

In the Privy Council.

No. 25 of 1937.

ON APPEAL FROM THE COURT OF APPEAL  
FOR ONTARIO.

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BETWEEN

A. VIVIAN MANSELL . . . . . (*Plaintiff*) *Appellant*

AND

THE STAR PRINTING AND PUBLISHING COMPANY OF TORONTO,  
LIMITED . . . . . (*Defendant*) *Respondent*.

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**CASE FOR THE RESPONDENT.**

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- RECORD.
1. This is an appeal from the Order of the Court of Appeal for Ontario (The Honourable the Chief Justice on Appeal, The Honourable Mr. Justice Middleton and The Honourable Mr. Justice Macdonnell) dated the 27th day of January, 1937, dismissing an appeal from the Judgment of the trial Judge, The Honourable the Chief Justice of the High Court, dated the 11th day of July, 1936, awarding the Appellant \$600.00 by reason of the Respondent's publication in the months of May and June, 1932, of three pictures in which the Appellant had copyright. p. 16.
2. The Appellant is a publisher of colour prints, carrying on business at London, England. In the course of his business he acquires pictures either by purchase or by commissioning artists to paint them. Prints of pictures so acquired, are manufactured by the Appellant and sold by him in quantity to makers of Christmas cards, calendars, cigar boxes, sweet boxes, picture frames, etc. Some time before the Great War, the Appellant sent sample books, containing prints, to one Ridout at Toronto, Canada, under an arrangement by which Ridout was authorized to act as the Appellant's agent. Ridout died and after his death his business was carried on by one Arnott, under the name of Artists' Supply Company, and Arnott also represented the Appellant until 1923, when the agency was terminated. Arnott continued, however, until 1929 to sell prints
- 10 p. 18, l. 5.  
p. 18, l. 18.
- 20 p. 18, l. 30.  
p. 39, l. 22.  
p. 40, l. 6.  
p. 40, l. 22.
- p. 105.  
p. 122,  
ll. 30 to 41.

RECORD. supplied by the Appellant and the sample books and loose prints sent out  
p. 41, l. 29. by the Appellant to Ridout and Arnott continued in Arnott's possession  
until the happening of the matters complained of in this action.

p. 1, l. 7. 3. The Respondent is the printer and publisher at Toronto of a weekly  
p. 80, newspaper, known as "The Toronto Star Weekly." This newspaper is  
ll. 31 to 37. composed of a rotogravure section, a comic section, two magazine sections  
and a news section. In making up the front page of the rotogravure  
p. 8, l. 18. section, it was the practice of the Respondent during the material times  
in question in this action, to borrow pictures from various dealers, copy them  
and insert them upon the front page of the rotogravure section with a credit  
p. 8, l. 38. or courtesy line indicating the source from which the pictures had been  
p. 8, l. 40. obtained. The dealers supplying the pictures made no charge for the use  
p. 91, l. 38. of such pictures, being completely satisfied with the advertising derived by  
p. 95, l. 39. them through the publication by the Respondent. 10  
p. 97, l. 32.  
p. 100, l. 2.  
p. 102, l. 3.

p. 101, l. 21. 4. In the early part of the year 1932, one Pascoe, the employee of the  
Respondent whose duty it was to obtain suitable pictures for reproduction,  
p. 8, l. 18. called upon Arnott and obtained from him some thirty-eight prints which  
were reproduced by the Respondent in the Toronto Star Weekly newspaper  
during the months of March, April, May, June and July, 1932, with the  
p. 8, l. 44. credit line "Courtesy Artists' Supply Co., Toronto." 20

