

# 2013 HAROLD G. FOX MOOT

## MOOT PROBLEM

NOVEMBER 16<sup>th</sup>, 2012

1. The following are reasons and judgment of the Trial Court of Canada, Intellectual Property Division. The decision of the Trial Court was subsequently overturned by the Court of Appeal; the reasons and judgment for which are also set out below.
2. Both Courts have jurisdiction over all issues raised in their respective decisions. The standard of review adopted by the Court of Appeal is also correct and not the subject of appeal.
3. The decision of the Court of Appeal is now appealed to the Supreme Moot Court for Intellectual Property Appeals.
4. All of the issues raised in the reasons given by the lower courts should be addressed by counsel for Michael Caine or Thomas Hardie Music, Inc. in their submissions. Arguments not referenced in the reasons of the lower courts may be advanced by counsel in their submissions, but only if they relate to the issues identified in the lower courts' decisions.
5. Issues around costs and interest are not to be addressed.

**TRIAL COURT OF CANADA,**  
**INTELLECTUAL PROPERTY DIVISION**

**Date: 20120829**

**Docket: T-825-04**

**Citation: 2012 FCIP 150**

Ottawa, Ontario, this 29<sup>th</sup> day of August, 2012

**PRESENT: The Honourable Justice Dent**

**BETWEEN:**

**THOMAS HARDIE MUSIC, INC.**

**Plaintiff**

**and**

**MICHAEL CAINE**

**Defendant**

Heard at Ottawa, Ontario, on July 1 – 23, 2012.

Judgment delivered at Ottawa, Ontario, on August 29<sup>th</sup>, 2012.

**REASONS FOR JUDGMENT**

**DENT J.**

1. The defendant, Michael Caine is a Professor of Film Studies at Arkham University, in Saskatchewan. He is a scholar in modern cinema. It was the focus of his doctoral research and several loose-leaf services. In his personal life, he is also a huge fan of comics. In 2002, he set up the “Caine Cavern”, a website that he designed so as to combine his professorial and personal interests. He intended to use the website for collecting and preserving online material relating to films based on comic books and graphic novels.

2. When launched in 2002, access to the Caine Cavern website (hosted in Saskatchewan) was not freely open to the public at large. Access was restricted to those who were Full Fellows of the Action Comic Book Society (the “ACB”). Caine was the founder and President of the ACB and effectively controlled access to the website through the requirements of Full Fellowship in the ACB. Caine wanted to restrict access to serious scholars, not, as he put it, “screaming teenagers all gung-ho after seeing the latest Batman movie”. At the time, to become a Full Fellow of the ACB, the required qualifications were a PhD in Art, History, Literature or some cognate discipline, and to be over 40 years old. In addition, the cost of Full Fellowship was \$1,000 per year, paid to Caine.
3. As planned, the Caine Cavern website has included pictures, entire comics, short clips from films (5 – 10 minutes), longer film clips (10 – 20 minutes), full length documentaries and sound bites – all relating to Caine’s interests. The evidence before me, which was not contradicted, is that between launch in 2002 and today the only complaint about unauthorized dealing with material on the website is the one which has led to this litigation.
4. Although the website operated as intended at the outset and was successful, by 2006, membership in the ACB was riddled with defections. A rival organization, the Joker’s Comic Book Society, had poached much of the membership of the ACB. Caine admitted in evidence that the only way to keep the Caine Cavern operating was to redefine the “Full Fellow” requirements. As of that year, a change was made by Caine so that membership as a Full Fellow (or “Cainesian”) of the ACB merely required an annual fee of \$100 and an undergraduate degree in any field (or registration in any such degree program). The ACB saw its category of Full Fellows grow to over 1,000 Full Fellows by the end of the calendar year. Everyone from executives, lawyers, judges, and even eager career-building students signed on. On average, the number of Full Fellows has grown by another 1,000 Cainesians each year thereafter.
5. Each Full Fellow is automatically given a unique username and password for the Caine Cavern website.

