

Towards a Right to Engage in the Fair Transformative Use of Copyright-Protected Expression

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A. INTRODUCTION

Networked digital technologies have given Canadians the opportunity to engage with culture in a way that has never before been possible. Empowered and inspired, individuals from Prince George to the Georgian Bay to George Street are rejecting their former role as passive consumers of culture in order to participate in a continuing process of cultural (re)creation, production, and dialogue.¹ One way in which they are doing so is by engaging in the transformative use of existing expression, a type of creative activity in which previously existing expression is reworked for a new purpose, with new interpretations or with a new meaning.²

* The author would like to thank the Foundation for Legal Research for their financial assistance in the preparation of this chapter.

¹ See Henry Jenkins, *Convergence Culture* (New York: NYU Press, 2006); Henry Jenkins, *Fans, Bloggers, and Gamers* (New York: NYU Press, 2006).

² See Andrew Gowers, *Gowers Review of Intellectual Property* (London: HM Treasury, 2006) at 66, where it is noted that the purpose of the transformative works exception is to “enable creators to rework material for a new purpose of with a new meaning.” Many commentators take the position that the starting point for the introduction of the term “transformative use” is Judge Pierre’s Leval’s article, “Toward a Fair Use Standard” (1990) 103 Harv. L. Rev. 1105 at 1111. Judge Leval defines the term “transformative use” as follows: “The use must be productive and must employ the quoted matter in a different manner or for a different purpose from the original. A quotation of copyrighted material that merely repackages or republishes the original is unlikely to pass the test; in Justice Story’s words, it would merely “supersede the objects” of the

This type of creative activity did not originate with networked digital technologies. Individuals have been engaging in the transformative use of existing expression for millennia. J. Harold Ellens has suggested that the Book of Genesis is a rewrite of an “ancient Mesopotamian fertility story of sex and seduction.”³ Chaucer rewrote Ovid.⁴ Pope rewrote Chaucer.⁵ Alexander Lindey states that Shakespeare “commandeered everything that suited his purpose—Greek biography, Roman history, the tales of the Middle Ages, long familiar anecdotes, old farces, the plays of his predecessors—and cast them into forms popular in his day.”⁶ Contemporary Canadian artists Gordon Duggan, Brian Jungen, and Diana Thorneycroft, working in the genre of appropriation art, transform existing expression into new works.

Transformative creativity, however, although it did not originate with networked digital technologies, has been “democratized” through their use.⁷ Anyone with access to a computer, easily obtainable software, and the internet can now create, distribute, and enjoy transformative works such as mashups (songs made up of the combination of two or more pre-existing sound recordings),⁸ machinima (films made within video

original. If, on the other hand, the secondary use adds value to the original—if the quoted matter is used as raw material, transformed in the creation of new information, new aesthetics, new insights and understandings—this is the very type of activity that the fair use doctrine intends to protect for the enrichment of society. Transformative uses may include criticizing the quoted work, exposing the character of the original author, proving a fact, or summarizing an idea argued in the original in order to defend or rebut it. They also may include parody, symbolism, aesthetic declarations, and innumerable other uses.” In *Campbell v. Acuff-Rose Music, Inc.* 510 U.S. 569, 579 (1994), the Supreme Court of the United States stated that a use is transformative if it “adds something new, with a further purpose or different character, altering the first [work] with new expression, meaning, or message.”

³ J. Harold Ellens, *Sex in the Bible* (Westport: Praeger Publishers, 2006) at 55.

⁴ Michael A. Calabrese, *Chaucer's Ovidian Arts of Love* (Gainesville: University Press of Florida, 1994) at 23.

⁵ Hayden Carruth, foreword in Stephen Berg, *With Akhmatova at the black gates* (Champaign: University of Illinois Press, 2002) at ix.

⁶ Alexander Lindey, *Plagiarism and Originality* (Westport: Greenwood Press, 1952) at 74.

⁷ See Yochai Benkler, “From Consumers to Users: Shifting the Deeper Structures of Regulation Toward Sustainable Commons and User Access” (1999-2000) 52 Fed. Comm. L.J. 561 at 562: “Technology now makes possible the attainment of decentralization and democratization by enabling small groups of constituents and individuals to become *users*—participants in the production of their information environment—rather than by lightly regulating concentrated commercial mass media to make them better serve individuals conceived as passive consumers.”

⁸ See Graham Reynolds, “A Stroke of Genius or Copyright Infringement? Mashups and Copyright in Canada”, (2009) 6:3 SCRIPTed 534.

games),⁹ digital collage (artistic works made up of the combination of pieces of two or more works), remixes (works which take existing expression and combine it with other expression), and fan fiction (literary works which incorporate a character, setting, or plot from a pre-existing work).¹⁰

Acts relating to the transformative use of existing expression provide significant benefits to Canadian society. Perhaps most notably, they promote the values underlying the constitutionally protected right to freedom of expression.¹¹ Under the current *Copyright Act*, however, many such acts would likely be found to *prima facie* infringe copyright.¹² The application of fair dealing, a user's right contained within the *Copyright Act* which gives individuals the right to use a substantial amount of copyright-protected expression for certain purposes provided the use is done "fairly," will result in various acts relating to the transformative use of copyright-protected expression being deemed non-infringing. However, many acts will not be protected by fair dealing as it is currently written and interpreted.

This chapter argues that the *Copyright Act* needs to be revised to address the conflict between the rights of copyright owners and the public interest with respect to transformative works.¹³ Certain amendments proposed

⁹ See Graham Reynolds, "All the Game's A Stage: Machinima and Copyright in Canada", (2010) J.W.I.P. (forthcoming).

¹⁰ See Graham Reynolds, "The Impact of Canadian Copyright Laws on the Voices of Marginalised Groups: Towards a Right to Rewrite", (2010) Alb. L.R. (forthcoming); Grace Westcott, "Friction Over Fan Fiction" (2008) Literary Review of Canada, <http://reviewcanada.ca/essays/2008/07/01/friction-over-fan-fiction/>; Rebecca Tushnet, "Legal Fictions: Copyright, Fan Fiction, and a New Common Law" (1997) 17 Loy. L.A. Ent. L.J. 651.

¹¹ See *RJR Macdonald, Inc. v. Canada (Attorney General)*, [1995] 3 S.C.R. 199 (*RJR Macdonald*). The issue of the intersection of copyright and freedom of expression merits discussion. This discussion, however, is beyond the scope of this paper to address. See David Fewer, "Constitutionalizing Copyright: Freedom of Expression and the Limits of Copyright in Canada" (1997) 55 University of Toronto L.R. 175; Graham Reynolds, "A Step in the Wrong Direction: The Impact of the Legislative Protection of Technological Protection Measures on Fair Dealing and Freedom of Expression" (2006) Volume 5, No. 3 Canadian Journal of Law and Technology.

¹² The *Copyright Act*, R.S.C. 1985, c. C-42 [*Copyright Act*] gives copyright owners various rights with respect to works. One such right is the right to reproduce either the entire work or a substantial part of the work. Individuals who reproduce a substantial portion of a copyright-protected work without the permission of the copyright owner *prima facie* infringe copyright, regardless of whether the work has been altered, transformed, or used in a different context than the original work.

¹³ Another issue which merits attention is whether the *Copyright Act* needs to be revised to address the conflict between moral rights and the public interest with

in Bill C-32, Canada's most recent attempt at copyright reform—namely, the expansion of the fair dealing defence to include categories of parody, satire, and education; and the introduction of a right to create non commercial user-generated content - will result in more acts relating to the transformative use of copyright-protected expression being deemed non-infringing.¹⁴ These positive developments, however, are undermined by restrictive anti-circumvention provisions, also contained within Bill C-32, which make it an offence to circumvent an access control technological protection measure (TPM) for any purpose save those expressly exempted. Fair dealing is not included in the list of exemptions. If Bill C-32 is passed in its current form it will be an offence to circumvent an access control TPM in order to engage in the transformative use of expression.

