

THE SUPREME MOOT COURT OF INTELLECTUAL PROPERTY

Between:

WANDA RER

(Appellant)

And

BESTMONT HOTELS

(Respondent)

FACTUM FOR APPELLANT

(2021-2022 Harold G. Fox Intellectual Property Moot)

PART I: OVERVIEW.....	3
PART II: STATEMENT OF FACTS	3
PART III: POINTS IN ISSUE.....	6
PART IV: ARGUMENTS IN BRIEF	6
1. The Court of Appeal erred in finding that the photos are not original works.....	6
A. The Court of Appeal erred in deviating from the established originality standard.....	6
B. Ms. Rer exercised skill and judgment in creating the individual photos	8
(i) The Original Photos are the product of Ms. Rer’s skill and judgment	8
(ii) Ms. Rer’s choice of filters was an exercise of skill and judgment.....	9
C. Originality should be assessed holistically.....	10
2. The Court of Appeal erred in finding Bestmont immune to infringement	11
A. Bestmont does not have copyright in the Façades photos	11
B. Bestmont’s exploitation of Ms. Rer’s original works is contrary to public policy	12
C. Ms. Rer has the right to enforce her copyright against Bestmont	13
3. The Court of Appeal erred in overturning Lodge J.’s award.....	14
A. Bestmont infringed fifty original works.....	14
B. A discernible business benefit is not required to find “commercial purpose”	14
C. The relevant factors set out in subsection 38.1(5) of the <i>Copyright Act</i> were overlooked	
.....	15
(i) Bestmont acted in bad faith.....	16
(ii) The need for deterrence favours a high damages award.....	16
D. Punitive damages were rightly awarded	17
Conclusion	19
PART V: ORDER REQUESTED	19
PART VI: TABLE OF AUTHORITIES.....	20

PART I: OVERVIEW

[1] This case is about ensuring copyright law protects the original work of independent artists and is not used by large corporate entities to exploit artists' labour for profit.

[2] The Appellant, Wanda Rer ("Ms. Rer"), submits that the photos in the Façades Collection are original works under the *Copyright Act*¹ and that the Respondent, Bestmont Hotels ("Bestmont"), infringed Ms. Rer's copyrights in her fifty original works contrary to subsection 3(1) of the *Copyright Act*. As this infringement was for a commercial purpose and Bestmont acted in bad faith, this court should overturn the Court of Appeal's decision and reinstate Lodge J.'s award of \$1.5 million.

PART II: STATEMENT OF FACTS

[3] Ms. Rer is a photographer and social media influencer; she has amassed a substantial social media following by travelling the world and taking photos for almost a decade.² Bestmont is a luxury hotel chain with hotels across Canada. Bestmont is known for its hotels' exteriors and signature red marquees.³

[4] Ms. Rer documented her travels across Canada through a photo project ("Façades"). Façades consists of fifty photos documenting Ms. Rer's perception of the entrances of the Bestmont hotels. Ms. Rer captured ten initial photos of the entrances (the "Original Photos") from a distance of 100 feet to compare the similarities and differences of the hotels as a reflection of her experiences at each location.⁴ Drawing on her experience as a photographer, Ms. Rer then created forty uniquely edited photos (the "Filtered Photos") by applying a combination of carefully chosen

¹ Copyright Act (R.S.C., 1985, c. C-42) [*Copyright Act*].

² *Wanda Rer v Bestmont Hotels*, 2021 TCCIP 1222 at para 1 [*Bestmont TCCIP*].

³ *Bestmont TCCIP*, *supra* note 2 at paras 2, 11.

⁴ *Bestmont TCCIP*, *supra* note 2 at paras 3, 4.

filters known as ‘sepia,’ oil painting,’ ‘pixilation’ and, ‘pencil drawing’ to enhance her depictions of the hotels.⁵

[5] After completing the project, Ms. Rer approached Bestmont and offered to license Façades at a rate of \$3,000 per image.⁶ To demonstrate the quality of her work, Ms. Rer provided Bestmont with a copy of the fifty high-resolution images that comprise the Façades collection.⁷

[6] Bestmont rejected Ms. Rer’s proposal and then ignored her repeated requests to destroy the copy of Façades.⁸ Bestmont then reproduced and used the Original Photos to create a dozen edited photos of each hotel. Bestmont used several filters, including ones named ‘sepia,’ ‘oil painting,’ ‘pixilation,’ and ‘pencil drawing.’⁹ The resulting photos bore a similarity to Ms. Rer’s Filtered Photos.¹⁰ Bestmont then printed and framed twelve of those photos and exhibited them in their hotels’ hallways without crediting or compensating Ms. Rer.¹¹

[7] Upon learning about Bestmont’s activities, Ms. Rer requested that Bestmont remove the photos from the hotel hallways. Bestmont refused and instead claimed that Ms. Rer’s Façades photos infringed its copyright in its marquee.