p. 1, l. 2. 5. The Appellant claimed copyright in the thirty-eight pictures, prints  
p. 2, l. 7. of which were reproduced by the Respondent, and commenced this action  
on June 27, 1932 against the Respondent. In his Statement of Claim  
delivered on June 30, 1933, the Appellant claimed (a) an injunction, (b) an  
account and delivery up of offending copies and plates and (c) damages.  
p. 2, l. 30 to The pictures in which copyright was claimed are listed in the Schedule to the  
p. 3, l. 29. Statement of Claim. The Respondent in its Statement of Defence delivered  
pp. 4 to 5. on October 18, 1933 denied that the Appellant had copyright in the pictures  
and by way of amendment on March 1st, 1935, paid \$2,500.00 into Court  
p. 1, l. 2. in satisfaction of the Appellant's claims. On April 30th, 1935, the Appellant 30  
pp. 4 and 5. amended his Statement of Claim by alleging conversion and by asking  
for damages for the same. On the same day the Respondent re-amended  
its Statement of Defence by denying conversion and by alleging that the  
\$2,500.00 already paid into Court was sufficient to satisfy the Appellant's  
claim for conversion, in addition to the other relief already claimed by the  
Appellant.

p. 13, l. 1. 6. At the opening of the Trial, the Appellant's Counsel abandoned  
any claim to copyright in the following pictures: "Poppies" (No. 2),  
"A Cavalier" (No. 21), "A Scanty Meal" (No. 22), and "Roses by Klein"  
p. 15, l. 11. (No. 27). Of the remaining thirty-four pictures, the Trial Judge found that 40  
the Appellant had copyright in only three: "At the Seaside" (No. 29),  
"Cherries" (No. 33), and "Pierette" (No. 35). The Trial Judge awarded  
the Appellant \$600.00 as damages for infringement of copyright and  
conversion, and for a share of profits.

7. From this Judgment, the Appellant appealed to the Court of Appeal for Ontario on the ground that the Trial Judge erred in finding that the Appellant had no copyright in the thirty-one remaining pictures and further erred in refusing to allow the Appellant to recover a share of profits. The Court of Appeal dismissed the Appellant's appeal unanimously, but gave no written reasons. p. 16.

8. The material facts are not now seriously in dispute and the only matters in controversy on this appeal are the copyright in the thirty-one pictures and the relief to which the Appellant is entitled.

10 9. The Appellant based his claim to copyright primarily upon the (Canadian) Copyright Act 1921 (11 & 12 Geo. V c. 24) which came into force on January 1st 1924, by virtue of the Copyright Amendment Act 1923 (13 & 14 Geo. V c. 10 s. 5).

This Act, which is now known as the Copyright Act (R.S.C. 1927 c. 32) is similar to the (English) Copyright Act 1911 (1 & 2 Geo. V c. 46) and is the subsisting Copyright Act in Canada.

20 No person is now entitled to copyright except in accordance with its provisions (Sec. 45). Broadly speaking, this act protects in Canada the works of an artist who was at the time of the making of the work a British subject (Sec. 4). The trial judge decided that the Appellant had copyright under that Act in three pictures on the ground that they were painted for the Appellant by an artist who was a British subject resident in England after January 1st 1924. The Respondent accepts this finding, and does not now deny that the Appellant had Copyright in Canada in these three pictures.

30 10. As regards the remaining thirty-one pictures the Appellant relied in the first place upon Section 42 and the First Schedule of the Copyright Act (R.S.C. 1927 c. 32). The section by reference to the Schedule, provides that when any person was immediately before January 1st 1924 entitled to, in the case of works of art, copyright, or to any interest in such right he should, as from that date be entitled to Copyright as defined by the Act or to the same interest in such substituted right. The Appellant contended that immediately before January 1st 1924 he either had copyright in the pictures in question or an interest in the copyright in them within the meaning of Section 42 such as to entitle him to copyright under the Act. Since all the works in question had been published, no question arose as to the common law right to restrain publication of unpublished works, and the Appellant had therefore to base his contention upon the Canadian legislation which was in force up to January 1st 1924 viz., the Copyright Act (R.S.C. 40 1906 c. 70). That Act, however, while it provided for the acquisition of copyright in works of art, required as a condition for obtaining such copyright that the works should be either produced in Canada, or reproduced there (Section 6). It also required the copyright to be recorded in the prescribed manner and provided that the term of the copyright should date from the recording (Section 4); and that no person should be entitled to

RECORD. the benefit of the Act unless he had conformed to certain requirements leading to the recording of the Copyright (Section 11).

