Abuse of Intellectual Property Rights in the US and Canada

Comparing Theories of Social Obligations and Abuse of Rights

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December 2015

A thesis submitted to McGill University in partial fulfillment of the requirements of the degree of Master of Laws.

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Acknowledgements

I wish to extend my deep gratitude to my supervisor, Professor and future MP LaSalle-Emard-Verdun, David Lametti, for believing in my scholarly potential and opening doors that I thought were long-since shut. I am moreover always amazed at how even a short conversation can set me back on track.

I also wish to thank Angela Campbell, former Dean of Graduate Law programs, for her positive, can-do approach, catching energy and sense of enthusiasm. I'm also very grateful to the McGill Faculty of Law for the funding provided by the McGill Graduate Excellence Award.

I would be remiss if I didn't also thank Professor Pierre-Emmanuel Moyse both for leading the way in scholarship on the abuse of rights and intellectual property law, and for his inspirational IP course in 2013. It was while attending one of his lectures that all the pieces fell into place and I hatched the beginnings of my thesis topic.

I could never have managed all of my responsibilities if it were not for my extraordinary husband Clément Palisson's unflagging support in every way possible along this long, long journey. And of course, thank you to Iris and Anaïs for all the hugs and patience while Mama was working.

Lastly, I wish to acknowledge and thank a few of the exceptionally strong, smart women in my life. Thank you to Leslie Welts for her stellar cheerleading and example setting. She has been an inspiration for all of my academic and career endeavours since the first day of law school. Thank you also to Ellen Bourque and Karine Eigenmann for kindly listening to the many different versions of my plans, and gently reminding me that there is always time for a coffee and a chat.

Abstract

North America has been plagued by a rising incidence of abuse of intellectual property rights through litigation and other pre-trial tactics. Intellectual property law is particularly susceptible to abuses, because it is bogged down in complex, ultra-specialized legislation that inevitably lags behind technological advances and sophisticated schemes of abuse. Moreover, there is no affirmative cause of action for victims of these schemes to seek redress for abuse.

This project asserts that in order to respond effectively to abuses of intellectual property rights, a flexible framework of general application is needed. The civil law theory of the abuse of rights provides an excellent model for this framework. The abuse of rights has a long history of dealing with abuses of statutorily conferred rights. It is furthermore predicated on general principles of justice and morality. By exploring these general principles and development of the abuse of rights, the scope and limits inherent to rights can be clarified.

However, the role of the abuse of rights might not practicably extend beyond that of comparison, because it is foreign to the common law. A theory internal to the common law would likely gain greater acceptance. The social obligations theory is just such a theory. It shares the same goal as the abuse of rights of reinvigorating the central role of morality within the concept of the law. It is moreover reinforced and enriched through comparison to the abuse of rights and its greater experience with abuse of statutory rights. Therefore, this project claims that together, the common law social obligations theory as informed by the civilian abuse of rights theory could provide a breath of fresh air into intellectual property law, and aid in stopping abuses of intellectual property rights.

Résumé

L'Amérique du Nord subit une augmentation importante d'abus des droits de la propriété intellectuelle en raison des litiges et d'autres tactiques abusifs. Le droit de la propriété intellectuelle est particulièrement susceptible aux abus, car il est régi par une législation complexe et ultra-spécialisée qui a pris un retard inévitable par rapport aux avancées technologiques et aux complots d'abus sophistiqués. En outre, il n'existe pas de cause d'action pour des victimes des complots afin de demander recours suite aux abus.

Ce projet prétend qu'un cadre d'application flexible et général est de rigueur afin de faire face d'une manière efficace aux abus des droits de la propriété intellectuelle. La théorie de l'abus de droits fournit un excellent modèle sur lequel il convient de baser ce cadre. L'abus de droits bénéficie d'une longue expérience de combat contre les abus des droits incarnés dans les textes législatifs. La théorie est en plus fondée sur des principes généraux de la justice et de la moralité. Grâce à une exploration de ces principes généraux et le développement historique de l'abus de droits, les paramètres et les limites inhérents aux droits subjectifs sont clarifiés.

Néanmoins, le rôle de l'abus de droits ne saurait s'étendre au delà de la comparaison, car cette théorie reste étrangère à la common law. Une théorie interne de la common law serait probablement mieux acceptée. La théorie des obligations sociales se présente comme telle. Elle partage le même objectif de l'abus de droits de revigorer le rôle central de la moralité dans le droit. Elle est en outre renforcée et enrichie par sa comparaison à l'abus de droits et sa plus vaste expérience face aux abus des droits incarnés dans les textes législatifs. En conséquence, ce projet affirme qu'ensemble, la théorie des obligations sociales de la common law telle qu'informée par la théorie de l'abus de droits, souffleraient une bouffée d'air frais dans le droit de la propriété intellectuelle, et aideraient à mettre fin aux abus des droits de la propriété intellectuelle.

Introduction and Methodology

The legal landscape of 21st-century North America has been plagued by a rising incidence of abuse of intellectual property rights through litigation and other pre-trial tactics. These tactics range from sending demand letters asserting deceptive claims of infringement in order to coerce settlement, to encrypting digital copyrighted works with technology that prevents legally recognized fair uses. While intellectual property law may recognize equitable defenses like patent and copyright misuse in the United States, there is no affirmative civil cause of action for victims of these schemes to seek redress for abuse.

To respond to abuses of intellectual property rights, a flexible framework of general application is needed. The civil law theory of the abuse of rights is predicated on just such general principles of justice and morality. It has a common law ally in the form of the social obligations theory, which posits that duties, and not just rights, are inherent to the institution of property. Indeed, the two theories share the same goal of reinvigorating the central role of morality within the concept of ownership. This shared purpose could provide a breath of fresh air into intellectual property law, which is bogged down in complex, ultra-specialized legislation that inevitably lags behind technological advances and sophisticated schemes of abuse.

Proposing specific means of balancing competing parties' rights, duties and interests is beyond the scope of this project – and even contradicts it insofar as the recommendation is to increase flexibility in intellectual property law. Rather, by exploring the general principles and development of the abuse of rights, the limits inherent to the institution of property – and especially intellectual property – are clarified. In this way, a broader understanding of property and its abuses can be reached.

The social obligations theory is reinforced and enriched through comparison to the abuse of rights theory, which has a long history of promoting general principles of justice over bright-line liability rules. However, the role of the abuse of rights might not practicably extend beyond that of comparison. As a theory internal to the common law, social obligations would likely gain greater acceptance for its application within common law than the civilian theory. Therefore the most pragmatic role for the abuse of rights in all likelihood remains informing the development of the social obligations theory in the area of intellectual property.

Scholarship in the common law has shown increased interest in the civilian abuse of rights theory. However, limited research in the English language exists on the potential application of the civilian theory to the specific area of intellectual property law. Moreover, the connection between the abuse of rights and the social obligations theory is rarely made. This project attempts to respond to the comparative law demand by looking at civilian theory to inform and complement the common law theory; the language deficit by writing in English about a theory discussed principally in French; and the practical implications of each theory by considering examples of recent American and Canadian intellectual property law cases.