6. Following the relaxation in the requirements to become a Full Fellow, the forums on the Caine Cavern were inundated with posts, stories, fan fiction, links to illegal copies of movies and so forth. In early 2007, Caine sought to reign in this behaviour. He renamed the content-related portion of his website to “Caine’s Classroom”. Further, he added a (technologically enforced) condition of accessing such media that required that all participants post at least 100 words of criticism, review or commentary about each item prior to being granted access. These comments were then made available on the website. The evidence was that in some cases Caine himself responded to such posted comments. The unwanted flood of fan fiction, illegal links and the like was staunch by the comment requirement, and the website itself remained very popular.
7. The Cavern might have persisted in this platonic state, save for the discovery by Caine in 2008 of the “missing link” in the filmic *Batman* oeuvre, a lost print of the film *Batman: Darkest Knight* (“*Darkest Knight*”). The film had been released in 1955 but was considered too “dark” for the tastes of the day, and quickly withdrawn from distribution. Long assumed to have been lost, the film had been called the “Bat-Rosebud” as it had been said to have inspired Tim Burton when he re-imagined the Batman story in the 1980s and launched the more adult-themed recent Batman films. As the gripping evidence revealed, Caine located a copy of the *Darkest Knight* film in the Wayne State College archives and, in a feat of legal sleuthing, tracked down the world-wide copyright holder, namely West-Ward Productions Inc. Caine was able to acquire a broad licence from West-Ward Productions Inc., the indisputable owner of Canadian copyright in the *Darkest Knight*, and immediately posted the entire cinematographic work to his site. The licence permits Caine to copy and provide Internet access to the cinematographic work, in his full discretion.
8. The discovery of the lost *Darkest Knight* film was exciting for Caine and the users of the Caine Cavern website but had little impact on the broader “Bat-public” (what was considered cutting-edge in 1955 in terms of violence and special effects apparently has little power to attract viewers today).

9. In fact, the discovery of *Darkest Knight* would have likely been an issue for aficionados only, if not for the inclusion of the song “Batman Style” in the movie and that song’s unlikely revival. The original song “Batman Style” was included in the *Darkest Night* movie and played over a scene in which Batman confronts Catwoman – the angry exchanges between the two can be heard over portions of the song. The song’s revival came, as the whole world must know by now, in 2011 when the famous Korean artist known as “Pi” recorded his own version of “Batman Style”. The YouTube video version, according to the expert evidence, has long since “gone viral”. Pi’s (authorized) newly recorded version of the song, in turn, sparked an interest in the originally recorded song (as well as in the biography of Pi – which is another story). However, no copies of the 1955 “Batman Style” records were available.
10. As a result, traffic at the Caine Cavern website jumped. Internet users joined the ACB as Fellows to let them download the *Darkest Knight* movie so that they could listen to the original “Batman Style” song. To handle the extra traffic, Caine soon modified the content on the Caine Cavern to make available a segment of the *Darkest Knight* film that was only as long as the song itself (2 minutes, 17 seconds – in comparison with the 178 minute film). This song-specific segment of the movie (both audio and visual components, replete with Batman and Catwoman invective) was made available on the same terms as all the other content on the Caine Cavern website, including the requirement that comment must be posted before access was permitted. The evidence was that hundreds, if not thousands, of copies of this shortened clip were downloaded from the Caine Cavern website by Canadian Fellows of the ACB, both new and old.
11. It was at this point that Thomas Hardie Music, Inc. (“THMI”), the owner of Canadian copyright in the sound recording of the original “Batman Style” song, wrote a demand letter to Caine. THMI demanded that Caine “take down” the song-specific segment of “Batman Style” from his website. THMI pointed to its copyright in the sound recording of “Batman Style” and its own forthcoming re-release of the original “Batman Style” record.

12. It is admitted by both parties that, at all relevant times THMI has owned the “Batman Style” sound recording copyright. It is also admitted that West-Ward Productions Inc. had acquired all requisite licences and approvals from THMI to include “Batman Style” in the *Darkest Knight* soundtrack. None of the copyright rights in question in this case have expired.
13. The demand letter from THMI claimed that Caine was infringing copyright by making copies of the “Batman Style” song available to Internet users because the Caine Cavern website gave access to the song-specific segment of the *Darkest Knight* film. Caine responded to the letter with the same argument he has raised here in this Court – that he has the widest possible rights relating to the *Darkest Knight* film. There is no doubt that when Caine facilitated the download of the material from the website he was copying the material, this was admitted by Caine.
14. In my view this is a simple case of copyright infringement. Caine, despite his denials, has made the “Batman Style” song available on his website, and this is not his right to do. Sub-section 3 (1) (a) of the *Copyright Act* provides that:

“3 (1) For the purposes of this Act, “copyright”, in relation to a work, means the sole right to produce or reproduce the work or any substantial part thereof in any material form whatever, to perform the work or any substantial part thereof in public or, if the work is unpublished, to publish the work or any substantial part thereof, and includes the sole right

(a) to produce, reproduce, perform or publish any translation of the work...”

