

THE SUPREME MOOT COURT FOR INTELLECTUAL PROPERTY APPEALS

BETWEEN:

WANDA RER

Appellant

– and –

BESTMONT HOTELS

Respondent

FACTUM OF THE RESPONDENT

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PART I – OVERVIEW

[1] This case is about the Appellant's attempt to inappropriately utilize the *Copyright Act* ("*Act*") to authorize the reproduction of the Respondent's copyright for commercial use in a new medium. Reproduction of copyright, regardless of form, requires express authorization from the original creator under the *Act*. To receive that authorization, the Appellant has proposed an interpretation of an exception provision in the *Act* which conflates the user right of non-infringement to mean the right of authorization. If accepted, such an interpretation would strip copyright holders of their ability to authorize, severely prejudicing their interests.

Copyright Act, RSC 1985, c C-42, ss 3(1), 32.2(1)(b) [*Act*].

[2] The Appellant's interpretation is rejected when placed in its full context looking at the juxtaposing rights given to creators under the *Act*, comparisons with other *Act* exceptions, and parliament's true intentions reflected in their international obligations (*Act*). As such, Ms Rer's use of her photographs of Bestmont's copyright is restricted under the narrow scope of non-infringement and thus not entitled to copyright protection.

Act, supra at para 1, s 3(1).

[3] In the alternative, any infringement by Bestmont should be limited to one work, as Ms. Rer expressed skill and judgment just once to create a singular photography technique, which was mechanically repeated at each hotel. The only differentiating elements in her photos are of Bestmont's copyright. Social media filters also do not attract copyright protection, as they cannot be the sole source of originality. Such an application is akin to affording copyright in an idea.

[4] Bestmont has always operated under the perception that it holds all copyright in the photographs. As the perceived right holder their conduct was in defense of their assets and far from the level of reprehensible conduct required for bad faith. Lastly, any potential award of statutory damages should militate towards the lower end, given the discrete nature of the dispute.

PART II – STATEMENT OF FACTS

A. Background Information

[5] Bestmont Hotels (“Bestmont”) is a luxury hotel chain with ten locations across Canada. Bestmont’s hotels have a strong reputation for high-end curated guest experiences (*Trial*). Bestmont’s hotels have unique designs and are instantly recognizable by most Canadians due to their well-known red marquee. Bestmont has registered copyright in these two elements (*Trial*).

Rer v Bestmont Hotels, 21 TCCIPP 1222 at para 2, 13 [*Trial*].

[6] Ms. Wanda Rer is a photographer and social media influencer who traveled to each of Bestmont’s hotels to photograph the unique hotel designs and famous red marquee. At each location, Ms. Rer placed the camera at 100 feet from the hotel, with the marquee in the center of the frame. Ms. Rer repeated the exact same technique and camera set-up to create a set of ten images referred to as the “Original Photos”. Ms. Rer then applied four social media filters to each of the Original Photos. The additional 40 images are known as the “Filtered Photos” (*Trial*).

Trial, supra para 5 at paras 3-5.

[7] Ms. Rer approached Bestmont with the photographs to offer a license to use the image sets for marketing materials. As part of the proposal, Ms. Rer provided Bestmont with copies of the 50 photographs known as the “Façade Photos” (*Trial*). Bestmont informed Ms. Rer that the images in the Façade Photos infringed on their registered copyright. As a right-holder, Bestmont requested that Ms. Rer dispose of the infringing images. Bestmont also retained copies of the Original Photos and Filtered Photos already in their possession (*Trial*).

Trial, supra para 5 at paras 6-7.

[8] Bestmont applied eleven filters to the Original Photos to create eleven new images, resulting in 12 images of each hotel. Bestmont chose these filters from different photo editing software than Ms. Rer. Bestmont hung these twelve framed images in the guest hallways of each

hotel. Ms. Rer requested that the images be taken down and then brought an action for copyright infringement against Bestmont for their use of her images as decor. (*Trial*)

Trial, supra para 5 at paras 8-9.

B. Procedural History

[9] At trial, Lodge J. found that each image in the Façade Photos are original, applying a minimal threshold for originality. Lodge J. held that Bestmont had infringed both the Original Photos and the Filtered Photos, despite Bestmont's registered copyright. The statutory maximum was awarded per infringed work, totaling \$1,000,000, with \$500,000 in punitive damages. (*Trial*)

Trial, supra para 5 at paras 16-17, 23-25.

[10] The Court of Appeal overturned the trial decision by finding that section 3 of the *Act* reserves the sole right to produce medium changes to original creators such as Bestmont, who is the copyright holder of the hotel designs and marquee (*Appeal*). The Court of Appeal also held that while subsection 32.2(1)(b) provides an exception to an act that would otherwise constitute infringement, it does not create a right to independent copyright to assert against others. (*Appeal*)

Rer v Bestmont, 2021 CAIP 333 at paras 2-3 [*Appeal*].