Two research approaches are adopted here: the doctrinal method and the comparative law method. These methodologies were selected because of their inherent compatibility with the research topic and their feasibility for a time- and resources-constrained Master of Laws thesis project. The focus on legal texts is particularly conducive to doctrinal research, as the classic methodology used by the legal profession.[1] The doctrinal method is especially helpful for this project to pull out relevant sources to demonstrate the theory and how it operates in practice. It is employed in Part I to present both scholarship and American and Canadian case law on real

[1] Terry Hutchinson, "Doctrinal Research[:] Researching the Jury" in eds "Dawn Watkins and Mandy Burton" *Research Methods in Law* (New York: Routledge, 2013) at 35; Douglas W. Vick, "Interdisciplinarity and the Discipline of Law" (2004) 31 J.L. & Soc'y 163 at 165.

instances of intellectual property rights abuse. The summary and analysis of these cases provide concrete illustrations of the legal issues at stake. Then in Part II, scholarly literature on the civil law and the common law traditions' theoretical approaches to property and rights are reviewed, with particularly attention given to intellectual property law. Comparative law scholarship on the two traditions is presented generally and specifically in regards to the abuse of rights.

The emphasis here on bijural cross-pollination or borrowing as a source of insight readily lends itself to comparative law methodology. This project does not align itself wholly with the perspective of either the civil law or the common law tradition, and neither one is the assumed point of departure to which the other is contrasted. Although this project is written in English, the discourse employed and the accompanying *mentalité*,[2] or mindset, is not set solely within the common law. It straddles instead a double worldview of both civilian and common law cultures, so it is simultaneously in neither one and "yet in both at once".[3] The intention is to shift between the two legal cultures while remaining accessible, by providing a descriptive overview of each system's theory to allow for a working knowledge and awareness of the other.[4]

The comparative law method is used in Part II this project to tease out the historical and cultural backgrounds that have led to the development of the two systems' theories, thus adding nuance to a functional description of the theories. Part II specifically focuses on the mindsets and the underlying goals of the two traditions' theories. Then in Part III, a comparative commentary is undertaken between the case law development of the American misuse doctrine and the civilian abuse of rights theory. The role that the social obligations theory could play in

[2] Pierre Legrand, "European Legal Systems Are Not Converging" (1996) 45 Int'l & Comp LQ 52 at 60.
[3] Nicholas Kasirer, "Legal Education as Métissage" (2004) 78 Tul L Rev 481 at 496.
[4] Patrick H Glenn, *Legal Traditions of the World*, 5th ed (Oxford: Oxford University Press, 2014) at 4; Clifford Geertz, *Local knowledge: Further essays in interpretive anthropology* (Basic Books: New York, 1983); Legrand, *supra* note 2.

addressing abuses of intellectual property rights in common law North America is proposed at the end of Part III.

PART I: EVIDENCE OF ABUSE OF COPYRIGHT

Part I of this project presents the issue of the abuse of intellectual property rights with a particular focus on copyright. By first zeroing in on the legal scholarship that probes the extent of abuse, this Part provides a factual background to anchor the theoretical discussion that follows in Part II. After the exploration of the issue of abuse of copyright in general, this Part then provides more specific case law examples from the US and Canada. Each case is briefly summarized and commented upon to contextualize it in relation to the other cases and the development of mechanisms by the courts to curb abuses of intellectual property rights.

i. Forms of Abuse

The principal forms of abuse of copyright can be placed into three broad categories, along a scale of increasing severity. First, there is rampant misrepresentation of the scope of copyright protection. Misrepresentation can be either intentional or inadvertent, often due to ignorance of the copyright regime and its fair use protections. Second, there is overreaching via technological barriers over digital content (called anticircumvention measures), as well as restrictive licensing clauses. When given legal protection, these methods of digital rights managements have been dubbed "paracopyright". Third, and most seriously, abuse takes the form of outright fraud and other deceptive practices. These have become widely recognized thanks to the media coverage of notorious "copyright trolls".[5] Each of these general categories will now be explored with reference to the common practices highlighted in legal scholarship.

[5] See, e.g., Daniel Tencer, "Rightscorp Expands Into Canada, Calls It Worst Developed Country For Piracy" The Huffington Post Canada (March 13, 2014), online: <http://www.huffingtonpost.ca/2014/03/13/rightscorp-canada-copyright-letters_n_4955665.html>; Michael Geist, "Misuse of Canada's Copyright Notice System Continues: U.S. Firm Sending Thousands of Notices With Settlement Demands" (5 March 2015), online: Michael Geist blog

Overstating Copyright Protection

The first sort of abuse stems from the context of a murky (mis)understanding of the scope of copyright protection and the underlying purposes of a copyright regime. Contrary to common belief, the purposes of copyright are not limited to protecting copyright holders alone and ensuring that they reap the greatest possible reward from their creative works. Rather, granting a monopoly circumscribed in time and scope is meant to function as an incentive for creation as a public good.[6] Copyright legislation aims to balance the public interest in creativity with the creator's interest in compensation for their labour.[7] Indeed, reward to the owner may even be a secondary consideration.[8]

The creator-public (or right-holder versus user) balance for copyright protection is often achieved through the doctrine of fair use in the US,[9] or fair dealing in Canada.[10] Fair use allows for the use of copyrighted works without the copyright holder's permission where certain criteria are met. It was developed through the courts and codified by the legislature to give greater weight to the public interest in using copyrighted works for recognized purposes.[11] Public interest considerations as free speech, innovation and the advancement of knowledge are weighed in the balance against the protection of copyrighted works against infringement.

<http://www.michaelgeist.ca/2015/03/misuse-canadas-copyright-notice-system-continues-u-s-firm-sending-thousands-notices-settlement-demands/>.

[6] William M Landes & Richard A Posner, "An Economic Analysis of Copyright Law" (1989) 18 J Leg Stud 325 at 326; *Sony Corp of America v Universal City Studios, Inc*, 464 US 417 at 429; David Vaver, *Copyright Law* (Toronto: Irwin Law, 2000) at 171, 191; *Théberge v Galerie d'Art du Petit Champlain inc*, [2002] 2 SCR 336 at paras 30-31.

[7] US Const art I, § 8, cl 8; *Théberge*, *supra* note 6; *CCH Canadian Ltd v Law Society of Upper Canada*, 2004 SCC 13, 1 SCR 339 at paras 9-12, 23-24, 48.

[8] *United States v Paramount Pictures*, 334 US 131 at 158, 68 S Ct 915, 92 LEd 1260 (1948).

[9] 17 USC § 107. For the sake of simplicity, the US expression "fair use" will be used here. References to authority and differences in the state of the law in each jurisdiction will be provided where appropriate.

