1935

July 3, 4, & 5.
July 18.

BETWEEN:

UNDERWRITERS SURVEY BUREAU LIMITED, ET AL. ..... } PLAINTIFFS;

AND

No. 16246.

WILLIS, FABER AND COMPANY OF CANADA LIMITED ..... } DEFENDANT.

AND

UNDERWRITERS SURVEY BUREAU LIMITED, ET AL. ..... } PLAINTIFFS;

AND

No. 16245.

MASSIE & RENWICK LIMITED ..... DEFENDANTS.

AND

UNDERWRITERS SURVEY BUREAU LIMITED, ET AL. ..... } PLAINTIFFS;

AND

No. 16247.

J. E. CLEMENT INCORPORATED ..... DEFENDANT.

AND

UNDERWRITERS SURVEY BUREAU LIMITED, ET AL. ..... } PLAINTIFFS;

AND

No. 16248.

SHAW & BEGG LIMITED ..... DEFENDANT.

Copyright—Practice—Delay in applying for interlocutory injunction—No substantial injury caused plaintiffs by awaiting trial.

Held: That since the acts complained of by plaintiffs as constituting an infringement of their copyright had continued for a number of years, and there was evidence that plaintiffs were aware of such, interlocutory injunctions should not be granted as no substantial injury would be done plaintiffs by causing them to await the final disposition of the several actions.

MOTIONS by plaintiffs for interlocutory injunctions restraining defendants from infringing plaintiffs' copyright in certain plans and other documents as set out in the statements of claim.

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The motions were heard before the Honourable Mr. Justice Maclean, President of the Court, at Ottawa.

Charles Morse, K.C., J. A. Mann, K.C., and *A. M. Boulton* for plaintiffs.

O. M. Biggar, K.C., and *Hamilton Cassels* for defendant Massie & Renwick Limited.

O. M. Biggar, K.C., for defendant Shaw & Begg Limited.

W. B. Scott, K.C., for defendants Willis, Faber and Company of Canada Limited, and J. E. Clement Incorporated.

The facts are stated in the reasons for judgment (1).

THE PRESIDENT, now (July 18, 1935) delivered the following judgment:—

(1) At the hearing the following authorities were cited:

By Mr. Mann, K.C.

Dickens v. *Hawksley* (1935) W.N. 3; (1935) 152 L.T.R. 375; (1935) 104 L.J. Ch. 174.

Falcon v. *Famous Players* (1926) 2 K.B. 474.

R.S.C. 1927, c. 32. 21-22 Geo. V, c. 8.

Tanguay v. *Laing* (1929) 35 La Rev. de Jur. 444.

Statutes at Large, Vol. 4, 8 Anne, c. 19.

By Dr. Morse, K.C.

Exchequer Court Rule 242.

Grafton v. *Watson* (1884-5), 51 L.T.R. 141.

Bonnella v. *Espir* (1926), 43 R.P.C. 159.

Challender v. *Royle* (1887), 36 Ch. D. 425; (1887) 4 R.P.C. 363.

Cheeseworth v. *City of Toronto* (1921) 49 O.L.R. 68.

Aslatt v. *Corp. of Southampton* (1880) 16 Ch. D. 143.

Annual Practice 1934, p. 904.

Kerr on Injunctions, 6 ed. 390-391.

MacMillan v. *Dent* (1907) 1 Ch. D. 107.

Perf. Rt. Soc. v. *Mitchell & Booker,* McGillivray's Copyright Cas. 1923-1928, p. 39.

Waters v. *M. Alen Huygen & Co.,* McGillivray's Copyright Cas. 1923-1928, p. 17.

Chambers Enc. of 1923, 134.

Copinger, 6 ed. p. 1 (footnote).

Hogg v. *Scott* (1874) L.R. 18 Eq. 444; L.J. 43 Eq. 705.

Halsbury's Laws of England, 2nd ed., Vol. 7, 536.

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By Mr. Biggar, K.C.

Spottiswoode v. *Clarke* (1846) 41 Eng. Reprints 900; 2 Phillips 154.

Saunders v. *Smith* (1838) 7 L.J. Ch. 227; (1838) 3 My. & Cr. 711.

