

INDEXING SOCIETY OF CANADA
SOCIÉTÉ CANADIENNE D'INDEXATION

Bulletin



Volume 44, Number 1, Spring 2022

Printemps 2022, Volume 44, Numéro 1

ISSN 1914-3192 (print)
ISSN 2562-394X (online)

Contents

Editor, Comments from	3
Le mot de la rédaction	3
Magpie Kudos	4
Upcoming Meetings and Events	4
Conference of the Indexing Society of Canada/ Société canadienne d'indexation	5
Presidents' Remarks	6
Messages de la Présidence	7
Executive Committee Meeting, 15 January 2022	8
New Executive Members	9
Focus on: Tere Mullin	10
NIRC Announcement, March 12, 2022	12
Crossword Solution	12
Volunteers Needed	13
Editing Indigenous Content: The Importance of Cultural Sensitivity and Respect	14
Congress of the Humanities Advertisement	18
Contracts and Implied Licence	19
ISC/SCI Membership Report, March 20, 2022	22
Crossword	23

Contracts and Implied Licence

Donald Howes

Introduction

In my previous article in the *Bulletin*, I demonstrated that Canadian freelance indexers are the first holders of copyright on the indexes they create.¹ In order to protect the economic and moral rights granted by the *Copyright Act*,² it is important to have a written contract with a client.³ Otherwise there is a risk that, in the case of a dispute over the use of the index, a client may invoke an *implied licence*.

Intellectual Property Contracts

Cameron and Borenstein discuss the content of an IP (intellectual property) licence agreement in detail, but the general framework of such an agreement is

- identification of the parties
- recitals
- definitions
- licence grant
- compensation
- obligations of the parties
- term and termination
- conflict resolution
- other common clauses⁴

Your contract should also address moral rights. These rights (unlike economic rights) cannot be assigned, but they can be waived. Each contract should contain a clause that clearly asserts your moral rights.

Any contract you use should be reviewed by a legal professional with experience in Canadian intellectual property law.

Implied Licences

Absent a contract specifying licensing terms, how are allowable actions of the client determined? This usually occurs through an implied licence. Implied licences have existed in contract law for some time, although they have only more recently begun to be applied to copyright issues.⁵

Newman gives two rationales for the assumption that an implied licence exists:

One is that the conduct, taken in context, supports a factual inference that the owner actually (subjectively)

intended to grant consent. The other holds that whether or not the owner actually had this subjective intent, the conduct is objectively such as to justify others in drawing and relying on that inference.⁶

As implied licences apply to copyright, they will most commonly be what Mysoor terms "licences implied by custom."⁷ This type of implied licence can arise when "a practice, course of dealing, or a line of conduct ('practice') becomes a custom because the members of the relevant trade, business, or profession engage in it voluntarily, repeatedly, consistently, and universally in such a way that they begin to recognise it as binding."⁸ She identifies three ways in which a custom-based licence may arise:

[First,] where there is a pre-existing contract, into which a custom-based licence is implied. This includes cases where there is a concluded contract in relation to a copyright work and, for the consideration received, a licence may be implied to enable the doing of a certain act.

Secondly, where a custom-based licence can be implied on its own as a bare licence. This includes cases where there is no pre-existing contract or any other relationship between the parties, but a licence is nevertheless implied if no consideration is built into the practice underlying the custom.

Thirdly, the content of the custom itself determines whether the licence is a contractual or a bare licence. This includes situations where a practice may have developed, requiring the licence to be always in exchange for consideration.⁹

Case law that illustrates the attempted use of a custom-based implied licence can be found in *Robertson v. Thomson Corp.*¹⁰ Heather Robertson was a freelance author who brought suit against the Thomson Corporation (publisher of *The Globe & Mail*) when two articles she had previously published in the *Globe* were reproduced in online databases without her permission and without recompense.¹¹

The defendants held that they had an implied licence to reproduce the articles electronically: "The Publishers asserted a number of defences, including an implied contractual right or an implied licence to reproduce the articles" (para 20).

