
ARTS CONSULTANTS CANADA/CONSULTANTS CANADIENS EN ARTS

ARTS CONSULTING AND INTELLECTUAL PROPERTY: A
SYMPOSIUM

Toronto – May 28, 2007

What Arts Consultants Need to Know About
Copyright Law and Intellectual Property

By Donald J. Bourgeois, B.A., LL.B. (Counsel)
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**What Arts Consultants Need to Know About
Copyright Law and Intellectual Property**

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BASIC OVERVIEW OF COPYRIGHT LAW

1. What is a copyright?

- In simplest terms, “copyright” means “the right to copy”
- Only the owner of copyright (often the creator of the work) is allowed to produce or reproduce the work in question or to permit anyone else to do so
 - Copyright law rewards and protects your creative endeavour by giving you the sole right to publish or use your work in any number of ways
 - You may also choose not to publish your work and to prevent anyone else from doing so

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2. What is covered by copyright?

- Copyright applies to all original literary, dramatic, musical and artistic works. Each of these general categories covers a wide range of creations, e.g.:
 - Literary works: books, pamphlets, poems and other works consisting of text and computer programs
 - Dramatic works: films, videos, plays, screenplays and scripts

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– Musical works: compositions that consist of both words and music or music only (note that lyrics without music fall into the literary works category)

– Artistic works: paintings, drawings, maps, photographs, sculptures and architectural works

- The word “original” is key in defining a work that qualifies for copyright protection
- Originality can be tricky to determine and many court cases revolve around the question of whether a work has been copied, even in part, from somebody else’s work

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- Copyright consists of legal rights attached to works and other subject matter. Which legal rights apply to which works or subject matter varies
- In general, copyright means the sole right to produce or reproduce a work or a substantial part of it in any form, e.g.:
 - It includes the right to perform the work or any substantial part of it, or in the case of a lecture, to deliver it, and if the work is unpublished, it includes the right to publish it or any substantial part of it

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3. Copyrights vs. trade-marks, patents, and industrial designs

- Copyrights are often confused with other forms of intellectual property, including trade-marks, patents, and industrial designs
- Trade-marks: are used to distinguish the goods or services of one person or company from those of another
 - e.g., Slogans, names of products, distinctive packages or unique product shapes are features that are eligible for registration as trade-marks

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– Sometimes, one aspect of a work may be subject to copyright protection and another aspect may be covered by trademark law

- **Patents: protect new and useful inventions such as processes, equipment, and manufacturing techniques**
 - They do not cover any artistic or aesthetic qualities of an article
 - Unlike copyrights, patents can only be obtained by registration

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- **Industrial designs: are protected for their original shape, pattern, ornamentation or configuration (or any combination of these things) applied to a finished manufactured article**
 - e.g., Industrial design protection might be available for the shape of a table or the ornamentation on the handle of a spoon
 - An industrial design may be made by hand or machine
 - Like patents, industrial designs are obtained only by registration

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4. **When copyright does not apply**

- Titles, names and short word combinations are usually not protected by copyright
- A “work” or other “subject matter” for copyright purposes must be something more substantial
- Copyright is restricted to the expression in a fixed manner (e.g. text, recording, drawing) of an idea; it does not extend to the idea itself
- Facts, ideas and news are all considered part of the public domain, that is, they are everyone’s property

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5. Infringement

- Since a copyright gives you the sole right to produce or reproduce your work, through publication, performances, etc., or to authorize such activities, anyone who does such things without your permission is infringing (i.e. violating) your rights
- Naturally, if you publish, perform or copy anyone else's work without their permission, you are infringing their rights

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- One specific form of infringement is plagiarism - i.e. copying someone else's work and claiming it as your own
- Using a substantial part of someone else's work, e.g., copying a novel, and simply changing the title and names of the characters

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6. Duration

- The general rule is that copyright lasts for the life of the author, the remainder of the calendar year in which the author dies, and for 50 years following the end of the calendar year
- Therefore, protection will expire on December 31 of the 50th year
- After that, the work becomes part of the public domain

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COPYRIGHT ISSUES FOR CONSULTANTS

1. General Rule of Ownership

- Absent any written agreement to the contrary, where an independent contractor or consultant is commissioned to develop a work, it is the contractor/consultant (not the client) who owns copyright in it

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2. Assignment of Copyright

- Ownership of copyright can be changed by contract, usually through an express assignment of the specific rights
 - If the person paying for the work is intended to also own its copyright, an agreement in writing should be obtained
- Ownership of a physical work or document is distinct from ownership of the copyright in the work

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- e.g., a consultant may transfer ownership of documents to the client, but would continue to retain copyright in the work unless copyright was specifically assigned as well
- However, the courts may find an express or implied intention that the copyright is also to be transferred along with the work prepared by a consultant to the party commissioning the work
 - e.g., *École de Conduite Tecnic Aubé Inc. v. 1509 8858 Québec Inc.*