Copinger, 6 ed. p. 167.

Combines Investigation Act, R.S.C. 1927, c. 26.

By Mr. Scott, K.C.

Kerr on Injunctions, 6 ed. 167, 642.

Rundell v. *Murray* (1821) Jac. Ch. Rep. 311.

Lewis v. *Chapman* (1840) 3 Bevan's Rep. 133.

Robl et al v. *Palace Theatre* (1911) T.L.R. 69.

Delorme v. *Cusson* (1897) 28 S.C.R. 66.

In these four actions interim injunctions were granted against the defendants restraining them, their agents and servants, from using, or dealing in, certain plans or volumes of plans, commonly known as Goad's fire insurance plans, and certain insurance rating schedules, rating and tariff books, rate cards and underwriting rules, and from using or dealing in information derived therefrom, or of reproductions or copies thereof. By these several orders of injunction it was further ordered that in each case the injunction, the plaintiffs' statements of claim, and a notice of motion for an interlocutory order of injunction, be served upon the defendant, within a period of five days from the date of the interim injunction, and after hearing these four motions I have now to decide whether an interlocutory injunction shall be granted or refused. The four motions may be considered together.

On the hearing of these motions the plaintiffs abandoned any claims to injunctions in respect of any original plans, insurance schedules, etc., the defendants, or any of them, may have acquired as their own property and restricted their claims to interlocutory injunctions restraining the defendants from using, or dealing in, any copies, reproductions and negatives of any such plans, insurance rating schedules, etc., or using, or dealing in any information derived from the same.

The plaintiff "Bureau" is a Canadian corporation, incorporated in 1917. The other plaintiffs, to be designated

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as Members, are all corporate bodies licensed to carry on the business of fire insurance in Canada and all are members of the Canadian Fire Underwriters' Association hereinafter called the "Association." The Association is an unincorporated body existing since the year 1883, and all the assets and property, including copyrights, vested in the name of the Association, or in its custody, belong, it is said, to the Members who support and maintain the Association, the affairs of which are administered by officers elected annually by the Members.

Prior to the incorporation of the Bureau, the capital stock of which is held in trust for the Association and its Members, there was what was known as the Plan Department of the Association, and the Bureau, after its incorporation, became the Plan Department of the Association, and, I think, is frequently referred to as such to-day. The operations of the Plan Department, and of the Bureau after 1917, related to the compilation, preparation, revision and issuing of plans of cities, towns, villages and districts, and other related printed matter, which were found necessary or convenient in fire insurance underwriting by the Members; these plans and printed matter were not sold or offered for sale to fire insurance companies not members of the Association, it being intended that the only persons entitled to receive such plans and printed matter were the Members, and in some cases affiliated associations.

Before proceeding further this might be a convenient stage at which to state as briefly and accurately as I can some of the history relating to the origin of the matters which are at the bottom of this controversy. As far back as 1880, and perhaps earlier, one Charles Edward Goad of Montreal, began to prepare and issue what has since been known as Goad's Plans, that is, plans of cities, towns and villages in Canada, whereon were indicated streets, lots, buildings, and also key-plans, signs, symbols and fire risk references; these plans would appear in various sheets according to the size of the area surveyed and so plotted. As I understand it, Goad sold these plans to all fire insurance companies doing business in Canada, or their agents, without discrimination. Goad died in 1910, and by his last will and testament he vested his plan business in the

Toronto General Trusts Corporation Ltd. to be sold for the benefit of his estate, and in 1911 the same was sold to his three sons who carried on the plan business as partners under the name of C. E. Goad Company. In 1911, C. E. Goad Company entered into an agreement with the Association to compile, make, and revise insurance plans for the Members of the Association only, and this agreement expired on December 31, 1916. In October, 1917, the Bureau acquired the right to reprint and revise the Goad's insurance plans on payment of certain royalties, as I understand it, to Charles E. Goad Company, which company shortly afterwards went out of business after selling, it was stated, whatever plans they still had in stock, whether indiscriminately to all fire insurance companies I am not quite sure. In March, 1931, the Bureau acquired by purchase all the right, title and interest of three Goad Brothers, and the late Charles Edward Goad, in the Goad's plans and any copyright therein, and the Bureau has registered the copyright in such plans since, I think, 1917. The plaintiffs claim copyright in all of the plans, and sheets of plans, of the several cities, towns, and villages set forth in schedule no. 1 attached to the statements of claim herein, and all such plans, it is said, were produced, or revised, either by the original Plan Department of the Association, or the Bureau, or by Charles Edward Goad deceased, or by Charles E. Goad Company. That is the way I understand the matter, but if I am not strictly correct in my narrative of the facts it is not, I think, of any serious consequence.

