a first” in twenty-five years, and therefore, counsel observed brightly, we should not anticipate another such case until 2023. “We’ll be ready for it,” growled one of my colleagues, without much enthusiasm. Since then the IP work of the Court has expanded rapidly, as have the IP practice groups in major law firms across the country and recognition in law schools of the central role played by intellectual property in modern legal practice. IP law is a subject whose day in the sun has arrived.

The authors bring both sophistication and depth of learning to their subjects. One of the longstanding problems with IP law has been its relative lack of accessibility. For years, Canadian lawyers had little other than English and American precedents for guidance. Earlier generations of Canadian judgments were often little more than cut and paste efforts (with notable exceptions, such as the opinions of President Thorson of the Exchequer Court). The standard Canadian texts (mostly written by the learned Dr. Harold G. Fox) were scholarly and accurate but in many instances presupposed that the reader knew more about the subject than was likely the case. In more recent years, better texts and commentaries have become available, but there has remained a real need for a straightforward exposition of the law relating to intellectual property and its underlying principles which could be read with profit by expert and novice alike without having to jump around the law library from one footnoted source to another.

This book fills that need admirably. Quoting extensively from primary sources, the important elements of IP law are expertly treated and the underlying policies, spoken and unspoken, are laid out. The text offers one-stop shopping for the harassed practitioner trying to come to grips with some difficult concepts as much as for the student who wants to drill down through the jurisprudence to understand and evaluate the theory that is supposed to hold it altogether. The authors make the essential points but offer a good many non-obvious insights into their subject matter as well.

Important international and comparative law references are included. This work is likely to become a standard text in the field and we are all the richer for it.

The Honourable Mr. Justice William Ian Corneil Binnie  
Supreme Court of Canada  
April 26, 2005

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# **Chapter 1: Introduction to Intellectual Property: Philosophies, Policies and History**

## **I. Justifying Intellectual Property**

## **II. Theories of Intellectual Property**

“Intellectual property” includes creations of the human mind. Intellectual property laws protect works of art and intellect in fields of art and science. Intellectual property is one example of intangible property (although not all intangible property is intellectual property, as for example, derivatives or stock options). Intellectual property protects the intangibles of creativity and innovation, rather than the physical property in which that creativity and innovation is expressed or manifested. The question of whether intellectual property is properly characterized as a kind of “property” is heavily debated. Intellectual property is akin to tangible property in many ways: it can be inherited, used as collateral, allocated in a settlement and treated as an asset in bankruptcy. However, there are two features that distinguish intellectual property from tangible property: it is *non-rivalrous* (meaning numerous people can use the idea at the same time without diminishing other’s people enjoyment or ability to use the idea) and *non-exclusive* (meaning an idea cannot be physically limited to one person). Another distinguishing feature for some forms of intellectual property is that the owner has only a limited term “monopoly”.

Intellectual property is generally divided into two broad categories, which apply internationally: of copyright and industrial design, and industrial property, including trade-marks, trade-names, geographical indications of source, patents, and confidential information. “Intellectual Property” is defined in s. 2(viii) of the Convention Establishing the World Intellectual Property Organization (WIPO) (which Canada ratified effective June 26, 1970) as follows:

intellectual property” shall include the rights relating to:

- literary, artistic and scientific works,
- performances of performing artists, phonograms, and broadcasts,
- inventions in all fields of human endeavour,
- scientific discoveries, . . .
- industrial designs,
- trademarks, service marks, and commercial names and designations,
- protection against unfair competition,



and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

In Canada, in addition to the *Copyright Act*, *Trade-marks Act* and *Patent Act*, other intellectual property statutes provide protection for industrial design, integrated circuit topographies and plant breed varieties. Intellectual property can also be legally protected through other laws such as torts (e.g., misappropriation of personality, invasion of privacy), competition law, criminal law, and contracts.

Briefly, *copyright* protects artistic, dramatic, musical, architectural, and literary (including computer programs) original works. Related (or “neighbouring”) rights include rights for performances, sound recordings, and communication signals. *Industrial design* protects original, visually appealing, aesthetic designs applied to useful articles. *Trade-marks and trade-names* protect marks (words and/or symbols) used to indicate the source of a good or service. *Patents* protect new, useful, non-obvious inventions and improvements.

## I. JUSTIFYING INTELLECTUAL PROPERTY

Consider a person who first comes up with a brilliant idea. Why should or shouldn't that person reap the reward of that idea? The pros and cons for this question arise from the peculiar characteristics of intellectual property as “non-rivalrous” and “non-exclusive.” Thomas Jefferson's description of these qualities is one of the most famous:

no one possesses the less, because every other posses the whole of it. He who receives an idea from me, receives instruction himself without lessening mine; as he who lites his taper at mine, receives light without darkening me. That ideas should freely spread from one to another over the globe, for the moral and mutual instruction of man, and improvement of his conditions, seems to have been peculiarly and benevolently designed by nature, when she made them, like fire expansible over all space, without lessening their density at any point, and like the air in which we breathe, move, and have our physical being; incapable of confinement or exclusive appropriation. Inventions then cannot, in nature, be a subject of property.<sup>1</sup>

“In nature,” it is true, as Jefferson wrote, that intellectual property cannot be the subject of “property.” Creativity and invention cannot be physically fenced in to exclude others and to limit the idea to the person who first thought of it, as such intangibles are “non-rivalrous” and “non-

---

<sup>1</sup> Thomas Jefferson, letter to Isaac McPherson, Monticello, August 13, 1813.