[10] *Copyright Act*, RSC, 1985, c C-42, s 29.

[11] 17 USC § 107; *Copyright Act, supra* note 10, s 29. In the US, the fair use exceptions are merely illustrative, whereas in Canada, the statutory fair dealing exceptions are exhaustive.

The dire need for better public education about the parameters of fair use has been recognized in the US,[12] and in response the US Copyright Office launched the online Fair Use Index in April 2015.[13] Unfortunately, the Copyright Office has a steep uphill battle to fight. General ignorance of the purposes of copyright is compounded by overzealous actions by copyright holders, as well as by the unwieldy complexity and structure of the copyright regime itself. Indeed, the doctrine of fair use itself is often pointed to as contributing to the confusion about whether the use of copyrighted is permitted or not.[14]

However, the common perception that copyright balances heavily in favour of copyright holders is not entirely fanciful. Many changes to copyright legislation have been made since the 1990s to protect and extend copyright protection for right-holders. Frequent and highly mediatized lawsuits have been brought – and often won – by copyright holders. These legislative and judicial actions create a general impression that copyright law always benefits the right-holder.

Legislative examples of copyright law benefitting right-holders include the US Digital Millennium Copyright Act (DMCA) in the late 1990s and the more recent enactment into the Canadian *Copyright Act* of legal protection for anticircumvention measures over digital works,[15] even where such measures impinge on existing copyright limits like fair use. The Sonny Bono Copyright Term Extension Act (CTEA)[16] extended the term of copyright protection in the US by another 20 years after the author's death, notably from 50 to 70 years for works created on or

[12] Office of the US Intellectual Property Enforcement Coordinator, *2013 Joint Strategic Plan on Intellectual Property Enforcement*, by Victoria A Espinel (June 2013) at 8, 10, 18.
[13] US Copyright Office Fair Use Index, online: <http://copyright.gov/fair-use/index.html>.
[14] Jason Mazzone, *Copyfraud and Other Abuses of Intellectual Property Law* (Stanford: Stanford Law Books, 2011) at 31-32. [*Copyfraud and Other Abuses*]
[15] Pub L No 105-304, 112 Stat 2860 (1998) (codified as amended in scattered sections of 17 & 28 USC); *Copyright Act*, *supra* note 10, s 41.
[16] Pub L No 105-298, 112 Stat 2827-28 (1998) (amending 17 USC §§ 302, 304).

after January 1, 1978.[17] The more recent, highly criticized Trans-Pacific Partnership (TPP) free trade agreement negotiations have also highlighted the potentially international reach of restrictive, right-holder-focused copyright policy.[18]

While selected case law will be explored in more detail below, many lawsuits such as the Napster[19] and isoHunt[20] file-sharing cases in the US, and the TekSavvy[21] decision in Canada have garnered significant media attention for siding with copyright holders. The example of Warner Brothers' controversial copyright over the "Happy Birthday" song lyrics[22] (not the melody, which has long been in the public domain) led dissenting Justice Breyer in *Eldred v Ashcroft*[23] to highlight the tendency of copyright law to grant excessive protection to right-holders.[24] More recently, this long-lived copyright was declared invalid in *Marya v Warner*,[25] on the grounds that there was no transfer of rights from the purported author. However, this was only a ruling on preliminary motions for summary judgment, therefore crucial questions of fact as to authorship, and the abandonment of rights to the lyrics before copyright registration still have to be decided at trial.[26] Given the limited reach of the summary judgment, and the inevitably highly fact-specific nature of any subsequent trial judgment, it remains to be seen

[17] 17 USC § 302(a).
[18] Foreign Affairs, Trade and Development Canada, Trans-Pacific Partnership (TPP) Free Trade Negotiations, online: <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/tpp-ptp/index.aspx?lang=eng>; Office of the United states Trade Representative, online: <https://ustr.gov/tpp>.
[19] *A&M Records, Inc v Napster, Inc*, 239 F3d 1004.
[20] *Columbia Pictures Industries, Inc v Fung*, 710 F3d 1020.
[21] *Voltage Pictures LLC v John and Jane Doe*, 2014 FC 161.
[22] Ben Sisario, "An Old Songbook Could Put 'Happy Birthday' in the Public Domain" New York Times, (August 4, 2015), online, <http://nyti.ms/1MK0eoU>.
[23] 537 US 186 (2003).
[24] *Ibid* at 262.
[25] *Marya v Warner/Chappell Music, Inc*, --- F.Supp.3d --- (2015), Case no CV 13–4460–GHK, 2015 WL 5568497 (September 22, 2015).
[26] *Ibid*.

whether the "Happy Birthday" case will lead to a strengthened scope of fair use of works in the public domain.[27]

Two examples of the pervasive misunderstanding over the scope of copyright protection are often cited in legal scholarship. First, even those who frequently come into contact with copyright law such as publishers or universities, err towards excessively conservative uses of copyrighted works, even where fair use clearly provides protection against infringement claims.[28] Even when not copyright holders themselves, universities and publishers often issue guidelines to creators regarding quotations or samples of copyrighted work without first seeking permission. These guidelines impose vague or arbitrary sampling limits that have no basis in the principles of fair use, notably ignoring that fair use may apply even where an entire work is copied.[29]

A second frequently cited example demonstrating common mistakes about the scope of copyright protection is the overuse of and misinformation propagated by copyright notices.[30] Many works display a copyright symbol followed by very restrictive language concerning the use and copying rights to the work. These notices often claim that *no part* of a work may be reproduced without first seeking the express permission of the copyright holder.[31] If this were true, it would completely negate the doctrine of fair use, which expressly protects certain uses of copyrighted material. To make matters worse, publishers often place copyright notices on uncopyrightable works, such as reprints of classic works whose authors' have already been deceased for more than the protected number of years (70 in the US,[32] 50 in Canada[33]). Where

[27] Robert Brauneis, "Copyright and the World's Most Popular Song" (2008-2009) 56 J Copyright Soc'y USA 335.
[28] William F Patry & Richard A Posner, "Fair Use and Statutory Reform in the Wake of *Eldred*" (2004) 92 Cal L Rev 1639 at 1657.
[29] *Ibid* at 1647; *Ty, Inc, v Publications International Ltd*, 292 F3d 512 at 521.
[30] Patry & Posner, *supra* note 28 at 1657; Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 at 9.
[31] Patry & Posner, *supra* note 28 at 1657.
[32] 17 USC §§ 302-305.

copyright protection has expired these works are squarely within the public domain and open to use.[34]

These combined actions create a deep and far-reaching chilling effect on public use of copyrighted works. In the case of overprotective university or publishing guidelines, risk-adverse institutions judge it less costly to avoid any identified hot spots for litigation, even where a valid and well-recognized defense like fair use exists. In making inaccurate claims as to the scope of legal protection, inaccurate copyright notices perpetuate the confusion and perception of copyright as only protecting copyright holders. They deeply undermine public confidence and understanding of fair use. Consequently, upon encountering a copyright notice, users may unfortunately believe it to be an accurate statement of their legal obligations and liability.

