

# REGISTERING COPYRIGHTS AS THEY ARISE MAY IMPROVE CHANCES OF FUTURE SUCCESS AT TRIAL

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Many Companies only consider registering the copyright in their works at the time that a potential dispute arises. Based on the recent case, *Patterned Concrete Mississauga Inc. v Bomanite Toronto Ltd.* (“*Patterned Concrete*”),<sup>[1]</sup> it seems to be in a Company’s best interest to register copyright in works as they arise, on an ongoing basis.

## Background

On April 12, 2021, the Federal Court issued its decision in *Patterned Concrete*. Justice Pallotta’s decision reinforced the importance of registering copyright in the ordinary course of business. At the onset of copyright infringement litigation, having a registration certificate in hand will help support a finding that copyright persists in a Company’s materials.

## The *Patterned Concrete* Decision

In *Patterned Concrete*, a local concrete business commenced an action for copyright infringement.<sup>[2]</sup> *Patterned Concrete* alleged that *Bomanite*, a local competitor, infringed copyright by using a quotation form, a contract form, and a warranty certificate (the “Forms”) that were “substantially similar” to those created and used by *Patterned Concrete*.<sup>[3]</sup>

*Patterned Concrete* argued these Forms “were the product of non-trivial exercise of skill and judgment”<sup>[4]</sup> and therefore were owed protection against infringement of the copyright in those Forms. The court accepted this argument, holding that the Forms satisfied the originality requirement required for copyright to exist.<sup>[5]</sup>

To further substantiate its claim that copyright existed in the Forms, *Patterned Concrete* applied to register copyright in the Forms at the same time *Bomanite* was put on notice of the alleged infringements.<sup>[6]</sup> Section 53(2) of the *Copyright Act* states that a “certificate of registration of copyright is evidence that the copyright subsists and that the person registered is the owner of the copyright.”<sup>[7]</sup>

*Bomanite* argued the timing of the copyright applications indicated that *Patterned Concrete* obtained the registration certificates in contemplation of litigation.<sup>[8]</sup> Relying on Federal Court of Appeal decision *P.S.*

*Knight Co. Ltd. v Canadian Standards Association*,<sup>[9]</sup> Bomanite maintained that Patterned Concrete could only rely on Section 53 if the copyright registration certificate was obtained in the ordinary course of business, rather than while initiating litigation.

Justice Pallotta rejected Bomanite's argument. *P.S. Knight* does not stand for the proposition that Section 53 of the *Copyright Act* will only apply if a certificate of registration was obtained in the ordinary course of business.<sup>[10]</sup> In Justice Pallotta's view, the circumstances leading to Patterned Concrete's applications for copyright registration "are factors that should be considered in weighing all of the evidence tending to prove or disprove the subsistence of copyright and its ownership."<sup>[11]</sup> Whether certificates of registration provide strong evidence of copyright is ultimately a question of weight.<sup>[12]</sup> This holding aligns with the Federal Court of Appeal's statement in *CCH Canada Ltd. v Law Society of Upper Canada*, where the court held that certificates obtained in contemplation of litigation may have "diminished persuasiveness" in determining that copyright existed.<sup>[13]</sup>

Satisfaction of the originality requirement, in combination with the certificates of registration, provided evidence that copyright subsisted in the Forms and Patterned Concrete owned the copyright in the Forms. Justice Pallotta then turned to the question of whether Bomanite infringed the copyright. "Side-by-side comparison" of the two companies' commercial forms demonstrated "substantial similarity" between them, particularly with respect to the limited warranty certificate.<sup>[14]</sup> Justice Pallotta further held that Bomanite failed to establish that similarities between the two companies' forms resulted from a common use of terms in the concrete industry, rather than copied from its competitor.<sup>[15]</sup>

The Federal Court granted the motion for summary judgment. Patterned Concrete was granted statutory damages totaling \$24,000 and an injunction restraining Bomanite from further infringing the Forms.<sup>[16]</sup> For additional information on determining statutory damages in copyright infringement cases, please feel free to contact our intellectual property group.

### Takeaways for Our Clients

Justice Pallotta's reasoning serves as a helpful reminder that a certificate of registration is an additional tool in your arsenal when it comes to copyright infringement litigation. **In weighing evidence, a court will look more favourably upon a certificate obtained in the ordinary course of business to determine that copyright existed.** Although Patterned Concrete was able to prove that copyright subsisted in the Forms, prudence would dictate that clients should opt to register their copyrights as they arise.

[1][ps2id id='1' target=''] 2021 FC 314 [*Patterned Concrete*].

[2][ps2id id='2' target=''] *Ibid* at para 1.

[3][ps2id id='3' target=''] *Ibid*.

[4][ps2id id='4' target=''] *Ibid* at para 3.

[5][ps2id id='5' target=''] *Ibid* at para 33.

[6][ps2id id='6' target=''] *Ibid* at para 8-9.

[7][ps2id id='7' target=''] R.S.C. 1985, c. C-42, s. 53.

[8][ps2id id='8' target=''] *Patterned Concrete* at para 10.

[9][ps2id id='9' target=''] 2018 FCA 222.

[10][ps2id id='10' target=''] *Patterned Concrete* at para 11.

[11][ps2id id='11' target=''] *Ibid* at para 15.

[12][ps2id id='12' target=''] *Ibid* at para 13.

[13][ps2id id='13' target=''] *Ibid* at para 14; 2002 FCA 187 at para 63.

[14][ps2id id='14' target=''] *Patterned Concrete* at para 44.

[15][ps2id id='15' target=''] *Ibid* at para 47.

[16][ps2id id='16' target=''] *Ibid* at para 74-75.

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### **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.

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