For some years, and until recently, the Commercial Reproducing Company Ltd., Montreal, was engaged in reprinting or reproducing Goad's plans and selling them to any person or fire insurance company requesting them. In this way a great number of copies of Goad's plans inevitably got into circulation among fire insurance companies not Members of the Association. That company was a few months ago perpetually restrained from reproducing and selling such plans by a judgment of this Court in an action brought by the Bureau; in this action the Bureau also recovered damages against the Commercial Reproducing Company for infringement of the plaintiffs' copyright in such plans. All the defendants herein, it is alleged,

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obtained by purchase from the Commercial Reproducing Company, copies of these plans.

It is only fire insurance companies, or their agents, who are concerned in this litigation. It appears that the fire insurance business in Canada is divided between Members of the Association, and what are known as "non-board" fire insurance companies, that is to say, fire insurance companies who are not members of the Association. The latter comprise, as I recall it, some fifty-three different fire insurance companies duly licensed to carry on fire insurance business in Canada. It appears also that some fire insurance agents will represent insurance companies who are Members of the Association, and also at the same time non-board fire insurance companies. It follows that such fire insurance agents, representing companies who are Members of the Association, would become entitled to copies of plans from the Bureau which they would use in their fire underwriting business done through non-board companies. Some non-board companies have acquired plans by purchase from either Charles E. Goad, or Charles E. Goad Company, or by purchase from companies rightfully in possession of them, but who had ceased to carry on fire insurance business. Then, many Members of the Association withdrew from time to time therefrom and became non-board fire insurance underwriters. In fact, one of the defendants herein was a Member of the Association from 1911 until March, 1935, when it withdrew from the Association, and it has retained the plans which it obtained as a Member, and it claims to enjoy the right to dispose of them as they see fit. In these different ways a great number of plans came into the hands of non-board fire underwriters, such as the defendants.

It is alleged by the plaintiffs that all the plans in the possession of the defendants have printed thereon the names of the producer or author, either the Association, the Plan Department, the Bureau, or Goad's, and that the defendants were always aware that copyright in the same was vested in such owners or authors, or the plaintiffs. The plaintiffs claim that each of the defendants herein have, for a period in excess of nine years up to the month of May, 1935, infringed the plaintiffs' copyright in the

plans with full knowledge that the copyright therein was and is vested in the plaintiffs. It is claimed that the defendants have caused such plans to be produced and reproduced, and negative and positive prints to be made therefrom, and have sold, loaned or distributed the same to other persons or corporations who had no right thereto, or to the use thereof. It is alleged by the plaintiffs that the Plan Department of the Association, the Association and its Members, and the Bureau, have expended in the acquisition, production and revision of such plans, for the use of Members, sums of money aggregating nearly one and a half million dollars, from March, 1917, to December 31, 1934.

The several defendants oppose the granting of the interlocutory injunction upon many grounds, which I shall attempt to mention, though not in their order of importance. They urge that the issues here are very involved and substantial and do not afford proper grounds for the granting of interlocutory injunctions and that the same should await the final determination of the several actions. Then it is urged that the practices complained of have been engaged in by the defendants, and other non-board fire insurance companies or their representatives, for about twenty-five years, to the knowledge of the plaintiffs and without their protest or obstruction, and that such laches and acquiescence should at least constitute a bar to an interlocutory injunction at this stage. Then it is said that many plans and copies of plans in question are lawfully in the possession of the defendants; that some of the plans in which copyright is claimed by the plaintiffs were never published and some were never registered; that the plans in question, and particularly the insurance rating schedules, etc., do not constitute subject matter for copyright and that there has been no infringement of the same by the defendants; that the plaintiffs' title to many of the plans are questionable and are to be seriously contested; that there are altogether about fifty other non-board fire insurance companies doing business in Canada whose position is almost precisely the same as that of the defendants in these four actions and that an injunction directed against the defendants herein would leave the other non-board fire insurance companies free to continue the practices sought to be restrained as