[11] The Court of Appeal found that Ms. Rer exercised skill and judgment only once in the creation of the Façade Photos; she mechanically repeated this process at each hotel. Additionally, adding filters to the Original Photos was not sufficient to create a new original work. The Court of Appeal found the statutory damages were unreasonably excessive, and punitive damages were inappropriate because Bestmont did not act in bad faith. The Court of Appeal found an appropriate award would be \$15,000 (*Appeal*).

Appeal, supra para 10 at paras 4, 6-9.

PART III – POINTS IN ISSUE

[12] This appeal raises two issues:

1. Does Ms. Rer have copyright in the Façade Photos?
2. Under section 38.1 of the *Act*, what is the appropriate award of statutory damages when considering the relevant factors?
 - a. How many copyrighted works have been infringed?
 - b. What is the just amount of damages owed per infringed work?

PART IV – ARGUMENTS IN BRIEF

ISSUE 1: MS. RER DOES NOT HOLD COPYRIGHT IN THE FAÇADE PHOTOS

[13] The Court of Appeal correctly held that Bestmont, as the copyright owner of its hotel designs and marquee, is entitled to produce or reproduce its work in any material form. Under subsection 3(1) of the *Act*, these rights include photographic material form changes (*Act*). Ms. Rer, who used a substantial part of Bestmont's copyright and produced a medium change, is not entitled to copyright protection as a result. Additionally, subsection 32.2(1)(b) of the *Act* does not provide Ms. Rer with copyright, nor does it authorize her use of Bestmont's Copyright for commercial purposes (*Act*). To permit such an infringement would unreasonably prejudice Bestmont's interests as the right holder and violate Canada's international obligations.

Act, supra para 1, ss 3(1), 32.2(1)(b).

A. Bestmont owns copyright in the marquee and architectural works

[14] Bestmont, a luxury hotel chain, has built a strong reputation with its high-end hotels across Canada. Central to that reputation is their carefully designed and curated hotels which feature the unique artistic work of the well-recognized red marquee. To protect their brand and maintain its integrity, they registered copyright in both of these elements. This allows Bestmont

to differentiate itself from competitors and successfully defend its originality, which was produced with significant skill and judgment.

[15] Bestmont's rights are defined in the *Act* under subsection 3(1), which provides them the "sole right to produce and reproduce their copyright or any substantial part thereof in any material form whatever..."(*Act*). Courts have held this right to be the "most basic right of a copyright holder protected under the *Act*" (*Trimble*). Originally this protected against the physical copying of a work but has since been extended to include "virtual copies in electronic formats" (*Théberge*). As such, Bestmont holds exclusive rights to reproduce their copyright into photographic, cinematographic, or other digital mediums. Creators obtain the "just reward" of their copyright by excluding third parties from utilizing a substantial part of their work (*CCH*).

Trimble Solutions Corporation v Quantum Dynamics Inc, 2021 FC 63 at para 51 [*Trimble*].
Théberge v Galerie d'Art du Petit Champlain inc, 2002 SCC 34 at para 47 [*Théberge*].
CCH Canadian Ltd v Law Society of Upper Canada, 2004 SCC 13 at para 30 [*CCH*].

B. Ms. Rer infringed Bestmont's copyright by utilizing a substantial part of it

[16] To show copyright infringement, the right holder must show that the other party has utilized their entire work or a substantial part without authorization. The Supreme Court of Canada in *Cinar Corporation v Robinson* established what constitutes a substantial part. The Court in *Cinar* states that a substantial part "is a flexible notion" and "a matter of fact and degree." The analysis involves a "qualitative and holistic approach," looking at all the works as a whole and not dealing with copied features piecemeal (*Cinar*). The key question as posed in *Cinar*, is whether the copied features constitute a substantial part of Bestmont's copyright and not whether they amount to a substantial part of Ms. Rer's work (*Cinar*).

Cinar Corporation v Robinson, 2013 SCC 73 at paras 26, 35-39 [*Cinar*].

[17] As *Cinar* suggests, a holistic approach is appropriate in determining whether Ms. Rer used a substantial part of Bestmont's copyright. Ms. Rer spent a year traveling to each of Bestmont's hotels. Inspired by the uniqueness of the hotels, she created her photo project, the Façade Photos. Ms. Rer took photographs directly in front of Bestmont's ten hotels, with the artistic craftsmanship of the red marquee being centered in the frame of each of these photos. Ms. Rer admitted at trial that she specifically chose her camera positioning to allow the marquee to be the "prominent feature" and focus of each of her ten photographs (*Trial*).

Trial, supra para 5 at para 4.

[18] Ms. Rer's camera positioning was replicated at each hotel to compare and contrast the similarities and differences. The value of the photographs is derived from comparing and contrasting Bestmont's copyrighted elements. A fact that Ms. Rer was well aware of and why she grouped the photographs together into a singular project, the Façade Photos.

[19] Ms. Rer's use of the copied features from Bestmont's copyright, including her use of the marquee in its entirety, hotel designs, and the value derived from comparisons, constitute a substantial part of Bestmont's copyright. Additionally, the lack of photographic elements used in the photos outside of Bestmont's copyright rules out a finding of incidental inclusion by Ms. Rer. Instead it gravitates towards the finding that the copyright elements were reproduced in their entirety. Thus, the test set out in *Cinar* is satisfied and copyright infringement established.