Jason Mazzone has risen to the front lines of publicizing the abuse of copyright, which he labels "copyfraud."[35] He defines copyfraud as "a false claim to intellectual property where none exists".[36] He also suggests why copyright holders go to such lengths to bluff about the extent of their rights.[37] These motivations can be financial, and include attempts to stifle competition, but may also touch upon darker political agendas like control over creativity, free speech and criticism. These reasons echo the purposes and protections of the fair use doctrine, yet it has not proved itself to be a legal tool of sufficiently broad application to curb these abuses. A more generalized approach is needed.

Disturbingly, there is little incentive for motivated copyright holders not to engage in misleading practices. Although the US statute makes it a criminal offense to place fraudulent

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[33] *Copyright Act*, *supra* note 10, s 6.
[34] This does not, of course, include collections of works, which are subject to copyright protection.
[35] Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 at 7-8; see also Jason Mazzone, "Copyfraud "(2006) 81 NYU L Rev 1026. [Copyfraud 2006]
[36] Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 at 2.
[37] *Ibid* at 3.

copyright notices, the fine is merely $2,500.[38] That sum is a pittance to copyright holders with deep pockets and thus holds minimal deterrence value. Moreover, it is unlikely that the government will prosecute such abuses, which require evidence of difficult – and costly – to prove criminal thresholds of intent and knowledge.[39] Furthermore, no cause of action exists for a private, civil suit. There are only highly circumscribed causes of action for abuse of copyrights under copyright law. The misuse doctrine in the US, for example, exists only as an equitable defense. In sum, there is little incentive for anyone (valid copyright holder or someone parading as such) not to engage in overzealous assertions of copyright. The result is a generalized confusion of who has a valid copyright over what, who holds fair use rights, and when they may be used.[40]

Paracopyright

American and Canadian statutes have both created a right that provides unprecedented control over access to copyrighted content.[41] This right has been coined "paracopyright."[42] Paracopyright is separate from the copyright regime,[43] yet requires works to be copyrightable in order to be eligible for legal protection. The works protected by paracopyright are generally intangible in form, such as software or online digital content. While use of these works is also usually subject to licensing agreements imposed by copyright holders prior to authorization, such contracts are generally too prohibitively expensive to enforce on a mass scale.[44] Therefore in

[38] 17 USC § 506(c). Under 17 USC § 506(e), it is a criminal offense to knowingly make "a false representation of a material fact in the application for copyright registration." Neither of these offenses is recognized in Canada.
[39] Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 at 7-8.
[40] *Ibid* at 27.
[41] Dan L Burk, "Anti-Circumvention Misuse" (2003) 50 UCLA L Rev 1095 at 1103, 1105-06; 17 USC §§ 1201-1205 [DMCA]; *Copyright Act*, *supra* note 10, s 41.
[42] Burk, *supra* note 41 at 1096, 1106-09, 1132.
[43] *Ibid* at 1107.
[44] *Ibid* at 1095, 1100; Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 at 101.

order to enforce their rights over these works without the cost of tracking and suing every individual who infringes them, copyright holders encrypt technology directly onto the content to control access and use.[45] These systems are recognized in legislation as "anticircumvention measures,"[46] for which paracopyright provides legal protection. Any attempts at circumventing these controls are strictly prohibited. Circumvention is sanctioned by hefty statutory fines, and is subject to both civil action and criminal charges.[47]

While depending on the copyright regime to establish parameters of eligibility, paracopyright does not accommodate copyright's built-in doctrinal limits, particularly the doctrine of fair use.[48] Allowing copyright holders to determine every use of their works is deeply concerning, because it effectively precludes the socially valuable uses protected by fair use, such as criticism or parody of copyrighted works.[49] Lessig has called this the "perfection" of copyright protections, so that the issue now is not how to best protect copyright holders' rights, but rather how to ensure they fulfill their "copy-*duty*" to the public to make their works accessible.[50] Although the US statute explicitly states that "[n]othing in this section shall affect rights, remedies, limitations, or defenses to copyright infringement, including fair use, under this title,"[51] it nonetheless enables the negation of fair use in several ways.

First, paracopyright negates fair use by not imposing any time limit on anticircumvention measures, whereas one of the basic principles of copyright has always been to balance the

[45] Lawrence Lessig, *Code: And Other Laws of Cyberspace* (N 81.ew York: Basic Books, 2000 at 122; Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 at 81.
[46] 17 USC §§ 1201-1205 [DMCA]; *Copyright Act*, *supra* note 10, s 41.
[47] 17 USC §§ 1203, 1204 [DMCA]; *Copyright Act*, *supra* note 10, s 41.1.
[48] 17 USC § 107; Burk, *supra* note 41 at 1097, 1099; Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 at 86; Robert J Tomkowicz & Elizabeth F Judge, "The Right of Exclusive Access: Misusing Copyright to Expand the Patent Monopoly" (2006) 19 IP J 351.
[49] Burk, *supra* note 41 at 1106; Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 at 102.
[50] Lessig, *supra* note 45 at 127.
[51] 17 USC § 1201(c)(1).

granting of exclusive rights with an expiration date.[52] Second, paracopyright legislation allows for the restriction of access to copyrighted works that would otherwise be open to fair use, and even worse, over uncopyrightable works.[53] Often uncopyrightable material such as facts, unoriginal compilations,[54] or other public domain material is bound up with copyrighted work, so that access to both is restricted by anticircumvention measures. The end result is that not only do anticircumvention measures automatically preclude the exercise of fair use rights by blocking content, paracopyright moreover reinforces those measures by granting legal recourse against circumvention. Third, paracopyright legislation has come under attack for enabling the proliferation of standard-form licensing agreements that include abusive, anticompetitive clauses. These clauses impose conditions in exchange for access to works in a way that give rights to content providers far above and beyond any protection granted by copyright.[55] For example, they may impose terms that ignore copyright protections such as the duration of rights (which may become perpetual),[56] or fair use (the terms may require the right-holder's permission for certain uses).[57]

Where contractual terms can be ignored, especially in regards to digital content, these contracts become practicably unenforceable. Hence the widespread ancillary use of technological barriers to block access to digital content. Nonetheless, contracts are efficient in many circumstances, particularly where the parties are limited in number and known to each other. In these circumstances where parties may have even negotiated the contractual terms, a clear case for a meeting of the minds is easy to make out. Since breach of contract is therefore easier to

[52] US Const art I, § 8, cl 8; *Copyright Act*, s 6.
[53] Burk, *supra* note 41 at 1108.
[54] *Feist Publications Inc v Rural Telephone Service Company*, 499 US 340 at 344-46.
[55] Burk, *supra* note 41 at 1113-14; Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 at 95, 117; Kathryn Judge, "Rethinking Copyright Misuse" (2004) 57 Stan L Rev 901 at 907, 940. [Rethinking Copyright Misuse]
[56] See e.g. *Lasercomb America, Inc v Reynolds*, 911 F2d 970 (4th Cir 1990) at 978.
[57] Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 at 96; see Mark A Lemley, "Beyond Preemption: The Law and Policy of Intellectual Property Licensing" (1999) 87 Cal L Rev 111 at 128-32.

enforce, these contracts are imbued with greater deterrence value. As a result, licensing agreements remain a standard tactic for controlling digital content that is especially effective at expanding copyright protections for right-holders and limiting those for users when paired with both anticircumvention measures and statutory recourses.

