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A preview of a paper to be published in the Intellectual Property Journal

COPYRIGHT OWNERSHIP OF MOVIES AND FILMS IN CANADA: WHO'S ON FIRST?

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Something has recently gone awry with the law of copyright ownership in a movie or other film – a “cinematographic work”, as s. 2 of the *Copyright Act* RSC 1985, c. C-42 [Act] calls it.

Part I of the *Act* deals with the ownership of copyright in works. Section 13(1) provides that the author of a work is its first copyright owner. Section 13(2) provides one exception: where the work is done by an author-employee for their employer as part of their job and there is no contrary agreement. All this applies to cinematographic works, a species of dramatic work, as the Quebec courts recently confirmed: *Choko v Munden* 2021 QCCA 786 at [12], aff'ing *Glasz c. Choko* 2018 QCCS 5020 at [51]-[2] [*Choko*]. A copyright owner may of course transfer the right as it wishes (s. 13(4)); but apart from another exception on Crown works (s. 12), these provisions in s. 13 are the only ones that deal with the ownership of copyright in works. Another section in Part II of the *Act* (s. 24) deals with first ownership of copyright in subject-matter other than works: performer's performances, sound recordings, and communication signals.

Owning copyright is one thing; proving ownership is another. Section 34.1(1) of the *Act* helps plaintiffs out by giving them certain presumptions if they sue for infringement or take other civil proceedings. The section reads (emphasis added):

In any civil proceedings taken under this Act in which the defendant puts in issue either the existence of the copyright or the title of the plaintiff to it,

(a) copyright shall be presumed, unless the contrary is proved, to subsist in the **work**, performer's performance, **sound recording** or communication signal, as the case may be; and

(b) the **author**, performer, **maker** or broadcaster, as the case may be, shall, unless the contrary is proved, be presumed to be the owner of the copyright.

At first sight, the words in (a) – “work, performer’s performance, sound recording or communication signal” – appear to be paired with those in (b), in the same order, to mean “author [of a work], performer [of a performer’s performance], maker [of a sound recording], or broadcaster [of a communication signal]”. It would seem unnatural, for example, to read “maker” as referring to both a “sound recording” and a “work”. That however overlooks the fact that s. 2 of the *Act* defines “maker” as referring to both a work and a sound recording.

Does that definition apply here so as to disturb the apparent pattern of paras. (a) and (b)? Or do the words in context make s. 2 inapplicable? I suggest that they indeed do disapply s. 2 for cinematographic works and that, in context, “maker” in para. (b) means only the maker of the sound recording referred to in para. (a).

Not everyone thinks so – in particular, some judges of the Federal Court.

Section 34.1(1) is supposed to make a plaintiff’s life easier in starting and running a copyright claim in court. It neither creates presumptions outside civil proceedings nor creates, transfers, or changes anyone’s actual title, and any proceeds recovered from a defendant are held for the benefit of the true owner: see *Hogg v Toye & Co* [1935] Ch 497, 520 (CA) on the corresponding provision in the *Copyright Act 1911* (UK) on which the Canadian section is based. If any presumption happens to be displaced by contrary evidence, the proceedings can be amended and other parties joined so that defendants are not put in double jeopardy.

The presumption was applied straightforwardly in *Choko* (above). The plaintiff claimed a declaration of copyright ownership in a documentary he had shot for the defendant, while the defendant counter-claimed that the copyright belonged to the defendant as the plaintiff’s employer. The court applied s. 34.1(1)(b) to presume ownership in the plaintiff, he being the

“author” of the “work” (*Choko*, QCCS at [55]). The defendant lost at trial and on appeal because he failed to prove the contrary, i.e., that he employed the plaintiff under a contract of employment (*Choko*, QCCA at [13]).

The Federal Court of Canada has, however, in at least three decisions said that s. 34.1(1)(b) presumes that the film’s “maker” is the copyright owner of the “work” unless the contrary is proved: see *Interbox Promotion Corp v 9012-4314 Québec Inc* 2003 FC 1254 at [24]-[6]; *CBC v Conservative Party of Canada* 2021 FC 425 at [32]; *Bell Canada v L3D Distributing Inc* 2021 FC 832 at [47]. The ultimate result in these cases may be justifiable: agreement or employment may have given the plaintiff actual ownership in *Interbox* (see [24] & [26]-[8] of the decision); ownership was “uncontested” in *CBC* (see [36] of the decision); and certificates of registration would have shifted the presumption of ownership to the plaintiffs in *Bell* (see [53] of the decision).

Interbox nonetheless *does* appear to be a decision on the s. 34.1(1)(b) point and was treated as such in *CBC* at [32].