This chapter takes the position that acts relating to the transformative use of copyright-protected expression benefit Canadian society and should not be seen as offences under the *Copyright Act*. To this end, it offers two recommendations for copyright reform. First, the fair dealing defence should be amended to incorporate a right to engage in transformative use of copyright-protected expression. Such an amendment would give individuals the right to use a substantial amount of copyright-protected expression for the purpose of engaging in transformative use, provided certain attribution requirements are satisfied and that the copyright-protected work is dealt with fairly. Second, the provisions of Bill C-32 which relate to the legal protection of TPMs should be modified to state that

respect to transformative works. While copyright protects the author's commercial interests, moral rights protect the author's non-commercial interests. In Canada, various moral rights are protected under the *Copyright Act*, namely the right to the integrity of the work and the right to attribution. The latter right encompasses "the right, where reasonable in the circumstances, to be associated with a work as its author by name or under a pseudonym and the right to remain anonymous" (s. 14.1(1), *Copyright Act*). The right to integrity of the work is infringed if the work is, "to the prejudice of the honour or reputation of the author, (a) distorted, mutilated or otherwise modified; or (b) used in association with a product, service, cause or institution" (s. 28.2(1), *Copyright Act*). If, in the process of engaging in the transformative use of copyright-protected expression, an individual modifies, mutilates or distorts a work, the right to integrity, held by the author of the original work, may be infringed. As well, if the transformative work fails to reference the author of the original work, the author's right to attribution may also be infringed. Further research and analysis must be done to determine whether modifications should be made to Canada's moral rights laws in order to ensure that they do not chill the creation and dissemination of transformative works. This topic is beyond the scope of this paper to address.

¹⁴ Bill C-32, *An Act to amend the Copyright Act*, 3d Sess., 40th Parl., 2010.

individuals are not committing an offence by circumventing a TPM in order to do something which is otherwise permitted by law. The adoption of such an approach would be consistent with the two 1996 World Intellectual Property Organization (WIPO) internet treaties which Canada has signed but not yet ratified.¹⁵ As well, it would give copyright holders an additional tool to combat copyright infringement while ensuring that individuals are not deterred from engaging in the transformative use of copyright-protected expression through the imposition of an additional legal barrier.

B. DO ACTS RELATING TO THE TRANSFORMATIVE USE OF COPYRIGHT-PROTECTED EXPRESSION BENEFIT CANADIANS?

The Supreme Court of Canada (SCC), in *RJR Macdonald, Inc. v. Canada (Attorney General)*, stated that the values underlying the constitutionally protected right to freedom of expression include “the search for political, artistic and scientific truth, the protection of individual autonomy and self-development, and the promotion of public participation in the democratic process.”¹⁶ Acts relating to the transformative use of copyright-protected expression promote these values.

Transformative works can assist individuals in the search for political and artistic truth. Some transformative works critique individual politicians, policy positions, and political parties. A search for “Stephen Harper remix,” “Jack Layton remix,” or “Michael Ignatieff remix” on YouTube, for instance, returns various examples of critical transformative works. In the American context, Richard L. Edwards and Chuck Tryon, in an article entitled “Political video mashups as allegories of citizen empowerment,” note that:

high-profile mashups during the 2008 elections included hip-hop star will.i.am’s “Yes We Can” video (a remix of Obama’s New Hampshire primary concession speech in February 2008), the eponymous Obama Girl’s “Crush on Obama” video, satirist Paul Shanklin’s “Barack the Magic Negro” song (a remix of an *Los Angeles Times* column and the

¹⁵ *World Intellectual Property Organization Copyright Treaty* (adopted 20 December 1996, entered into force 6 March 2002) 36 ILM 65 [WCT], *World Intellectual Property Organization Performances and Phonograms Treaty* (adopted 20 December 1996, entered into force 20 May 2002) 36 ILM 76 [WPPT].

¹⁶ *RJR Macdonald*, above note 11 at para. 72.

song “Puff the Magic Dragon”) and Comedy Central’s late night host Stephen Colbert’s “John McCain’s Green Screen Challenge” (a mashup contest centering around a speech given by Republican presidential candidate John McCain). Each of these mashups in turn encouraged or stimulated other users to create their own video mashups, such as the numerous user-generated videos on BarelyPolitical.com that remix video footage of Obama Girl, or users who submitted their own mashup creations into Colbert’s remix challenge.¹⁷

Edwards and Tryon state that “[j]ust as in the case of a video camera in the hands of a video activist at a street rally, engaged online users can produce mashups as a means for political advocacy (tool), political protest (weapon), and political observation (witness).”¹⁸

Transformative works can also assist in the search for artistic truth. Transformative works that are critical of certain genres of art, artists, individual works, or art movements may help individuals re-examine their own views on art and culture. Some mashups may be created for the purpose of critiquing a specific artist. An individual may wish, for instance, to draw attention to and subvert the macho image of a certain band by creating a mashup which combines their aggressive vocals with a light, playful musical accompaniment. Other individuals use transformative works to critique certain genres of art. Peggy Ahwesh’s machinima, *She Puppet*, for instance, created within the video game *Tomb Raider*, provides a feminist critique of both *Tomb Raider* and the “male dominated world of gaming.”¹⁹ Non-critical transformative works may also aid in the search for artistic truth. By emphasizing an artist’s admirable characteristics, for instance, a transformative work may inspire individuals to look more deeply at that artist’s body of work. Examples abound of individuals creating and distributing transformative works which act as homages or tributes to certain artists, art forms, or genres.²⁰

Transformative works help protect individual autonomy and self-development. In creating transformative works, individuals take existing expression and rework it, altering its meaning and purpose. The act of re-

¹⁷ L. Edwards and Chuck Tryon, “Political video mashups as allegories of citizen empowerment” (2009) 14 *First Monday* 10, <http://firstmonday.org/htbin/cgiwrap/bin/ojs/index.php/fm/article/view/2617/2305#p4>

¹⁸ Edwards and Tryon, above note 17.

¹⁹ Peggy Ahwesh, (2001) *She Puppet*; Elijah Horwatt, “New Media Resistance: Machinima and the Avant-Garde” (2008) 73/74 *Cineaction* 8 at 11.

²⁰ See, for example, www.youtube.com/watch?v=eco8IdnHjEQ for a Shania Twain tribute; www.youtube.com/watch?v=7L1HYCV9ScA for a Nickelback tribute.

working existing expression is an empowering experience. Rather than acting as a passive consumer of expression, individuals, through the creation of transformative works, actively engage with it. Through machinima, they can use a video game's characters to tell a story which they want to tell, rather than experiencing the game exclusively in the manner outlined by its creators. Through mashups, individuals can imagine what might occur should their two favourite bands play together on the same stage. Through fan fiction, individuals can write themselves, their friends, their family, and their life into works which they find personally significant or which are culturally significant.²¹ In reworking and remaking a text, individuals can assert themselves against it and express their agreement with it. They can mold it to their own experiences and worldview. They are developing alongside (and within) the texts.