According to one theory, contracts licensing copyrighted material may create a new sort of exclusively contractual right that is separate from copyright, and is thus subject to local state or provincial law on contractual obligations, not federal copyright law.[58] This perspective has been strengthened by the ruling in *ProCD*,[59] which established that a copyright owner can contractually limit copying beyond the right conferred by copyright. However, accepting this theory wholesale could have damaging ramifications for the public interest, because in many situations it would take responsibility for abusive conduct out of the scope of protective copyright regulation and place it instead within the more permissive arena of the freedom of contract theory.[60] However, whether such agreements are wholly a matter for local contracts law is debatable and most would argue that copyright still has a strong role to play in their regulation.[61] In any case, the state of the law on these agreements is still in flux.[62]

Copyright Trolls

The phenomenon of "copyright trolls" has been coined in reference to the similar abusive behaviour of "patent trolls" in patent law. The US Supreme Court recognized the existence of

[58] Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 at 107; Judge, Rethinking Copyright Misuse, *supra* note 55 at 907; Lemley, *supra* note 57 at 132-33, 136
[59] *ProCD Inc v Zeidenberg*, 86 F3d 1447, 1453–55 (7th Cir 1996).
[60] Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 at 110-17.
[61] Judge, Rethinking Copyright Misuse, *supra* note 55 at 907; Lemley, *supra* note 57; Lessig, *supra* note 45 at 135-36.
[62] Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 at 109

patent trolls in its 2006 *eBay v MercExchange* decision.[63] Concurring Justice Kennedy stated that "[a]n industry has developed in which firms use patents not as a basis for producing and selling goods but, instead, primarily for obtaining licensing fees."[64] Following this decision, a US House of Representatives subcommittee attempted to define a patent troll and its "legal gamesmanship" as "an individual who invents a patent product or process of suspect legal integrity or who acquires such a patent from a third party. The owner is characterized by someone who makes money by extorting a license from the manufacturer who allegedly has infringed the patent. Fearing the possibility of an injunction will force the manufacture to cease operations, the company settles."[65] These characterizations provide insight into trolls' goals and techniques.

In copyright, similar trolling conduct has mainly developed around Internet and file-sharing technology. Tactics vary, but the business model generally involves sending out mass deceptive demand or cease-and-desist letters asserting copyright infringement and demanding settlement under the threat of legal action. One infamous copyright troll in the US, the Recording Industry Association of America (RIAA), instituted legal action for copyright infringement against over 30,000 individuals before abandoning its tactics.[66] A particularly vile – but apparently effective – technique is to demand payment of a settlement under the threat of instituting embarrassingly public legal action for downloading not just any copyrighted material, but salacious pornography.[67]

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[63] *eBay Inc v MercExchange, LLC*, 547 US 388, 126 S Ct.1837.
[64] *Ibid* at 396.
[65] US, Subcommittee on Courts, the Internet, and Intellectual Property, Committee on the Judiciary, 109th Cong, *Patent Trolls: Fact Or Fiction?* (S No 109 104) (Washington, DC: June 15, 2006) at 1-2, online, <http://www.gpo.gov/fdsys/pkg/CHRG-109hhrg28201/pdf/CHRG-109hhrg28201.pdf>.
[66] U.S. Department of Commerce Internet Policy Task Force, "Copyright Policy, Creativity, and Innovation in the Digital Economy" (July 2013) at 47, United States Patent and Trademark Office, online: <http://www.uspto.gov/sites/default/files/news/publications/copyrightgreenpaper.pdf>.
[67] See e.g. *Malibu Media, LLC v John Does*, 902 F Supp 2d 690 (Ed Pa, 2012) at 694-95 for a description of how typical copyright trolling or speculative invoicing works; see also *Voltage Pictures LLC v John and Jane Doe*, 2014 FC 161 at paras 62-100 for an overview of this practice in the UK. [*TekSavvy*]

In Canada, copyright trolling is a more recent practice US that only began in earnest after the 2014 TekSavvy ruling, which is discussed in greater detail below. At the heart of this decision was Voltage Pictures, Inc's claim to copyright infringement for downloads of films for which the company had purchased copyrights. The company sought access to the alleged infringers' personal information so that it could send them notice of its intention to institute legal action against them for the infringement if they did not choose to settle outright. Although this intention sounded suspiciously similar to the abusive business practices of copyright trolls, and an intervener in the case even asserted that the plaintiff was indeed such a troll,[68] the court ruled in favour of the copyright holder, ordering the Internet Service Provider (ISP) to disclose its customers' personal information so that the plaintiff could go forward with its purported infringement suits.

Following the TekSavvy decision, the Canadian notice-and-notice regime has been criticized for facilitating abuse by copyright trolls since coming into force in January 2015.[69] This regime allows copyright holders to notify ISPs that their users have allegedly infringed copyright, and requires the ISPs to forward the notices along to its users.[70] However, under the federal privacy statute, ISPs may only disclose their customers' identities under court order.[71] Successfully obtaining a court disclosure order places an additional burden on copyright holder plaintiffs to go to court and prove, at the very least, that they have a *bona fides* claim in

[68] *TekSavvy*, *supra* note 67 at para 16; CIPPIC's Motion Record (Motion for a written examination of a non-party under rule 238), vol 1 of 3: Affidavits And Transcripts (June 20, 2013), at p 3 et seq, online CIPPIC: <http://www.teksavvy.com/Media/Default/Customer%20Notices/CIPPIC-Intervention-Record-vol1.pdf >.
[69] Pierre-Christian Collins Hoffman, "Non-Commercial Online Copyright Infringement in Canada: The Challenge of Balancing the Copyright Owners' Interests Against Those of Internet Users" (2015) 16 Internet & E-Commerce L in Canada 1 at 4, 6.
[70] *Copyright Act*, *supra* note 10, ss 41.25-41.27.
[71] *Personal Information Protection and Electronic Documents Act*, SC 2000, c 5, ss 3, 7, 8 (PIPEDA); see also *BMG Canada Inc v John Doe*, 2005 FCA 193, [2005] 4 FCR 81.

infringement against the defendant.[72] As this would involve a great deal of expense that might not be recovered even through a successful infringement action, it is only logical that copyright holders would avoid the time, cost and scrutiny of going to court, and attempt instead to settle directly with users. The notice-and-notice regime provides them with the perfect mechanism to do this, even when their claims are dubious at best.

