

The Final Chapter of the *Cinar v Robinson* Saga After 18 Years of Trial: Lessons from the Supreme Court on Copyright Infringement of Unfinished Works and Copyright Infringers' Liability

On December 23, 2013, the Supreme Court of Canada handed down a unanimous and long-awaited judgment, in the matter opposing Claude Robinson against, *inter alia*, Cinar Corporation and France Animation,¹ thus putting an end to a judicial saga that lasted more than 18 years.

This landmark decision addresses important copyright issues, including, in particular, (1) the test for copyright infringement, (2) the role of expert evidence in such matters, (3) the personal liability of directors and officers, and (4) the assessment and apportionment of damages.

To fully understand the scope of the Supreme Court's judgment, we will briefly recall the facts that gave rise to the proceedings, as well as the trial and appellate decisions, which lead to the highly-publicized outcome of this matter.

Facts

In the early 1980s, Claude Robinson, a cartoonist, came up with an idea to launch a project for an animated TV series for children entitled Robinson Curiosité. He prepared drawings, comic strips and a synopsis and filed same with the Copyright Office in 1985, which issued a registration certificate listing Claude Robinson and his company, Les Productions Nilem, as co-authors. In his quest for

¹ *Cinar Corporation v Robinson*, 2013 SCC 73.

a producer, Claude Robinson presented his project to Cinar executives Micheline Charest and Ronald Weinberg. Cinar offered him an opportunity to act as its representative for the United States in 1986.

In 1992, Christophe Izard submitted to the President and CEO of France Animation a children program concept to be co-produced with Canada; he warranted to the President and Chief Executive Officer, Christian Davin, that the concept "Robinson lied: his island is not deserted" was an original work. The project was approved by France Animation and the programs were co-produced by Cinar and France Animation. The series, which ended up being called Robinson Sucroë, was produced and broadcast exclusively in Québec starting in 1995. In 1996, Robinson and Les Productions Nilem commenced an action against Cinar and France Animation, alleging copyright infringement under the *Copyright Act*² (CA).

THE FIRST EPISODES OF THE SAGA...

Judgment of the Superior Court

On August 26 2009, after an 83-day trial, the Superior Court of Québec rendered a judgment which was particularly harsh towards the defendants.³ Since Cinar and France Animation had access to the work Robinson Curiosité, which presented substantial similarities with the work Robinson Sucroë, and as the defendants had not established that the works were independent from each other, the trial judge ruled that the Robinson Curiosité work had been infringed and held Weinberg, Charest, Izard and Davin liable, all of whom were aware of the infringement of the plaintiff's rights, encouraged or took part in it. In addition, the Court ruled that Cinar, Weinberg and Charest, through their unfair behavior, also incurred civil liability. The defendants were therefore ordered solidarily, i.e. jointly and severally (and personally in the case of

² RSC, 1985, c C-42.

³ 2009 QCCS 3793; see, for example, para. 1062: "[TRANSLATION] the defendants' behaviour is outrageous, premeditated, deliberate."

Weinberg, Charest, Izard and Davin), to pay an amount of \$607,489 for copyright infringement, \$1,716,804 for disgorgement of profits earned by the co-defendants, \$400,000 as compensation for the psychological harm suffered by Claude Robinson, and \$1,000,000 in punitive damages, all bearing interest as of the date when the action was brought, namely December 5, 1995. The co-defendants were also ordered to pay an amount of \$1,500,000 in legal fees and to reimburse all of the expert witness fees.

Judgment of the Court of Appeal

On July 20, 2011, the Court of Appeal of Québec handed down its decision,⁴ allowing part of the appeal brought by the defendants. In its judgment, the Court upheld the liability for copyright infringement and unfair conduct, but significantly reduced the quantum of damages awarded at trial (from \$5,224,293 to \$2,736,416). Since infringement had been established, the award of compensatory damages (subsection 35(1) CA) was upheld. However, with respect to the disgorgement of profits (accounting), the Court issued a reminder that an offender may only be ordered to pay a sum proportionate to the profits earned as a result of such infringement. Since the profits from the utilization of the work had only been earned by the bodies corporate involved, Izard, Weinberg and Charest could not be ordered to disgorge such profits. The Court therefore found that only France Animation, Ravensburger and Cinar were liable pursuant to subsection 35(1) CA and refused to declare them solidarily (jointly and severally) liable, in the absence of a requirement in the CA to that effect.⁵ With respect to **psychological harm**, since Mr. Robinson had not

⁴ 2011 QCCA 1361.

