



THE COPYRIGHT CLEARANCE CULTURE AND CANADIAN DOCUMENTARIES

**A WHITE PAPER ON BEHALF OF
THE DOCUMENTARY ORGANISATION OF CANADA (“DOC”)**

HOWARD KNOPF¹

howard.knopf@macerajarzyna.com

November 22, 2006

¹ This paper was prepared by Howard Knopf, Counsel, Macera & Jarzyna, LLP, Ottawa, Canada to represent the views of DOC. Nothing in this paper should be taken as legal advice.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	<u>3</u>
SUMMARY OF RECOMMENDATIONS.	<u>3</u>
BACKGROUND.	<u>4</u>
THE NATURE OF DOCUMENTARIES	<u>7</u>
INTELLECTUAL PROPERTY LAW AND DOCUMENTARIES.	<u>8</u>
COPYRIGHT LAW.	<u>8</u>
WHEN IS COPYING LEGAL?	<u>8</u>
FAIR DEALING.	<u>10</u>
A COMPARISON WITH AMERICAN LAW.	<u>10</u>
CANADIAN “FAIR DEALING” LAW.	<u>12</u>
“RESEARCH” IN THE DOCUMENTARY CONTEXT.	<u>13</u>
CRITICISM OR REVIEW	<u>14</u>
NEWS.	<u>15</u>
PARODY.	<u>17</u>
THE USE OF TRANSCRIPTS OF INTERVIEWS	<u>19</u>
DOC OVERALL POSITION ON FAIR DEALING.	<u>19</u>
INCIDENTAL INCLUSION.	<u>20</u>
FILMING OF BUILDING AND SCULPTURES.	<u>21</u>
PHOTOGRAPHS.	<u>22</u>
UNLOCATABLE COPYRIGHT OWNERS.	<u>23</u>
DIGITAL RIGHTS MANAGEMENT AND TECHNICAL PROTECTION MEASURES	<u>26</u>
RISK AVERSION: FACILITATING RATHER THAN PREVENTING USE OF COPYRIGHTED MATERIAL.	<u>27</u>
ABUSE AND MISUSE OF INTELLECTUAL PROPERTY RIGHTS.	<u>28</u>
ARCHIVES.	<u>30</u>
TRADE-MARKS.	<u>30</u>
CONCLUSION.	<u>32</u>
APPENDIX - THE COX SURVEY.	<u>33</u>

EXECUTIVE SUMMARY

The purpose of this White Paper is twofold. The Documentary Organisation of Canada (“DOC”) wishes to explain:

- What is now, in a general way, the intellectual property law in Canada as it applies to the making of documentaries.
- How the law may be improved in the forthcoming revisions to the *Copyright Act* expected in 2006-2007.

SUMMARY OF RECOMMENDATIONS

1. *For the purposes of copyright law, “documentary” should be defined to “include any cinematographic work or sound recording, the purpose of which is to convey factual information and analysis relating to actual events or issues.”*
2. *The existing fair dealing “news reporting” provisions should include a proviso that attribution credits be given only where “reasonable” in the circumstances and the exception should be explicitly extended to include documentaries.*
3. *Explicit provision should be made for fair dealing for the purpose of satire and parody.*
4. *Fair dealing should include the reasonable inclusion of published interview material in another work.*
5. *Consistent with recent jurisprudence from the Supreme Court of Canada, the new copyright legislation should keep the concept of predictability inherent in “fair dealing” while permitting the flexibility of the “fair use” concept. It should be explicitly codified and clarified that the enumerated list of fair dealing exceptions are examples only and are not an exhaustive list.*
6. *Canadian documentarians and their advisors need to be more aware of the very useful “incidental inclusion” provision in Canadian law.*
7. *Canadian documentarians and their advisors need to be more aware of the exception permitting filming of a building or publicly displayed sculpture.*
8. *The current provisions that vest ownership of copyright in photographs in the person who commissioned the photograph should be retained.*
9. *The unlocatable owner provisions of the Copyright Act should be amended in a manner similar to that currently proposed by the US Copyright Office. This would entail a*

limitation on remedies for infringement where there has been a reasonably diligent search for the copyright owner attribution to the copyright owner has been provided where possible and as appropriate under the circumstances. Thus, the role of the Copyright Board and the requirement for payment to a collective nominated by the Copyright Board should be eliminated.

10. *Circumvention of TPM and DRM measures should be permitted when the use is not illegal.*
11. *Any TPM or DRM legislation that may affect equipment should exempt any professional equipment from its reach.*
12. *The federal government should explore ways to address how the current copyright system fails documentarians. Our suggestions include funding for a summit of stakeholders and exploring the establishment of a suggested tariff of rates, terms and conditions for use of third party material in documentary films, and facilitating the development and dissemination of information relating to "best practices" among all stakeholders within the documentary community, recognizing that fair dealings and incidental use do not require clearance.*
13. *The Copyright Act should provide for penalties for misuse and abuse of copyright, including overclaiming of rights. Such penalties should include the possibilities of a complete defence to what would otherwise be infringement, damages and even forfeiture of copyright in appropriate circumstances.*
14. *The Federal Government should support public archives with secure and stable funding, and provide better education where necessary to management and staff.*
15. *Further education is required to clarify to documentarians and their advisors that the mere filming of a trade-mark will not normally constitute trade-mark "use" requiring any clearance.*

BACKGROUND

Canada has a long and distinguished history in the world of documentary films. This history not only includes the output of the National Film Board ("NFB"), but the work of many independent film makers. Canadian documentary films have won Academy Awards and are acclaimed world wide. The NFB alone has won over 4,500 awards including 11 Oscars.

The importance of documentaries to Canadian culture and history cannot be overstated. Whether the subject matter is war, the diversity of Canadian culture, the environment or countless other subjects and themes, the documentary film has played a crucial role not only in recording Canada's history but in shaping it as well.

Some documentaries achieve commercial success, through theatrical distribution, DVD, and other release channels such as free or cable TV or pay TV distribution. Most documentaries, however, are not done on large budgets and there is little or no expectation or even hope of significant financial return in many cases. Accordingly, cost items in production are particularly crucial.

It is imperative that documentary film makers (“documentarians”) have sufficient resources, freedom and infrastructure to go about their work. They rely on the copyright system to protect their creations and to receive adequate compensation and incentives to go about their risky profession.

Even more importantly, it is essential that documentarians have access to the material they need in pursuit of factual truth. All too often, copyright law is getting in the way of the this quest.

Documentarians, by the very nature of their art, often need to use archival and other pre-existing material in their work. Sometimes, even though the material is an essential moment in history, a copyright owner may refuse to give permission to use even a portion of the material under any circumstances - or may insist on an exorbitant price. Famous instances of this include the Zapruder film of the assassination of John F. Kennedy and the footage of Martin Luther King’s “I have a Dream” speech.

Sometimes, the documentary may be based upon a pre-existing literary work not yet in the public domain. Other material can include excerpts of footage from other films, news footage, or footage from TV shows. It can also include still photographs, sound recordings,² paintings and other works or other subject matter that may be germane to the production. Sometimes this material may be used prominently in or even comprise a segment of a documentary. In other instances, it may appear only incidentally in the background, or be heard only incidentally. The types of situations in which a quotation or other type of inclusion of third party material may be desirable or even necessary for the purpose of the film cannot be circumscribed. While no formula can cover all situations, alleviating and eliminating avoidable uncertainty should be the goal of Canadian policy makers. A fascinating glimpse of the behind the scenes business of making of a Canadian Academy Award winning documentary on the legendary clarinetists Artie Shaw can be found in one of the few Canadian reported cases dealing with the documentaries.³

The copyright system presents major problems for all Canadian documentarians as a result of

² Sound recordings are protected by copyright. So too are the underlying musical compositions and performers’ performances, unless any or all of these are in the public domain.