Certain companies like Rightscorp and BMG have been singled out for exhibiting troll-like conduct by engaging in speculative invoicing practices.[73] These practices involve sending infringement notices via ISPs to users who have downloaded copyrighted material, and including settlement demands within the notices. The notices that have been circulated online often grossly overstate the senders' legal rights or the potential sanctions (such as fines or criminal charges) for infringement in order to intimidate users into settling.[74] A sinister consequence of the success of the speculative invoicing model when applied to the notice-and-notice regime is that after companies succeed at obtaining settlements, they are encouraged to send more notices, both to the same individual and to others. The increasing number of notice requests that include settlement demands has even prompted the Ministry in charge of the notice-and-notice regime, Industry Canada, to remark that the Canadian regime is not a "notice-and-settlement regime."[75]

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[72] *BMG*, *supra* note 71 at paras 32, 35.

[73] See Michael Geist, "Rightscorp and BMG Exploiting Copyright Notice-and-Notice System: Citing False Legal Information in Payment Demands" (January 8, 2015) Michael Geist's blog, online, <http://www.michaelgeist.ca/2015/01/rightscorp-bmg-exploiting-copyright-notice-notice-system-citing-false-legal-information-payment-demands/>; Michael Geist, "Misuse of Canada's Copyright Notice System Continues: U.S. Firm Sending Thousands of Notices With Settlement Demands" (March 5, 2015) Michael Geist's blog, online, <http://www.michaelgeist.ca/2015/03/misuse-canadas-copyright-notice-system-continues-u-s-firm-sending-thousands-notices-settlement-demands/>; see also Daniel Tencer, "Rightscorp Expands Into Canada, Calls It Worst Developed Country For Piracy" (March 13, 2014) Huffington Post Canada, online, <http://www.huffingtonpost.ca/2014/03/13/rightscorp-canada-copyright-letters_n_4955665.html>.

[74] Michael Geist, "Rightscorp and BMG Exploiting Copyright Notice-and-Notice System: Citing False Legal Information in Payment Demands", *supra* note 73.

[75] Megan Haynes, "Canadians have 'no obligation' to U.S. piracy firm", Metro (April 22, 2015) metro news online, <http://metronews.ca/news/canada/1348052/canadians-under-no-obligation-to-pay-for-piracy/>; see also Michael Geist, "Canadian Government on Copyright Notice Flood: "It's Not a Notice-and-Settlement Regime"" Michael

One explanation for the abuse of the Canadian notice-and-notice regime is that copyright holders do not incur any costs when they request ISPs to send infringement notices to their customers. As a free service, the regime encourages a flood of notice requests to ISPs. Another contributing factor is the lack of governmental oversight of the content included in the notices. This allows senders to include misleading information without any repercussions. Unsurprisingly, Industry Canada has been sharply criticized for not exercising its prerogative to implement any regulations to curb these abuses.[76]

ii. Case Law

This section provides an overview of selected case law dealing with the abuse of intellectual property rights with a focus on copyright, both in the US and Canada. US jurisprudence has developed a strong doctrine of copyright misuse in response to these abuses. In Canada, however, the doctrine of misuse has not taken the same hold, although its potential application within copyright law has been noted as a potential common law parallel to the civilian abuse of rights doctrine. A further entanglement between the distinct US and Canadian intellectual property law regimes is the response given to the growing problem of copyright trolls, especially in cases of Internet file sharing. The reasoning of Canadian courts has therefore paid increasingly special attention to the US experience and its more developed jurisprudence on the issue.

Geist's blog, online, <http://www.michaelgeist.ca/2015/04/canadian-government-on-copyright-notice-flood-its-not-a-notice-and-settlement-regime/>

[76] Michael Geist, "Canadians face barrage of misleading copyright demands" (January 9, 2015) Toronto Star, The Star, online, <http://www.thestar.com/business/tech_news/2015/01/09/canadians_face_barrage_of_misleading_copyright_demands.html>; David Fewer, "Letter to the Ministry of Industry Re: Abuse of Notice and Notice regime" (April 23, 2015) Samuelson-Glushko Canadian Internet Policy and Public Interest Clinic (CIPPIC), University of Ottawa, online, <https://cippic.ca/uploads/LT_Moore-FixingNoticeNotice.pdf>.

US Copyright Misuse Cases

The American doctrine of misuse originally developed as an equitable defense in patent law, and then was later extended to copyright. The US Supreme Court first recognized the defense of misuse of patent in the 1942 case *Morton Salt*, where it held that, as a court of equity, it would not aid the patent holder in protecting its patent when it was using that patent in a manner contrary to public policy.[77] Copyright misuse only began to gain recognition almost a half century later in the *Lasercomb* case, where the Fourth Circuit appellate court applied the patent defense of misuse against an infringement action to copyright law.[78] Other circuit courts – although not all of them, or the Supreme Court – have since followed suit and recognized copyright misuse as a valid defense. These decisions are presented below.

Lasercomb

At issue in *Lasercomb* was a software company's standard licensing agreement that barred its licensees from participating in any way in creating a competing computer-assisted software.[79] While the particular defendants themselves were not bound by the restrictive clause in the agreement, at least one other licensee had entered into the agreement including the anticompetitive language.[80] At trial, the district court found in favour of the software company, because the defendants had created and marketed their own competing software that was "almost entirely a direct copy" of the company's, and thus committed copyright infringement.[81] The defendants appealed, and claimed that if the company had a perfected copyright, it had

[77] *Morton Salt Co v GS Suppiger*, 314 US 488 at 490-92, 62 S Ct 402 at 405, 86 LEd 363 (1942).
[78] *Lasercomb*, *supra* note 56 at 973, 975-76.
[79] *Ibid* at 972-73.
[80] *Ibid* at 973.
[81] *Ibid* at 971.

impermissibly abused it.[82] The appellate court agreed, finding that copyright misuse "bars a culpable plaintiff from prevailing on an action for the infringement of the misused copyright."[83]

The defense of copyright misuse is recognized in *Lasercomb* as applying where the defendant can prove one of three situations.[84] First, "the attempted use of a copyright to violate antitrust law".[85] The court notes that while such an attempt would likely give rise to a misuse, a violation of antitrust law is not necessary to successfully invoke the equitable defense.[86] Other circumstances may comprise a misuse, and this is consistent with the patent law doctrine.[87] Second, therefore, misuse may also be present where the copyright holder illegally extended its monopoly beyond the limited grant made by the Copyright Office.[88] The offensive licensing clause in *Lasercomb* was the 99-year restraint on competitive software development, which the court pointed out could effectively outlive the copyright itself.[89] Third, the defendant may prove that the copyright holder was using the copyright "in a manner violative of the public policy embodied in the grant of a copyright."[90] The court emphasizes that the public policy test can be met regardless of whether the party raising the defense was themselves subject to the abuse.[91] It is the behaviour of the copyright holder that comes under scrutiny to establish a misuse. The question is whether the copyright holder's behaviour complied with the public policy goals underlying copyright, notably allowing the public to access to competitors' creative abilities.[92]

[82] *Ibid* at 972.
[83] *Ibid* at 972.
[84] *Ibid* 978.
[85] *Ibid*.
[86] *Ibid* at 977-78.
[87] *Ibid* at 977.
[88] *Ibid* at 977-78.
[89] *Ibid* at 978.
[90] *Ibid*.
[91] *Ibid* at 978-79.
[92] *Ibid* at 978.