C. Ms. Rer does not attract copyright by changing the medium of a copyrighted work

[20] Boiled down to its essential elements, the case at bar is nothing more than a third party producing a medium change of a copyrighted work and claiming copyright in the new medium.

[21] Medium changes to copyrighted works are well established in Canadian case law as an owner's right under subsection 3(1) of the *Act*. The controlling precedent in this area is the

Supreme Court of Canada Case, *Théberge v Galerie d'Art du Petit Champlain*, which sets the parameters for medium changes in copyrighted works. In *Théberge*, the Court holds that the *Act* not only recognizes "literal physical, mechanical reproduction[s]" of copyright but also has been extended to include "metaphorical copying" (*Théberge*). Metaphorical copying is described as the "transformation [of copyright] to another medium" (*Théberge*). In *Théberge*, the Court provides the example of "A playwright [who] would be liable if he or she put on the stage a substantial part (but not the whole) of a copyrighted novel. There would clearly be reproduction of that part, i.e., the part of the novel in which intellectual property subsists" (*Théberge*).

Act, supra para 1, ss 3(1).

Théberge, supra para 15 at paras 47, 51.

[22] Metaphorical copying includes new expressions with novel technologies, such as "virtual copies in electronic formats" (*Théberge*). The Court further held that "Transformation of an artistic work from two dimensions to three dimensions, or vice versa, will infringe copyright even though the physical reproduction of the original expression of that work has not been mechanically copied" (*Théberge*).

Théberge, supra para 15 at para 47.

[23] With respect to the case at bar, Ms. Rer, "the playwright," took a substantial part of Bestmont's copyrighted "novel" and metaphorically "put it on stage" when she produced a photographic medium change of the marquee and hotel designs. Thereby reproducing a virtual copy of the copyright in a new electronic format. Additionally, Ms. Rer took the three-dimensional artistic work of the marquee and transformed it into a two-dimensional photograph, which under *Théberge*'s express language constitutes` copyright infringement.

Théberge, supra para 15 at para 47.

[24] *Théberge* stands for the idea that an "individual cannot copy with impunity simply by changing the medium." Likewise, when applied to the case at bar, neither can a third party reproduce copyright with impunity simply by changing the medium into digital images.

Théberge, supra para 15 at para 48.

[25] Ms. Rer, as a result of this infringement, cannot claim copyright protection for her Façades Photos. To allow an infringing work to receive such protection under the *Act* would severely prejudice the original right holder. Such prejudice would arise by depriving owners of their rights to reproduce their copyright in "any material form" under subsection 3(1) of the *Act*. *Theberge* is unequivocal that the right to produce medium changes of a substantial part are expressly reserved for original authors.

Act, supra para 1, ss 3(1), 32.2(1)(b).

D. Subsection 32.2(1)(b) of the *Act* does not provide Ms. Rer with copyright, nor allow her to unreasonably prejudice Bestmont's rights

[26] The Court of Appeal correctly held that subsection 32.2(1)(b) only excuses what would otherwise be an act of copyright infringement (*Appeal*). Commentators have shown support for this position, stipulating that for subsection 32.2(1)(b) to come into effect, "the Court must first determine that an infringing activity occurred...if the impugned activity does not amount to the reproduction of a substantial part of the protected work, there will be no infringement, and subsection 32.2 will not apply" (*Hugues*). Once such infringement has been established, it provides copyright users a negative right to exempt their conduct as non-infringing. It does not, however, confer a positive right "to assert copyright against others, especially not the owner of copyright in an underlying work" as the learned Court of Appeal justice held (*Appeal*).

Appeal, supra para 10 at para 3.

Hugues G. Richard, "ROBIC Canadian Copyright Act Annotated - s32.2:5.0 Commentary", Legislative comment, (December 2021) on *Copyright Act*, RSC 1985, c C-42, s 32.2 [*Hugues*].

Appeal, supra para 10 at para 3.

[27] Specific to the case at bar, subsection 32.2(1)(b) of the *Act* permits Ms. Rer to photograph Bestmont's copyrighted hotel designs and marquee without constituting copyright infringement. However, this permittance is not without limitation and should be evaluated in its full context to determine its scope. The Supreme Court of Canada has affirmed that the modern approach to statutory interpretation is used when courts interpret the scope of the *Act's* rights and remedies, like subsection 32.2(1)(b) (*CCH*). *CCH* defines the modern approach as one where "the words of an Act are to be read in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament."

CCH, supra para 15 at para 9.

- i. *The user right of non-infringement is differentiated from the right of authorization or full copyright protection*

[28] Applying the modern approach to subsection 32.2(1)(b), courts must read this subsection in its entire context and within the scheme of the *Act* to interpret its full scope. This requires an evaluation of the juxtaposing rights given in subsection 3(1) and comparisons with the other copyright infringement exceptions provided within the *Act*.