³ *Shaw v. Berman et al.* (1997) 72 C.P.R. (3d) 9 Affirmed 84 C.P.R. (3d) 286. Although the litigation arose in the 1990's the film was made in the early 1980's when budgets were lower and the law was much simpler.

particular aspects of Canadian law and the overall “clearance culture”⁴ that has developed in the industry. A survey undertaken by Kirwan Cox in preparation for this White Paper⁵ has confirmed that copyright clearance issues:

- consume a significant and excessive amount of budget resources and time; and,
- lead to censorship of content.

The clearance culture has resulted in the frequent practice of paying exorbitant sums to rights holders for uses that often should not require permission in order to satisfy the providers of errors and omissions (“E and O”) insurance. Without such insurance, broadcast, theatrical and DVD distribution markets are effectively foreclosed.

Excessively cautious lawyers, who advise the various parties, have become paralysed with fear of litigation and even negligence actions against themselves arising from potential intellectual property claims, most of which will never materialize and even more rarely be pursued or succeed. When litigation is threatened, it is often baseless. However, the fear factor is such that documentarians are being effectively censored by lawyers, sometimes including their own lawyers, and increasingly by themselves. The result is a climate of lawyer-driven censorship of scenes and sometimes even projects because of the most trivial inclusion of recognizable intellectual property owned by third parties. Films that survive this gauntlet are often more dull and invariably far more expensive than they ought to be.

Some of the problems faced by Canadian documentarians are similar to those faced by their American counterparts. While Canadian and American copyright laws are different in many material respects, both systems result in a similar “clearance culture” mentality and the consequential chill and censorship that follow. In some ways, each system has certain advantages and disadvantages for documentarians. The fact is that Canadian documentarians hoping for American distribution need to comply with both sets of laws to be absolutely safe.

While much of the difficulties in clearance issues are attributable to excessively cautious and often incorrect legal advice and excessive risk aversion on the part of insurers resulting from the clearance culture ethos, the underlying problem is a lack of both clarity and flexibility in the fair dealing provisions of Canada’s copyright legislation and other existing inadequacies in the

⁴ The term “clearance culture” is frequently used in the USA to describe the climate facing documentarians. A key study where this term is used is Pat Aufderheide and Peter Jaszi, *Untold Stories: Creative Consequences of the Rights Clearance Culture for Documentary Filmmakers* (November, 2004). Available online at <http://www.centerforsocialmedia.org/rock/finalreport.htm>

⁵ Mr. Kirwan Cox undertook an informal survey of Canadian documentarians and compiled the answers. This document is referred to as the *Cox Survey*. The Executive Summary is included in the Appendix to this paper.

treatment of “orphan works” and still photographs.

Documentarians’ interests must also be reflected in future copyright legislation. For example, any provisions that provide copyright protection for digital rights management (“DRM”) or Technical Protection Measures (“TPM”) must not only protect the legitimate intellectual property interests of documentarians and other creators. They must also ensure that documentarians continue to have legal access to any content to which they would otherwise legally be entitled. This would include insubstantial excerpts and excerpts for fair dealing, as well as public domain material. DRM and TPM measures must not render illegal that which is now legal.

Clearance problems are not only related to copyright law. They can also arise from unreasonable union demands - which are now buttressed in Canada by the inclusion of “neighbouring rights” for musicians and other performers in the *Copyright Act*. One respondent in the Cox Survey told of the immense costs that would have been required for clearing a scene in a documentary in which classical music was being performed by an orchestra in the background. The AF of M⁶ demands for a one minute segment would have used half of the budget.

The result of all of this is that:

1. Films that should be made are not being made;
2. Scenes are being cut, censored, altered or redone because of often spurious intellectual property concerns; and,
3. The content and quality of many projects is suffering because of the excessive costs or the perceived risk of including pre-existing essential material that ought to be available without any problem under a balanced copyright law regime.

This White Paper concludes that the current copyright system in Canada is on balance more problematic than beneficial to Canadian documentarians. Fortunately, the remedies to this imbalance are neither complex nor drastic in nature.

THE NATURE OF DOCUMENTARIES

What is a documentary film? A commissioned study by the NFB catalogues a number of bureaucratic definitions emanating from various Canadian agencies and states the importance of the issue of a definition in various funding contexts but is inconclusive as to any general definition.⁷ The Wikipedia definition seems as good as any as a starting point for the purposes of this White Paper:

⁶ American Federation of Musicians, the “union” of Canadian musicians.

⁷ M. Watson, *A Review of Programs and Policies Regarding Documentary Production in Canada*, 2005, pp. 3-5, http://nfb.ca/publications/en/pdf/ctf_programs_and_policies_report_en.pdf

*“Documentary film” is a broad category of cinematic expression united by the intent to remain factual or non-fictional.*⁸

The key concept is that the film have a factual foundation and the purpose of conveying factual information.

This is not to say that documentaries cannot be commercial. Sometimes, documentaries are indeed very commercial in terms of their mass appeal and financial success, although this is rare.⁹

A documentary film can be long or short. It can even have actors. But a documentary is a film that is based upon and concerned with conveying factual information.

INTELLECTUAL PROPERTY LAW AND DOCUMENTARIES

There are two main areas of intellectual property concern that can arise in the making of documentary films. These are trade-marks law and copyright law. Other issues sometimes thought of as related to intellectual property law can arise on occasion, such as privacy rights or the right of personality. These are beyond the scope of this White Paper.

COPYRIGHT LAW

WHEN IS COPYING LEGAL?

It is important to understand at the outset of the discussion on copyright law that not all copying constitutes infringement. Obviously, material that is in the public domain can be copied without permission. Unfortunately, it is not always obvious - particularly with respect to old film footage and photographs - when a work enters the public domain in Canada. Moreover, many other countries - notably the USA - now have a longer copyright term than Canada. The export of films with material that is public domain in Canada but not in the USA raises complex questions that are beyond the scope of this paper - but which should be addressed in the appropriate forum.

Material in which the copyright subsists and is owned by others must normally be “cleared” the copying involves a “substantial part” of the work or other subject matter and there is no applicable right to engage in such copying by virtue of the fair dealing provisions or other exceptions.

⁸ http://en.wikipedia.org/wiki/Documentary_film

⁹ e.g. the films of Mike Moore, such as *Bowling for Columbine* and *Fahrenheit 9/11*. The latter has reportedly grossed more than US \$200 million and is “by far the highest-grossing documentary of all time”. See http://en.wikipedia.org/wiki/Michael_Moore

The determination of what is substantial can involve both quantitative or qualitative concerns. If the portion used does not amount to “any substantial part” of the work or other subject matter being copied, there is no need for clearance or resort to a “fair dealing” or other type of exception. This is one of the most important and least recognized principles of copyright law. This is the basis upon which scholars, composers, painters, and other creators have - for centuries - quoted brief or small parts of each other’s work, without recourse to permission of any kind. According to one learned authority on Canadian law, the taking of two or three seconds from a three minute recording is a mere “particle” and should be “outside the copyright owner’s control.”¹⁰ The importance of the excerpt is a factor in the determination of substantiality - but it is not solely determinative. However, this doctrine - while fundamental in copyright law - is fact and situation specific. In today’s clearance culture, many lawyers and insurers will be nervous about relying on it, especially if the copyright in question is held by a powerful entity.

The Canadian Copyright Board has recently taken upon itself the challenge of shedding light on the meaning of what is “substantial” in the context of documentaries. The issue arose in the context of the Board’s mandate to issue licenses when asked and if appropriate where the copyright owner cannot be located. After ten months of deliberation, the Board issued a 25 page split decision about the quotation in a film of eight excerpts comprising 325 words out of a 342 page book on WWII published in 1954 by Vantage Press, which is a vanity press.¹¹ The recitation of the words comprised just over about five minutes of one 45 minute episode of a six part series. All five members of the Board signed their names to this decision, which is a rare if not unique event. Three of the Board members thought the excerpts comprised a substantial part of the book. Two of the Board members disagreed. There was also a split on a procedural issue, which is discussed below in the context of unlocatable copyright owners. Unfortunately, the exercise will leave documentarians even more confused and uncertain than before over this important issue. There was some brief consideration of case law, some of which in turn is highly problematic.¹² In fairness to the Board, it must be pointed out that this was not an adversarial proceeding and the Board may not have had the benefit of satisfactory research.