[8] Ms. Rer commenced a copyright infringement claim, seeking a permanent injunction and the highest statutory damages allowable pursuant to section 38.1 of the *Copyright Act*.¹²

[9] Bestmont denied Ms. Rer’s claim that there was copyright in the Façades photos. It is Bestmont’s position that if there is copyright in the photos, it can reproduce any work depicting

⁵ *Bestmont TCCIP, supra* note 2 at paras 1, 5.

⁶ *Bestmont TCCIP, supra* note 2 at para 6.

⁷ *Bestmont TCCIP, supra* note 2 at para 6.

⁸ *Bestmont TCCIP, supra* note 2 at paras 6, 7.

⁹ *Bestmont TCCIP, supra* note 2 at para 8.

¹⁰ *Bestmont TCCIP, supra* note 2 at para 19.

¹¹ *Bestmont TCCIP, supra* note 2 at para 8.

¹² *Bestmont TCCIP, supra* note 2 at para 9.

their underlying copyright.¹³ Despite its position, Bestmont removed the photos from its hotels per Ms. Rer's request and retracted their infringement claim prior to the trial's commencement.¹⁴

[10] At trial, Lodge J. found that the Façades Photos were original works under the *Copyright Act*, owing to Ms. Rer's exercise of skill and judgment in her photography and editing. Accordingly, Lodge J. ordered Bestmont to pay \$1.5 million in statutory damages, stating that Bestmont acted in bad faith and attempted to leverage its position as a prominent hotel chain to take advantage of an independent artist.¹⁵

[11] Further, Lodge J. found that Bestmont did not have the right to reproduce Ms. Rer's works despite owning copyright in the underlying work. Lodge J. held that Ms. Rer's derivative works are permitted by s.32.2(1)(b) of the *Copyright Act*.¹⁶

[12] On appeal, Lobi J.A. held that Bestmont is immune to any infringement allegations because Bestmont's copyright in its façade and marquee gives it the right to produce or reproduce the work or any substantial part thereof in any material form whatsoever according to s.3(1) of the *Copyright Act*.¹⁷

[13] Lobi J.A. also held that Ms. Rer's photos were not original works and found that Lodge J. used too low a threshold when determining whether Ms. Rer's works were original. The Court of Appeal also decided that the doctrine of derivative works is foreign to Canadian jurisprudence and could not be relied on by Ms. Rer for a finding of infringement by Bestmont.¹⁸

¹³ *Bestmont TCCIP*, *supra* note 2 at para 10.

¹⁴ *Bestmont TCCIP*, *supra* note 2 at paras 10, 17.

¹⁵ *Bestmont TCCIP*, *supra* note 2 at para 25.

¹⁶ *Bestmont TCCIP*, *supra* note 2 at paras 16, 18-20.

¹⁷ *Bestmont v Wanda Rer*, 2021 CAIP 333 at para 2 [*Bestmont CAIP*].

¹⁸ *Bestmont CAIP*, *supra* note 17 at paras 5, 9.

PART III: POINTS IN ISSUE

[14] The Appellant submits that there are three issues in this appeal:

- (1) Did the Court of Appeal err in finding that Ms. Rer did not have copyright in the individual photos?
- (2) Did the Court of Appeal err in finding that Bestmont has the right to reproduce the Façades collection?
- (3) Did the Court of Appeal err in overturning Lodge J's award?

[15] The Appellant submits that each of these questions should be answered in the affirmative, and the appeal should be allowed.

PART IV: ARGUMENTS IN BRIEF

1. The Court of Appeal erred in finding that the photos are not original works

[16] The Court of Appeal overturned Lodge J.'s finding that copyright subsists in each of the individual Original and Filtered Photos after concluding that the trial court's threshold for originality was too low.¹⁹ This finding was erroneous for three reasons: (A) the Court of Appeal deviated from the established originality standard, (B) Ms. Rer exercised skill and judgment in creating the individual photos, and (C) the Court of Appeal did not assess the originality of the works holistically.