[29] Subsection 3(1) of the *Act* confers the sole right to original creators to reproduce their copyright in "any material form" and "to authorize any such acts" (*Act*). The Appellant's position is that the exception language provided in subsection 32.2(1)(b) should be read as not only providing the user right of non-infringement but also providing the right of authorization to use the copyright as an owner would (*Act*). If accepted, this interpretation would effectively leave a copyright holder with no substantial ability to control the use of their copyright. In turn, it would authorize subsequent creators to use the copyright with nearly unfettered discretion. Such an interpretation would make such copyright non-exclusive, thereby removing an owner's rights under subsection 3(1) and severely prejudicing the original creator (*Act*).

Act, supra para 1, ss 3(1), 32.2(1)(b).

[30] Additionally, while looking at the surrounding exceptions within the *Act*, the Appellant's proposed interpretation is unlikely to reflect parliament's true intent. Part III of the *Act* details the exceptions to infringement that exist when using another's copyright. In these sections the exception language used in section 32.2 (or something nearly identical) is used over 40 times to cover a plethora of different activities (*Act*). These exceptions are intended to help balance the rights of a copyright holder and a potential user's interests (*CCH*). In managing that balance, it is unlikely that parliament would have intended that all of the exceptions under the *Act* would provide infringers with an express license to act as an owner would. It is more likely that what was intended was to provide potential users with the ability to utilize the copyright without liability in a constructive and narrow scope.

CCH, supra para 15 at para 47.
Act, supra para 1, ss 3(1), 32.2(1)(b).

[31] Thus, the appellants proposed interpretation improperly conflates the language of "It is not an infringement of copyright" so as to provide express authorization (*Act*). If parliament's true intention was to provide such authorization and the effective removal of a copyright holder's subsection 3(1) rights, it is more likely they would have done so expressly.

Act, supra para 1, ss 32.2(1)(b).

ii. *Parliaments true intent for subsection 32.2(1)(b) is reflected in Canada's international obligations*

[32] Parliament's intentions for the full scope of particular rights and remedies under the *Act* are demarcated by evaluating their international obligations. Obligations which are derived from different treaties and agreements that set minimum and maximum thresholds for Copyright protection that participating countries must then adhere to. Thus, when reading subsection

32.2(1)(b) in its full context, consideration must be given to these obligations to determine parliament's intent. For example one such obligation includes:

The Canada-United States-Mexico Agreement ("CUSMA")

Article 20.64: Limitations and Exceptions

With respect to this section, each Party shall confine limitations or exceptions to exclusive rights to certain special cases that do not conflict with a normal exploitation of the work, performance, or phonogram, and do not unreasonably prejudice the legitimate interests of the right holder. [emphasis added]

Both the World Trade Organization Agreement (Annex 1C - Article 13) and the Berne Convention (Article 9) contain nearly identical provisions to *CUSMA* Article 20.64, which will be reproduced in their entirety in Appendix B (*CUSMA*, *WTO*, *Berne*).

Canada-United States Mexico Agreement Between the Government of Canada, the Government of Mexico and the Government of the United States, 30 November 2018, Can TS 2020/5, Article 20.64 (entered into force 1 July 2020) [*CUSMA*].

World Trade Organization Agreement Agreement: Marrakesh Agreement Establishing the WTO, 15 April 1994, 1867 UNTS 154, Annex 1C, Article 13 (entered into force 1 January 1995) [*WTO Agreement*].

Berne Convention for the Protection of Literary and Artistic Works, 9 September 1886, Can TS 1998/18, Article 9, (entered into force 26 June 1998, accession by Canada 9 September 1979) [*Berne*].

[33] The *CUSMA*, *Berne* and *WTO Agreements* establish Parliament's intention that exceptions within the *Act* should not (1) conflict with a normal exploitation of the work and (2) unreasonably prejudice the legitimate interests of the right holder. Subsection 32.2(1)(b) interpretations that seek to confer either authorization or full copyright conflict heavily with the right holder's normal exploitation of the underlying work (*Act*). Under such an interpretation, Bestmont, as the right holder, would be left with little ability to obtain the just reward as the copyright creator, as third parties would be equally entitled to take advantage of their work.

Act, *supra* para 1, ss 32.2(1)(b).

[34] Further, concerning the case at bar, the respondents conceded that the use of Bestmont's copyrighted architectural works on their own may not "unreasonably" prejudice Bestmont's legitimate interests. However, the inclusion of the "well-recognized" marquee in the photographs does create such prejudice. The marquee stands outside each of Bestmont's ten hotels, providing

Canadians with an instantly recognizable symbol of the high-end hotel services that Bestmont offers. It is so closely associated with Bestmont's core offering that the artistic craftsmanship of the red marquee is the first impression you receive as you enter each hotel (*Trial*). Its repeated use by Bestmont has helped it achieve a level of fame within Canada and, as a result, is well-known by most Canadians (*Trial*). To allow a third party, such as Ms. Rer, to make commercial use of a substantial part of Bestmont's copyright via a medium change would unreasonably prejudice Bestmont's legitimate interests. Bestmont would effectively be stripped of its exclusive use rights under subsection 3(1) and its owner's right to authorize such use (*Act*). Essentially losing control over how productions and reproductions of its copyright are used, in what settings, and to whom they may be transferred. Subsequent owners of the copyright may use it in ways that denigrate the reputation and brand that Bestmont has worked so hard to establish. This, in turn, would severely prejudice Bestmont's interest in continuing to build that reputation and brand across Canada.