Transformative use of copyright-protected expression does not just benefit individuals. It also allows marginalised or oppressed groups to achieve autonomy from more empowered cultures by writing themselves into central roles in culturally significant texts.²² One noteworthy example of a work in which this occurs is the *Wind Done Gone*, Alice Randall's rewrite of the Margaret Mitchell work *Gone with the Wind*.²³ As Neil Netanel states, Randall's rewrite "upend[s] Mitchell's idealized portrait [of the "antebellum South during and after the Civil War"] by deploying its very story lines, scenes, and characters to reimagine them from the viewpoint of a slave."²⁴

Transformative works may also promote public participation in the democratic process. One facet of the democratic process is political participation. Certain transformative works may inspire individuals to become involved in the political process as a candidate, a volunteer for a political campaign, or as a more informed (or first time) voter. Democracy, however, can be seen as something broader than political participation. Jack Balkin states that:

A democratic culture is more than representative institutions of democracy, and it is more than deliberation about public issues. Rather, a

²¹ See Anupam Chander & Madhavi Sunder, "Everyone's a Superhero: A Cultural Theory of 'Mary Sue' Fan Fiction as Fair Use" (2007) 95 Calif. L. Rev. 597.

²² Jeannie Suk, "Originality" (2002) 115 Harv. L. Rev. 1988 at 1992–93.

²³ Alice Randall, *The Wind Done Gone* (New York: Houghton Mifflin Company, 2001); Margaret Mitchell, *Gone with the Wind* (New York: Macmillan, 1975).

²⁴ *Suntrust v. Houghton Mifflin Co.*, 268 F.3d 1257 (11th Cir. 2001).

²⁵ Neil Netanel, *Copyright's Paradox* (New York: Oxford University Press, 2008) at 159.

democratic culture is a culture in which individuals have a fair opportunity to participate in the forms of meaning making that constitute them as individuals. Democratic culture is about individual liberty as well as collective self-governance; it is about each individual's ability to participate in the production and distribution of culture.²⁶

By giving individuals the ability to participate in culture “through building on what they find in culture and innovating with it, modifying it, and turning it to their purposes,” in a way that was not previously possible on such a scale, transformative use of existing expression, facilitated by digital networked technologies, promotes public participation in the democratic process.²⁷

This part of the chapter has argued that acts relating to transformative use of copyright-protected expression are beneficial for Canadian society. Specifically, it has suggested that these acts further the values underlying freedom of expression, as articulated by the SCC. These acts, however, may also infringe copyright.

C. DO ACTS RELATING TO THE TRANSFORMATIVE USE OF COPYRIGHT-PROTECTED EXPRESSION INFRINGE COPYRIGHT?

Anyone can rework or remake expression which is no longer (or has never been) protected by copyright. However, although some individuals who engage in transformative use rework expression which is no longer protected by copyright,²⁸ many individuals remake works that are still protected by copyright.²⁹ In so doing, they may be infringing the exclusive rights of the copyright owner with respect to the works in question. These rights, set out

²⁶ Balkin, Jack M. ‘Digital Speech and Democratic Culture: A Theory of Freedom of Expression for the Information Society’ (2004) 79 N.Y.U. Law Rev. 1 at 3–4.

²⁷ Balkin, above note 26 at 5.

²⁸ Canadians Anthony Del Col and Conor McCreery recently created the “fantasy-adventure” comic-book series *Kill Shakespeare*, which has been described as the *Globe and Mail* as “a mash-up of heroes and villains from a dozen plays flung together in a new, supernatural adventure.” (John Barber, “THWACK! Two Canadians want to kill Shakespeare” *The Globe and Mail* (17 April, 2010), www.theglobeandmail.com/books/thwack-two-canadians-want-to-kill-shakespeare/article1536890/.

²⁹ This is potentially due to two reasons. First, the period of copyright in works extends for approximately the life of the author plus fifty years. Thus, many of the works which are currently available for transformative re-use are protected by copyright. Second, many individuals may wish to engage with recently created content that is currently culturally relevant.

in section 3 of the *Copyright Act*, include the right to, with respect to either an entire work or a substantial part of a work, reproduce it, communicate it to the public by telecommunication, and perform it in public.³⁰

Thus, if a transformative work reproduces a substantial amount of copyright-protected expression without the permission of the copyright owner, the creator of the transformative work will have *prima facie* infringed the copyright owner's right to reproduce the work. The distribution of such a work over the internet will *prima facie* infringe the copyright owner's right to communicate the work to the public by telecommunication. And the act of downloading such a work will, again, *prima facie* infringe the copyright owner's right to reproduce the work.

The question of whether a substantial amount of expression has been taken from the copyright-protected work "must be assessed from both a quantitative and qualitative perspective."³¹ Even a small taking can be deemed substantial if analysed from a qualitative perspective. As well, the question of whether a taking is substantial depends on the type of work involved. With respect to musical works, for instance, it appears that the amount taken will be considered to be a substantial part of the copyright-protected work if it renders the copyright-protected work recognizable or identifiable within the allegedly infringing work.³² In *Hager v. ECW Press Ltd.* a case which addressed substantial taking in the context of a literary work, Reed J. found that the defendants had committed copyright infringement by reproducing one-third of a nine page chapter on Shania Twain in a longer work on the Canadian country music icon.³³ As noted by Reed J.:

the conclusion I draw from the facts is that in terms of quantity, a substantial amount of her work was taken. In addition, the parts of her book that are most valuable to her were taken: the direct quotes from Shania Twain. I conclude that qualitatively a very valuable and significant part of her work was taken.³⁴

It is likely that many transformative works could be seen as having reproduced a substantial amount of copyright-protected expression. Many machinima, for instance, feature characters, background scenery, and objects

³⁰ *Copyright Act*, above note 12 at s. 3.

³¹ *Hager v. ECW Press Ltd.*, [1999] 2 F.C. 287 at para. 15 [*Hager*].

³² See *Canadian Performing Right Society Ltd. v. Canadian National Exhibition Association*, [1934] 4 D.L.R. 154 (Ont. H.C.J.) [CPRS]; *Grignon v Roussel* (1991), 44 F.T.R. 121 (F.C.T.D.) [*Grignon*].

³³ *Hager*, above note 31.

³⁴ *Ibid.* at para.16.

from the underlying video game. In writing fan fiction, authors frequently retain elements of the plot, characters, or setting from the original stories. In creating mashups, mashup artists often attempt to ensure that the underlying songs are recognisable. As Gregg Gillis (Girl Talk) has noted, “I like to use [samples] in a way that everything is recognizable. That’s a part of the fun where you recognize the sample and you hear how it can be manipulated.”³⁵ In reproducing a “substantial” amount of copyright-protected expression, these works *prima facie* infringe the exclusive rights of the copyright owner.

Various defences to copyright infringement, described by the SCC as users’ rights, are contained within the *Copyright Act*.³⁶ The user right which may prove most useful with respect to acts relating to the transformative use of copyright-protected expression is fair dealing. The fair dealing defence is set out in sections 29–29.2 of the *Copyright Act* and reads as follows:

29. Fair dealing for the purpose of research or private study does not infringe copyright.

29.1 Fair dealing for the purpose of criticism or review does not infringe copyright if the following are mentioned:

- (a) the source; and
- (b) if given in the source, the name of the
 - (i) author, in the case of a work,
 - (ii) performer, in the case of a performer’s performance,
 - (iii) maker, in the case of a sound recording, or
 - (iv) broadcaster, in the case of a communication signal.

29.2 Fair dealing for the purpose of news reporting does not infringe copyright if the following are mentioned:

- (a) the source; and
- (b) if given in the source, the name of the
 - (i) author, in the case of a work,
 - (ii) performer, in the case of a performer’s performance,
 - (iii) maker, in the case of a sound recording, or
 - (iv) broadcaster, in the case of a communication signal.³⁷

³⁵ Douglas Wolk, “Barely Legal” *The Village Voice* (5 February 2002), www.villagevoice.com/2002-02-05/music/barely-legal.