There is no solution in sight to alleviating the uncertainty of what is “substantial”. It can only be hoped that common sense and knowledge of relevant case law from the Canada, the UK, Australia and the USA on the part of practitioners will yield some degree of certainty to documentarians.

¹⁰ D. Vaver, *Copyright Law*, Irwin Law, Toronto, 2000, p. 144.

¹¹ *Re Breakthrough Films*, Copyright Board, March 6, 2006.
<http://cb-cda.gc.ca/unlocatable/156r-b.pdf>

¹² i.e. the Federal Court of Appeal’s unfortunate decision in *Édutile Inc. v. Automobile Protection Association (APA)*, [2000] 4 F.C. 195, which conferred copyright on the two column layout of a chart of used car prices.

If it is determined that a “substantial part” of a work or other subject matter has been copied, it may still be the case that the copying is “fair dealing” or otherwise falls within an exception under Canadian law. The fair dealing provisions are, strictly speaking, a “defence” to infringement but are increasingly seen - especially in light of recent Supreme Court jurisprudence - as a user’s right.¹³ In Canada, the fairness of the dealing will be assessed by whether or not the practice is listed in the *Copyright Act* and, at least in the case of “research”, the Supreme Court of Canada in the CCH case has made it clear that such provisions should be given a “large and liberal” interpretation.

Moreover, there are specific exceptions for “incidental use” and for inclusion of architectural works and sculptures in a film. These exceptions will be discussed in greater detail below. However, it must be stated that, while these exemptions are helpful, they are not yet perceived as sufficiently broad enough or certain to provide sufficient comfort at the “clearance” stage in many situations where the use clearly ought to be regarded as “fair”.

Finally, there are existing - though unsatisfactory - provisions which enable a user to copy material in a way that would otherwise be infringing if the owner is unlocatable.

FAIR DEALING

“Fair dealing” in Canada is often contrasted and frequently confused with “fair use” in the USA. The former system essentially provides enumerated and specific exceptions. The latter is more open ended. The Supreme Court of Canada seems to have found a way of combining the best of both approaches.

A COMPARISON WITH AMERICAN LAW

Before examining Canadian “fair use” provisions, it is necessary to briefly examine American law and practice. There is an enormous wealth of jurisprudence, literature and business practices to draw upon.

The American “fair use” system essentially provides a non-exhaustive list of four criteria¹⁴ to be considered and weighed in determining whether any particular use is a “fair” use and thus does not constitute copyright infringement. These factors are:

(1) the purpose and character of the use, including whether such use is of a commercial nature or is for nonprofit educational purposes;

¹³ *CCH Canadian Ltd. v. Law Society of Upper Canada*, 2004 SCC 13 (hereinafter “CCH”).

¹⁴ 17 USC §107

(2) the nature of the copyrighted work;

(3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

(4) the effect of the use upon the potential market for or value of the copyrighted work.

Unlike the Canadian system, there are comparatively few enumerated examples of exceptions.¹⁵ The good news is that the American system is more flexible and has held, for example, that parody is a legitimate example of “fair use”. It was held by the U.S. Supreme Court that the rather vulgar and blatantly commercial parody of Roy Orbison’s “Oh Pretty Woman” by the rap group 2 Live Crew may be fair use.¹⁶ The bad news is that there is little certainty under American law, and American copyright owners are often very litigious. Since these copyright owners are usually much wealthier and more powerful than documentarians, the uncertainty normally weighs against the documentarians.

Fortunately, the American situation has been carefully distilled recently into a “best practices” guide prepared under the aegis of a number of prominent copyright law professors and practitioners.¹⁷ In a nutshell, the guide suggests that American courts return “again and again to two key questions:

- *Did the unlicensed use “transform” the material taken from the copyrighted work by using it for a different purpose than the original, or did it just repeat the work for the same intent and value as the original?*
- *Was the amount and nature of material taken appropriate in light of the nature of the copyrighted work and of the use?*

The guide suggests that fair use may be found to be applicable in the following four situations in the making of documentary films:

1. *Employing copyrighted material as object of social, political or cultural critique*
2. *quoting copyrighted works of popular culture to illustrate an argument or point*

¹⁵ Notable inclusions of explicit reference to inclusion of the possibility of multiple copies for classroom use as fair use and detailed provisions for reproductions by libraries and archives.

¹⁶ *Campbell v. Acuff-Rose* 510 U.S. 569 (1994)

¹⁷ *Documentary Filmmakers’ Statement of Best Practices in Fair Use*. November 18, 2005, www.centerforsocialmedia.org/fairuse.htm

3. *capturing copyrighted media content in the process of filming something else*
4. *using copyrighted material in a historical sequence*

It should be stated that these guidelines are no substitute for a legal opinion and are not without controversy. However, a great deal of work and thought has gone into them and they are an important summary of how the current American law is - or at least ought to be - construed from the viewpoint of a documentarian.

An interesting new strategy appears to be underway in the USA in terms of negotiating clearance fees in situations where there is a good but less than certain argument that fair use would prevail. The Independent Film Channel now apparently works hard to take advantage of the American doctrine and to offer a fraction of the normal fees demanded for clearance on a “take-it-or-leave-it approach”. This involves a strategy whereby the producers are advised that they “*can access material at no cost if they add something to it (like a voice-over), don't undermine its value or use more than needed to make a point*”¹⁸

CANADIAN “FAIR DEALING” LAW

The “fair dealing” provisions of the *Copyright Act* allow documentarians to engage in certain acts that might otherwise constitute infringement by reason of constituting substantial copying. These include dealing fairly with any material for the purpose of private study, research, criticism, review or news reporting. While the fair dealing provisions of the *Copyright Act* are spelled out in the provisions dealing with “exceptions”, the Supreme Court of Canada has recently characterized the doctrine as one of “users’ rights”.

The exceptions to copyright infringement, perhaps more properly understood as users’ rights, are set out in ss. 29 and 30 of the Act. (Para. 12)

...

“Research” must be given a large and liberal interpretation in order to ensure that users’ rights are not unduly constrained. (Para. 51)

(emphasis added)

Naturally, no permission is needed to engage in “fair dealing”. The problem is that many lawyers are too risk-averse to opine that a particular use may be fair dealing. And once permission is sought, the copyright owner is on notice and the documentary producer is often on the defensive.

¹⁸ Elaine Dutka, *No Free Samples for Documentaries: Seeking Film Clips With the Fair-Use Doctrine*, New York Times, May 28, 2006
http://www.nytimes.com/2006/05/28/movies/28dutr.html?_r=1&oref=slogin&pagewanted=print

Until recently, it was generally feared that “fair dealing” in Canada was restricted to the precise ambit of the detailed list of exceptions found in the *Copyright Act*, some of which are incredibly narrow, specific and sometimes useless to the point of absurdity, e.g. the “dry erase board” exception.¹⁹ The Supreme Court of Canada has opened all of this up with CCH decision, which basically permitted the copying - even of entire works - for “research” purposes. In the CCH case, it was research by lawyers in the course of serving their clients. However, there is no reason to believe that “research” could not include some aspects of a documentarian’s work - which is by definition intensely research based and the results are research oriented. As the Supreme Court has been wont to do lately and to its great credit, it seems to be picking and choosing the best of both UK and US law to the extent it can fit such interpretations into the Canadian statute.

“RESEARCH” IN THE DOCUMENTARY CONTEXT

One of the potential results of the CCH judgment is that the concept of permissible research has been expanded to potentially permit the making of copies even of an entire work for commercial research purposes (i.e. serving clients of a law firm) - subject to the tests set out in the decision. At the very least, documentarians should have a much greater comfort level in going about their own background research, which may involve copying for purposes of necessary research for the making of their films.

However, uncertainty still abounds as to the ambit of the research exception. Some sectors, such as the educational community and governments, seem strangely reluctant to use the CCH decision as the basis for a more aggressive assertion of their rights as users and continue to pay large sums to Access Copyright that may no longer be necessary.