Trial, supra para 5 at para 2.
Act, supra para 1, ss 3(1).

[35] Thus, section 32.2, read in its full context, within the scheme of the Act, and the intention of parliament holds that while the exception provides an exemption from what would otherwise constitute copyright infringement, it does not grant express authorization or copyright (*Act*). To do so would unreasonably prejudice the legitimate interests of the copyright holder and violate Canada's international obligations. Instead, the more appropriate interpretation is that the exceptions in the *Act*, including subsection 32.2(1)(b), provide a user right of non-infringement and not a right to receive overriding copyright protection on their acts of infringement (*Act*).

Act, supra para 1, ss 3(1), 32.2(1)(b).

ISSUE 2: BESTMONT INFRINGED ONLY THE ORIGINAL PHOTOS AS A SINGULAR WORK AND ATTRACTS LIMITED STATUTORY DAMAGES

[36] In the alternative, if the Court finds that Ms. Rer holds copyright in the Façade Photos, Bestmont concedes infringement of the Original Photos as one original work. Additionally, Bestmont did not infringe the Filtered Photos, as they are not separately protected by copyright. due to a lack of originality and the sole addition of a common technique.

A. Bestmont’s infringement of the Original Photos is limited to a single work

i. Copyright can only subsist in the Original Photos as a whole

[37] The *Act* requires that artistic works be original to attract copyright protection (*Act*). The Original Photos cannot overcome the originality threshold individually as the requisite skill and judgment were utilized just once in their creation.

Act, supra para 1, s 5(1).

[38] The *Act* does not define originality. *CCH*, the leading precedent on originality, establishes that original work does not have to be creative or novel to meet the standard but “must be more than a mere copy”. The required elements of an original work are the use of “skill and judgment” (*CCH*). *CCH* defines skill as using acquired ability or knowledge to create the work. It defines judgment as the ability to make decisions when comparing different possibilities in the creation of the work (*CCH*). When the exercise of skill and judgment is simply a mechanical exercise, the expression of the idea will not be sufficiently original (*CCH*).

CCH, supra para 15, at para 16.

[39] Photographs have previously met the low threshold required for originality. In *Century 21 Canada Ltd Partnership v Rogers Communications Inc*, the Court held that the choices involved in the set-up of a photograph could meet the threshold for originality. Similarly, in *Trader Corp v*

CarGurus, Inc, the Court found the selections made by the photographers within standardized procedures could meet the threshold of originality. The Court held that the photographers choose from various options when setting up and taking photographs of each vehicle, making the exercise of skill and judgment more than trivial (*Trader*). For multiple photographs to be original, the photographer has to exercise sufficient skill and judgment in their choices or adjustments to create each photograph.

Century 21 Canada Limited Partnership v Rogers Communication, 2011 BCSC 1196, para 187 [*Rogers*].
Trader Corp v CarGurus Inc, 2017 ONSC 1841, paras 23-24 [*Trader*].

[40] Concerning Ms. Rer’s Original Photos, there was a single exercise of sufficient skill and judgment followed by nine purely mechanical exercises. Ms. Rer used skill and judgment once when placing the camera 100 feet from the hotel and centering the marquee in the frame (*Trial*). She mechanically repeated this process ten times with the exact same technique and camera set-up (*Trial*). The process resulted in ten images that form one original expression of Ms. Rer’s idea as the requisite skill and judgment were exercised just once in the creation of these images. Thus, copyright can subsist only in the Original Photos as one whole original work.

Trial, *supra* para 5 at para 4.

[41] Ms. Rer’s Original Photos are distinguished from the photographs in both *Trader* and *Rogers*. These cases emphasize that the photographer's skill and judgment relating to “variables such as the subject matter, angles, staging and framing” make a photo original (*Trader*). The individual images in *Trader* and *Rogers* were found to be original because the photographers exercised skill and judgment concerning those variables for each photo they had taken. The photographers still made choices for each image, even if they were within the scope of the standardized procedures. In contrast, Ms. Rer who chose to address these variables just once.

Trader and *Rogers* are not applicable because Ms. Rer did not use a greater than trivial exercise of skill and judgment for each of the Original Photos

Trader, supra para 39 at paras 21-24.

Century 21 para 87 citing John McKeown, *Fox on Canadian Law of Copyright and Industrial Designs*, 4th ed (Toronto: Carswell, 2003), s 10:11(c) [*McKeown*].

[42] When an artistic work is part of a series of works, each different image must be original for each image to be individually protected by copyright. Otherwise, the series may be protected as only one work encompassing each image. In *Rains v Molea*, the Court held that the “Classical Series” was not specifically arranged as a compilation, nor was the series complete as the artist intended to add additional paintings to the series. The Original Photos are an expression of Ms. Rer’s idea to compare the differences and similarities between Bestmont’s copyright. She purposefully arranged the photos together to facilitate this comparison in a compilation of artistic works. Additionally, Ms. Rer’s Original Photos are the completed set. There are only ten Bestmont Hotels to capture and Mrs. Rer has taken a photo at each location. Per *Rains*, this weighs in favor of finding that copyright subsists in the Original Photos as one work.