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3. Employee vs. Independent Contractor

- One difficult question that frequently emerges is whether a person is under a “contract of service” or a “contract for services”
- While the general rule is that the author of a work is the first owner of copyright, the *Copyright Act* states that if the work is made in the course of employment under a “contract of service”, copyright belongs first to the employer
- It is not necessary for there to be any transfer agreement or licence – copyright vests in the employer automatically

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- Independent contractors and quasi-employees are not usually considered to be under a “contract of service”
- If the parties consider their relationship to be one of independent contractors for purposes of employment or tax law, they cannot treat it as an employment relationship for copyright purposes
- To illustrate, in the decision *Hanis v. Teevan*, a university professor claimed the copyright in computer programs written by consultants

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- Consultants had assigned copyrights to the professor
- However, the consultants were held to be employees of the university, making the university the owner of copyright in their works. The assignments from the consultants were ineffective as the copyrights in works created by them vested in the university

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4. Copyright Ownership and Funding

- There are additional considerations when the work commissioned has been funded by outside sources
- The agreement establishing the funding must be examined to determine whether the funding party claims any copyright or other intellectual property rights related to the project
- The relationship between funding and copyrights depends on the funding body itself and the specific terms of the funding agreement

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- Beware that not all funding bodies are the same
- Some public funding bodies may not attach any intellectual property claims to the research they fund, e.g.:
 - The federal granting councils
 - The National Research Council of Canada (NSERC)
 - The Canadian Institutes of Health Research (CIHR)
 - The Social Sciences and Humanities Research Council (SSHRC)

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- However, some other organizations and private sector companies may claim intellectual property rights as a condition of their support of any commissioned research
- Other organizations, such as some charitable organizations or foundations, may claim either licensing rights or a share of royalties
- In order to determine if any conditions apply, a consultant or contractor should be aware of which organization is funding his or her research/work and what rights the organization claims in relation to the results of the work

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5. Negotiating copyright with client

- **Consultants may insist that the copyright in the work developed by the consultant (or its agents, employees and subcontractors) remain the property of the consultant. On the other hand, the client may wish to retain ownership of the copyright developed over the course of the project**
- **Consultants should be aware that some services agreements contain contractual language that allows the client to retain ownership of the copyright in the work product and its content**
- **In some instances, it may be appropriate for consultants to grant the client a licence to use intellectual property developed by the consultant for the specific purposes of the agreement**

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6. Negotiating Moral Rights and the Right to Re-Use

- **In addition to the general principle that the author of the created work is the first owner of the copyright in that work, the *Copyright Act* also recognizes and protects “moral rights”, which belong solely to the author of the work and exist independently of copyright**
- **Therefore, even when the copyright in a work is assigned, the author of an original work continues to have “moral rights” protected under the *Copyright Act***

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- **These rights include the rights to:**
 - **Attribution: being named as the author or the right to remain anonymous**
 - **Integrity: protecting the work from being distorted, mutilated or otherwise modified if this would prejudice the author’s honour or reputation**
 - **Association: control over the use of the work in association with a product, service, cause or institution that is prejudicial to reputation**

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- While copyright may be bought, assigned or licensed, authors generally retain their moral rights, which cannot be transferred to third parties
- In short, moral rights can be waived but not assigned
- Note, from the vantage point of the client, it is better to obtain a broad waiver at the beginning of the project rather than trying to track down a waiver from each author as needed in the future
- Misunderstanding or even confrontation can arise between clients and consultants over the re-use of the consultant's work product

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- A client may feel that the project or research for which he or she paid should belong to him or her alone, including the right to make changes as he or she sees fit and to apply it to other future projects, e.g.:
 - Using excerpts
 - Changing the format or title
 - Not listing the consultant in generic brochures
 - Substantive editing of the work
 - Attaching the consultant's name to the revision

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- Consultants may have a more valid commercial reason to deny re-use, on the basis that their engagement for specific projects should not close the door to future work by enabling clients to re-use their work product for such future work
- From the consultant's perspective, a waiver of moral rights could lead to the following problems:
 - Through editing, any reported results could be used to support conclusions contrary to the consultant's findings

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- Without the consultant’s input, even minor changes to the finished document could result in potential liability
- Concerns about their reputation if their work product is used in the research and changes are made to the finished document
- In negotiating mutually agreeable terms, consultants may agree to waive their moral rights subject to certain conditions, e.g.:

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- Impose a condition that the client must receive the consent of the consultant before making further use of the documents prepared and authored by the consultant for purposes unrelated to the original intent, or before editing the content of such works in a way that would substantially change their conclusions
- Come to an agreement that neither party should further use the documents prepared for purposes unrelated to the original intent without the consent of the other
- Require to be compensated, e.g., by payment of an additional fee, should the client use the work product beyond that specified in the original retainer with the client

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7. Final Remarks

- In producing work for a client, consultants should consider intellectual property rights issues before commencing
- Participants should be aware of any restrictions relating to ownership, publication and use of any work (including any data or results)

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- Some questions that a consultant may want to consider include:
 - Is there any provision in the contract between the consultant and the client with respect to ownership of copyright or other rights in the work?
 - Have moral rights been waived?
 - Can the client alter the work or update it?
 - Can the client have a third party alter the work or update it?
 - Can the client copy and reproduce the work?