⁵ In addition, first of all, the income related to musical rights was deducted from the amount of profits earned, since the musical work contained in Robinson Sucroë did not infringe the soundtrack of work Robinson Curiosité. Therefore, the profits earned by the appellants from this work of their own creation (more than one million dollars) may not be added to the profits resulting from the infringement. Secondly, all payments made by the appellants (expenses and investments) to earn such income were deducted from the profits earned. Thus, the investment made by Ravensburger and the amount paid by Cinar to the assignee of the work to secure distribution rights in Canada and the United States were deducted.

suffered any physical harm and he could "still enjoy life although his quality of life has been greatly diminished," the Court reduced the amount awarded by approximately three quarters, setting it at \$121,350. Finally, with respect to punitive damages, the Court confirmed that an unlawful and intentional copyright infringement allows for an award of punitive damages pursuant to Article 1621 of the *Civil Code of Québec*, on the grounds that such infringement is a breach of the fundamental right to peaceful enjoyment of property protected by the *Charter of Human Rights and Freedoms*.⁶ However, the Court refused to make such award solidary (joint and several), the objective sought by the legislature being punishment of offenders (as opposed to compensation for prejudice suffered) so as to dissuade them from such conduct by condemning them to pay an amount proportional to the seriousness of their offence and their ability to pay.⁷

The Court reversed the findings of the Superior Court regarding the personal liability of Christian Davin, President and Chief Executive Officer of France Animation, dismissing the action brought against him in its entirety. According to the Court, Mr. Davin's knowledge of the scheme put in place by Cinar to illegally receive financial subsidies from Téléfilm Canada (facts deemed "collateral" to the copyright infringement) did not suffice to presume his knowledge of, or involvement in, the infringing conduct. His liability in this respect was ruled out. However, the Court upheld the liability of France Animation, Cinar and Ravensburger, on the one hand, and the liability of Mr. Izard, as well as of Mr. Weinberg, both personally and in his capacity as liquidator of the estate of the late Mrs. Charest, pursuant to the *CA*, since the infringement had been established.

⁶ RSQ, c C-12.

⁷ In the matter at hand, the Court of Appeal held that the trial court awarded "a patently excessive amount" and that "irrelevant factors played a decisive role in the awarding of punitive damages". The original solidary (joint and several) award of \$1,000,000 was reduced to awards of \$100,000 against Cinar and \$50,000 each, for Messrs. Weinberg and Izard and Mrs. Charest, respectively.

...THE OUTCOME

Four appeals were lodged against the judgment of the Court of Appeal: three by the Cinar parties, challenging the finding of liability for copyright infringement, and the fourth by Claude Robinson and Nilem, challenging the reduction of damages and of the disgorgement of profits. The Supreme Court dismissed the appeals filed by the Cinar parties and allowed, in part, the appeal by Claude Robinson and Nilem.

The highlights of this landmark judgment can be summarized as follows:

1. Test for Copyright Infringement

Rejecting the approach suggested by Cinar, the Court confirmed its earlier case law to the effect that, to establish copyright infringement, the cumulative effect of the features copied from the work must be considered to determine if they amount to a **substantial part of the skill and judgment** of the author expressed in his or her work as a whole. An "objective" approach, which would involve analyzing the significance of the features copied from the first work by examining them separately, was therefore clearly rejected by the Court.

To determine if a substantial part of the work was copied, one must determine if **the features copied represent a substantial part of the plaintiff's work, and not that of the defendant**. Consequently, it is insufficient for the infringer to "conceal" his or her infringement by altering some of the copied features or by incorporating them in a work which is different from that of the plaintiff to avoid allegations of infringement. Likewise, differences between two works will have no effect on the analysis if the copying remains substantial.

2. Role of Expert Evidence in Copyright Infringement Matters

As regards the expert evidence, challenged by Cinar as useless in the matter, the Court recalled that, pursuant to its earlier judgments,⁸ for such evidence to be admitted at trial, whether for copyright infringement or other intellectual property issues, it must satisfy the following criteria: “**(a) it must be relevant; (b) it must be necessary to assist the trier of fact; (c) it must not offend any exclusionary rule; and (d) it must involve a properly qualified expert**”.