Rains v Molea, 2013 ONSC 5016, paras 16-17 [*Rains*].

ii. *The Filtered Photos are not protected by copyright*

[43] The Filtered Photos cannot be protected by copyright, as they are not original works. The addition of filters to the Original Photos by Ms. Rer is a trivial exercise of skill and judgment that does not meet the threshold for originality. To create an original work, the creator needs to exercise skill and judgment in expressing the originating idea (*CCH*). Mechanical exercises such as selecting and applying filters from a social media platform do not create a new original work. While Ms. Rer’s experience as a social media influencer may have guided her selection of filters, negligible skill and judgment is required to do so.

CCH, supra para 15, at para 16.

[44] When the Supreme Court of Canada established the standard for originality, they provided an example of what constitutes trivial exercises of skill and judgment. The Court explained that “changing the font of a work to produce ‘another work’ would be too trivial” an exercise to meet the threshold of originality (*CCH*). Selecting and applying a new font to a work is akin to the selection and application of a filter to a photograph (*CCH*). Both are provided by commercial software, leaving a creator to simply select one of the provided options.

CCH, supra para 15, at para 16.

[45] In *Pyrrah Design Inc v Plum and Posey Inc*, the Federal Court held that the simple act of selecting a design to be used from a collection of designs was a trivial exercise of skill and judgment. Phelan J. found when experienced jewelers selected nine wax seals from their collection of 300-400 it was not sufficient to produce an original work (*Pyrrah*). Ms. Rer’s selection of the four filters in question exhibited no more skill and judgment than the experienced jewelers in *Pyrrah*.

Pyrrah Design Inc v Plum and Posey Inc, 2019 FC 129, para 108 [*Pyrrah*].

[46] Furthermore, the selection and application of a social media filter is a common technique. As held in *Rains*, common techniques alone are necessarily unoriginal, making them incapable of being protected by copyright on their own. Common techniques must remain available to other creators, as the Courts have established that copyright cannot protect an idea. To afford copyright to someone who applied a common technique would essentially afford them a monopoly on that technique. The filters in question are available to anyone who uses that specific social media platform, and it was used without any alterations. In this case, the common technique is the only addition to the Original Photos and is not sufficient to warrant copyright protection in the filtered photos.

Rains, supra para 42, at paras 39-40.

B. The nature of Bestmont’s actions limit the appropriate amount of statutory damages

[47] When attempting to achieve a just amount, the court focuses on the conduct of the parties and the need to deter future infringements. The *Act* states that the court is to consider all relevant factors when determining the appropriate level of statutory damages for commercial infringements, including: “(1) the good or bad faith of the defendant; (2) the conduct of the parties before and during the proceedings; and (3) the need to deter other infringements of the copyright in question” (*Act*).

Act, supra para 1, at s 38.1(5).

[48] The Court of Appeal was correct in finding that this case does not justify the maximum statutory damages. The statutory maximum for damages is reserved for instances where the defendant’s conduct has been reprehensible. The authorities set a high threshold for a finding of bad faith, which is set on a case-by-case basis. For example, in *Nintendo of America Inc v King*, the Court held the defendant acted in bad faith, profited from ongoing infringements, and required severe deterrence. Actions that attract the label of bad faith require high-handed conduct and flaunting of the law (*Collett, Telewizja, Rallysport*). It’s often applied when the defendant knew they were infringing upon copyright but continued their actions despite this position.

Nintendo of America Inc v King, 2017 FC 246, at para 103-4, 159, 164-66 [*King*].

Collett v Northland Art Company Canada Inc, 2018 FC 269, at para 61 [*Collett*].

Telewizja Polsat SA v Radiopol Inc, 2006 FC 584, at para 50 [*Telewizja*].

Rallysport Direct LLC v 2424508 Ontario Ltd, 2020 FC 794, para 54-59 [*Rallysport*].

[49] Bestmont’s conduct reflects their perception that Ms. Rer’s images infringed upon their copyright. Bestmont’s subsequent use of the photo was under the assumption they were acting within their rights under section 3 of the *Act*. Further, Bestmont acted to protect their registered copyright. The cautious requests made by Bestmont are not indicative of a high-handed act of

intimidation. While Bestmont's position on the competing copyright claims may have been mistaken, this does reach the high threshold of bad faith.

Act, supra para 1, s 3.

[50] The conduct of the parties should be considered as a neutral factor in the assessment of statutory damages. In *Microsoft Corp v PC Village Co*, continuously ignoring notices of potential infringement mediated towards a higher award of damages. In this case, there were multiple notices, and the defendant did not address the infringement in any substantive way for multiple years. In contrast, Bestmont received one notice to remove the works by Ms. Rer, with no express assertion of copyright ownership. There was no follow-up prior to bringing an action for infringement. Bestmont preemptively removed the framed images from display pending Ms. Rer's suit, stopping all potentially infringing conduct in a gesture of good faith (*Trial*). This gesture weighs in favor of Bestmont's conduct as a limiting factor in the damages calculation.

