

Are you exposed to copyright liability?

Imagine this. You are in the business of providing graphic design, photocopy and document duplication services. You provide custom copy services in response to specific customer requests and occasionally take images off the internet to spruce up your client's print jobs.

Also at your business premises are self-service photocopiers that customers use to duplicate a wide range of materials. Your customers use your coin-operated copiers often without you knowing exactly what they have copied.

Now imagine three of Canada's largest publishers suing you for damages, lost profits, and injunctive relief as a result of the copy services you provide. That is almost precisely what happened in the landmark case of *CCH v. The Law Society of Upper Canada*.

The Plaintiffs were three of Canada's largest publishers of legal reference material. The Defendant was none other than The Law Society of Upper Canada. The Law Society is a non-profit corporation that governs the legal profession of Ontario. Among other things, the Law Society operates the Great Library, a premiere law library in downtown Toronto that serves as a valuable resource to its members and judiciary.

The Great Library not only provides free-standing photocopiers for use by its patrons, but also a custom photocopy service whereby in response to research requests it copies legal reference materials and distributes them by mail and facsimile.

What's the law?

The Great Library's collection includes a wide range of material published by the three Plaintiffs. Because the Plaintiffs had their own systems for selling and distributing their work, it was alleged that the Law Society had violated the Plaintiffs' copyright.

At the outset of the trial the Plaintiffs dropped their damages claim and proceeded to seek a declaration that the photocopy service infringed the Plaintiffs' copyright and an injunction preventing the Great Library from copying and distributing the Plaintiffs' materials.

At trial, the Federal Court found that copying and distributing certain works infringed the Plaintiff's copyright. The Federal Court of Appeal concurred that the Law Society had infringed copyright with their custom copying service.

The Court of Appeal also found that while merely making photocopiers available did not amount to authorizing copyright infringement, because the Great Library supplied the books that were being copied it could be inferred that the Great Library authorized infringement.

Signs posted

The fact that the Law Society had posted signs warning users to not infringe copyright was not enough to rebut liability, but was seen as an acknowledgement that copyright was being infringed.

The Law Society appealed to the Supreme Court of Canada. The Supreme Court used the fact that the Law Society had a policy that



Wesley May
Litigation

gave it discretion to refuse copy requests that did not appear to be for the purpose of research, criticism, review or private study (the hallmarks of the "fair dealing" provisions under the Copyright Act) to help absolve the Law Society of liability.

The Supreme Court found that the Law Society did not authorize copyright infringement by providing self-service copiers.

The court found that it was inappropriate to attach liability to a party that merely facilitates, but does not control, the questionable activity. However, the court was clear that liability can attach to a facilitator of infringement if they exercise enough control over the questionable activity.

The CCH decision illustrates the very real liability that many print shops and graphic designers face on a daily basis.

Many businesses duplicate and distribute images not owned by the customer, or worse still take images at random from the internet or elsewhere in an attempt to spruce up a customer's website or marketing material.

The CCH decision clearly indicates that parties that facilitate copyright infringement can face very real exposure. The decision also demonstrates, after going through three levels of court over a ten-year span, how far copyright owners can, and often will, go to protect those rights.

Wesley May is a Commercial Litigation Lawyer with the Mississauga law firm Keyser Mason Ball, LLP. Wes can be reached at 905-276-0408 and his email address is wesmay@kmbllaw.com

"Thank you to Arun Menon, Technology Lawyer and Trade-Mark Agent, Keyser Mason Ball, LLP and Suzanna Winsborough, Student-at-Law for their assistance with the article".