A. The Court of Appeal erred in deviating from the established originality standard

[17] Copyright subsists in every original artistic work in Canada.²⁰ In *CCH Canadian Ltd. v Law Society of Upper Canada*, the Supreme Court of Canada defined an original work as one that (1) originates from the author; (2) is not copied from another work; and (3) is a product of the author's exercise of skill and judgment, which was not so trivial as to be characterized as a

¹⁹ *Bestmont CAIP*, *supra* note 17 at para 5.

²⁰ *Copyright Act*, *supra* note 1 s.5(1).

mechanical exercise. Originality, in the context of copyright, does not require inventive originality.²¹ It is sufficient that a work is not copied and is the product of the author's exercise skill and judgment.²²

[18] In *CCH*, McLachlin C.J.C., writing for a unanimous Court, wrote that the purpose of copyright law is “to balance the public interest in promoting the encouragement and dissemination of works of the arts and intellect and obtaining a just reward for the creator.”²³ The established originality standard creates a workable and fair standard that protects society's interest in developing a robust public domain.²⁴ The required exercise of skill and judgment ensures that artists can expand the public domain by building on the ideas and information expressed in preceding works.²⁵

[19] In attempting to quantify the degree of originality displayed in the Façades photos, Lobi J.A. introduced a creativity criterion to the originality standard.²⁶ This finding is not aligned with the standard set out in *CCH*.

[20] Ms. Rer exercised skill and judgment in creating the Façade photos. The photos originated with Ms. Rer, they are not copies of another photo project, and they were created through the exercise of her skill and judgement as a photographer. Ms. Rer's skill and judgment are well within the originality standard set out by the Supreme Court of Canada in *CCH* and the Court of Appeal erred by deviating from that standard when assessing Ms. Rer's works.

²¹ *Allen v Toronto Star Newspapers Ltd*, 1997 OJ 4363 at para 16 [*Allen*].

²² *CCH Canadian Ltd v Law Society of Upper Canada*, 2004 SCC 13 at para 24 [*CCH*].

²³ *CCH*, *supra* note 22 at para 23; *Théberge v Galerie d'Art du Petit Champlain Inc.*, 2002 SCC 34 at para 30; *Society of Composers, Authors and Music Publishers of Canada v Canadian Assn of Internet Providers*, 2004 SCC 45 at para 40.

²⁴ *CCH*, *supra* note 22 at para 24.

²⁵ *CCH*, *supra* note 22 at para 23.

²⁶ *Bestmont CAIP*, *supra* note 17 at para 5.

B. Ms. Rer exercised skill and judgment in creating the individual photos

[21] In *CCH*, the Court held that skill and judgment are the author's use of knowledge, developed aptitude, or practiced ability; and their capacity for discernment when comparing different possible options in producing a work.²⁷ The exercise of skill and judgment must exceed a "purely mechanical exercise"²⁸ – such as changing the font of a written work.²⁹

[22] The Court of Appeal found that due to stylistic repetition and the use of readily available digital filters, the Façades photos are the product of a mechanical exercise. This is incorrect for two reasons: (i) Repetition does not negate the exercise skill and judgment, and (ii) selection among available filters confers originality expressed in the Filtered Photos.

(i) The Original Photos are the product of Ms. Rer's skill and judgment

[23] The Court of Appeal found that taking the photos was a mechanical exercise because the ten Original Photos are similar in composition. This finding contradicts the law and conflicts with the purpose of copyright law in Canadian jurisprudence.

[24] *Trader v CarGurus* is a case that considered originality in standardized photography. In that case, a car dealership argued that the photos were not original because the photographers were trained in their employer's methods and were required to follow the company's standardized procedures when taking photos.³⁰ The Ontario Superior Court of Justice considered if the photographers exercised sufficient skill and judgment when taking photos while following their employer's standardized procedure. The Court found that photographers exercised skill and judgment by choosing from various options within those standard procedures. This included variables such as framing, subject matter, angles and staging, even when following a standardized

²⁷ *CCH*, *supra* note 22 at para 16.

²⁸ *CCH*, *supra* note 22 at para 25.

²⁹ *CCH*, *supra* note 22 at para 16.