³⁶ *CCH Canadian et al. v. Law Society of Upper Canada*, 2004 SCC 13 at para. 58 [CCH].

³⁷ *Copyright Act*, above note 12 at ss. 29–29.2.

The fair dealing analysis proceeds in three steps. First, in order for an act to be covered by fair dealing, it must have been done for one of the listed fair dealing purposes (namely research, private study, criticism, review, and news reporting). Second, if the act is done for the purpose of criticism, review, or news reporting, certain criteria with respect to attribution must be satisfied. Third, the copyright-protected work must have been dealt with fairly.

It is likely that a large number of the acts relating to transformative works were done for the purpose of one of the listed fair dealing categories. The SCC, in *CCH Canadian et al. v. Law Society of Upper Canada* has indicated that these categories “must be given a large and liberal interpretation in order to ensure that users’ rights are not unduly constrained.”³⁸ The category of research has been interpreted broadly. The SCC further noted that research, for the purposes of fair dealing, need not be private and can be for profit.³⁹ Both “for-profit” research conducted by law firms and thirty-second previews of musical works have been found to fall within the category of research.⁴⁰ Transformative works created or used for the purpose of research, such as those created or acquired by researchers studying the history or sociology of user-generated content, for instance, would likely fall within this category.

Transformative works created or used in private may be seen as having been created for the purpose of private study. However, many transformative works, although they may be created in private, are then shared with the world through peer to peer file sharing programs or websites. Reed J., in the leading case to address the scope of the “private study” category, *Hager v. ECW Press Ltd.*, has stated that “the use contemplated by private study . . . is not one in which the copied work is communicated to the public.”⁴¹ Thus, the act of making transformative works public would likely remove these dealings from the ambit of the fair dealing category of private study.

Some transformative works may have been created or used for the purpose of news reporting. News reports discussing the topic of user-generated creativity, for instance, may feature clips or photos from mashups or machinima. Some transformative works, as well, may be seen as having been created for the purpose of review. The leading Canadian case to inter-

³⁸ *CCH* above note 36.

³⁹ *Ibid.*

⁴⁰ *Ibid; Society of Composers, Authors and Music Publishers of Canada v. Bell Canada*, 2010 FCA 123.

⁴¹ *Hager*, above note 31.

pret the category of review, *Canada v. James Lorimer & Co. (Lorimer)*, states that fair dealing for the purpose of review “requires as a minimum some dealing with the work other than simply condensing it into an abridged version and reproducing it under the author’s name.”⁴² As transformative works rework existing expression for a new purpose or new meaning, it is likely that they would be seen as surpassing the minimum standard suggested for the category of review in *Lorimer*.

Many transformative works are critical. Whether the fair dealing category of criticism encompasses these types of criticism, however, is an open question. The exact bounds of the fair dealing category of criticism are yet to be determined. A prominent Canadian case interpreting the fair dealing category of criticism, *Cie Générale des Établissements Michelin-Michelin & Cie v. C.A.W.-Canada et al. (Michelin)*,⁴³ interpreted criticism narrowly. Specifically, it indicated that the fair dealing category of criticism does not encompass parody. *Michelin*, however, was decided seven years before the SCC, in *CCH* indicated that courts were to interpret the fair dealing categories broadly. It remains to be seen how broadly criticism will be interpreted post-*CCH*.

As indicated above, a large number of acts relating to transformative works will likely be seen as having been done for the purpose of one of the listed fair dealing categories. However, many acts relating to transformative works will likely not be seen as having been done for these purposes. For instance, many acts relating to transformative works which are made public and which are not critical will likely not fall within any of the existing categories.⁴⁴ These types of dealings include transformative works which are created or distributed as homages, expressions of appreciation, and tributes. One example of such a work is Danger Mouse’s *Grey Album*, a mashup of Jay-Z’s *Black Album* and the Beatles’ *White Album* which has been described as a “sincere, sophisticated homage to two acclaimed works and the musical celebrities who created them.”⁴⁵ Other types of transformative works which will not be protected by the fair dealing defence as it is currently written and interpreted are transformative works which use copyright-protected expression as the building blocks,

⁴² *Canada v James Lorimer and Co.* (1984), 77 C.P.R. (2d) 262.

⁴³ *Cie Générale des Établissements Michelin-Michelin and Cie v. C.A.W.-Canada et al* (1996), 71 C.P.R. (3d) 348.

⁴⁴ This conclusion suggests that fair dealing, as it is currently constructed, favours critics over fans.

⁴⁵ Johanna Blakley, “The *Grey Album*, Celebrity Homage and Transformative Appropriation” (2005) www.learcenter.org/images/event_uploads/DemersNotes.pdf.

or raw material, for new expression, without commenting on or critiquing the expression itself. Acts relating to these types of works will likely not be seen as having been done for any of the listed fair dealing purposes. As they are not protected by fair dealing, these acts can be enjoined by the copyright owner and the individuals who engage in these acts can be exposed to significant financial penalties.⁴⁶ As a large number of transformative works will satisfy the first step in the fair dealing analysis, however, this chapter will proceed by discussing the second and third steps.⁴⁷

The second step in the fair dealing analysis only applies to acts done for the purpose of criticism, review and news reporting. Acts done for these purposes, provided they are deemed fair, will not infringe copyright if certain attribution requirements are satisfied. With respect to a work, for instance, both the source of the work and the author (if given) must be mentioned. This requirement will not provide a significant impediment to individuals who wish to create, distribute, or enjoy transformative works. Attribution can be given, for instance, in the end credits of a machinima, in a file name in a mashup, or in the title page of fan fiction.

The third step in the fair dealing analysis requires a court to determine whether the copyright-protected work in question has been dealt with fairly. The term fair is not defined in the *Copyright Act*. Whether something is fair “is a question of fact and depends on the facts of each case.”⁴⁸ The SCC, in *CCH* (the leading Canadian decision on fair dealing), set out a list of factors which should be considered in determining whether a dealing has been fair. These factors include: the purpose of the dealing, the character of the dealing, the amount of the dealing, alternatives to the dealing, the nature of the work, and the effect of the dealing on the work.⁴⁹

The first factor, the purpose of the dealing, will tend to fairness if acts relating to the transformative use of copyright-protected expression are done for one of the fair dealing purposes. Acts which are not done for one of the fair dealing purposes will not pass the first step in the fair dealing analysis. As noted above, although a large number of acts relating to the transformative use of copyright-protected expression will likely be seen as having been done for one of the fair dealing purposes, many will not.

The second factor, the character of the dealing, looks at how the works which were allegedly infringed were dealt with. The SCC notes that while

⁴⁶ *Copyright Act*, above note 12 at ss. 35, 38.1.

⁴⁷ As discussed above, the first step of the fair dealing analysis involves determining whether an act was done for one of the fair dealing purposes.

⁴⁸ *CCH* above note 36 at para. 52.

⁴⁹ *Ibid.* at para. 53.

a “single copy of a work . . . used for a specific legitimate purpose” may tend to fairness, “multiple copies of works . . . being widely distributed . . . will tend to be unfair.”⁵⁰ Many transformative works are distributed widely.⁵¹ In some situations, they may be distributed far more widely than the original work.⁵² Whether this factor tends to fairness or unfairness will depend, in large part, on how the transformative work was distributed.