The correct view however seems to be that, read in context, “maker” in s. 34.1(1)(b) refers only to the *maker of a sound recording*. Were it to include the maker of a cinematographic work, s. 34.1(1)(b) would be the only provision in the entire *Act* where “maker” alone bore this meaning. It would also make s. 34.1(1)(b) create *two* inconsistent presumptions on ownership of the same work, with no way to decide which should prevail. Suppose an “author” and “maker” of a film sue each other, each claiming to be the copyright owner: whose duelling presumption should prevail? To call the result a stalemate would stultify the point of having presumptions at all and would anyway probably be contrary to art. 15(1) of the *Berne Convention on the Protection of Literary and Artistic Works* 1971 [*Berne*], which requires the author to prevail if their name appears on the work in the usual manner.

The problem is that, although “author” and “maker” can mean much the same thing in ordinary parlance, they do not in copyright law. The *Act* does not define “author” but judicial decisions identify this person as the individual or individuals who give a work’s ideas their original form or expression (*John Maryon Int’l Ltd v NB Telephone Co Ltd* (1982) 141 DLR (3d) 193, 244 (NBCA)) — a question of fact in each case. Authorship is established easily enough for the video shot on someone’s smartphone; less so for a

complex production such as *Star Wars*, which could involve multiple authorship or the director as sole *auteur*, the individual responsible for translating the work's vision into its final expression.

By contrast, “maker” – *producteur* in the French version – has a definition in s. 2 of the *Act* that spans both cinematographic works and sound recordings. For a cinematographic work, the “maker” is “the person by whom the arrangements necessary for the making of the work are undertaken”; for a sound recording the same formula applies to the first fixation of sounds.

In cases like *Choko* (above) which involved a single individual shooting and editing a film, the same person may coincidentally be both maker and author: the two roles are easily enough mistakenly conflated (see, e.g., *Wiseau Studio LLC v Harper* 2020 ONSC 2504 at [156]-[7], appeal dismissed 2021 ONCA 532 for non-compliance with order to post security). In many major commercial films, however, the maker and author – *producteur* and *auteur* – will be different persons, particularly because the maker may be a corporation whereas an author must be a natural person, i.e., a flesh-and-blood human being: *Massie & Renwick Ltd v Underwriters' Survey Bureau Ltd* [1940] SCR 218, 234 [*Massie*].

One might ask: if “maker” in s. 34.1(1)(b) really applies only to sound recordings, what is the point of having a definition of “maker” of a cinematographic work at all? The answer: to allow Canada to comply with *Berne* article 4 and ensure that films are protected in Canada even where none of the authors is a *Berne* national or resident, no matter who owns the work's copyright. This s. 5(1)(b)(i) of the *Act* achieves (see *Bell*, above, at [47]) and also extends protection to other states as required by treaties such as the *World Trade Organization Agreement* of 1994. The relevant part of s. 5 reads:

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 if any one of the following conditions is met:

...

(b) in the case of a cinematographic work, whether published or unpublished, the **maker**, at the date of the making of the cinematographic work,

- (i) if a corporation, had its headquarters in a treaty country, or
- (ii) if a natural person, was a citizen or subject of, or a person ordinarily resident in, a treaty country [emphasis added].

Section 34.1(c) reinforces this provision, as *Berne* art. 15(2) requires, by providing that “if, on a cinematographic work, a name purporting to be that of the maker of the cinematographic work appears in the usual manner, the person so named shall, unless the contrary is proved, be presumed to be the maker of the cinematographic work” – note, not the “copyright owner”, an error made in *Wiseau* (above) ONSC at [156], although the court ultimately found the person who wrote, acted in, and produced the film to be its “author” and at least a co-owner (*ibid* at [157]).

Sections 5(1)(b)(i) and 34.1(c) are the only provisions to which the definition of “maker” of a cinematographic work applies. Had the drafters integrated the contents of s. 34.1(c) into s. 5(1), as they could easily have done, the definition of “maker of a cinematographic work” could also have been shifted from s. 2 to s. 5(1). The mischief its location in s. 2 causes would have disappeared. Such are the potential effects of drafting decisions that are thought to be stylistic but which others misunderstand as having a substantive effect.

Let us examine more closely why s. 34.1(1)(b), in context, cannot include the maker of a cinematographic work. Admittedly, s. 2 *could* make it include that person – which raises the question: had the drafters intended to confine “maker” to sound recordings, why did they not just add the phrase “of a sound recording”? The answer is because, in the context of section 34.1 and the *Act* as a whole, the drafting in this respect is often elliptical, and the drafters here thought that meaning was already implied.