Microsoft Corp v PC Village Co, 2009 FC 401, at para 34-38 [*PC Village*].
Trial, supra para 5, at para 10.

[51] There is no need to levy an increased award to deter future infringements of the copyright in question. In *King*, the Federal Court found a need for general deterrence where the defendant developed a device to circumvent technological protection measures ("TPM"). Additionally, the Court increased the damages to specifically deter the defendant, as their business purpose revolved around circumvention activities, which they had not ceased (*King*). Deterrence is a significant factor where there was continued infringement after a court order, or the infringement involved the use of novel technologies that could make future infringements easier (*King*).

King, supra para 48, at paras 103-4, 159, 164-65.

[52] The dispute between Bestmont and Ms. Rer is a unique situation given the subject matter of the infringed work. Ms. Rer came to Bestmont with these photographs with a marketing

campaign in mind. Bestmont would be the only party that could use this campaign. The infringement was not the result of a novel medium change or technological technique that increases the possibility of future infringement. Bestmont was given copies of the images electronically, and then photos were printed, framed, and placed on the hallway walls. Once this dispute is resolved, there would be minimal possibility of future infringement of the work question. Discrete incidents like this are not meant to attract increased damages as the effect would favor over-compensation instead of increased protection of the copyrighted works.

Trial, supra para 5, at paras 6-8.

[53] *Collett and Richie v Sawmill Golf and Country Club* provide fence posts within which to determine a just award in the case at bar. The Federal Court in *Collett* awarded \$7,500 in damages for two infringed works. This amount reflected conduct that was not egregious while still finding the infringements were intentional and showed a disregard for the rights of the copyright holder (*Collett*). In *Richie*, the Court found that an award of \$200 per photograph was appropriate, totaling an award of \$1,800. The plaintiff was a photographer who approached the defendant with photographs they had taken of the defendant's facilities. The defendant then used the photographs in their promotions. While the issue of copyright ownership concerned the possible gifting of the images, *Richie* sets the low-end of damages where there is a dispute over who owns the copyright in the infringed images.

Collett, supra para 48, at para 61.

Richie v Sawmill Golf and Country Club, 27 CPR (4th) 220, [2003] OTC 736 (ONSC), at para 49 [*Richie*].

[54] The factors discussed above militate towards an award of damages between the award per work in *Collett* (\$7,500) and the total award given in *Richie* (\$1,800). Bestmont did not act in bad faith, nor is there a need to deter future infringement of Ms. Rer's works. An award of \$3000 is within these boundaries, and satisfies the goal of statutory damages in reaching a just result.

Collett, supra para 48, at para 61.
Richie, supra para 53, at para 49.

C. Punitive damages are inappropriate to levy against Bestmont

[55] Punitive damages go beyond the scope of compensation and are meant to punish the defendant. They are a tool for the court to combat high-handed conduct, malicious conduct, and conduct that offends the court's sense of decency (*Liu*). This type of conduct is a departure from ordinary activities and beyond the point of bad faith between the two parties. This option is only available once all other damages have been considered, and they are not sufficient to deter or denounce the defendant's actions (*Liu*).

Microsoft Corporation v Liu, 2016 FC 950, at para 25-26 [*Liu*]

[56] Without a finding of bad faith, Bestmont's conduct was not near the minimum threshold of reprehensible conduct required to award punitive damages. Bestmont acted under the perception that they were the only copyright holder when they republished the images (*Appeal*). Their conduct was not motivated by profit, nor did they attempt to conceal any action they took in this process (*Trial*). If the Court does find there was an infringement of Ms. Rer's works, statutory damages are sufficient to address the compensation of Ms. Rer.

Appeal, supra para 13, at para 4.
Trial, supra para 5, at para 6.

PART V – ORDER REQUESTED

[57] The Respondent respectfully requests that this appeal be dismissed.

Signed this 28th day of January 2022.

Team 1R - Counsel for the Respondent

PART VI - TABLE OF AUTHORITIES

AUTHORITY	Pinpoint
LEGISLATION: CANADA	
<i>Copyright Act</i> , RSC 1985, c C-42.	ss. 3(1), 5(1), 32.2(1)(b), 38.1(5)
JURISPRUDENCE: CANADA	
<i>CCH Canadian Ltd v Law Society of Upper Canada</i> , 2004 SCC 13	9, 16, 30, 47
<i>Century 21 Canada Limited Partnership v Rogers Communications Inc.</i> , 2011 BCSC 1196.	187
<i>Cinar Corporation v Robinson</i> , 2013 SCC 73.	26, 35-39
<i>Collett v Northland Art Company Canada Inc.</i> , 2018 FC 269.	61
<i>Microsoft Corporation v Liu</i> , 2016 FC 950, at para 25-26.	25-26
<i>Microsoft Corp v PC Village Co.</i> , 2009 FC 401	34-38
<i>Nintendo of America Inc v King</i> , 2017 FC 246.	103-104, 159, 164-166
<i>Pyrrha Design Inc v Plum and Posey Inc.</i> , 2019 FC 129.	108
<i>Rains v Molea</i> , 2013 ONSC 5016.	16-17, 39-40
<i>Rallysport Direct LLC v 2424508 Ontario Ltd.</i> , 2020 FC 794.	54-59
<i>Rer v Bestmont Hotels</i> , 21 TCCIPP 1222	2-9, 13, 16-17, 23-25
<i>Rer v Bestmont</i> , 2021 CAIP 333.	2-4, 6-9
<i>Richie v Sawmill Golf and Country Club</i> , 27 CPR (4th) 220, [2003] OTC 736 (ONSC)	49
<i>Telewizja Polsat SA v Radiopol Inc.</i> , 2006 FC 584	50
<i>Théberge v Galerie d'Art du Petit Champlain inc.</i> , 2002 SCC 34.	47, 48, 51