The third factor, the amount of the dealing, looks at the amount of the original, copyright-protected work that is included in the transformative work. The extent to which this factor tends to fairness in any individual case will depend on the quantity of work taken, the importance of the work whose copyright was allegedly infringed, and the purpose of the dealing.⁵³ The fact that some transformative works may incorporate large portions of the allegedly infringed work will not preclude the application of the fair dealing defence. As noted by Sedgwick J. in *Allen v. Toronto Star Newspapers Ltd.*, it is possible to deal fairly with an entire work.⁵⁴

The fourth factor, alternatives to the dealing, looks at whether there is a “non-copyrighted equivalent of the work that could have been used instead of the copyrighted work.”⁵⁵ In determining whether this factor tends to fairness, the SCC has stated that it is “useful for courts to attempt to determine whether the dealing was reasonably necessary to achieve the ultimate purpose.”⁵⁶ If the purpose of the dealing is to critique one song by combining it with another in the form of a mashup, for instance, it is difficult to argue that such a criticism would be equally effective if it didn’t “actually reproduce the copyrighted work it was criticizing.”⁵⁷ If the purpose of the dealing is to critique an elected politician’s actions, however, it could be argued that such a criticism could be equally effective in a form other than through a parody of a popular song directed at that politician.

The fifth factor, the nature of the work, looks at whether the work has been published or whether it was confidential. While dealing with confidential works may tend to unfairness, in some circumstances, increas-

⁵⁰ CCH above note 36 at para. 55.

⁵¹ Over a million tracks have been downloaded from DJ Danger Mouse’s *Grey Album*, a mashup of the Beatles’ *White Album* and Jay-Z’s *Black Album*. Matthew Rimmer, “The *Grey Album*: Copyright Law and Digital Sampling” (2005) 114 Media International Australia incorporating Culture and Policy 40 at 40.

⁵² See *Rogers v. Koons*, 960 F.2d 301 (2d Cir. 1992).

⁵³ CCH above note 36 at para. 56.

⁵⁴ *Allen v. Toronto Star Newspapers Ltd.* (1995), 36 O.R. (3d) 201 (*Allen*).

⁵⁵ CCH above note 36 at para. 57.

⁵⁶ *Ibid.*

⁵⁷ *Ibid.*

ing circulation of an unpublished work could tend to fairness as it “could lead to wider public dissemination of the work — one of the goals of copyright law.”⁵⁸ It is likely, however, that many of the works which are remade through transformative use are works which have been published. If this is the case, this factor may not play a large role in the fairness analysis.

The sixth factor examines the effect of the dealing on the work. The main question analyzed with respect to this factor is whether the “reproduced work is likely to compete with the market of the original work.”⁵⁹ If it is, the dealing may tend to unfairness. It is likely, however, that very few transformative works will compete, at all, with the market for the original work. Individuals looking to buy one of the games in the Halo series to play will not, instead, purchase DVDs of machinima set in the Halo world. Someone who wants to read the original Harry Potter books will not be satisfied with one of the myriad Harry Potter fan fiction creations.

Based on the above analysis and, in particular, the factor which looks at the effect of the dealing on the work, this chapter suggests that it is likely that most, if not all, of the acts relating to the transformative use of copyright-protected expression which have been done for fair dealing purposes would be considered fair. However, as discussed above, many acts relating to transformative works will likely not be seen as having been created for fair dealing purposes. Particularly, many acts with respect to transformative works which are made public and are not critical, such as acts with respect to works which use existing culture as the raw material for new expression, without critiquing or commenting on the copyright-protected expression itself, will likely be seen as infringing copyright. Many of these acts further the values underlying the constitutionally protected right to freedom of expression. However, as they cannot be considered to have been created for any fair dealing purpose, they will be excluded from the ambit of fair dealing.

D. TOWARDS A RIGHT TO ENGAGE IN TRANSFORMATIVE USE OF COPYRIGHT-PROTECTED EXPRESSION

1) Bill C-32

Bill C-32, introduced by the Government of Canada on 2 June 2010, provides additional protection for acts relating to the creation, distribution,

⁵⁸ *Ibid.* at para. 58.

⁵⁹ *Ibid.* at para. 59.

and enjoyment of transformative works.⁶⁰ It does so in two main ways: through the expansion of the fair dealing defence and through the addition of a right to create non-commercial user-generated content (provided that certain conditions are satisfied).

First, Bill C-32 proposes to expand fair dealing through the addition of three new fair dealing categories: parody, satire and education.⁶¹ Should Bill C-32 be passed, individuals would have the right to use a substantial amount of copyright-protected expression without the authorization of the copyright-owner for the purposes of parody, satire, and education (in addition to the existing fair dealing categories of research, private study, criticism, review, and news reporting), provided they do so fairly. This amendment would render non-infringing many acts relating to the transformative use of copyright-protected expression which are, under the current *Copyright Act*, likely to be deemed infringing. It would do so by making it easier for acts which would otherwise be seen as fair to pass the first step of the fair dealing analysis—namely, the step in which it is determined whether the act was done for one of the listed fair dealing purposes. The extent to which this proposed expansion to fair dealing increases protection for acts relating to the transformative use of copyright-protected expression depends in large part on how broadly the categories of parody, satire, and education are interpreted.

Parody is an ancient concept which has been defined in many different ways through its long history.⁶² The “popular conception of parody and the standard dictionary definition” conceives of parody as a “specific work of humorous or mocking intent, which imitates the work of an individual author or artist, genre or style, so as to make it appear ridiculous.”⁶³ Other conceptions of parody, however, permit the parodist to use the work being

⁶⁰ Bill C-32, above note 14.

⁶¹ *Ibid.* at cl. 21.

⁶² Margaret A. Rose, *Parody: Ancient, Modern, and Post-Modern* (New York: Cambridge University Press, 1993), at 5. See also Graham Reynolds, “Necessarily Critical? The Adoption of a Parody Defence to Copyright Infringement in Canada” (2010) *Man. L.J.* (forthcoming); Emir Aly Crowne-Mohammed, “Parody as fair dealing in Canada: a guide for lawyers and judges” (2009) 4 *Journal of Intellectual Property Law & Practice* 468; 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” (2008) 53 *McGill L.J.* 309; James Zegers, “Parody and Fair Use in Canada After *Campbell v. Acuff-Rose*” (1994) 11 *C.I.P.R.* 205.

⁶³ Ellen Gredley & Spyros Maniatis, “Parody: A Fatal Attraction? Part 1: The Nature of Parody and its Treatment in Copyright” (1997) 19 *Eur. I.P. Rev.* 339 at 341.

parodied in order to critique something other than the work itself.⁶⁴ These types of parody have been referred to as “weapon” parodies,⁶⁵ and can also be seen as satire.⁶⁶ Finally, some conceptions of parody do not insist upon criticism at all. Canadian literary theorist Linda Hutcheon, for instance, defines parody as a “form of imitation . . . characterized by ironic inversion, not always at the expense of the parodied text.”⁶⁷ This definition of parody encompasses works which are characterized by “admiration and reverence,”⁶⁸ and, if adopted by Canadian courts, would likely encompass acts relating to the transformative use of copyright-protected expression which can be characterized as homages, tributes, or shows of appreciation for the parodied text. Transformative works which use existing expression solely as the raw material for future expression, however, without commenting upon or critiquing either the existing expression itself or something other than the existing expression, would likely fail to be encompassed by both the satire and parody categories of fair dealing, even if a broad conception of both categories is adopted by Canadian courts.⁶⁹

64 See Linda Hutcheon, *A Theory of Parody: The Teachings of Twentieth-Century Art Forms* (London: Methuen, Inc., 1985) at 6; Michael Spence, “Intellectual Property and the Problem of Parody” (1998) 114 *Law Q. Rev.* 594 at 594.