With section 27 of the *Copyright Act* saying, somewhat tautologically:

“27 (1) It is an infringement of copyright for any person to do, without the consent of the owner of the copyright, anything that by this Act only the owner of the copyright has the right to do.”

15. In this case, the “work” that users want is clearly the song “Batman Style” – i.e. the sound recording - which Caine has expressly made available for download on his website by offering the song-specific clip. Caine had no licence from THMI for the sound recording and users of the website downloaded the sound recording when they accessed the short clip from the *Darkest Knight* film. In my view, this settles the matter in this case – Caine is liable to THMI for copying the sound recording. I also note that no issues relating to other copyright or neighbouring rights were raised in the pleadings in this case and, even if they could have been asserted, this Court cannot deal with such matters as they were not pleaded.
16. In argument I was, however, drawn to an issue that was pleaded, namely section 29 of the *Copyright Act*, which provides a “private study” right: “Fair dealing for the purpose of research or private study does not infringe copyright.” I cannot see how this would qualify. There is limited or no “studying” being done here. Access to the “Batman Style” original song is being made purely for its entertainment value.
17. More particularly, this is not private study as envisioned by the legislation; there is no structured or systematic way in which the ‘studying’ (if it can be called that) is done. Merely referring to a page on a website as a “Classroom” does not shield an infringer. As the Supreme Court of Canada has noted “copiers cannot camouflage their own distinct purpose by purporting to conflate it with the research or study purposes of the ultimate user.” (*Alberta (Education) v Canadian Copyright Licensing Agency (Access Copyright)*, 2012 SCC 37 at para 21). Further, and in my view conclusively, an Internet “club”, with an open-ended population of *thousands* of “members”, cannot qualify as a private classroom of students.
18. For the above reasons I find Caine has infringed THMI’s copyright in the sound recording of “Batman Style” by distributing unauthorized copies over the Internet by way of the Caine Cavern website. This unauthorized copying is not saved by the fair dealing provision in the *Act*.

**COURT OF APPEAL**

**Date: 20121101**

**Docket: T-825-04**

**Citation: 2012 FCA 455**

**London, Ontario, this 1<sup>st</sup> day of November, 2012**

**CORAM: PENNYWORTH J.A.,  
GORDON J.A.,  
WAYNE J.A.**

**BETWEEN:**

**MICHAEL CAINE**

**Appellant**

**and**

**THOMAS HARDIE MUSIC, INC.**

**Respondent**

Heard at London, Ontario, on October 1 – 23, 2012.

Judgment delivered at London, Ontario, on November 1<sup>st</sup>, 2012.

REASONS FOR JUDGMENT BY:

PENNYWORTH J.A.

CONCURRED BY:

GORDON J.A.

WAYNE J.A.

**REASONS FOR JUDGMENT**

**PENNYWORTH J.A.**

1. Just as Batman must sometimes intervene in society to preserve order, this Court considers it necessary to correct errors found in the decision below and to reverse the finding of infringement made by Dent, J.
2. There are two conclusions arrived at by Justice Dent which we must, with respect, overturn. First, it is not accurate to state that the Caine Cavern website was providing access to just the “Batman Style” song, at any time. As is apparent from the trial record and the Judgment below, what was made available was a portion of a cinematographic work. The analysis of Justice Dent is therefore subject to review on the question of infringement. Second, the issue of fair dealing was not considered appropriately, in my view. The so-called CCH-factors require proper consideration be given to the context of the dealing that is alleged to be fair. Details are set out as follows.
3. On the issue of infringement, the important question to be asked is: what work was copied by the alleged infringer? In this case, the “work” that Caine copied for the users of the website was a portion of a cinematographic work, i.e. the *Darkest Knight* film. The evidence was that Caine had full rights to copy the film, in whole or in part. That licence to the cinematographic work covers the copying made by Caine.
4. The fact that only a portion of the work, or a particular selected portion of the work, was copied does not change the analysis. The “Batman Style” song was the target for the Cainesians when they downloaded the portion of the film, I agree. However, what was copied by Caine was not a sound recording. As the Supreme Court of Canada has said:

When it accompanies the motion picture, therefore, the recording of sounds that constitutes a soundtrack does not fall within the definition of “sound recording”.  
(*Re: Sound v Motion Picture Theatre Associations of Canada*, 2012 SCC 38, at para 36).