The drafters used a similar ellipsis in the next subsection, s. 31.1(2), where the word “maker” in the phrase “author, performer, maker or broadcaster” in the concluding portion of s. 31.1(2)(a), and in s. 31(2)(b)(i) and (ii), clearly means the “maker of the sound recording” specifically mentioned earlier in s. 31.1(2)(a)(iii).

They also used the same ellipsis elsewhere in the *Act*. Thus s. 29.21(1)(b) requires the creator of user-generated content to name their available source if they are to avoid infringement. The source is stated to be “the author, performer, maker or broadcaster” of the prior “work or other subject-

matter.” “Other subject-matter” is the shorthand used throughout the *Act* for a performer’s performance, sound recording, or communication signal, and the preceding section (s. 29.2(b)(iii)) again makes it clear that the “maker” referred to is the “maker of a sound recording”.

The fact is that the words found in s. 34.1(1)(a) “work, performer’s performance, sound recording or communication signal” in either their singular or plural form appear as a set throughout the *Act* and are typically linked distributively to the set of persons the *Act* designates as their respective first owners: “author, performer, maker of a sound recording, or broadcaster” (see, e.g., s. 2, definition of “collective society”). Thus s. 13(1) designates the author as first owner of a work and sections 24(a), 24(b), and 24(c) respectively – and significantly, in the same order – designate the performer, maker of a sound recording, and broadcaster as first owner of their respective subject-matter.

The maker of a cinematographic work would be the odd one out in s. 34.1(1)(b), for the provision otherwise designates the presumption only in favour of *first* owners. Nothing in the *Act*, other than employment, contradicts s. 13(1)’s grant of first ownership to the work’s author. The *Act* nowhere suggests that the maker of a film displaces the author as first owner. Nor does the *Act* bridge the gap between “maker” and “author” the way UK law does by deeming a film’s author to be its maker – or “producer,” as UK law has it – together with the principal director (*Copyright, Designs & Patents Act 1988* (UK), s. 9(2)(ab)). Although Canadian and UK ownership rules may differ, both are internationally compliant: *Berne* art. 14^{bis}(2)(a) allows member states to decide ownership rules for films for themselves since the states had widely disparate views on the matter and no agreed position could be struck at *Berne*.

It is equally noteworthy that the maker of a cinematographic work is omitted from the list of persons whose interests may be recorded on the Copyright Register – namely, “authors, performers, makers of sound recordings, broadcasters, owners of copyright, assignees of copyright, and persons to whom an interest in copyright has been granted by licence” (s. 54(1)(b)). All these categories are persons whom the *Act* designates as first or later owners of copyright or an interest in copyright. The omission of the maker of a cinematographic work as such – nowhere designated as a category of

owner or holder of an interest — is striking were it indeed presumed to be an owner for civil proceedings.

In general, it makes sense when civil proceedings are brought, to start with a presumption that the person the *Act* designates as the first owner of any copyright is still its owner unless someone proves the contrary. It generally makes no sense to start with a presumption that a person that the *Act* nowhere designates as such as first or any owner should currently be presumed the owner. The only exception is where material is anonymous or pseudonymous: for reasons of privacy, s. 34.1(2)(b) provides that the publisher whose name appears on a work is presumed to be its owner — even though the publisher is likely not the first owner and, as *Berne* article 15(3) states, is really only “deemed to represent the author” to vindicate the latter’s rights.

None of this will come as any surprise to corporate broadcasters and film producers. They have known for decades that they cannot rely on the presumption in s. 34.1(1)(b) favouring a film’s “author” since in Canada, as noted earlier, the term “author” is reserved for flesh-and-blood human beings: *Massie* (above) at 234. They have also known for decades of the “intolerably heavy” burden and “serious handicap” the author/ownership presumption imposes on them or any other plaintiff who happens not to be the author: *Circle Film Enterprises Inc v CBC* [1959] SCR 602, 605. They also have known for decades of the cheap and effective way to overcome this burden and handicap, as endorsed by *Circle Film*, itself a case on cinematographic works: before filing infringement proceedings, just spend the \$50 and the few minutes it takes to apply online to register the film’s copyright with the Canadian Intellectual Property Office, and get a certificate of registration stating one’s copyright ownership. Registration then provides all the contrary proof needed for the registrant to rebut the author/owner presumption (*Act*, s. 53(2); *Circle Film*, at 606-7). That is why no practical need has existed to amend the law to include a presumption of ownership in favour of the maker of a cinematographic work. Registrations can go where presumptions fail to tread.

It is therefore hard to understand why s. 34.1(1) has been pressed into doubtful service where clear and simple alternative means of initially

establishing copyright subsistence and title for film “makers” so readily exist. The sooner the Federal Court clears the matter up, the better.