65 Spence, above note 64 at 594.

66 The Supreme Court of the United States, in *Campbell*, above note 2, noted the following two definitions of satire: “a work ‘in which prevalent follies or vices are assailed with ridicule,’ 14 *Oxford English Dictionary*, [247 (2d ed. 1989)] at 500, or are ‘attacked through irony, derision, or wit,’ *American Heritage Dictionary*, [1317 (3d ed. 1992)] at 1604.”

67 Hutcheon, above note 64 at 6.

68 Gredley & Maniatis, above note 63 at 340.

69 The Supreme Court of the United States, in *Campbell*, above note 2, stated that “[p]arody needs to mimic an original to make its point, and so has some claim to use the creation of its victim’s (or collective victims’) imagination, whereas satire can stand on its own two feet and so requires justification for the very act of borrowing” (580–81). Various commentators have noted that in the United States of America, satire generally receives less fair use protection than parody. Adriana Collado, for instance, notes that “[c]ourts have reasoned that, because copyright owners are not inclined to grant parodists permission to use their copyrighted work in a manner that holds the work up to ridicule or criticism, fair use is necessary to advance the goals of copyright law and to prevent censorship. Courts, however, deem that copyright owners are likelier to allow use of their works in satire because satires do not target the copyrighted works directly. Thus, courts have reasoned satires do not need fair use protection in the same way as parodies.” Adriana Collado, “Unfair Use: The Lack of Fair use Protection for Satire Under § 107 of the *Copyright Act*” 9 *J.Tech. L. & Pol’y* 65 at 67–68, <http://grove.ufl.edu/~techlaw/vol9/issue1/collado.html>.

The proposed addition of the education category of fair dealing could also impact the extent to which acts relating to the transformative use of copyright-protected expression infringe copyright in Canada. Although one way to interpret “education” is to restrict the term to activities taking place in a formal educational institution, the SCC’s statement, in *CCH* that fair dealing categories “must be given a large and liberal interpretation,” would likely require the term to be interpreted more broadly.⁷⁰ For instance, under a large and liberal interpretation, acts could be seen as being encompassed by the fair dealing category of education if they are done for the purpose of educating oneself or others, whether in an institutional educational setting or in a less formal environment.

Though the existing fair dealing categories already encompass many acts relating to education, it is likely that the creation of this new fair dealing category will result in various additional acts passing the first step of the fair dealing analysis, such as non-critical acts performed for others which cannot be considered to be part of any research process but which serve a broad, educative function. Acts relating to the transformative use of copyright-protected expression which are done for the purpose of education, such as the act of creating and disseminating a transformative work in order to bring its content to the attention of a broad audience for their edification or instruction may, for instance, be encompassed by this category.

Bill C-32, by expanding the list of allowable fair dealing categories, will lead to more acts relating to the transformative use of copyright-protected content passing the first step of the fair dealing analysis. It is important to emphasize, however, that fair dealing is a process with multiple steps. The fact that a work may have been done for a fair dealing purpose does not mean that the fair dealing defence will automatically apply, resulting in the act being deemed non-infringing. In order for fair dealing to apply, the copyright-protected work must also have been dealt with fairly. As noted by Trudel J.A. of the Federal Court of Appeal, in a decision which dealt with the question of whether “the photocopying of excerpts from textbooks for use in classroom instruction for students in kindergarten to grade 12”⁷¹ was fair dealing:

I am also aware that Bill C-32, *An Act to amend the Copyright Act*, 3rd Session, 40th Parliament, 59 Elizabeth II, 2010, section 21 would amend section 29 to state that “Fair dealing for the purpose of research, private

⁷⁰ *CCH* above note 36.

⁷¹ 2010 FCA 198, para 2.

study, education, parody or satire does not infringe copyright (changes underlined). However, this amendment serves only to create additional allowable purposes; it does not affect the fairness analysis.⁷²

The second way in which Bill C-32 provides additional protection for acts relating to the transformative use of copyright-protected expression is through the creation of a defence relating to non-commercial user-generated content, dubbed by some as the “YouTube defence.” This provision reads:

- 29.21 (1) It is not an infringement of copyright for an individual to use an existing work or other subject-matter or copy of one, which has been published or otherwise made available to the public, in the creation of a new work or other subject-matter in which copyright subsists and for the individual—or, with the individual’s authorization, a member of their household—to use the new work or other subject-matter or to authorize an intermediary to disseminate it, if
- (a) the use of, or the authorization to disseminate, the new work or other subject-matter is done solely for non-commercial purposes;
 - (b) the source—and, if given in the source, the name of the author, performer, maker or broadcaster—of the existing work or other subject-matter or copy of it are mentioned, if it is reasonable in the circumstances to do so;
 - (c) the individual had reasonable grounds to believe that the existing work or other subject-matter or copy of it, as the case may be, was not infringing copyright; and
 - (d) the use of, or the authorization to disseminate, the new work or other subject-matter does not have a substantial adverse effect, financial or otherwise, on the exploitation or potential exploitation of the existing work or other subject-matter—or copy of it—or on an existing or potential market for it, including that the new work or other subject-matter is not a substitute for the existing one.
- (2) The following definitions apply in subsection (1).

“intermediary” means a person or entity who regularly provides space or means for works or other subject-matter to be enjoyed by the public

“use” means to do anything that by this Act the owner of the copyright has the sole right to do, other than the right to authorize anything.⁷³

⁷² *Ibid.*, para. 21.

⁷³ Bill C-32, above note 14 at cl. 22.

This defence would protect many acts relating to the transformative use of copyright-protected expression from being deemed infringing. For instance, it likely would render lawful most non-commercial mashups, sampling, machinima, digital collage, fan fiction, and remix, among other types of non-commercial transformative works. All of these types of expression “use an existing work . . . in the creation of a new work.”⁷⁴ Certain acts relating to the transformative use of copyright-protected expression, however, would not be able to benefit from this defence. For instance, acts done for commercial purposes are excluded from the ambit of this defence. As a result, creators of transformative works who wish to benefit financially from their creations would not be protected by the proposed section 29.21 defence.⁷⁵

Furthermore, the non-commercial user-generated content defence only applies in situations where “the use of, or the authorization to disseminate, the new work or other subject matter does not have a substantial adverse effect, financial or otherwise, on the exploitation or potential exploitation of the existing work or other subject-matter—or copy of it—or on an existing or potential market for it, including that the new work or other subject-matter is not a substitute for the existing one.”⁷⁶ The terms “substantial,” “adverse,” “effect,” and “potential exploitation” are not defined in Bill C-32. It is therefore possible, notwithstanding the statement of the SCC that defences to copyright infringement are users’ rights that should not be unduly restricted, that these terms could be interpreted in such a way that significantly narrows the ambit of the defence.⁷⁷ Even given these restrictions, however, these two provisions significantly expand the ability of individuals to engage in transformative use of copyright-protected expression without infringing copyright.

Both new and existing users’ rights, however, are threatened by those provisions of Bill C-32 that grant legal protection to TPMs. TPMs, sometimes referred to as “digital locks,” are technological measures that allow

⁷⁴ *Ibid.* It would also protect acts which are not transformative but which use an existing work in the creation of a new work.

⁷⁵ Creators of transformative works who wish to benefit financially from their creations would have to rely on the application of the fair dealing defence in order to avoid being found to have infringed copyright. The fact that an individual profits from their exercise of fair dealing is not a bar to the defence. See *CCH* above note 35, where the acts of lawyers conducting the business of law for profit were found to be encompassed by fair dealing.