5. There was, therefore, no infringement of the rights of the Respondent THMI. THMI claims rights to the sound recording, and Caine did not deal with or copy the sound recording, but rather he dealt with the cinematographic work, for which he had rights throughout (from West-Ward Productions Inc.).

6. This issue is determinative on the appeal. However, if we are wrong on this point, the question of fair dealing comes into play.
7. In his reasons, Justice Dent concluded that the impugned website, the Caine Cavern, did not constitute a necessary setting to facilitate private study. However, the evidence showed that the website is more than a mere fan club. While it carries with it many similar attributes to such a club, what separates the site from average Internet noise is the inclusion of discussion and critique – i.e. civil discourse.
8. It is also important to note that enrolment as a Fellow in the ACB is limited to post-secondary students who meet certain educational requirements. Further, content on the website was only rendered accessible if the user completed and submitted a written comment, which comment was in some cases, at least, responded to by Caine himself.
9. Studying is no longer carried out in a monk's cell or in a garret. In the age of Wikipedia, the law must adapt. As the Supreme Court of Canada warned at paragraph 27 of its reasons in *Alberta (Education) v Canadian Copyright Licensing Agency (Access Copyright)*, 2012 SCC 37 ("*Access Alberta*"), the Court must not be distracted by questions of geography when determining if an activity falls within the "private study" user right.
10. "Private" study can occur online and should be interpreted to include as many people as are interested in learning – the absolute number matters not. While this may result in a dramatic and irreparable expansion of what may be considered private study, such an increased expansion is necessary to provide meaningful user rights under the scheme of the *Copyright Act*. Indeed, it is the role of this Court to strike the necessary balance between "promoting the public interest in the encouragement and dissemination of works of the arts and intellect and obtaining a just reward for the creator." (*Théberge v Galerie d'Art du Petit Champlain inc.*, [2002] 2 SCR 336 at para 30).
11. Accordingly, I find the Caine Cavern to be a venue, albeit online, where private study took place.

12. With respect to the role of Caine as teacher or instructor, this should not be given any significant weight when making this determination of private study. The copying of materials by a person for use by others who are engaged in private study is itself an act that is inexorably linked to that private study. Helpful are the words in *Access Alberta* at paragraph 23:

In the case before us, however, there is no such separate purpose on the part of the teacher. Teachers have no ulterior motive when providing copies to students. Nor can teachers be characterized as having the completely separate purpose of “instruction”; they are there to facilitate the students’ research and private study. It seems to me to be axiomatic that most students lack the expertise to find or request the materials required for their own research and private study, and rely on the guidance of their teachers. They study what they are told to study, and the teacher’s purpose in providing copies is to enable the students to have the material they need for the purpose of studying. The teacher/copier therefore shares a symbiotic purpose with the student/user who is engaging in research or private study. Instruction and research/private study are, in the school context, tautological.

13. Caine and his Cainesians have a similar symbiotic relationship to that described above.
14. In argument, we were urged to place weight on the “ulterior motives” of Caine. Similarly, arguments were made concerning the fact that it was possible to obtain access to the clip by writing a “comment” that was not, itself, a learned or even well-informed or coherent piece of criticism or review. Most cogently, arguments were made to suggest that Caine, who was responsible for the copying, was not himself doing any studying whatsoever when his website furnished an additional copy of “Batman Style”. However, the user right is a right of the user, not of the copier, and therefore issues relating to Caine are beside the point. The activities of the users of the site point to private study and in our view the fair dealing user right is engaged by Caine when he made the copies available under the circumstances described above. The existence of an “ulterior motive” must not be read so as to trump the “large and liberal” interpretation previous Supreme Court of Canada decisions have given to the fair dealing provision (for example, *CCH Canadian Ltd v LSUC*, 2004 SCC 13 at para 48 and 51).
15. For the above reasons I would allow the appeal and hold that Caine is not liable to THMI.

“I agree.”

Wayne J.A.

“I too agree.”

Gordon J.A.