Some commentators have taken issue with this public policy-oriented ruling as demonstrating the "unfortunate side of copyright misuse."[93] This aspect is seen as serious enough to justify abandoning it altogether and instead allowing "competitive market forces … to address abuses by copyright owners".[94] The criticism is that by invalidating their copyright, misuse deprives copyright holders of any recourse against blatant copyright infringement.

What these comments gloss over is that the copyright holder has committed a wrong, and according to the basic premise of the "unclean hands" doctrine in equity, that wrong precludes them from reaping any benefit. Encouraging abusive behaviour is not in the public interest, and given the number of cases that reach the courts, relying solely on a competitive market does not provide the necessary controls to keep abuses in check. Indeed, such remarks miss the essential gap-filling function of misuse, which gives courts a broad tool to penalize copyright holders for their abusive behaviour where no other well-adapted means exist (antitrust and torts falling short of the job). Lastly, following the remedy granted under patent law, the invalidation of a copyright that precludes bringing an action for infringement, only lasts as long as the abuse continues. Once rectified, the copyright and its attendant rights of recourse are restored.[95]

Practice Management

The Ninth Circuit Court of Appeals also expressly adopted copyright misuse as a defense to a claim of copyright infringement in *Practice Management*.[96] Like in *Lasercomb*, a restrictive clause contained in a licensing agreement was again at issue in *Practice Management*. In this clause, the American Medical Association (AMA) gave an agency a license to use, copy, publish

[93] Meg Dolan, "Misusing Misuse: Why Copyright Misuse Is Unnecessary" (2006-2007) 17 DePaul-LCA J Art & Ent L 207 at 207-08.
[94] *Ibid* at 209.
[95] *Lasercomb*, *supra* note 56 at 978; Judge, Rethinking Copyright Misuse, *supra* note 55 at 947-51.
[96] *Practice Management Info Corp v American Medical Ass'n*, 121 F3d 516 (9th Cir 1997) at 520.

and distribute its copyrighted coding system contained in its medical procedure guide. In exchange, however, the AMA required the licensee not to use *any other system* and, wherever possible, to require the agency's agents to use it as well.[97] This exclusivity requirement upon which the licensing agreement was conditioned constituted a misuse of copyright by the AMA.[98]

The appellate court in *Practice Management* confirmed the principles set out in *Lasercomb*, notably regarding the relationship between misuse and antitrust law: "a defendant in a copyright infringement suit need not prove an antitrust violation to prevail on a copyright misuse defense."[99] Nevertheless, the court noted that the licensing terms "gave the AMA a substantial and unfair advantage over its competitors."[100] This anti-competitiveness moreover resulted in a use of its copyright that violated the public policy underlying copyright.

Additionally, the Ninth Circuit emphasized that "copyright misuse does not invalidate a copyright, but precludes its enforcement during the period of misuse,"[101] which is the same remedy as that provided in patent law. This remedy was also granted in *Lasercomb*, where the court did not invalidate the software company's copyright; it simply suspended its right to bring an action in infringement until it had "purged itself of the misuse."[102]

Alcatel

In the Fifth Circuit case *Alcatel*,[103] a copyright holder, Alcatel, was found to have used licensing agreements to limit the use of its copyrighted operating system software to its own

[97] *Ibid* at 517-18.
[98] *Ibid* at 520-21.
[99] *Ibid* at 521.
[100] *Ibid*.
[101] *Ibid* at 520.
[102] *Lasercomb*, *supra* note 56 at 979, note 22; see also Judge, Rethinking Copyright Misuse, *supra* note 55 at 947.
[103] *Alcatel USA, Inc v DGI Technologies, Inc*, 166 F3d 772 (CA 5th Cir 1999). The Fifth Circuit first recognized the defense of copyright misuse in the earlier case between the same parties: *DSC Communications Corp v DGI Techs, Inc*, 81 F3d 597, 601 (CA 5th Cir 1996).

hardware, as a means of stifling the development of competing hardware. This constituted copyright misuse, because it was an attempt to extend copyright over uncopyrightable works.[104]

Alcatel manufactured a switching device to direct long-distance phone calls, the hardware, which was controlled by a copyrighted operating system, the software.[105] Alcatel licensed its software to customers under several restrictive conditions, including that customers only use Alcatel's hardware, and that they not copy the hardware.[106] When the defendant, DGI, copied Alcatel's hardware and created competing compatible hardware, Alcatel brought an action for copyright infringement, misappropriation of trade secrets, and unfair competition.[107] DGI counterclaimed that, among its other defenses, Alcatel had misused its copyright.[108] The federal court of appeals agreed.[109]

The court upheld DGI's defense of misuse against Alcatel's claim in copyright infringement, despite a finding of improper conduct by DGI,[110] and both direct and contributory infringement.[111] While this may seem to fly in the face of the unclean hands doctrine, the court clarifies that it is Alcatel, and not DGI that initially sought equitable relief in requesting a permanent injunction against DGI to prevent any further copyright infringement. Therefore, it is Alcatel's misuse of its copyright that is scrutinized and which bars it from obtaining equity.[112]

The court found that by leveraging its copyright via contract, Alcatel's actions too closely resembled a patent monopoly over its unpatented hardware.[113] The expansion of copyright

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[104] *Alcatel*, *supra* note 103 at 793–94.
[105] *Ibid* at 777.
[106] *Ibid*.
[107] *Ibid* at 779.
[108] *Ibid*.
[109] *Ibid* at 793, 799.
[110] *Ibid* at 785. The court stated that: "the deceptive practices used by DGI to obtain a copy of DSC's software left it with very dirty mitts." *Ibid* at 794.
[111] *Ibid* at 791.
[112] *Ibid* at 794.
[113] *Ibid* at 793.

protections to patent-like dimensions was unjustified, because obtaining copyright protection does not require a work to meet as rigorous requirements as those required for a patent grant. In exchange for meeting less stringent standards, copyright protections are less potent than those of patent. Therefore, by attempting to expand the scope of protection, Alcatel misused its copyrights.