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against the defendants in these actions; that the business of the defendants herein would in many ways be seriously injured and impeded if interlocutory injunctions issued, for example, by newspaper publicity given the injunctions, and that on the other hand the business of the plaintiffs would not be injuriously affected if matters proceed as they have for years and until the final determination of the issues arising in these actions, and that in any event the balance of convenience should be decided in favour of the defendants. It is further contended that all or most of the plans and reproductions thereof which are in the possession of the defendants were acquired by purchase from the Commercial Reproducing Company, and that the plaintiffs have already secured by a judgment of this Court a permanent injunction (and a finding in damages) against the Commercial Reproducing Company restraining the sale and reproduction of such plans, and that, in any event, damages cannot again be recovered by the plaintiffs against the defendants on account of any use or trafficking in such plans. It is urged also that the claims and rights which the plaintiffs seek here to enforce constitute a violation of the Combines Act but just how I have not been quite able to appreciate. And finally the defendants contend that any action for infringement of copyright must be brought within three years of the date of the infringement which would be a bar to many of the infringements here alleged to be committed by the defendants.

The motions for interlocutory injunctions apparently involve some difficulties, and the facts are rather complicated. The defendants, it will be seen, have raised many objections to the granting of interlocutory injunctions, and I cannot undertake to say that some of them at least are not arguable or without merit, and I gather that some of the points mentioned are to be seriously pursued. The infringements complained of have, it will be seen, been going on for quite a number of years. The defendants claim that the plaintiffs have been well aware of this, and very strong affidavits in support of this contention were produced on behalf of the defendants. The plaintiffs say that while they suspected such practices were going on they had no definite proof of the same until they acquired information of this in the action of the Bureau against the Commercial Repro-

ducing Company. I find it difficult to believe that the plaintiffs were not fully aware that the acts complained of had been going on for many years, and, at the moment, I do not see why proof of such facts might not have been found. This is rather an important point in my view of the matter in so far as the granting of interlocutory injunctions are concerned. In the end it may transpire to be of no substance whatever. I am not expressing any definite opinion as to the weight to be attached to the defendants' contentions as to laches and acquiescence, either in fact or in law. That can only be determined after the trial of these actions, but I am impressed by the fact that what is now claimed to be infringement has been going on for a long number of years, and there is some evidence that the plaintiffs were aware of this, and I am not convinced that any great injury will be done the plaintiffs in refusing the interlocutory injunctions and causing them to await final judgment in these actions, which should be heard and disposed of within the next three or four months. This is not a case such as where infringement is claimed of a copyrighted song, or a piece of music, which may go out of public favour in a few days or a few months. The plans here said to be infringed will have a continuing value to the plaintiffs if they ultimately succeed in sustaining their claim to copyright therein, and when the use of any reproduced plans may be restrained. If interlocutory injunctions were granted it possibly would operate as a very serious injury to the defendants, while on the other hand the refusal to grant the injunctions only means continuing a little longer a situation that has existed for years. It is now more than three months since the plaintiffs, according to their own affidavits, came into possession of the facts upon which these several actions are said to be based. On the whole it seems to me that to grant the interlocutory injunctions would, in the circumstances here, appear too much like attempting a final determination of the matters at issue, some of which may turn out to be quite controversial. I therefore think the motions should be refused.

Clearly this is a case which should go to trial as quickly as possible. Counsel for the defendants suggested that very extensive inquiries and investigations would be required on their part before going to trial, but I am unable

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to appreciate this view. The relevant facts, it seems to me, must be now largely within the knowledge of the defendants, and those that are not may easily be acquired. The defendants, I should say, ought to be in a position to know from whom and when they acquired any plans or copies of plans, and other works, now in their possession, or now being used by them. Whether they infringe any copyright which the plaintiffs may own is, I apprehend, largely one of law.

The matter of the costs of these several motions may present some difficulties and for the present the same is reserved.

Judgment accordingly.