⁷⁶ Bill C-32, above note 14 at cl. 22.

⁷⁷ *CCH* above note 36 at para. 54.

copyright owners to restrict access to and/or use of copyright-protected expression. Bill C-32 makes it an offence to circumvent a TPM which controls access to a work, a performer's performance fixed in a sound recording, or a sound recording for all purposes save those expressly exempted. It also makes it an offence to offer or provide services or devices to the public that are "primarily for the purposes of circumventing a technological protection measure" (provided that certain other criteria are satisfied).⁷⁸

Certain narrowly-circumscribed exemptions to these offences are built into Bill C-32. It is not an offence, for instance, to circumvent a TPM for the purposes of: an investigation related to the enforcement of an Act of Parliament or an Act of a legislature; activities related to the protection of national security; ensuring computer interoperability; encryption research; verifying and preventing the collection or communication of personal information; assessing or correcting computer security; making works, performances, and sound recordings perceptible to a person with a perceptual disability; making an ephemeral reproduction of a work for a broadcasting undertaking; or gaining access to a telecommunications service by means of a radio apparatus (provided, in every case, that certain other criteria are satisfied).⁷⁹

In many instances, however, an individual could commit an offence by circumventing a TPM in order to do something that the individual has the right to do under the *Copyright Act*. For instance, there is no exemption that permits an individual to circumvent an access control TPM in order to exercise their right to fair dealing. As a result, individuals who circumvent an access control TPM for the purpose of research, private study, criticism, review, and news reporting will be committing an offence.

Bill C-32 also makes it an offence to offer or provide services or devices to the public that are "primarily for the purposes of circumventing a technological measure" when the service or device is offered knowingly and for commercial purposes.⁸⁰ Committing this offence results in exposure to significant penalties which may chill the creation and distribution of tools used to circumvent TPMs.⁸¹ Although one consequence flowing from the enactment of these provisions may be a reduction of instances of copyright infringement, these provisions may also prevent individuals from exercising their user rights. A paucity of tools to circumvent TPMs

78 Bill C-32, above note 14 at cl. 47.

79 *Ibid.* at cl. 47.

80 *Ibid.* at cl. 47.

81 *Ibid.* at cl. 48.

may render individuals unable to circumvent TPMs, even where the act of circumvention itself is not an offence. Thus, although Bill C-32 contains two provisions which provide additional protection for acts relating to the transformative use of copyright-protected expression, this additional protection is undermined by the manner in which Bill C-32 grants legal protection to TPMs. As a result, Bill C-32 may have the effect of limiting the creation and distribution of transformative works to a greater degree than is the case under the current *Copyright Act*.

2) Reforming Bill C-32

In the attempt to achieve broader protection for acts relating to the transformative use of copyright-protected expression, this chapter offers two recommendations for reform of Bill C-32. First, the fair dealing defence should be expanded to incorporate a right to engage in the transformative use of copyright-protected expression. Second, the provisions relating to the legal protection of TPMs should be modified to ensure that it is not an offence to circumvent a TPM for a lawful purpose (such as to engage in fair dealing).

a) Adopting a Right to Engage in Transformative Use of Copyright-Protected Expression

The adoption of a right to engage in the transformative use of copyright-protected expression will open up space within which individuals can, in a lawful manner, create and disseminate transformative works. Its impact would extend across the spectrum of transformative works, and would benefit both amateur transformative creators and professional transformative creators.

One objection to the creation of such a right could be that it has the potential to be overbroad. As a result, in order to balance this new user right with the rights of copyright owners, this chapter suggests that it should be incorporated within fair dealing as another acceptable fair dealing category. Thus, the mere fact that the use is transformative would not be sufficient to have it declared non-infringing. The use would also have to be “fair.” If this proposal is accepted, individuals in Canada would have the right, under fair dealing, to use a substantial amount of copyright-protected expression without the permission of the copyright owner for the purpose of engaging in the transformative use of copyright-protected expression, provided they do so in a fair manner. As is the case with the current list of fair dealing categories, fairness would be determined through an analysis of various factors, including: the purpose of the dealing, the character of the dealing,

the amount of the dealing, the alternatives to the dealing, the nature of the work, and the effect of the dealing on the work.⁸²

A second objection to the creation of such a right could be that it is unnecessary to add an additional category to fair dealing in order to protect acts relating to the transformative use of copyright-protected expression, as most, if not all acts relating to transformative works could be encompassed by the existing (and proposed) fair dealing categories of research, private study, parody, satire, education, criticism, review, and news reporting. The above analysis has demonstrated that many transformative uses will likely be encompassed by the existing and proposed fair dealing categories. It is possible, however, that courts could interpret the scope of new and existing fair dealing categories in a manner which would result in certain transformative uses of copyright-protected not being encompassed by any of the fair dealing categories. These uses would then infringe copyright, regardless of whether they are “fair” and regardless of the social benefits which arise from their creation and dissemination. The creation of a separate fair dealing category for transformative use would ensure that all fair transformative uses of copyright-protected expression do not infringe copyright. It would also demonstrate a recognition, on the part of the government, of the benefits which flow to both individuals and Canadian society from engaging in acts relating to the transformative use of copyright-protected expression.

Canada would not be the first country to provide protection for acts relating to the transformative use of copyright-protected expression. The question of whether a new work is transformative is a key consideration in the United States of America’s fair use analysis.⁸³ As well, in 2006, the Gowers Review of Intellectual Property, commissioned by then-Chancellor of the Exchequer Gordon Brown and “charged with examining all the elements of the IP [intellectual property] system, to ensure that it delivers incentives while minimising inefficiency,”⁸⁴ recommended that the government of the United Kingdom take steps to create a copyright exemption for transformative use.⁸⁵

82 In creating this new fair dealing category, care would have to be taken in the drafting process to ensure that courts do not make “transformative use” a mandatory element of every claim of fair dealing.

83 *Campbell*, above note 2. Fair use is the analogous American provision to Canada’s fair dealing defence.

84 Gowers, above note 2 at 1.

85 *Ibid.* at 3. It could be argued that the creation of such a right is not necessary, as individuals who wish to engage in the transformative use of copyright-protected

b) Clarifying that It Is Not an Offence to Circumvent a TPM for Lawful Purposes

Achieving broader protection for acts relating to transformative works will also require the modification of the Bill C-32 provisions which grant legal protection to TPMs. As noted above, Bill C-32 makes it an offence to circumvent an access control TPM for any purpose save those expressly exempted. Although various exemptions are set out in the Bill, there is no exemption for fair dealing or other user rights. As a result, a user who circumvents an access control TPM in order to exercise their right to fair dealing will have committed an offence, resulting in the copyright owner being able to pursue various remedies.⁸⁶

In order to ensure that legal protection for TPMs will not prevent users from exercising their rights under the *Copyright Act*, this chapter suggests that the provisions relating to the legal protection of TPMs should be modified to clarify that it is not an offence to circumvent a TPM for lawful purposes. This approach was adopted in Bill C-60, the Liberal Government's failed 2005 attempt to reform the *Copyright Act*. Clause 27 of Bill C-60 states that:

[a]n owner of copyright in a work . . . [is] . . . entitled to all remedies . . . that are or may be conferred by law for the infringement of a right against a person who, without the consent of the copyright owner . . . circumvents, removes or in any way renders ineffective a techno-

expression can simply secure a licence from the copyright owner allowing them to use the copyright-protected expression in the creation of a transformative work. For various reasons, however, licensing is not a suitable alternative. First, the process of determining who owns the copyright in a certain work may be both time consuming and difficult. Second, the process of negotiating a licensing fee can be similarly time consuming and expensive. Third, the licensing fee itself may be unaffordable for certain users. Fourth, some copyright owners may only be willing to licence certain uses of their copyright-protected content. If an individual proposes to use the copyright-protected expression in a manner that conflicts with the copyright owner's list of acceptable uses, the licence may be refused. Fifth, some copyright owners may refuse all requests for licences. Although some of these hurdles can potentially be overcome by the creator or of a transformative work intended for commercial distribution, they are likely to be more difficult for amateur creators to overcome, and may have the effect of chilling the creation and distribution of amateur transformative works.

