



CANADIAN ARTISTS REPRESENTATION /
LE FRONT DES ARTISTES CANADIENS

ADVISORY NOTE

Copyright and Commissioned Works

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Commissioned works are works produced under a true commission arrangement where the artist functions as an independent contractor in producing the work, as distinct from an employee relationship. In the employer/employee situation copyright ownership is fairly straightforward. The Act provides as follows:

"Where the author [this means creator] was in the employment of some other person under a contract of service or apprenticeship and the work was made in the course of his employment by that person, the person by whom the author was employed shall, in the absence of any agreement to the contrary, be the first owner of the copyright..."

One example of where there is usually an agreement to the contrary is in a university's collective agreement where faculty members are usually allowed to retain copyright in any works they create. However, in the absence of this kind of arrangement, the simple rule in the true employment situation is that the employer owns the copyright in works created by employees as part of their employment.

The rationale for this rule is that the employer pays for the copyright by paying wages and salaries and that the artist, or author, is employed for the very purpose of creating copyright works for his or her employer. Hence, the artist should not be compensated twice over.

In the case of commissioned works proper, i. e., where the artist as an independent contractor, and not as employee, creates a work at the request of someone else, the situation is very different. The rules vary, depending upon the party commissioning the work, the type of work commissioned and whether the special rules pertaining to the federal and provincial Crown apply.

Where the Crown is not involved, *The Copyright Act* lays down the following rule;

Where, in the case of an engraving, photograph, or portrait, the plate or other original was ordered by some other person and was made for valuable consideration in pursuance of that order, then in the absence of any agreement to the contrary, the person by whom such plate or other original was ordered shall be the first owner of the copyright.

Apart from the specific situations mentioned by this rule, the artist or author will own copyright in commissioned works.

There are several important factors to bear in mind here:

1. The special rule established by the statute only applies to engravings, photographs, or portraits. In all other cases, the artist will usually be the first copyright owner;
2. The engraving, photograph, or portrait has to be ordered by someone. So, for instance, a photographer who snaps a picture of someone in the street and then sells it to that person retains the copyright because the photograph was not ordered or commissioned by the person in the street;
3. Valuable consideration has to be paid by the person commissioning the engraving, photograph, or portrait. Valuable consideration means money or something of monetary value. So, for instance, if a portrait is commissioned, and no money or other valuable consideration is payable, then the artist retains the copyright;
4. It is always open to the parties to agree to the contrary. Such an agreement can be written or oral;
5. Even where the work commissioned is not an engraving, photograph, or portrait, contractual arrangements between the parties may mean that the copyright must be assigned to the person commissioning the work. So, for instance, a purchaser of a work from an artist could request that the copyright also be assigned. Of course, the artist would be free to agree to this or refuse it, depending upon how desperately he or she wants the sale.

Because the law leaves it open to the parties to a commission contract to settle the copyright issue by agreement, the rules stated above will only come into play where the parties have failed to address the matter in their contractual arrangements. In fact, it should always be made clear in any commission relationship what the copyright situation is to be once the work has been created.

So, provided the work is not an engraving (defined by the Act to include etchings, lithographs, woodcuts, prints and other similar works, not being photographs) or a photograph (defined by the Act to include photo-lithographs and other works produced by any process analogous to photography) or a portrait (not defined by the Act and never clearly defined in the case law), the basic rule is that the artist owns

the copyright even though the work has been commissioned and paid for by someone else, unless the matter has been otherwise dealt with through contractual agreement between the parties.

Of course, it is important to remember that even in those commission situations where the party commissioning the work receives the copyright (either through contractual agreement or because the work in question is an engraving, photograph, or portrait) the artist will still retain the moral rights, which cannot be sold or assigned, though they can be waived. This means that the party commissioning the work could ask for a waiver as part of the commission contract. All artists should resist any such waiver because their reputations could be seriously affected by mutilation or other misuse of the work.

If either the provincial or federal Crown commissions a work, then the situation is entirely different and brings up the matter of Crown copyright which is governed by its own rule under *The Copyright Act*, which reads as follows:

Without prejudice to any rights or privileges of the Crown, when any work is, or has been, prepared or published by or under the direction or control of Her Majesty, or any government department, the copyright in the work, shall subject to any agreement with the author, belong to Her Majesty and, in such case shall continue for a period of 50 years from the date of first publication of the work.

In what little case law there is on this section, the rule is generally regarded as a "legislative monstrosity" that throws up several difficult problems that have not yet received authoritative interpretation by the courts. For instance, the term "direction or control" is such a broad expression that it probably includes works that have been commissioned by the Crown from people who are not employees or under a contract of service. As yet, we have no definitive explanation of the true scope of these words. Also, there is still uncertainty as to what falls within the ambit of "government department." For instance, no one really knows whether work for a Crown corporation will attract Crown copyright under this rule. British case law suggests that it will not, but we have no real direction on this in Canada. There is also the difficulty of dealing with those Crown corporations whose incorporating statutes provide that they are "agents" of the Crown.

Another major difficulty is the question of whether, because the relevant section does not say that Crown works are subject to the remaining portions of *The Copyright Act*, an implication can be read into the statute that this is not the case. If such an implication could be raised, it would mean that the Crown is not subject to the limitations placed upon other owners of the copyright, such as the right of other parties to deal fairly with the work, or the right to compulsory licenses, or the right to commit acts that would normally constitute infringement but which are specifically exempted by the statute. It is generally accepted, however, that the defence of fair dealing is applicable to Crown copyright works.

The language of the statute does not, on its face, limit its effect to the Crown in right of Canada. The leading text writer in the area, H. Fox, is of the opinion that the

proprietary right of Crown copyright can belong to the Crown in right of the federal government or of the province, as the case may be, depending upon the level of government responsible for generating the particular work in question.

It is generally accepted that the usual remedies available to others for infringement of copyright in their works are also available to the Crown. This would include the full range of injunctive relief, accounting for profits, damages, damages for conversion and even exemplary damages.

The upshot of all this uncertainty is that we are not absolutely clear in law whether works commissioned by either the federal or provincial Crown will automatically vest copyright in the Crown. The likelihood is that they do and the important matter to note here is that there is no limitation on the type of work involved so that it need not be an engraving, photograph, or portrait, as in the case with normal commissioned works.

The confusion surrounding the issue suggests that any artist asked to produce work for the Crown should sort out the copyright situation in the actual agreement itself and deal with the matter by simple contract law. The statutory provision says that it is "subject to any agreement with the author," so the artist should be very careful to ascertain what the copyright situation is to be once the work has been created for the Crown.

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