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COPYRIGHT ISSUES FOR CHARITIES

1. General Issues

- Copyrights can be a significant asset if properly protected and used, but can also pose a significant liability to infringing parties
- Some key issues for charitable organizations to consider are:
 - Whether the organization has the rights necessary to carry out its activities without infringing on the rights of others?
 - Whether the organization possesses good title to the copyright that it considers its owns?

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- For some charities and not-for-profit organizations (e.g. research or arts organizations) copyright concerns will be central to their operations
 - These organizations may create and deal with important copyright works such as literature, music, films or dramatic works
- Persons managing charities should have an understanding of copyright issues so that they can take the necessary steps to protect the organization's rights and to avoid infringing the rights of others

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- Charitable organizations may need to consider their copyright practices in relation to:
 - Use of licensed software
 - Their website content – creating the content and acquiring rights to other’s content
 - Fundraisers/special events – these may involve development of graphics and other printed material and use of music or other entertainment
 - Promotional merchandise, e.g., t-shirts, coffee mugs, posters, video or digital recordings

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2. Copyright Ownership and Moral Rights

- Where an organization engages another to produce a work for them, the issue of ownership of copyright is often a point of difficulty
- Organizations commonly contract out the development of graphical, literary and other materials. In these cases, the organization will not be the first owner of the copyright unless it obtains an assignment in writing
- However, in certain instances, the CRA may take the position that charities that commission works (e.g. music, dramatic works) must own the copyright in order to ensure part of advancement of education

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- As stated earlier, the moral rights of the author cannot be licensed or sold
 - The author can waive his or her moral rights when selling or licensing the work, thereby giving up his or her ability to bring forward a moral right infringement action in the future
- The issue of ownership and moral rights must be addressed in all agreements with contractors, volunteers and employees

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3. Charitable Fundraising on the Internet

- More and more charities now rely on the Internet as a way of reaching potential donors
- The range of Internet techniques available to garner donations and goodwill is expanding rapidly, e.g.:
 - Passive solicitation
 - Active solicitation - e.g. spamming
 - Links to storefronts
 - Permission marketing
 - Commercial/charitable partnerships

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- All intellectual property laws are applicable to the Internet, including copyright law, and unauthorized use of material created by someone else may expose a charity to an action for copyright infringement
- Ways in which charities can avoid civil and criminal actions, mitigate copyright problems, and strengthen their defense when facing charges of copyright infringement include:
 - Ensure that you own your website
 - Obtain all necessary assignments and licenses for your website content
 - Obtain waivers of moral rights from contributors to, and creators of your website
 - Be aware of the danger of copyright infringement through framing, hyperlinking, or vicarious infringement

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4. Fundraising Events

- Generally the public performance of a musical work requires an appropriate license and will incur the requirement that royalties be paid
- However, there is an important exemption available to charitable organizations under the *Copyright Act*. It provides that:
 - No.... charitable...organization shall be held liable to pay any compensation for doing any of the following acts in furtherance of a.... charitable object:

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1. The live performance in public of a musical work;

2. The performance in public of a sound recording embodying a musical work or performer's performance of a musical work; or

3. The performance in public of a communication signal carrying:

1. The live performance in public of a musical work; or

2. A sound recording embodying a musical work or a performer's performance of a musical work.

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- In determining whether your organization falls within the requirements of the section it should be noted that the organization must be a recognized charity at law, "SOCAN takes a narrow interpretation of this exemption"
- Since this exemption is restricted to musical works, compensation issues will still need to be addressed in respect of any public performance of a dramatic work or film
- Also, a charity will still need to obtain the necessary rights to reproduce images on t-shirts, coffee mugs, etc. on any promotional merchandise

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ADDITIONAL COPYRIGHT PROTECTION

Registering the Copyright

- In addition to the techniques discussed earlier, an organization can protect their copyrights by registering them
- Although your charity does not need to register its copyright in order to be afforded protection in Canada, when you register with the Copyright Office, you receive a certificate which can be used to your advantage in the event that your work is infringed

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- A certificate of registration is evidence that your work is protected by copyright and that you, the person registered, are the owner
 - In the event of a legal dispute, you do not have to prove ownership – the onus is on your opponent to disprove it
- However, registration is no guarantee against infringement. You have to take legal action on your own if you believe your rights have been violated. Also, registration is no guarantee that your claim of ownership will eventually be recognized as legitimate

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