D'Agostino notes that the defendants "relied on their 'custom' to justify digital reproduction of the authors' works without their permission or due payment."¹² She also groups *Robertson* with several other cases from Europe and the United States where

there were no written contracts; only key terms such as the submission date and word count were agreed upon. And so, in all these cases, the agreements were oral and new use rights were not addressed. Freelancers argue that they receive no notice, give no consent, and obtain no payment for the exploitation of their works through these new digital uses. Publishers maintain that there is no difference between the media; in any event, because of contracts previously made with their freelancers they can exploit new uses of such works through an implied licence.¹³

While the Court held that *Robertson* retained copyright in her articles and that Thomson had no right in law to reproduce the articles,¹⁴ it declined to rule on whether there was an implied licence that granted the publishers the right to digitally reproduce the articles, saying, "There was conflicting evidence before the motions judge regarding the scope of such an alleged implied licence. The content of these licences is a live issue that should go to trial, as ordered by the motions judge" (para. 57).

A trial was scheduled for September 2009, but in August the defendants, while admitting no liability, agreed to an \$11 million settlement of the class action.¹⁵ Tellingly, the settlement contained a digital reproduction clause for all those freelancers who had entered a claim in the class action. There was clearly no wish on Thomson's part to test the validity of the implied licence in court.

The potential existence of an implied licence becomes an issue only if you have a dispute with a client over their use of your copyrighted work and that client asserts an implied licence to cover their use. If the dispute escalates to litigation, the validity of the assertion will be decided by the court. The best way to avoid this is to have a contract with your client that clearly states the rights you are assigning them and the conditions that apply to those assigned rights. The contract should clearly state that you reserve all other rights.

Resolving Disputes

If a dispute does arise with a client, either over a contract clause or through assertion of an implied licence, there are four types of dispute resolution. They are

- negotiation
- mediation or arbitration

- litigation
- informal negotiation

In order to avoid the time and expense involved in formal action, it is best to attempt to resolve the dispute with your client through an informal negotiation. In many cases it should be possible to resolve your differences satisfactorily.

Mediation/Arbitration

Mediation or arbitration is usually included in an IP contract as an alternative to litigation, rather than as a stepping stone to it. The complexity of the provisions for arbitration is a matter for negotiation with the client.¹⁶ As Cameron and Borenstein state, "One of the benefits of using mediation, arbitration or other alternative dispute resolution procedures is that the parties may tailor a dispute resolution mechanism to their needs taking into account the importance of the technology and the extent to which they are prepared to go in resolving disputes."¹⁷

In situations where the dispute is cross-border—for example, the client resides in a country other than Canada where there are differing intellectual property laws—mediation/arbitration provides a cost-effective way of resolving the issue.¹⁸

Litigation

When all else fails, litigation may be a viable option. Generally, litigation is pursued if you as the licensor wish to seek injunctive relief to halt an infringement of your intellectual property rights. Be aware that you can pursue litigation in either the provincial or federal courts; where to file suit should be discussed with your counsel.¹⁹ Litigation, however, can be costly in both time and money, and the outcome is not guaranteed.

The *Robertson* case is a good example of a lengthy litigation process. It first appeared in the Ontario Superior Court of Justice in 1999,²⁰ was certified as a class action in 2001,²¹ and reached the Ontario Court of Appeal in 2004.²² It was taken up by the Supreme Court of Canada in 2006 and returned to trial for determination of the validity of the alleged implied licence. A settlement was reached in 2009, before trial. The whole process had taken 10 years.

Conclusions

In order to avoid the potential for a dispute over intellectual property, indexers should develop a clear and comprehensive intellectual property contract that they use with every client. This contract should state what

economic rights are being assigned to the client, the terms governing that assignment, and reserve all other economic rights. Additionally, the contract should clearly assert your moral rights.

Acknowledgements

I would like to thank Dr. Graham J. Reynolds (Associate Professor & Associate Dean, Research and International, Peter A. Allard School of Law, University of British Columbia) and Dr. Michael Geist (Professor, Faculty of Law, University of Ottawa), both of whom provided help and information that was critical for the development of this article. Any errors here are, of course, my own.

About the Author

Donald Howes is a freelance indexer who provides back-of-book and embedded indexes for a diverse clientele. His website is www.dhindexing.ca. He can be reached by email at dwhowes@shaw.ca.

Notes

1. Donald Howes, "Canadian Copyright Law and Indexing," *ISC/SCI Bulletin* 43, no. 3 (Winter 2021): 19–23, <https://tinyurl.com/mr2hnpz3>.

2. Copyright Act, R.S.C., 1985, c. C-42.

3. There are numerous templates for copyright (and general IP) agreements available online. If you use one, make sure it was written with reference to Canadian intellectual property law.