³⁰ *Trader v CarGurus*, 2017 ONSC 1841 at para 23 [*Trader v CarGurus*].

procedure.³¹ It follows that Ms. Rer’s choice to use consistent methods and tools to create the cohesive aesthetic of the Façades photos is the exercise of her skill and judgment as a professional photographer. The stylistic similarity of Original Photos does not negate Ms. Rer’s exercise of skill and judgment as a photographer.

(ii) Ms. Rer’s choice of filters was an exercise of skill and judgment

[25] The Court of Appeal found that the use of “social media filters does not warrant copyright protection” and that “there was nothing original” about the filters Ms. Rer used.³² This finding is contrary to the principle of technological neutrality.

[26] The principle of technological neutrality recognizes that the *Copyright Act* should not be interpreted or applied to favour or discriminate against any particular form of technology.³³ This principle must be maintained across all technological contexts.³⁴ Accordingly, digital tools should be regarded in the same way as their physical analogs when creating a work.

[27] Filters are tools commonly used by photographers to alter colour balance or distort images. Digital filters are akin to photographic filters, which are the physical lenses inserted into a camera’s optical path. Photographic filters are commercially available and widely used by photographers. The effects of physical filters are equivalent to the effects created using digital filters, such as those used by Ms. Rer. Ms. Rer exercised her skill and judgment in selecting and applying the digital filters to achieve the aesthetic of the Filtered photos just as one would exercise skill and judgment when using a physical filter. If this Court adopts the decision from the Court of Appeal, then it would result in a different standard of skill and judgment for digital tools than their physical

³¹ *Trader v CarGurus*, *supra* note 30.

³² *Bestmont CAIP*, *supra* note 17 at para 5.

³³ *Canadian Broadcasting Corp v SODRAC 2003 Inc.*, 2015 SCC 57 at para 66 [“CBC”].

³⁴ *CBC*, *supra* note 33.

counterparts. This would set a dangerous precedent that would discourage the creation of creative works using digital tools.

C. Originality should be assessed holistically

[28] The Court of Appeal erred in finding that the bulk of the originality in each photograph is expressed in the marquee and hotel façades.³⁵ In arriving at this conclusion, Lobi J.A. neglected to assess the originality of the photos as complete expressions. According to *CCH*, copyright protects the originality of the form or expression of a whole work, not its components.³⁶ In the context of a photograph, the photographer has copyright in a photo as a distinct piece, not in the photo's subject.

[29] While Bestmont does have copyright in the marquee and hotels, those works are the subjects of the Façades collection. The Façades photos are separate works, and the copyright in the photos exists independently from the copyright in the underlying works.

[30] *Allen v Toronto Star Newspapers Ltd* was a case that considered the copyright in a magazine cover. In that case, the cover included a photograph taken by a person who was not involved in making the cover. The photographer brought suit, alleging that their copyright had been infringed as their photo was included in the cover. The Court found that the photographer's copyright in a photo did not extend to the magazine cover as a whole. The Court concluded that the photo was a mere component of the entire work as a whole.³⁷ Using this rationale, the Court decided that the copyright in the magazine cover existed independently from the copyright in the underlying photograph.³⁸ Similarly, in the present case, the originality of the underlying work, the hotel exteriors and the marquee has no bearing on the originality expressed in the photos as a

³⁵ *Bestmont CAIP*, *supra* note 17 at para 5.

³⁶ *CCH*, *supra* note 22 at para 33.

³⁷ *Allen*, *supra* note 21.

³⁸ *Allen*, *supra* note 21.

whole, which exist as separate and distinct works.³⁹ For these reasons, the Court of Appeal's decision to assess the originality of the individual components rather than the originality of the photos as a whole work is an error of law.

2. The Court of Appeal erred in finding Bestmont immune to infringement

[31] The Court of Appeal did not overturn Lodge J.'s finding of infringement by Bestmont. Rather, Lobi J.A found that Bestmont had the right to reproduce its copyright in any medium, including through the reproduction of the Façades photos, under section 3 of the *Copyright Act* and is therefore immune to infringement.⁴⁰ This finding is in error for three reasons: (A) Bestmont's copyright in their works does not exist in the Façade photos, (B) Bestmont does not have the right to exploit Ms. Rer's original works, and (C) Ms. Rer does have the right to assert her copyright in her original works.

A. Bestmont does not have copyright in the Façades photos

[32] The Court of Appeal is correct in stating that the doctrine of derivative works is not a formal aspect of Canadian jurisprudence.⁴¹ However, Lobi J.A. erred in concluding that absent this doctrine, Bestmont would have copyright in the photos.