The subject matter of Copyright under that Act was therefore, as regards works of Art, works which originated in Canada, or those which, though originating elsewhere, were reproduced in Canada; and no others.

p. 40, l. 10.  
p. 3, l. 30 to  
p. 4, l. 10.  
p. 10, l. 11.  
p. 11, l. 10.

The works in question had admittedly not been produced or reproduced in Canada at any time, nor had the copyright been recorded, nor had the Appellant taken any steps to that end. The learned trial judge accordingly held that the Appellant had at the material date no copyright nor any interest in such a right upon which Section 42 of the Copyright Act (R.S.C. 1927 c. 32) could operate to give him copyright under that Act. With this decision the Court of Appeal agreed. 10

11. The Appellant also claimed copyright under the (English) Copyright Act 1911 (1 & 2 Geo. V. c. 46), Section 25. That Section, after providing in sub-section 1 that the Act should not extend to a self-governing dominion unless declared by the Legislature of that dominion to be in force there (an event which has not happened in the case of Canada) goes on to provide, by sub-section 2 "If the Secretary of State certifies that a self-governing dominion has passed legislation under which works, the authors whereof were at the date of the making of the works British subjects resident elsewhere than in the dominion or (not being British subjects) were resident in the parts of His Majesty's dominions to which this Act extends, enjoy within the dominion rights substantially identical with those conferred by this Act, then, whilst such legislation continues in force, the dominion shall, for the purposes of the rights conferred by this Act, be treated as if it were a dominion to which this Act extends." 20

After the Canadian Act of 1921 had been passed the Secretary of State duly gave his certificate in respect of Canada; and the Appellant contended that the result was to make the English Act operative in Canada. The Respondent, on the other hand, contended and humbly submits that upon its true construction the section does not extend and does not purport to extend the territory within which the Act is to operate, but only extends the territory within which works must originate in order to obtain the protection afforded by the Act. It is, by the express words of the section, "only for the purposes of the rights conferred by this" (the English) "Act," that is to say for the purposes of the rights in those places where the Act is in force, that the dominion, in respect of which the certificate is given, is to be treated as if it was a dominion to which the Act extended. The learned trial judge so construed the Section, and the Court of Appeal agreed with him. 30

p. 10, l. 15 to  
p. 11, l. 11.

12. Upon the question of damages the Appellant claimed (a) damages for infringement of copyright (b) damages for conversion and (c) by virtue of Section 20 (4) of the Copyright Act (R.S.C. 1927 c. 32) a share of the Respondent's profits. The trial judge in deciding what sum to award to the Appellant took these three heads of claim into consideration, and, arrived at the conclusion of fact that the proper amount to be awarded 40

p. 15, l. 11.

to the Appellant was \$600.00 taking the three heads cumulatively. Though in the Respondent's submission it was erroneous in point of law to award compensation cumulatively upon the three heads of claim, the Respondent did not question the award in the Court of Appeal and does not now seek to question it in regard to the three pictures in respect of which it was awarded. If, however, and so far as the Appellant seeks to support his appeal on the ground that the award is insufficient the Respondent humbly submits that it is in fact more than sufficient to satisfy those of the Appellant's claims on which he is entitled to recover.

10 13. In the first place, upon the true construction of Section 21 the infringing copies in respect of which the owner of the copyright is entitled to sue for conversion are only those in respect of which he could have sued for recovery of possession, that is to say copies which are in the possession of the party sued, or which were in his possession when demanded. To give any other construction to the section exposes an innocent distributor of copies which are ultimately proved to be infringing copies to an action for damages, which may well be far greater than damages for infringement; whereas by Section 17 sub-section 2 such a distributor is not liable for infringement.

20 The Appellant did not prove that the Respondent was at the date of action or subsequently in possession of any infringing copies nor did he prove any demand before action for the delivery of copies in the Respondent's possession.