4. Donald M. Cameron and Rowena Borenstein, *Key Aspects of IP License Agreements* (Montreal: Ogilvie Renault, 2003), 6, www.jurisdiction.com/lic101.pdf.

5. Orit Afori, "Implied License: An Emerging New Standard in Copyright Law," *Santa Clara High Technology Law Journal* 25, no. 2 (2009): 276–77, <http://digitalcommons.law.scu.edu/chtlj/vol25/iss2/2>.

6. Christopher M. Newman, "What Exactly Are You Implying?: The Elusive Nature of the Implied Copyright License," *Cardozo Arts & Entertainment Law Journal* 32 (2014): 521, www.cardozoaelj.com/wp-content/uploads/2014/01/Newman-32-3.pdf. See *Netupsky et al. v. Dominion Bridge Co. Ltd.*, [1972] SCR 368, <https://decisions.scc-csc.ca/scc-csc/scc-csc/en/item/4847/index.do>, in which the Supreme Court held that there was an implied licence that granted the defendant the right to modify and duplicate architectural plans supplied by the plaintiff.

7. Poorna Mysoor, *Implied Licences in Copyright Law* (Oxford: Oxford University Press, 2021), 142–68.

8. *Ibid.*, 142.

9. *Ibid.*, 142–43. As it applies to copyright, Merriam-Webster defines bare licence as "a license to use copyrighted material that does not confer an exclusive right to use the material." <https://www.merriam-webster.com/legal/bare%20license>.

10. *Heather Robertson v. The Thomson Corporation, Thomson Canada Limited, Thomson Affiliates, Information Access Company and Bell Globemedia Publishing Inc.*, [2006] 2 SCR 363, <https://scc-csc.lexum.com/scc-csc/scc-csc/en/item/2317/index.do>.

11. *Robertson*, paras. 11 and 13.

12. Giuseppina D'Agostino, "Healing Fair Dealing? A Comparative Copyright Analysis of Canada's Fair Dealing to U.K. Fair Dealing and U.S. Fair Use," *McGill Law Journal* 53, no. 2 (2008): 321n49, <https://lawjournal.mcgill.ca/wp-content/uploads/pdf/7046615-dAgostino.pdf>.

13. Giuseppina D'Agostino, "Canada's Robertson Ruling: Any Practical Significance for Copyright Treatment of Freelance Authors?" *Comparative Research in Law & Political Economy*, Research Paper No. 5 (2007): 4, <https://digitalcommons.osgoode.yorku.ca/clpe/230/>.

14. *Robertson*, para 1.

15. *Heather Robertson v. Thomson Canada Limited, Thomson Affiliates, Information Access Company and Bell Globemedia Publishing Inc.*, [2009] 96-CU-110595CP, https://kmlaw.ca/wp-content/uploads/2015/07/061719_JUDGMENT_12aug09.pdf.

16. Cameron and Borenstein (30–31) provide examples of the types of arbitration provisions that may be included in an IP contract.

17. *Ibid.*, 31.

18. Michael Erdle, "Effective Practices' for Resolution of Intellectual Property Disputes," *slaw.ca*, 2013, <https://www.slaw.ca/2013/08/14/effective-practices-for-resolution-of-intellectual-property-disputes/>. See also WIPO Arbitration and Mediation Center, <https://www.wipo.int/amc/en/index.html>.

19. Alan Macek, "Where Should You Launch Your Intellectual Property Case?" *slaw.ca*, 2014, <https://www.slaw.ca/2014/01/07/where-should-you-launch-your-intellectual-property-case/>. See also the Federal Courts Act, R.S.C., 1985, c. F-7, s. 20(1), <https://laws-lois.justice.gc.ca/eng/acts/f-7/>.

20. *Robertson v. Thomson Corp.*, [1999] CanLII 14768 (ON SC), <https://www.canlii.org/en/on/onsc/doc/1999/1999canlii14768/1999canlii14768.html>.

21. *Robertson v. Thomson Corp.*, [2001] CanLII 28353 (ON SC), <https://www.canlii.org/en/on/onsc/doc/2001/2001canlii28353/2001canlii28353.html>.

22. *Robertson v. Thomson Corp.*, [2004] CanLII 32254 (ON CA), <https://www.canlii.org/en/on/onca/doc/2004/2004canlii32254/2004canlii32254.html>.