[33] In American jurisprudence, the doctrine of derivative works provides that the copyright in a compilation or derivative work extends to the material contributed by the author.⁴² In Canadian jurisprudence, the exercise of the author's skill and judgment in transforming the underlying work into a new medium satisfies the statutory originality requirements, and so derivative works are legally equivalent to original works.⁴³ This interpretation is further supported by the *Berne*

³⁹ *Allen, supra* note 21.

⁴⁰ *Bestmont CAIP, supra* note 17 at para 2.

⁴¹ *Bestmont CAIP, supra* note 17 at para 3.

⁴² *Copyright Act*, 17 USC § 103 (1976).

⁴³ *Allen, supra* note 21; William J Braithwaite, "Derivative Works in Canadian Copyright Law" (1982) 41:2 *Osgoode Hall LJ* 192 at 197-98.

Convention, to which Canada is a signatory, and states that “derivative” works are to be protected as original works.⁴⁴

[34] Under Canadian law, the copyright in a derivative work exists independently from the copyright in the underlying work. The copyright in the underlying work cannot be reproduced in a replication of the derivative work. The Façades photos are original works authored by Ms. Rer. It is absurd to find that Bestmont has copyright in Ms. Rer’s depiction of the marquee and hotels. The photos are original works in their own right, and the copyright in them is separate from the copyright in any underlying works. To uphold this finding would be equivalent to finding that Bestmont has copyright in any painting of its marquee and hotel, any photo of its marquee and hotel, or any written description of its marquee and hotel. Bestmont’s copyright does not exist within the Façades photos. Therefore, it cannot be reproduced through a reproduction of the photos.

B. Bestmont’s exploitation of Ms. Rer’s original works is contrary to public policy

[35] The Court of Appeal states that “significant policy concerns arise if the creator of the derivative work is permitted to control how a copyright owner chooses to reproduce its underlying work.”⁴⁵ However, Lobi J.A. neglects to consider the policy concerns raised by allowing Bestmont to benefit from Ms. Rer’s work with impunity.

[36] In *Redwood Music Ltd v Chappell & Co Ltd*, the owners of copyright in an original song took the position that it should have copyright in derivative arrangements and adaptations of that song created by another author. The Court of Queen’s Bench found that the notion that the owner of copyright in an underlying work ought to be entitled to reap the benefits of a derivative work

⁴⁴ *The Berne Convention for the Protection of Literary and Artistic Works*, 9 September 1886, revised at Paris July 24, 1971, 1161 UNTS 3 (entered into force 5 December 1887) at article 2(3); John McKeown, *Fox on Canadian Law of Copyright and Industrial Design*, 4th ed (Toronto: Carswell, 2003) at ss. 4:5

⁴⁵ *Bestmont CAIP*, *supra* note 17 at para 7.

“offends against justice and common sense.”⁴⁶ In this case, Lobi J.A.’s finding that Bestmont should benefit from Ms. Rer’s labour is similarly offensive. It would be unjust to enable Bestmont to profit from Ms. Rer’s labour without due compensation.

C. Ms. Rer has the right to enforce her copyright against Bestmont

[37] The Court of Appeal erred in finding that allowing Ms. Rer to enforce her copyright would mean allowing the creator of a derivative work to control how the owner of an underlying work chooses to reproduce its underlying work.⁴⁷

[38] In *Robertson v Thomson Corp*, the author of an article published in a newspaper claimed that the reproduction of the newspaper infringed their copyright. The Court found that the newspaper was an original collective work under the *Copyright Act*.⁴⁸ The publisher had the right to reproduce the newspaper under subsection 3(1) of the *Copyright Act*.⁴⁹ Relying on *Allen*, Abella J. found that this right necessarily includes the right to reproduce the originality in the underlying works because the newspaper was a separate and distinct work from the individual articles.⁵⁰ The bench agreed that this right did not extend to the individual articles as distinct works.⁵¹

[39] Similarly, in this case, Ms. Rer has the right to produce and reproduce the Façade photos as original works, which includes the originality displayed in the underlying works under subsection 3(1). However, this right does not extend to the underlying works. Ms. Rer, therefore, does not have control over how Bestmont chooses to reproduce their underlying copyright, but she does retain control over the copyright in her original works. Lobi J.A.’s finding to the contrary is an error of law.