In order to determine if a substantial part of Claude Robinson's work was copied, the Court stated that this assessment should be conducted “from the perspective of a person whose senses and knowledge enable such person to fully assess and appreciate all relevant aspects—patent or latent—of the works at issue”. In certain cases, “it may be necessary to go beyond the perspective of a lay person in the intended audience for the work, and to call upon an expert to place the trial judge in the shoes of someone reasonably versed in the relevant art or technology”.

3. Personal Liability of Officers

The Court reiterated that, for a director or an officer of a corporation to be held liable following a copyright infringement perpetrated by the corporation, certain specific circumstances must exist, for instance where a director or officer **commits infringements wilfully and knowingly or is indifferent to the risk of infringement**. In this matter, the Court upheld the trial judgment to the effect that Mr. Weinberg and Mrs. Charest had been guilty of such conduct.

Unless there is clear evidence that the infringement was committed deliberately or that it reflects an indifference as to its risk, the

⁸ *R v Mohan* [1994] 2 RCS 9 and *Masterpiece Inc. v Alavida Lifestyle Inc.*, 2011 SCC 27, [2011] SCR 387.

Court issued a reminder that the personal liability of an officer or a director may only be established in the event of a **serious, precise and concordant presumption** to this effect. Based on this, the Court ruled out the personal liability of Mr. Davin, the President and CEO of France Animation, for which the evidence only allowed for a finding of dishonesty (involvement in Cinar's financial schemes) and arrogance on his part, but not a participation in the copyright infringement. The Court ruled that an officer of a company may not be held liable for a copyright infringement only due to his or her status as an officer, **even if such officer acts as a producer of the work** (Mr. Davin indeed acted as an executive producer of the Robinson Sucroë series in Canada and as line producer (*producteur délégué*) in France).

4. Assessment and Apportionment of Damages

With respect to the disgorgement of profits, the Court overruled the Court of Appeal's decision in part by reiterating that appellate courts must show deference in respect of the factual analysis conducted by trial courts (except in the event of a palpable and overriding error). The Court of Appeal could not interfere with the findings of the Superior Court as regards the apportionment of profits between the infringing components of the work and those that did not infringe copyright (the soundtrack), as the trial judge had not committed any reviewable error in his appreciation of the facts.

Like the Court of Appeal, the Supreme Court confirmed that the trial court **had committed an error in law with respect to the possibility of finding the infringers solidarily (jointly and severally) liable** pursuant to section 35 of the *Copyright Act*. The objective sought by the *Civil Code of Québec* with respect to compensatory damages differs from that of the disgorgement of profits contemplated by the *Copyright Act*. Indeed, the purpose of the federal Act is to prevent the infringer from receiving a monetary benefit from his illegal acts, whereas compensatory damages under Québec civil law, as their name suggests, are intended to provide compensation to victims for harm suffered.

Thus, the Court of Appeal erred in finding that the **non-pecuniary damages** (psychological pain) suffered by Robinson amounted to a bodily injury. The **nature of the harm suffered must be determined based on the infringement and not on the consequences of the wrongful act**. In the matter at hand, there was material injury, in the form of a copyright infringement, which the Court assimilated to the injury suffered by a victim of defamation. The Supreme Court therefore concludes that the Court of Appeal could not apply the cap pertaining to non-pecuniary losses in cases of bodily harm and confirmed the amount of damages allocated by the trial judge, namely \$300,000.

Finally, the Supreme Court resolved the controversy regarding the awarding of **punitive damages** on a solidary basis. Such damages cannot be **awarded on a solidary (joint and several) basis**, since their objective differs from that of compensatory damages. The purposes of punitive damages are rather prevention, deterrence and denunciation. However, the Supreme Court reviewed the amount awarded to Robinson and Nilem on this head of damages, holding that the Court of Appeal had excessively reduced them in light of the seriousness of the appellants' conduct. According to the Court, in light of the facts of the matter, an amount of \$500,000 was appropriate.

by [Elisa Henry and Pierre-Christian Collins Hoffman](#)

For more information on this topic, please contact:

| | | | |
|----------|----------------------------------|--------------|--|
| Montréal | Elisa Henry | 514.987.5083 | elisa.henry@mcmillan.ca |
| Montréal | Pierre-Christian Collins Hoffman | 514.987.5062 | pierre-christian.hoffman@mcmillan.ca |
| Toronto | Sharon Groom | 416.865.7152 | sharon.groom@mcmillan.ca |

[a cautionary note](#)

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

© McMillan LLP 2014