⁸⁶ These remedies include an injunction, damages, accounts, and delivery up. Clause 47 of Bill C-32 (specifically, 41.1(3)) indicates that copyright owners "may not elect . . . to recover statutory damages from an individual who [circumvented a TPM] only for his or her private purposes."

logical measure protecting any material form of the work . . . for the purpose of an act that is an infringement of the copyright in it.⁸⁷

Michael Geist and Keith Rose have outlined a variety of ways in which Bill C-32 could be revised to adopt such an approach. One possible revision suggested by Geist and Rose is to “link the prohibition of circumvention to infringement.”⁸⁸ To give effect to this proposed revision, they suggest revising the definition of “circumvent” set out in section 41 of Bill C-32 to read:

- “circumvent” means,
- (a) in respect of a technological protection measure within the meaning of paragraph (a) of the definition “technological protection measure”, to scramble a scrambled work or decrypt an encrypted work or to otherwise avoid, bypass, remove, deactivate or impair the technological protection measure, for any infringing purpose, unless it is done with the authority of the copyright owner; and
 - (b) in respect of a technological protection measure within the meaning of paragraph (b) of the definition “technological protection measure,” to avoid, bypass, remove, deactivate or impair the technological protection measure for any infringing purpose.⁸⁹

A second possible revision to Bill C-32 which would permit circumvention for lawful purposes is the addition of an explicit exemption for circumvention for lawful purposes.⁹⁰ To do so, Geist and Rose suggest adding subsection 41.1(5) and (6) to Bill C-32 as follows:

Lawful purpose

(5) Paragraph (1)(a) does not apply if a technological protection measure is circumvented for any lawful purpose.

(6) Paragraphs (1)(b) and (c) do not apply to a person who supplies a service to a person referred to in paragraph (5) or who manufactures, imports or provides a technology, device or component, for the purposes of enabling anyone to circumvent a technological protection measure in accordance with this Act.⁹¹

⁸⁷ Bill C-60, *An Act to amend the Copyright Act*, 1st Sess., 38th Parl., 2004–2005 at cl. 27.

⁸⁸ Michael Geist and Keith Rose, “Fixing Bill C-32: Proposed Amendments to the Digital Lock Provisions” (2010), [:www.michaelgeist.ca/content/view/5117/125/](http://www.michaelgeist.ca/content/view/5117/125/).

⁸⁹ Geist and Rose, above note 88.

⁹⁰ *Ibid.*

⁹¹ *Ibid.*

These proposed approaches to the legal protection of TPMs are consistent with the two 1996 WIPO internet treaties that Canada has signed but not yet ratified: the *WIPO Copyright Treaty* (WCT) and the *WIPO Performances and Phonograms Treaty* (WPPT). Article 11 of the WCT addresses TPMs.⁹² It requires Contracting Parties to provide:

adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by authors in connection with the exercise of their rights...and that restrict acts, in respect of their works, which are not authorized by the authors concerned or permitted by law.⁹³

It does not, however, require Contracting Parties to provide legal protection and legal remedies against the circumvention of TPMs that are used to restrict acts which are permitted by law, such as acts protected by fair dealing. In making it an offence to circumvent an access control TPM for any purpose save those expressly exempted, a list which does not include fair dealing or other user rights, Bill C-32 provides protection beyond what is required by the WCT and the WPPT. It does so at the expense of users' rights, and at the expense of the balance between copyright owners and the public interest mandated by the SCC.⁹⁴

E. CONCLUSION

Acts relating to the transformative use of copyright-protected expression benefit Canadian society. Through the creation, distribution, and enjoyment of transformative works, individuals can question their own political views. They can express their disapproval or support of artists and their works. They can interact with texts, engaging with the works and cultural symbols that pervade the lives of Canadians. They can become more active members of a robust Canadian democracy, both through political participation and participation in the cultural life of the nation. As this chapter has set out, however, many acts relating to the transformative use of copyright-protected expression *prima facie* infringe copyright and cannot be saved by the fair dealing defence as it is currently written and interpreted. As a result, this chapter has argued that the *Copyright Act*

⁹² The analogous provision in the WPPT, above note 15, is contained in Article 18.

⁹³ WCT, above note 15 at Article 11.

⁹⁴ See CCH above note 36 at para. 48; *Théberge v Galerie d'Art du Petit Champlain Inc.*, [2002] 2 S.C.R. 336, 2002 SCC 34 at paras. 30–31; *Society of Composers, Authors and Music Publishers of Canada v Canadian Ass. Of Internet Providers*, 2004 SCC 45.

should be reformed to grant protection to acts relating to the fair transformative use of copyright-protected expression.

Bill C-32 is the most recent attempt to reform the *Copyright Act*. Although it contains two provisions which expand protection for acts relating to the transformative use of copyright-protected expression, this additional protection is undermined by Bill C-32's approach to the legal protection of TPMs. Under Bill C-32, it would be an offence to circumvent an access control TPM in order to engage in the transformative use of existing expression, even if the act of engaging in transformative use itself is otherwise lawful.

In order to ensure that the social benefits which flow from the creation, distribution, and enjoyment of transformative works are not lost due to restrictive copyright legislation, this chapter has proposed two reforms to Bill C-32: the expansion of the fair dealing defence to include a right to engage in transformative use of copyright-protected expression, and the modification of the provisions granting legal protection to TPMs to clarify that it is not an offence to circumvent a TPM for lawful purposes.

These proposals, which are consistent with the two WIPO treaties (the WCT and WPPT) which Canada has signed but not yet ratified, benefit both copyright owners and users. The ability of copyright owners to take action against copyright infringement is strengthened. If an individual circumvents an access control TPM in order to infringe copyright, they can be sued for both the infringing act and the act of circumvention. In this way, the decision of copyright owners to apply a TPM to prevent unauthorized access to copyright-protected material will receive some protection at law. This protection, however, should not permit copyright owners to sue individuals for circumventing TPMs in order to exercise their user rights. The amendments suggested in the final part of this chapter would clarify that it is not an offence to circumvent a TPM for a lawful purpose.

If these two proposals were incorporated into the *Copyright Act*, individuals would have the right to engage in the fair transformative use of copyright-protected expression, regardless of whether this expression is locked behind a TPM; and regardless of whether this use fits within the existing (and proposed) fair dealing categories of research, private study, criticism, review, news reporting, parody, satire, or education. Copyright owners would not be able to prevent the reworking of existing expression through the application of a technological measure. Private ordering through technological means would not trump user rights.⁹⁵ And Can-

⁹⁵ Another issue which merits attention is the extent to which private ordering, through

adians from sea to sea to sea would be able to continue to use networked digital technologies to mashup, remix, remake, appropriate, and incorporate existing expression into new expression in a transformative manner, helping build both a stronger Canadian democracy and a more vibrant Canadian culture.

contracts, should be permitted to trump user rights. TPMs are frequently used in conjunction with contractual arrangements. This topic, however, is beyond the scope of this paper to address.