⁴⁶ *Redwood Music Ltd v Chappell & Co Ltd*, [1982] R.P.C. 109.

⁴⁷ *Bestmont CAIP*, supra note 17 at para 3.

⁴⁸ *Robertson v Thomson Corp*, 2006 SCC 63 at paras 39, 83 [*Robertson*].

⁴⁹ *Robertson*, supra note 48 at para 41.

⁵⁰ *Robertson*, supra note 48 at para 83, Abella J.

⁵¹ *Robertson*, supra note 48 at para 41.

3. The Court of Appeal erred in overturning Lodge J.’s award

[40] The Court of Appeal erred in overturning Lodge J.’s damages award for three reasons: (A) it wrongly assessed the number of works infringed, (B) it wrongly imposed a “discernible business benefit” requirement to the determination of infringement for “commercial purposes,” and (C) it failed to weigh the relevant factors under subsection 38.1(5) of the *Copyright Act* adequately.

A. Bestmont infringed fifty original works

[41] Statutory damages are awarded based on the number of works infringed. They are assessed with respect to “all infringements involved in the proceedings for each work.”⁵² In *Nintendo of America Inc. v King*, a case concerning the use of unlicensed copies of a manufacturer’s video games, the Federal Court noted that the owner of multiple works is entitled to a separate remedy for each infringed work.⁵³ This is consistent with the wording in subsection 38.1(1) of the *Copyright Act*, which provides remedies for infringement of “each work or other subject matter.”

[42] The Court of Appeal erred in finding that fifty works were not infringed. Bestmont took the ten Original Photos, used the same four filters Ms. Rer did to create her forty Filtered Photos and reproduced their likeness.⁵⁴ Bestmont’s twelve reproductions infringed Ms. Rer’s copyright both in her ten Original Photos and forty Filtered Photos, as each was an individual work and should be compensated appropriately for the infringement of each of those works.

B. A discernible business benefit is not required to find “commercial purpose”

[43] In *Collett v Northland Art Company Canada Inc.*,⁵⁵ the court found there could be commercial purpose without discernible benefits, such as profit. In *Collett*, the respondent art dealer’s display of unauthorized copies of the plaintiff’s work at a tradeshow was found to be

⁵² *Young v Thakur*, 2019 FC 835 at para 41.

⁵³ *Nintendo of America Inc v King*, 2017 FC 246 at para 138.

⁵⁴ *Bestmont TCCIP*, *supra* note 1 at para 8.

⁵⁵ *Collett v Northland Art Company Canada Inc.*, 2018 FC 269.

sufficient to find commercial purpose. Similarly, in this case, Bestmont displayed unauthorized copies of Ms. Rer's photos to improve its hotels' appearance and enhance the consumer experience.⁵⁶ These actions reflect a commercial purpose.

[44] Subsection 38.1(1)(a) of the *Copyright Act* provides that statutory damages should be assessed within the range of \$500 to \$20,000 per work infringed where the infringement is for commercial purposes. Bestmont's infringement was for such a purpose as these photos were displayed to enhance the hotel's ambiance and customer satisfaction. Bestmont's decision to display Ms. Rer's photos on its guest floors indicates the photos provided a true or probable business benefit to Bestmont; otherwise, Bestmont would not have displayed Ms. Rer's work across all of its hotels.

C. The relevant factors set out in subsection 38.1(5) of the *Copyright Act* were overlooked

[45] The court has the discretion to award statutory damages and must determine what amount will yield a just result. This can be determined by considering the factors set out in subsection 38.1(5) of the *Copyright Act*, which provides:

In exercising its discretion under subsections (1) to (4), the court shall consider all relevant factors, including

- (a) the good faith or bad faith of the defendant;
- (b) the conduct of the parties before and during the proceedings;
- (c) the need to deter other infringements of the copyright in question; and
- (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.

[46] The relevant factors to consider in this case are primarily Bestmont's bad faith dealing and the strong need to deter future infringements of this nature.

⁵⁶ *Bestmont TCCIP*, *supra* note 1 at paras 2, 8.