On the other hand, law firms and well advised corporations quickly realized that their internal “research” is now normally covered by the fair dealing provisions. It will be interesting to see if the expanded concept of “research” enunciated in CCH will be of use to documentarians in terms of their finished products and whether it will permit more liberal inclusion of pre-existing material in documentary film - which often involve, depend upon and are undertaken for the very purpose of “research.”

A note of caution, however, is in order. In a decision of the Federal Court that predates CCH, a trial judge ruled in “obiter dicta” (a non crucial and non binding comment) that the “research” aspect of a fair dealing defence did not avail in a situation where a defendant copied a substantial portion of an interview with Shania Twain because:

¹⁹ 29.4 (1) It is not an infringement of copyright for an educational institution or a person acting under its authority
 (a) to make a manual reproduction of a work onto a dry-erase board, flip chart or other similar surface intended for displaying handwritten material

[55] *The most significant factor, in my view, in interpreting what is meant by "research" in our legislation, is the fact that unlike fair dealing for the purpose of criticism or review, or news reporting, there is no requirement that the source be identified (when the use is for research). This indicates that the use contemplated by private study and research is not one in which the copied work is communicated to the public.*²⁰

(emphasis added)

This may suggest that the fruits of research cannot be sheltered by the fair dealing provisions of the *Copyright Act* if the resulting work is communicated to the public. There is an explicit suggestion in the CCH case that sending the results of research requests by fax “to numerous different recipients might constitute communication to the public in infringement of copyright.”²¹ Thus, reliance on the research aspect of the “fair dealing” provisions other than for internal purposes may be risky.

CRITICISM OR REVIEW

The ambit of fair dealing for purposes of criticism or review is potentially wide. However, care must be taken to provide proper attribution of the source, and, if given in the source, the author, performer, maker or broadcaster as the case may be.²²

Criticism or review involves analysing and judging merit and may include surveying past events and facts.²³ However, one cannot use too much of the source material and the criticism or review must be *bona fide* and not simply a pretext for what otherwise would be obvious copyright infringement, such as condensing a report of approximately 1800 pages into a version approximately one third the size material - an abridged version - and reproducing it under the author's name. In other words, fair dealing for criticism or review must add some genuine commentary or criticism to the portion copied. To succeed, the defence “...requires as a minimum some dealing with the work other than simply condensing it into an abridged version and reproducing it under the author's name.”²⁴

Prof. Vaver cites fairly recent British jurisprudence allowing fairly extensive copying of footage

²⁰ *Hager v. ECW Press Ltd. et al.*, (1998) 85 C.P.R. (3d) 289

²¹ CCH, para. 78.

²² *Copyright Act*, s. 29.1

²³ D. Vaver, *Copyright Law*, p. 194.

²⁴ *The Queen v. James Lorimer & Co. Ltd.* (1984) 77 C.P.R. (2d) 262 at 272 (FCA)

from one film into another. In one example, the use of about 8 minutes of “A Clockwork Orange” in a television program critical of the distributor’s decision to halt exhibition of the film was held to be fair dealing.²⁵ In another example, the use of a 30 second clip from a rival program in the context of the evils of “chequebook journalism” was upheld as fair dealing.²⁶

The implications of this exception must be better understood by documentarians and their advisors. Provided that legitimate value added critical comment or review material is included, there is potentially a fairly broad scope to quote material from third parties.

NEWS

Both in principle and in practice, it is very difficult to distinguish between a documentary film and footage shot for “news” purposes. They both are directed to informing the public about true matters of public interest. The main difference is in the time lines. “News” is usually dealt with very quickly and often on immediate broadcast schedule deadlines, i.e. the “Six O’clock” news must go on air at 6:00 O’clock. Documentaries have the luxury - and the additional responsibility - of much more time. A documentary may be years in the making, or may need to use material that is decades old or more.

Moreover, some topics that persist in the news tend to inevitably lead to periodic updates and analysis in the nature of “documentary” coverage. Recent examples would include 9/11 and Hurricane Katrina.

Or consider the “feature” length segments on The National on CBC every night. These are almost invariably prepared in advance and usually provide a mix of “news” and “analysis”. Similar comments can be made about the CBC’s Fifth Estate. It is not easy to classify such material as being either “news” or “documentary”. Generally, in these example, the segments would appear to be both.

To make matters more complex, there are new and ever evolving genres of “reality” TV shows that further blur whatever line there may be between news and documentary.

However, as the law now stands, there are some important legal and practical differences in the two endeavours. If something can be called “news”, it can benefit from a clear exception in the current legislation.²⁷

²⁵ *Time Warner Entertainments Co. v. Channel Four Television Corp.* (1993) 28 I.P.R. 456 (C.A.)

²⁶ *Pro Sieben AG v Carlton UK Television Ltd* [1999] 1 WLR 605

²⁷ S. 29.2 provides as follows:
News reporting

For example, if a famous movie star or director dies, the item would appear on TV news that day, along with some brief footage taken from that persons' films highlighting some of that persons' more famous or infamous achievements. Industry practice would suggest that no clearance would be necessary for this "news" inclusion of such footage as part of the coverage of the death of the celebrity. However, if someone chooses to make a documentary about that person with numerous clips, industry practice would normally require "clearance" for these clips - whether or not they can be justified as insubstantial copying or fair dealing/fair use.

News footage is typically - though not necessarily - of much shorter duration. A story last typically two minutes and not two hours. News footage is usually - though not necessarily - unrehearsed and unscripted, although the subject matter of the news film, for example a politician, may be speaking from a script of their own. The key practical difference is that news is, by definition, urgent and time sensitive. The practice has emerged that news footage seems to enjoy an immunity from the "clearance culture" to a significant extent. News footage that is simply broadcast and not turned into a film for theatrical or other channels of release rarely if ever requires clearance of incidental music or other included copyrighted material that would normally require (or at least is perceived to require) advance clearance if the film were to be considered a documentary.²⁸

Increasingly, it is more and more difficult to draw a fine line between news and documentary programs. Is a TV review of the news of the week a news program or a documentary program? Is an expose by Mike Moore of the relationship between the Bush family and the Saudi regime a news event or a documentary film? In many cases, documentaries become news because the content is first brought to light in the documentary.

The current copyright law contains a special fair dealing provision for "news reporting" that allows for fair dealing - provided that the "source", and if given in the source, the name of the

29.2 Fair dealing for the purpose of news reporting does not infringe copyright if the following are mentioned:

- (a) the source; and*
- (b) if given in the source, the name of the*
 - (I) author, in the case of a work,*
 - (ii) performer, in the case of a performer's performance,*
 - (iii) maker, in the case of a sound recording, or*
 - (iv) broadcaster, in the case of a communication signal.*

1997, c. 24, s. 18.

²⁸ With respect to music incidentally included in news, part of the reason for the lack of prior clearance may well lie in the "ambient music" licensing provisions of one of the major collecting societies, discussed below.

authors, performer, maker, or broadcasters as the case may be are mentioned. This attribution requirement is often completely impractical in a news context - either in newspapers or particularly on television. Even in a documentary context, it can be impractical if it unduly elongates the credits - since broadcasters will be displeased. For example, the use of a clip of a symphony orchestra could not possibly mention the name of every member of the orchestra. At the very least, there ought to be a requirement that such attribution be required where “reasonable in the circumstances”.

Documentarians have a good case to make that the “news” provision should be extended to include documentaries. Very often, documentaries necessarily use news footage or material from print media news. If the material was legal as “news” and did not require permission or payment, why should it not be legal as part of documentary? Since documentarians have fewer practical restraints on providing attribution and credits, it should not be difficult for them to so provide on a “reasonable” basis.

Recommendation # 1:

For the purposes of copyright law, “documentary” should be defined to “include any cinematographic work or sound recording, the purpose of which is to convey factual information and analysis relating to actual events or issues.”

Recommendation # 2:

The existing fair dealing “news reporting” provisions should include a proviso that attribution credits be given only where “reasonable” in the circumstances and the exception should be explicitly extended to include documentaries.