<i>Trader Corp v CarGurus Inc</i> , 2017 ONSC 1841.	21-24
<i>Trimble Solutions Corporation v Quantum Dynamics Inc</i> , 2021 FC 63.	51

SECONDARY MATERIAL	
Hugues G. Richard, “ROBIC Canadian Copyright Act Annotated - s32.2:5.0 Commentary”, Legislative comment, (December 2021) on <i>Copyright Act</i> , RSC 1985, c C-42	s 32.2
McKeown, John, <i>Fox on Canadian Law of Copyright and Industrial Designs</i> , 4th ed (Toronto, Carswell, 2003).	s 10:11(c)

INTERNATIONAL MATERIALS	
<i>Canada-United States Mexico Agreement Between the Government of Canada, the Government of Mexico and the Government of the United States</i> , 30 November 2018, Can TS 2020/5 (entered into force 1 July 2020).	Article 20.64
<i>Berne Convention for the Protection of Literary and Artistic Works</i> , 9 September 1886, Can TS 1998/18 (entered into force 26 June 1998, accession by Canada 9 September 1979).	Article 9
<i>World Trade Organization Agreement Agreement: Marrakesh Agreement Establishing the WTO</i> , 15 April 1994, 1867 UNTS 154 (entered into force 1 January 1995).	Annex 1C, Article 13

PART VII - APPENDICES

APPENDIX A - COPYRIGHT ACT	
Section Title	Section Description
Section 3(1) Copyright in works	<p>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...</p> <p>...and to authorize any such acts.</p>
Section 5(1) Conditions for subsistence of copyright	<p>5 (1) Subject to this Act, copyright shall subsist in Canada, for the term hereinafter mentioned, in every original literary, dramatic, musical and artistic work if any one of the following conditions is met</p>
Section 32.2(1)(b) Permitted acts	<p>32.2 (1) It is not an infringement of copyright</p> <p style="padding-left: 40px;">(b) for any person to reproduce, in a painting, drawing, engraving, photograph or cinematographic work</p> <p style="padding-left: 80px;">(i) an architectural work, provided the copy is not in the nature of an architectural drawing or plan, or</p> <p style="padding-left: 80px;">(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;</p>
Section 38(5) Factors to consider	<p>38(5) In exercising its discretion under subsections (1) to (4), the court shall consider all relevant factors, including</p> <p style="padding-left: 40px;">(a) the good faith or bad faith of the defendant;</p> <p style="padding-left: 40px;">(b) the conduct of the parties before and during the proceedings;</p> <p style="padding-left: 40px;">(c) the need to deter other infringements of the copyright in question; and</p> <p style="padding-left: 40px;">(d) in the case of infringements for non-commercial purposes, the need for an award to be proportionate to the infringements, in consideration of the hardship the award may cause to the defendant, whether the infringement was for private purposes or not, and the impact of the infringements on the plaintiff.</p>

APPENDIX B - INTERNATIONAL TREATIES

Treaty	Articles/Provisions
Canada-United States-Mexico Agreement	<p>Article 20.64: Limitations and Exceptions</p> <p>With respect to this section, each Party shall confine limitations or exceptions to exclusive rights to certain special cases that <u>do not conflict with a normal exploitation of the work</u>, performance, or phonogram, <u>and do not unreasonably prejudice the legitimate interests of the right holder</u>. [emphasis added]</p>
World Trade Organization Agreement	<p>Article 13: Limitations and Exceptions</p> <p>Members shall confine limitations or exceptions to exclusive rights to certain special cases which <u>do not conflict with a normal exploitation of the work</u> and <u>do not unreasonably prejudice the legitimate interests of the right holder</u>. [emphasis added]</p>
Berne Convention for the Protection of Literary and Artistic Works	<p>Article 9</p> <p>(1) Authors of literary and artistic works protected by this Convention shall have the exclusive right of authorizing the reproduction of these works, in any manner or form.</p> <p>(2) It shall be a matter for legislation in the countries of the Union to permit the reproduction of such works in certain special cases, provided that such reproduction <u>does not conflict with a normal exploitation of the work</u> and <u>does not unreasonably prejudice the legitimate interests of the author</u>. [emphasis added]</p>