(i) Bestmont acted in bad faith

[47] Black’s Law Dictionary describes bad faith as conduct motivated by ill-will, dishonesty, or improper motivation and generally implies some intention to mislead or deceive.⁵⁷ A similar definition was adopted in *Tompkins v USW*, where bad faith was defined as “conduct motivated by hostility, malice, ill-will, dishonesty, or improper motivation.”⁵⁸ This definition applies to Bestmont’s conduct. Ms. Rer approached Bestmont with a proposal to license the Façades photos. Bestmont rejected the proposal and proceeded to intentionally infringe Ms. Rer’s copyright. Bestmont then levelled a false infringement claim against Ms. Rer and demanded that she destroy her original works while simultaneously reproducing and infringing her copyright.⁵⁹ Bestmont ignored Ms. Rer’s repeated demands to remove the infringing reproductions. Had Bestmont truly believed the photos to be of no value, Bestmont would not have gone to the effort of replicating them. Bestmont benefited from Ms. Rer’s work without affording her due credit or compensation.

(ii) The need for deterrence favours a high damages award

[48] Bestmont is a large and sophisticated company that took advantage of a young and independent artist, assuming that she lacked the means to bring an action to enforce her rights.⁶⁰ Bestmont ignored the rights of Ms. Rer and stripped her of her right to debut and profit from the Façade project. Bestmont’s infringing actions violated Ms. Rer’s moral and economic rights to her work and gave rise to the need for a high damages award. This court should take action to deter this behaviour.

⁵⁷ B Garner, Ed., Black’s Law Dictionary, (Toronto: Thomas Reuters, 2019) sub verbo, “bad faith.”

⁵⁸ *Tompkins v USW*, 2012 CarswellOnt 12883 (Ont. L.R.B.) at para 21.

⁵⁹ *Bestmont TCCIP*, *supra* note 2 at paras 6-8.

⁶⁰ *Bestmont TCCIP*, *supra* note 2 at para 24.

D. Punitive damages were rightly awarded

[49] The Court of Appeal found that it was not at the discretion of Lodge J. to award punitive damages as Ms. Rer did not plead them. The Appellant concedes that punitive damages were not pleaded, but this did not preclude Lodge J. from rightfully awarding punitive damages. Subsection 34(1) of the *Copyright Act* states that “[w]here copyright has been infringed, the owner of the copyright is, subject to this Act, entitled to all remedies by way of injunction, damages, accounts, delivery up and otherwise that are or may be conferred by law for the infringement of a right.”

[50] Subsection 38.1(7) of the Act states that “[a]n election under subsection (1) does not affect any right that the copyright owner may have to exemplary or punitive damages.”

[51] The words “all remedies [...] that are or may be conferred by law for the infringement of a right” in subsection 34(1) encompass punitive damages. As the Federal Court has concurrent jurisdiction with provincial courts to hear and determine all proceedings, other than the prosecution of offences under section 42 and 43, for the enforcement of the *Copyright Act* or of the civil remedies provided under it, Lodge J. was permitted to award punitive damages and had the discretion to grant a remedy they deemed just.⁶¹ Bestmont’s conduct was so offensive that a just award against it called for punitive damages.

[52] As noted by the Supreme Court of Canada in *Compo Co. v Blue Crest Music Inc.*,⁶² copyright law “is neither tort law nor property law in classification but is statutory law [...] copyright legislation simply creates rights and obligations upon the terms and in the circumstances set out in the statute.” The *Copyright Act* does not contain a specific provision prohibiting judges from awarding punitive damages in instances where they were not explicitly pleaded. As such, the

⁶¹ *Desputeaux v Éditions Chouette Inc.*, 2003 SCC 17 at para 37; *Copyright Act*, *supra* note 1 at s. 37.

⁶² *Compo Co. v Blue Crest Music Inc.*, [1980] 1 SCR 357 at para 23.

punitive damages awarded should be allowed to remain. Awards of punitive damages in addition to statutory damages are also not unprecedented in the context of copyright infringement.

[53] In *Microsoft Corp. v 9038-3746 Québec Inc.*, the defendant was found to have breached the plaintiff's intellectual property rights by distributing CDs containing Microsoft, Windows, Office, and Outlook Software. Harrington J. ordered a total of \$300,000 in punitive damages in addition to statutory damages.⁶³ In *Louis Vuitton Malletier S.A. v 486353 B.C. Ltd.*, Boyd J. asserted that punitive and exemplary damages are awarded in cases of copyright infringement where the defendants' conduct is "outrageous," "highly reprehensible," or constitutes a callous disregard for the rights of the plaintiff.⁶⁴ Bestmont's conduct was reprehensible and demonstrated a callous disregard for the rights of Ms. Rer, for which Lodge J. rightly awarded punitive damages.