PARODY

Parody is a form of the broader genre of satire. Parody, by definition, involves the use of a pre-existing work. Satire does not necessarily entail copying, but sometimes does. The parody may be a satire on the original work itself or simply use the work as a spring board to a more general comment. The difference between the two genres is well stated by the United States Supreme Court.²⁹ Parody often has the goal of commentary. However, sometimes it is simply for the

²⁹ *Parody needs to mimic an original to make its point, and so has some claim to use the creation of its victim's (or collective victims') imagination, whereas satire can*

perfectly legitimate purpose of humour.

Parody and satire are techniques as old as literature itself that can be used effectively by documentarians. However, by its nature, parody necessarily involves an element of copying of the work being parodied. Canadian courts have consistently and regrettably refused to recognize a “parody” defence to copyright infringement.³⁰ This is in stark contrast to the law in the USA where the American Supreme Court has found a blatantly commercial and even offensive (to many) parody of the well known song “Pretty Woman” to be a non-infringing fair use, on the basis that the parody was a “transformative” use for the purpose of criticism or comment, and that the transformative element was sufficient to supersede the commercial intentions of the parodists.³¹

The Australian government has recently concluded a major analysis of its fair dealing law and decided not to adopt the American fair use system, but rather to expand and amend the existing list of fair dealing exceptions. The Attorney General of Australia announced on May 14, 2006³² that an exception will be provided to “Allow the use of copyright material for parody or satire”.

France also enjoys and explicitly parody exception. The defence is not available where there is “malicious comment injuring the honour or reputation of the first author.”³³

Canada should do the same. There is no reason for Canadians to be deprived of this valuable critical technique and the humour that sometimes comes with it. This would be a simple problem to resolve by inclusion of a “parody” right in the fair dealing provisions.

stand on its own two feet and so requires justification for the very act of borrowing. Campbell v. Acuff-Rose 510 U.S. 569 at 580 (1994)

³⁰ ***Productions Avanti Ciné-Vidéo Inc. v. Favreau et al.*** 1 C.P.R. (4th) 129 Reversing 79 C.P.R. (3d) 385; *Cie Générale des Établissements Michelin-Michelin & Cie v. C.A.W.-Canada et al.* 71 C.P.R. (3d) 348. The Michelin decision has been criticized with respect to its denial of freedom of expression and its refusal to allow constitutionally entrenched charter rights to trump non-entrenched rights under the *Copyright Act*. See J. Bailey, ***Deflating the Michelin Man***, chapter 5 of M. Geist, ed. ***In the Public Interest***, Toronto, Irwin Law, 2005, p. 140 ff.

³¹ ***Campbell v Acuff-Rose Music, Inc.***, 510 U.S. 569 (1994)

³² Media Release 088/2006

³³ 1992 Code Article L. 122.5(4). See J.A.L. Sterling, ***World Copyright Law***, London, Sweet & Maxwell, 1998, p. 419.

Recommendation # 3:

Explicit provision should be made for fair dealing for the purpose of satire and parody.

THE USE OF TRANSCRIPTS OF INTERVIEWS

There is a problematic decision in Canadian case that held that the copying of portions of an interview with Shania Twain constituted copyright infringement.³⁴ That decision relied - perhaps too heavily - on English law that has long conferred copyright protection to “sweat of the brow”, including the work of a short hand stenographer in setting someone else’s speech to paper. This is not consonant with Canada’s overall stance on the threshold of originality required for copyright protection as enunciated by the Supreme Court of Canada. Rather than revisiting the complex and controversial notion of the threshold of originality, Canada should clarify its fair dealing provisions to allow for the reasonable inclusion of published of interview material in another work.

Recommendation # 4:

Fair dealing should include the reasonable inclusion of published interview material in another work.

DOC OVERALL POSITION ON FAIR DEALING

The DOC position on Canada’s fair dealing provisions is that they must be adapted, clarified, updated, codified and extended to meet the needs and the rights of users in the pursuit of access to knowledge. The Supreme Court of Canada has made the importance of the fair dealing provisions as clear as can be. They provide “users’ rights” that are on an equal footing with owners’ right and these rights are not circumscribed or limited to a literal interpretation of the statute - they are to be given a “large and liberal” interpretation.

DOC believes that the Supreme Court of Canada has indicated that Canada’s law can and should reflect the best of both the Commonwealth fair dealing and American fair use approaches. In other words, Canada has the benefit of a system that provides certainty with the numerous enumerated fair dealing and other exceptions. And in turn, it provides flexibility because each of these exceptions must be given a large, liberal and purposive interpretation. Consistent with the

³⁴

Hager v. ECW Press Ltd. et al., (1998) 85 C.P.R. (3d) 289

approach of the Supreme Court of Canada, DOC believes that it should be clarified that the list of fair dealing exceptions is inclusive and not circumscribed. In order to ensure that the Government and lower courts understand what the Supreme Court of Canada was teaching, the overall “chapeau” of the fair dealing exceptions in the *Copyright Act* should be amended by way of codification to make it clear that the list “includes” the enumerated” examples and is not limited to them.

This flexibility is essential to redress the imbalances that have resulted, for example, in Canada’s inexcusable lack of a parody exception, and other exceptions that are taken for granted in the American system. This approach would also be consistent with the recent conclusion of the Australian Government, which has faced similar issues to those of Canada and shares considerable common heritage and language with Canada in its copyright legislation that derives from the historic 1911 UK *Copyright Act*.

Recommendation # 5:

Consistent with recent jurisprudence from the Supreme Court of Canada, the new copyright legislation should keep the concept of predictability inherent in “fair dealing” while permitting the flexibility of the “fair use” concept. It should be explicitly codified and clarified that the enumerated list of fair dealing exceptions are examples only and are not an exhaustive list.

INCIDENTAL INCLUSION

Canada’s *Copyright Act* contains an extremely useful free standing exception in the form of an “incidental inclusion” provision. This is as follows:

Incidental Inclusion

Incidental use

30.7 It is not an infringement of copyright to incidentally and not deliberately

(a) include a work or other subject-matter in another work or other subject-matter; or

(b) do any act in relation to a work or other subject-matter that is incidentally and not deliberately included in another work or other subject-matter.

1997, c. 24, s. 18.

This section is the envy of American documentarians and is unknown to many Canadian documentarians and even some of their lawyers. On its face, this section permits the inclusion of a all or part of a work (e.g. other film footage) or other subject matter (e.g. a sound recording) - provided that the inclusion is incidental and not deliberate. The ultimate scope of this section is not known. It appears that there have been no decided cases on the section that would shed any light on its potential.³⁵

Nonetheless, the section appears to hold great potential for documentarians as a means to avoid many nuisance clearances. It would appear to apply clearly, for example, to the following types of situations, which have given rise to outrageous licensing demands in the USA:

- Amy Sewell, a producer of "Mad Hot Ballroom," the documentary that follows New York City children as they learn ballroom dancing and prepare for a citywide contest, had to pay USD \$10,000 to clear a six second episode in which one of the children received a cell phone call from his mother and the phone played a ring tone with the theme from "Rocky"³⁶
- The producers of a documentary about Wagner's Ring Cycle were filming backstage at the San Francisco Opera. One scene showed the stagehands relaxing while the performance took place on stage. They were playing checkers, while a TV set in the corner of their room happened to be showing an episode of the Simpsons. Lawrence Lessig brilliantly documents the rude and aggressive attitude of Fox, the controller of the copyright in the 4.5 second clip, and their demand for a \$10,000 payment, which was supposedly an "educational" rate.³⁷

Recommendation # 6:

Canadian documentarians and their advisors need to be more aware of the very useful "incidental inclusion" provision in Canadian law.

FILMING OF BUILDING AND SCULPTURES

The current *Copyright Act* also contains a useful exception permitting the filming of buildings

³⁵ The issue was mentioned by the defendant - but was not definitively discussed - in an application for summary judgment. See *Mapeze Inc. v. Destination Ontario Inc.*, 2006 FC 25.