14. In the second place, if, contrary to the Respondent's contention, the Appellant is entitled to damages for conversion, he is not entitled to both damages for conversion and damages for infringement, or both damages for conversion and a share of profits. The remedies given by Sections 20 (1) and 21 of the Copyright Act are inconsistent and the Respondent humbly submits that the Appellant was bound to elect, before  
30 judgment, whether he would take damages for infringement or damages for conversion. By suing in conversion a Plaintiff necessarily waives the tort, if any, by which the Defendant obtained possession of the Plaintiff's chattels. The tort which in the present case put the Respondent in possession of the Appellants chattels was the making of the copies, which was itself the infringement complained of. Mr. Justice Farwell was of that opinion upon similar sections of the (English) Copyright Act 1911 in *Sutherland Publishing Company v. Caxton Publishing Company* 1936 Ch. Div. 325, and the Respondent submits that that decision should be followed rather than the decision of the Court of Appeal which over-ruled Mr. Justice Farwell's  
40 judgment.

15. Even if the Appellant is entitled to both damages for infringement and damages for conversion or both damages for infringement and a share of the profits, the Appellant is not entitled to both damages for conversion and a share of the profits. In the first place under his claim for conversion, the Appellant obtains the value of the article at the time of conversion,

RECORD. and to award him in addition, the Respondent's profits from the sale of the same article is in effect compensating him twice. In the second place the Appellant cannot at one and the same time repudiate the sale of the copies by suing in conversion in respect of it, and adopt the sale by obtaining a share of the proceeds of it. Further a satisfied judgment in conversion vests the property in the Respondent, and the sale, in the proceeds of which the Appellant seeks to share, becomes *ex post facto*, a sale of the Respondent's own property.

16. While, therefore, the Respondent does not seek any revision of the sum awarded in respect of the three pictures, and submits that in any event the sum which was awarded in respect of the three heads of damage, taken together, is at least sufficient to satisfy any claims which the Appellant was in law entitled to maintain, and should not be increased, the Respondent further humbly submits that if the Appellant should succeed in this appeal in respect of the thirty-one pictures, and Your Majesty in Council should see fit to remit the matter, the principle of assessing the damages cumulatively under the three heads should not be applied in assessing compensation in respect of any of the thirty-one pictures. 10

17. The Respondent humbly submits that this Appeal should be dismissed for the following among other 20

### REASONS

1. Because the Appellant had no copyright in Canada in any of the thirty-one pictures when the Copyright Act (R.S.C. 1927 Ch. 32) took effect, nor any interest in any such right upon which the said Act could operate to confer copyright.
2. Because, if the Appellant had copyright in the thirty-one pictures in the territory to which the (English) Copyright Act 1911 (1 & 2 Geo. V. cap. 46) extends that territory does not include Canada.
3. Because the sum awarded as compensation has been assessed 30 in respect of each of the separate heads of the Appellant's claim upon principles which were correct in law as to each.
4. Because the compensation to which the Appellant was entitled was found as a fact by the learned Judge at the trial, and by the Court of Appeal.
5. Because the Appellant was not in law entitled to recover damages for conversion, and the sum awarded to him includes an award on that account and is therefore more than sufficient to satisfy his other two heads of claim.
6. Because the Appellant was not in law entitled to recover damages 40 for both infringement and conversion but only for one or

other, and the sum awarded to him includes awards on both these claims, and is therefore more than sufficient to satisfy either one of them together with his claim to a share of the Respondent's profits.

7. Because the Appellant was not in law entitled to recover damages for conversion and share of the Respondent's profits, and the sum awarded to him includes awards on both these claims, and is therefore more than sufficient to satisfy either one of them, together with his claim for infringement.
- 10 8. For the reasons given by the learned trial judge.

And the Respondent humbly submits that if Your Majesty in Council holds that the Appellant is entitled to relief in respect of all or any of the thirty-one pictures and Your Majesty in Council sees fit to remit the matter, the Court should be directed that the Appellant is not entitled to recover damages for conversion, or, in the alternative that he is not entitled to recover damages for conversion together with either damages for infringement or a share of the Respondent's profits.

S. O. HENN COLLINS.

D. L. McCARTHY.

In the Privy Council.

No. 25 of 1937.

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BETWEEN

A. VIVIAN MANSELL (*Plaintiff*) *Appellant*

AND

THE STAR PRINTING AND PUBLISHING  
COMPANY OF TORONTO, LIMITED  
(*Defendant*) *Respondent*.

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CASE FOR THE RESPONDENT.

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