[54] In *Whiten v Pilot Insurance Co.*,⁶⁵ Binnie J. developed general principles relating to the award of punitive damages that were summarized by the Nova Scotia Supreme Court in *2703203 Manitoba Inc. v Parks*⁶⁶ as follows:

- (a) Whether the conduct was planned and deliberate;
- (b) The intent and motive of the defendant;
- (c) Whether the defendant persisted in the outrageous conduct over a lengthy period of time;
- (d) Whether the defendant concealed or attempted to cover up its misconduct;
- (e) The defendant's awareness that what he or she was doing was wrong; and
- (f) Whether the defendant profited from its misconduct.

[55] Bestmont's conduct meets nearly all of these principles. In *Whiten*, Binnie J. also states that a defendant should not be surprised by an award against it that is a multiple of what it thought was the amount in issue. As a sophisticated actor, Bestmont ought to have been aware of the risk of incurring punitive damages due to its conduct. Bestmont would not have been reasonably

⁶³ *Microsoft Corp. v 9038-3746 Québec Inc.*, 2006 FC 1509.

⁶⁴ *Louis Vuitton Malletier S.A. v 486353 B.C. Ltd.*, 2008 BCSC 799 at paras 84-86.

⁶⁵ *Whiten v Pilot Insurance Co.*, 2002 SCC 18.

⁶⁶ *2703203 Manitoba Inc. v Parks*, 2006 NSSC 6 at para 38.

surprised by the award, and its degree of “surprise” should have been considered by the Court of Appeal, which it was not.

Conclusion

[56] The Court of Appeal erred in setting aside Lodge J.’s decision, citing that the Appellant did not hold copyright in the Façade Collection and the Respondent was immune from a finding of infringement. Both these premises were incorrect.

[57] The Court of Appeal erred in overturning Lodge J.’s award of statutory damages, citing that the Appellant did not explicitly plead punitive damages.

[58] The Appellant’s Façade Collection satisfied the originality test and is thus afforded the sole right to reproduction, a right that the Respondent infringed. Holding underlying copyright does not extend said holder’s interest beyond their skill and judgment. Accordingly, as Bestmont created infringing reproductions, the Appellant is justified in seeking damages.

PART V: ORDER REQUESTED

[59] The Appellant seeks an order allowing the appeal, setting aside the decision of the Court of Appeal, and restoring the Trial Court’s award.

PART VI: TABLE OF AUTHORITIES

Canadian Legislation

Copyright Act, RSC, c. C-42.

American Legislation

Copyright Act, 17 USC § 103 (1976).

International Treaty

The Berne Convention for the Protection of Literary and Artistic Works, 9 September 1886, revised at Paris July 24, 1971, 1161 UNTS 3 (entered into force 5 December 1887).

Canadian Jurisprudence:

2703203 Manitoba Inc. v Parks, 2006 NSSC 6.

Allen v Toronto Star Newspapers Ltd., 1997 OJ 4363.

CCH Canadian Ltd. v Law Society of Upper Canada, 2004 SCC 13.

Collett v Northland Art Company Canada Inc., 2018 FC 269.

Compo Co. v Blue Crest Music Inc., [1980] 1 SCR 357.

Desputeaux v Éditions Chouette (1987) Inc., 2003 SCC 17.

Keatley Surveying Ltd. v Teanet Inc., 2019 SCC 43.

Louis Vuitton Malletier S.A. v 486353 B.C. Ltd., 2008 BCSC 799.

Microsoft Corp. v 9038-3746 Québec Inc., 2006 FC 1509.

Nintendo of America Inc. v King, 2017 FC 246.

Redwood Music Ltd v Chappell & Co Ltd, [1982] R.P.C. 109.

Robertson v Thomson Corp, [2006] SCJ No 43.

Trader v CarGurus, 2017 ONSC 1841.

Whiten v Pilot Insurance Co., 2002 SCC 18.

Young v Thakur, 2019 FC 835.

Secondary Materials:

B Garner, Ed., *Black's Law Dictionary* 11th ed., (Toronto: Thomas Reuters, 2019).

John McKeown, *Fox on Canadian Law of Copyright and Industrial Design*, 4th ed (Toronto: Carswell, 2003).

William J Braithwaite, "Derivative Works in Canadian Copyright Law" (1982) 41:2 Osgoode Hall LJ 192.