³⁶ October 16, 2005 *The Hidden Cost of Documentaries* By NANCY RAMSEY

³⁷ L. Lessig, *Free Culture*, Penguin Press, New York, NY, 2004 p. 95 ff.

and SCULPTURES permanently situated in public, with no requirement for clearance.

Permitted acts

32.2 (1) *It is not an infringement of copyright*

...

(b) for any person to reproduce, in a painting, drawing, engraving, photograph or cinematographic work

(I) an architectural work, provided the copy is not in the nature of an architectural drawing or plan, or

(ii) a sculpture or work of artistic craftsmanship or a cast or model of a sculpture or work of artistic craftsmanship, that is permanently situated in a public place or building;

Thus, no permission is needed in respect of copyright to film that includes footage of a Canadian building or publicly situated sculpture, no matter how well known it may be or no matter how prominently such building or sculpture figures in the scene. Once again, it appears that many documentarians and their advisors are not aware of this useful provision.

Recommendation # 7:

Canadian documentarians and their advisors need to be more aware of the exception permitting filming of a building or publicly displayed sculpture,

PHOTOGRAPHS

There is important case law in Canada that indicates that the inclusion of a photograph in a larger new work may be permitted as fair dealing in some circumstances. The case involved the use of a photograph of Sheila Copps astride a motorcycle. The Toronto Star used a magazine cover that included this photograph as part of a newspaper article.³⁸ The Court commented:

The cover was not reproduced in colour as was the original. The cover was reproduced in reduced form. The news story and accompanying photos received no special prominence in the newspaper. They appeared on an inside page of an inside section. These factors are indications that the purpose of its reproduction of the cover was to aid in the presentation of a news story and not to gain an unfair commercial or competitive

³⁸

Allen v. Toronto Star Newspapers Ltd., (1997) 78 C.P.R. (3d) 115

advantage over Allen or Saturday Night.

In our view, the test of fair dealing is essentially purposive. It is not simply a mechanical test of measurement of the extent of copying involved. We were referred to the case of Zamacois v. Douville and Marchand (1943), 2 C.P.R. 270, [1943] 2 D.L.R. 257, a decision of Angers J. in the Exchequer Court of Canada. To the extent that this decision is considered an authority for the proposition that reproduction of an entire newspaper article or, in this case, a photograph of a magazine cover can never be considered a fair dealing with the article (or magazine cover) for purposes of news summary or reporting, we respectfully disagree.

This is a useful and carefully reasoned decision from a senior and respected appellate court. Unfortunately, many documentarians and their advisors appear to be unaware of it or are reluctant to rely upon it.

However, documentarians still have problems in situations where they may need to clear the still photographs in their films. These are often in the nature of baby, family, graduation and other portraits by anonymous commercial photographers. Often, the image will be from an old newspaper or magazine and it is impossible to determine authorship. Thus, it is frequently impossible to determine who the photographer was, and whether or not the photographer owned copyright in the photograph. Likewise, it can be very difficult to determine whether the photograph is still protected by copyright - especially now that the term is tied to the life of the photographer, if the photographer or her assignee owns the copyright. Bill C-60 would have made matters even more difficult by reversing the historical presumption that the person commissioning a photograph, such as a wedding or graduation portrait, owns the copyright unless there is an agreement to the contrary. This is precisely the type of photograph that documentarians may need to use.

Recommendation # 8:

The current provisions that vest ownership of copyright in photographs in the person who commissioned the photograph should be retained.

UNLOCATABLE COPYRIGHT OWNERS

When a clearance may be needed, it is often impossible to identify or find the copyright owner. The owner may be dead or disinterested. This is known as the “orphan works” problem.

Especially in the case of still photographs, it is often impossible to determine who owns the copyright, much less where to find the owner. The older the material, the more difficult is the task. There are often no clues to the identity of any owner.

Another frequent problem concerns the quotation of excerpts from literary or musical works when the works are published but the owner of the copyright cannot be found.

Canada has provisions in s. 77 of the Copyright Act that deal with “owners who cannot be located”. These provisions require that a user seeking to obtain a license in these situations must apply to the Copyright Board. A recent decision of the Board, mentioned earlier, illustrates the problem of these provision and how they are being applied by the Board.

A Documentary film maker sought to retroactively obtain a license form the Board for the use of 325 words in eight excerpts about WWII from a vanity press full length vanity press book publication. The recitation of the excerpts comprised just over five minutes of a 45 minute episode in a six part series. In a lengthy decision and after about ten months of deliberation,³⁹ the Copyright Board eventually issued a limited license. The Board was split 3/2 on whether the use was “substantial” and whether the license should be issued retroactively. The license as issued with several restrictions, including a very limited term of five terms. Presumably, the exercise will need to be repeated five years from now if the documentary is still in circulation and the E & O insurance provider insists. The required payment, while small, is to be given to Access Copyright - for no apparent reason whatsoever.

This decision illustrates the unpredictability, delay and transactional expense inherent in the current system in Canada that requires a ruling from the Copyright Board. If all five members of Canada’s Copyright Board cannot agree on fundamental substantive and procedural aspects of what appears to be a rather simple matter, users of the “unlocatable owner” provisions will have little comfort or guidance in the future. Furthermore, there is nothing in the current legislation that requires the Board to limit its licenses to five years or to use these licenses as a means of generating income and status to particular collectives.

There are other difficulties with these provisions and how the Board is applying them.

- First, they apply only to published works. Thus, a still photograph or film footage found in an archive or an attic and not published cannot be cleared using this mechanism.
- Second, the Copyright Board has chosen to set what it considers to be fair royalty rates. However, these rates are far from nominal and are sometimes inexplicably quite high. The proceeds are turned over to the collective society deemed appropriate by the Board, and if not claimed by the rightful owner, eventually belong to the collective. This seems inexplicable, since the collective has done nothing to entitle it to receive the proceeds and the owner apparently did not see fit to join the collective. It would make more sense to refund the fees to the user after an appropriate period, which ought to be the same as the limitation period under the *Copyright Act*, namely three years.

³⁹

Re Breakthrough Films, Copyright Board, March 6, 2006.
<http://cb-cda.gc.ca/unlocatable/156r-b.pdf>

- Despite having issued more than 180 unlocatable licenses to date,⁴⁰ there is little certainty as to how the Board will rule on the types of situations arising for documentarians.

The US Copyright Office has undertaken a massive study⁴¹ and exemplary consultation effort on what it calls the “orphan works” problem, which has resulted in hundreds of submissions from interest groups and is expected to result in legislation that will make it much easier for documentarians and others to use works when the owners cannot be found and appear to have abandoned their copyright interest. Canada could do well to follow the result closely, especially considering the desirability of absorbing in Canada the better aspects of American copyright law for the purpose of achieving comity and a more harmonious North American market.

The US Copyright Office is recommending a legislative amendment to American law that would substantially alleviate concerns about the use of orphan works by limiting available remedies for infringing where there has been a reasonably diligent search for the copyright owner attribution to the copyright owner has been provided where possible and as appropriate under the circumstances. Unlike Canada, these provisions will apply to both published and unpublished works. They will not require any bureaucratic or administrative law steps, such as an application to the Copyright Board. Unlike Canada, there will be no required payments.

The American solution that is likely to be passed into law reflect extensive and exemplary consultation and consensus. While the Canadian provisions may have at one time been exemplary in comparison the lack of any such provisions in most countries, the Canadian solution now appears to be outmoded and even unworkable.

Recommendation # 9:

The unlocatable owner provisions of the Copyright Act should be amended in a manner similar to that currently proposed by the US Copyright Office. This would entail a limitation on remedies for infringement where there has been a reasonably diligent search for the copyright owner attribution to the copyright owner has been provided where possible and as appropriate under the circumstances. Thus, the role of the Copyright Board and the requirement for payment to a collective nominated by the Copyright Board should be eliminated.

⁴⁰ The great majority of these licenses are for architectural plans of old buildings requiring renovation. It is doubtful in view of Supreme Court of Canada case law that any license is required in these situations and this effort presumably takes up considerable resources at the Board.

⁴¹ <http://www.copyright.gov/orphan/orphan-report.pdf>

DIGITAL RIGHTS MANAGEMENT AND TECHNICAL PROTECTION MEASURES

Protection for digital rights management (“DRM”) and technical protection measures (TPM”) in revised copyright legislation is strongly favoured by the record and commercial films industries, who want to see not only stringent copy controls but access controls that would limit the very ability of users to see or copy excerpts from recordings. The industry wants to ensure that it is illegal to attempt to circumvent such measures.

While documentarians may be attracted by such measures on one level in order to protect their own work, they should realize that TPMs will make it much more difficult for them to get access to the raw material they need to make that work in first place. Access to excerpts from sources such as air checks and DVD’s is under considerable threat as commercial entertainment companies strive to legally “plug the analogue hole” by imposing mandatory restrictions on technology in the form of mandatory anti-circumvention protection for TPM and DRM measures.

Initiatives now underway in the USA would see a “broadcast flag” regime that would prevent the recording of material “off air”.

Thus, even when raw material such as a film or music has passed into the public domain, strong TPMs may prevent any copying of even excerpts from such a work, or other acts that would be perfectly legal. Such measures may prevent fair dealing with works still under protection.

Documentarians requires a compromise that allows circumvention of DRM and TPMs for any purposes that would otherwise be legal. Otherwise, they will be prevented from having necessary access to the material they need. Such access has been essential and has been used from the beginning of human artistic creativity.

This is an issue common to artists of all kinds. Indeed, a coalition of hundreds of artists, curators, directors, educators, writers, associations and organizations from all facets the art sector has recently taken up this issue.⁴²

They also need an exception that would allow professional equipment to be sold without such measures. There is ample precedent for this in American legislation.

Recommendation # 10:

Circumvention of TPM and DRM measures should be permitted when the use is not illegal.

Recommendation # 11:

Any TPM or DRM legislation that may affect equipment should exempt any professional equipment from its reach.

RISK AVERSION: FACILITATING RATHER THAN PREVENTING USE OF COPYRIGHTED MATERIAL

Documentarians must take out insurance in respect of infringement, defamation and similar risks if they wish to have their work aired or distributed. The costs are high. Legal vetting is required, and these costs are very expensive. However, the real problem is that the clearance culture has gone so far that many lawyers choose to err on the side of saying “no” rather than “yes” or even “maybe.” This is because lawyers fear that they may be found to be negligent for “clearing” something that turns out to be infringing - or even arguably infringing - and the damages are then relatively quantifiable, as including the costs of dealing with the litigation, any resulting damages and possibly re-shooting or recutting the film, etc. On the other hand, it is extremely unlikely that any lawyer is going to be sued for saying “no” to the inclusion of particular footage - even if the resulting product would have been much better and even if it somehow becomes clear that the footage could have been safely used. The “damages” would be impossible to quantify.

Even the producers’ lawyers - whose first allegiance is to their client - may be called upon to take responsibility that effectively amounts to a “guarantee”. This places the lawyer in a very difficult position, since the producer’s lawyer wishes first and foremost to ensure that the producers’ wishes are carried out.

Many lawyers involved with the clearance of documentary films appear to err of the side of excess caution because they are unfamiliar with the currently existing statutory provision or the case law. It would be useful to have a resource available to the insurance and legal profession that would assist them in realizing that many clearances now routinely being insisted upon are simply unnecessary.

The Documentary film industry needs funding for a summit of stakeholders and the preparation of a thorough study or collection of materials on best practices and the law relating to documentary film clearances in Canada, with the results available online and updated as needed. Other suggestions include exploring the establishment of a suggested tariff of rates, terms and conditions for use of documentary films, analogous to that in "mechanical" or "synchronization" music rights as administered by music publishers, and facilitating the development of "best practices" among all stakeholders within the documentary film making community that recognize that fair dealings and incidental use do not require blanket clearance. This would require some funding, but not a change in the law.

Recommendation # 12:

The federal government should explore ways to address how the current copyright system fails documentarians. Our suggestions include funding for a summit of stakeholders and exploring the establishment of a suggested tariff of rates, terms and conditions for use of third party material in documentary films, and facilitating the development and dissemination of information relating to "best practices" among all stakeholders within the documentary community, recognizing that fair dealings and incidental use do not require clearance.

ABUSE AND MISUSE OF INTELLECTUAL PROPERTY RIGHTS

Unfortunately, the legal system has little or no immediately effective mechanism to deal with abusive or overreaching assertions or misuse of copyright rights.

Commercial copyright holders frequently insist on limited duration licenses. This requires re-licensing of material after the term has expired. The most notorious example is the PBS “Eyes on the Prize” series, which is no longer available because of expired licenses and the enormous costs of renewing them.⁴³

Commercial copyright owners also frequently insist on MFN clauses, which require that the licensor will be paid at least as much as any other licensor, which can lead to greatly escalating costs.

These are both issues that cry out for investigation by Canada’s Competition Bureau . However, until new guidelines on the enforcement of intellectual property rights are issued, it would be an uphill battle to get the attention of the Bureau.

The current views of the Competition Bureau are not promising because the Bureau takes that position the “mere” exercise of copyright rights will not be reviewable. Thus, the simple refusal to license a particular clip on reasonable terms would not attract the attention of the Bureau.⁴⁴ However, it is possible that a systematic policy on the part of a major or especially dominant supplier of archival material of refusing to provide “buy out” licencing terms and requiring re-

⁴³ Katie Dean , *Cash Rescues Eyes on the Prize* 02:00 AM Aug. 30, 2005 PT
<http://www.wired.com/news/digiwood/0,1412,68664,00.html>

⁴⁴ *Intellectual Property Enforcement Guidelines:*
<http://www.competitionbureau.gc.ca/internet/index.cfm?itemID=1286&lg=e>

licensing after short terms might attract the Bureau's attention or that of the Competition Tribunal, which now allows direct access under certain circumstances. If there was a systematic organized pattern of agreement amongst the major suppliers of archival material to insist on limited licensing terms and "Most Favoured Nations" ("MFN") clauses, such practices should attract the attention of the Competition Bureau. The Competition Bureau currently has the power to examine agreements that are filed with the Copyright Board. However, it is understood that this power has never once been exercised. The Competition Bureau has achieved few victories against intellectual property abuse, except in the most obvious and flagrant of circumstances.⁴⁵ Moreover, it has sometimes picked its battles very unwisely⁴⁶, thereby limiting its ability and credibility to act in the future.

There are signs that all of this may change, and that new studies are being undertaken by the Competition Bureau - but change in this respect would far in the future. The Canadian IPEG⁴⁷ guidelines certainly need to be revisited - and soon - since they have shielded and could shield some very anti-competitive behaviour in Canada. However, recent actions by the Competition Bureau indicate that changes in this climate are frankly unlikely in the foreseeable future.

In the meantime, Judge Richard Posner - an living and thriving iconic legend in American jurisprudence and scholarship concerning intellectual property and antitrust law - has suggested in the precise context of clearances for documentaries that a solution would be to "deem copyright overclaiming a form of copyright misuse, which could result in forfeiture of the copyright."⁴⁸ The time may have come to re-insert provisions in the *Copyright Act* to deal with copyright misuse.

Recommendation # 13:

The Copyright Act should provide for penalties for misuse and abuse of copyright, including overclaiming of rights. Such penalties should include the possibilities of a complete defence to what would otherwise be infringement, damages and even forfeiture of copyright in appropriate circumstances.

⁴⁵ *NutraSweet Co. v. Director of Investigation & Research* (1989) 27 C.P.R. (3d) 446

⁴⁶ *Director of Investigation and Research v. Warner Music Canada Ltd. et al.*, (1997) 78 C.P.R. (3d) 321

⁴⁷ *Intellectual Property Enforcement Guidelines:*
<http://strategis.ic.gc.ca/pics/ct/ipege.pdf>

⁴⁸ <http://www.lessig.org/blog/archives/002119.shtml>

ARCHIVES

Often documentary filmmakers rely on archives to obtain materials for their films. With lack of funding and support to maintain their own collections, archivists are forced to charge documentary filmmakers for their materials, often to the point of exceeding the documentary's budget. Government should take steps to provide secure and stable funding to public archives to encourage easier, more affordable public access to the information they hold. This should also entail better education of management and staff in public archives, who often take excessively cautious and even incorrect positions on making archival material available to researchers and documentarians.

Recommendation # 14:

The Federal Government should support public archives with secure and stable funding, and provide better education where necessary to management and staff.

TRADE-MARKS

This paper does not deal with trade-mark issues as such. But it is necessary to get certain misconceptions off the table in order to clear the air for discussion of copyright problems faced by documentarians.

A trade-mark is defined basically as “a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others”.⁴⁹

Infringement of trade-mark rights can arise only when a trade-mark is “used” without necessary permission. However, “use” has a very precise and limited meaning in trade-marks law and is defined as follows:

When deemed to be used

4. (1) A trade-mark is deemed to be used in association with wares if, at the time of the transfer of the property in or possession of the wares, in the normal course of trade, it is marked on the wares themselves or on the packages in which they are distributed or it is in any other manner so associated with the wares that notice of the association is then given to the person to whom the property or possession is transferred.

Idem

⁴⁹ *Trade-marks Act*, R.S.C. 1985, c. T-13 as amended, s. 2.

(2) *A trade-mark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.*

Thus, a trade-mark is essentially only “used” when it is “used” in the course of selling goods or advertising or performing or services. The mere filming of a trade-mark in a documentary film will not constitute “use” of the trade-mark that requires permission. For example, suppose that a documentarian is filming an interview with a prostitute walking down the street. She spontaneously stops in front of a MacDonal’d’s[®] restaurant and starts to drink out of a Coke[®] can. She is wearing a Mickey Mouse[®] t-shirt and carrying what appears to be a real Gucci[®] purse. She is berating a “John” who stiffed her, even though she thought he was quite well off because he “drove a fancy BMW[®]”. Any problem for the film maker?⁵⁰

Many lawyers would be very concerned about this scene because they would see several trade-mark law issues. But they would be wrong. As noted above, trade-marks law deals with the “use” in the very limited sense, essentially, of selling of goods or advertising and performing services. The mere filming of a trade-mark in the example described does not constitute “use” and should not give rise to any trade-mark law problems, unless the film were to somehow suggest that the trade-marks in question were associated with prostitution - which would be an absurd inference on the basis of this example.

There is a provision in the *Trade-marks Act*⁵¹ dealing with depreciation of goodwill. It has been used relatively rarely in the Courts and has been successful only in certain limited circumstances involving comparative advertising of services. The Supreme Court of Canada has recently further limited the possible use of this provision, by holding the use of CLIQUOT for mid-range women’s clothing stores did not depreciate the value of goodwill in the famous trade-mark for expensive VEUVE CLICQUOT champagne.⁵²

There is also a provision dealing with the making of false or misleading statements tending to discredit the business, wares or services of a competitor.⁵³ But it would not apply to the normal activity of documentarians who are not in competition with the manufacturers of products, the trade-marks of which are included in a scene.

⁵⁰ Kevin McMahon suggested this hypothetical example as the basis for an interview with Howard Knopf. See:
http://www.nfb.ca/webextension/hotdocs/feature_stories_detail.php?id=14

⁵¹ *Trade-marks Act*, R.S.C. 1985, c. T-13 as amended, s. 22

⁵² *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, 2006 SCC 23

⁵³ *Trade-marks Act*, R.S.C. 1985, c. T-13 as amended, s. 7(a)

Even the filming of a trade-mark of a product or service for critical purposes (i.e. a critical film on childhood obesity that prominently includes shots of Coke[®], Pepsi[®], and MacDonald's[®] trade-marks) should not raise trade-mark issues as such. It could, if inaccurate, raise serious defamation issues if the content is untrue. But that is entirely another matter.

Lawyers for documentarians should be aware of the line of cases that culminated in the very controversial *Michelin* decision, which found copyright infringement in parody reproduction of the "Michelin Man" by unionized protesters. While that much criticized decision held that the protesters had infringed copyright with their parody, the good news was that it dismissed the claim of trade-mark infringement because there was no actionable "use" of the trade-mark in the posters portraying the Bibendum "Michelin Man" stomping on workers.⁵⁴ This White Paper suggests below that an explicit right of fair dealing for the purpose of satire or parody would cure the unfortunate result of that decision.

Even many practising lawyers fail to understand that the mere filming or reference to a trade-mark is not "use" of a trade-mark in any legal sense. Clearance will rarely, if ever, be necessary simply because a trade-mark appears in a film. There is no need for trade-marks law to be changed to deal with this issue. Further education of the legal profession and insurance industry personnel is, however, clearly required.

Recommendation # 15:

Further education is required to clarify to documentarians and their advisors that the mere filming of a trade-mark will not normally constitute trade-mark "use" requiring any clearance.

CONCLUSION

There are relatively modest and achievable steps that can be taken in terms of legislation that would greatly improve the climate for documentarians in Canada. Even more immediately achievable would be a campaign to educate lawyers and insurers involved in the clearance system in order that excess caution not result in effective censorship and the end of innovation.

Howard P. Knopf
Counsel
Macera & Jarzyna LLP
Ottawa, Canada
howard.knopf@macerajarzyna.com
November 22, 2006

⁵⁴

Michelin-Michelin & Cie v. C.A.W.-Canada, (1996) 71 C.P.R. (3d) 348 (FCTD)

APPENDIX - THE COX SURVEY**CENSORSHIP BY COPYRIGHT:**

**REPORT
of the
DOC COPYRIGHT SURVEY
October, 2005
Kirwan Cox
kirwancox@sympatico.ca**

EXECUTIVE SUMMARY

The clear message from this survey is that copyright laws in Canada are a serious and growing problem for documentary filmmakers, especially because of increasing expense and limitations on the use of archival visual material and music. 85% of respondents said copyright is more harmful to them than beneficial.

The cost of copyright clearances is growing and now consumes up to 27% of the budget of many documentaries. Increasingly, documentaries on historical or arts subjects are not being made because the cost of archival footage or music is too expensive. This amounts to censorship by copyright.

While most respondents said they have not had to withdraw a film from distribution yet, they expected to do so in the near future. Independent documentary filmmakers are at an obvious disadvantage negotiating with commercial copyright sources, but even the National Film Board loses films every year because of copyright expense. So far in 2005, 9 films have been withdrawn for this reason. In some years, it is many more.

For example, archival footage licenses in the award-winning feature docudrama “The Kid Who Couldn’t Miss” were limited to 15 years from one source. The NFB decided that this film wouldn’t generate enough revenue at that point to pay for the renewal of this archival footage, and didn’t renew the copyright. As a result, the film was withdrawn from distribution in 1998.

The loss of this film because of copyright expense is particularly ironic. “The Kid Who Couldn’t Miss” was subject to complaints from the Canadian Legion and the Senate because it revealed controversial information about the career of Billy Bishop. The NFB continued to keep the film in distribution despite this controversy. In the end, the public lost access to this film not because of political censorship, but because of copyright censorship.

Although most of the respondents to this survey are “creators” or “authors” under copyright law, it is amazing that 68% said creators are overcompensated under current law. Many made the distinction between creators and commercial companies which collect copyrighted sources and exploit them.

In fact, 82% of respondents said that Canada’s copyright laws “discourage” the production of documentaries, and not one person said they “encourage” documentaries.

It is increasingly difficult to make documentaries under current copyright law because the expense of copyrighted material is out of proportion to the budgets of documentaries- and growing more so every year.

METHODOLOGY

This survey was designed with assistance from copyright lawyers David Fewer and Howard Knopf with input from DOC board member Kirwan Cox. It was emailed on October 9th to 607 members of the Documentary Organisation of Canada (DOC). Forty-five questionnaires were returned by October 14, 2005.

The overall response rate was 7.4%. The highest response came from Atlantic members (9.3%), followed by Ontario (9%), Quebec (5.5%) and BC (5%).

Kirwan Cox also conducted some follow-up interviews and prepared this report from the surveys returned