Moreover, the issue of reverse engineering for interoperability as a fair use arose due to Alcatel's licensing clauses intended to limit the use of other hardware with its copyrighted software. The fair use limitation to copyright protections permits intermediate copying, where that copying is necessary to create compatible products.[114] This is in line with the purposes of copyright to foster scientific progress. However, neither the exact parameters of when intermediate copying constitutes fair use, nor whether the defendant's actions were in line with those conditions were analyzed in *Alcatel*.[115] It was simply put that "without the freedom to test its cards in conjunction with DSC's [Alcatel's] software, DGI was effectively prevented from developing its product, thereby securing for DSC a limited monopoly..."[116] This may have been to avoid a particularly limiting and fact-specific inquiry into fair use, which would have only provided protection to the defendant, but not to other competitors of Alcatel.[117]

Assessment Technologies v WIREdata

In the words of the court, the *WIREdata*[118] case "is about the attempt of a copyright owner to use copyright law to block access to data that not only are neither copyrightable nor copyrighted, but were not created or obtained by the copyright owner."[119] Allowing such a claim

[114] Judge, Rethinking Copyright Misuse, *supra* note 55 at 919.
[115] *Ibid* at 920.
[116] *Alcatel*, *supra* note 103 at 794.
[117] Judge, Rethinking Copyright Misuse, *supra* note 55 at 920.
[118] *Assessment Technologies of WI LLC v WIREdata, Inc*, 350 F3d 640 (7th Cir 2003).
[119] *Ibid* at 641.

to succeed, Justice Posner asserted, would be "appalling."[120] The copyright owner and plaintiff in this case was Assessment Technologies, a company that licensed its copyrighted software to municipalities. Municipalities used the software to compile public data on properties located within their borders for tax assessments purposes. When the defendant WIREdata, Inc. requested access to the data, most municipalities complied by copying the data from the compilations. However, three municipality licensees refused to disclose on the grounds that they feared such copying would infringe Assessment Technologies' copyright.[121] WIREdata, Inc. brought an action to force the municipalities to divulge the public information, causing Assessment Technologies to respond by suing WIREdata, Inc. for copyright infringement and theft of trade secrets.[122]

The court clarified that although the software that compiled the data was original enough to be copyrighted, Assessment Technologies had no ownership or other legal interest in the data, which was public information and logically separate from the software.[123] Its licenses over the software were irrelevant.[124] The court was very clear that "it created only an empty database, a bin that the tax assessors filled with the data. It created the compartments in the bin and the instructions for sorting the data to those compartments, but those were its only innovations and their protection by copyright law is complete."[125] The data contained in the municipalities' databases were thus beyond the scope of Assessment Technologies' copyright.[126]

Assessment Technologies could not prevent WIREdata, Inc.'s access to the raw data, even if the data could not be extracted without making a copy of the software. This was because

[120] *Ibid* at 642.
[121] *Ibid*.
[122] *Ibid*.
[123] *Ibid* at 644-45.
[124] *Ibid* at 646-47.
[125] *Ibid* at 646.
[126] *Ibid* at 647.

intermediate copying for the purposes of reverse engineering is fair use.[127] In this case, the purpose would be to extract non-copyrighted material, not to compete against the copyrighted software. To attempt to prevent this fair use would be copyright misuse.[128] The court restated that the doctrine of misuse as set out in the case law "prevents copyright holders from leveraging their limited monopoly to allow them control of areas outside the monopoly."[129] As applied to Assessment Technologies, the court found that, "[t]o try by contract or otherwise to prevent the municipalities from revealing their own data, … might constitute copyright misuse."[130]

In concluding, Posner J reiterated that the misuse doctrine applies beyond the limits imposed by antitrust law.[131] He explained that this approach is justified, because "… for a copyright owner to use an infringement suit to obtain property protection, here in data, that copyright law clearly does not confer, hoping to force a settlement or even achieve an outright victory over an opponent that may lack the resources or the legal sophistication to resist effectively, is an abuse of process."[132] This abuse of process rationale for misuse enlarges the domain of application of the doctrine of misuse to cover not only cases where a defendant raises misuse as a defense against copyright infringement, but also where a copyright holder threatens to sue in order to expand their copyright protection.[133]

Omega v Costco

The *Omega v Costco*[134] story demonstrates a form of abuse of copyright whereby a copyrightable design is placed on an uncopyrightable useful article, so as to exploit the

[127] *Ibid* at 645; see *Sega Enterprises Ltd v Accolade, Inc*, 977 F2d 1510, 1520–28 (9th Cir 1992).
[128] *WIREdata*, *supra* note 118 at 645.
[129] *Ibid* at 647.
[130] *Ibid* at 646-47.
[131] *Ibid* at 647; *Lasercomb*, *supra* note 56 at 977–78.
[132] *WIREdata*, *supra* note 118 at 647.
[133] Judge, Rethinking Copyright Misuse, *supra* note 55 at 929.
[134] *Omega SA v Costco Wholesale Corp*, 776 F3d 692 (CA 9th Cir 2015). [*Omega 2015*]

protections of copyright law for that article. This is, in other words, an attempt to do indirectly what one cannot do directly. The specific issue in *Omega* centered on the copyright over a design used to block the importation of the products upon which the copyrighted design was engraved, without the copyright holder's prior authorization.

The plaintiff Omega is a luxury watch manufacturer. Omega engraved the Omega Globe Design on the underside of its watches and copyrighted the design. Omega began selling these engraved watches through distributors in the US, and discussed the possibility of the defendant Costco carrying Omega watches. However, because they did not come to an agreement, Costco did not become an authorized Omega retailer. Costco later purchased over one hundred watches bearing the engraving on the so-called "gray market," and began selling them. Omega brought an action alleging that Costco had violated Omega's copyright-based importation and distribution rights by selling these gray market watches without first obtaining its prior authorized first sale in the US. The case went through the entire Ninth Circuit system, from the first instance district court,[135] to the court of appeals where the ruling was reversed on a question of law and remanded,[136] then it was appealed to the Supreme Court, which granted certiorari,[137] then affirmed by an equally divided court, and lastly remanded again, to the court of appeals.[138]

In the most recent 2015 decision on this case, from the Court of Appeals of the Ninth Circuit, the majority focused on the issue of the first sale doctrine to find that there was no copyright infringement meriting an action in copyright.[139] However, following the lower court decisions, concurring Circuit Judge Wardlaw emphasized instead that the particular facts of the

[135] *Omega SA v Costco Wholesale Corp*, No. CV 04-05443 TJH RCX, 2007 WL 7029734 (CD Cal Feb 6, 2007).
[136] *Omega SA v Costco Wholesale Corp*, 541 F3d 982, 984 (9th Cir 2008).
[137] *Costco Wholesale Corp v Omega, SA*, 559 US 1066, 130 S Ct 2089.
[138] *Costco Wholesale Corp v Omega, SA*, 562 US 40, 131 S Ct 565.
[139] *Omega 2015*, *supra* note 134 at 695. The Supreme Court had ruled in the interim between court of appeal decisions that the "'first sale' doctrine applies to copies of a copyrighted work lawfully made abroad." *Kirtsaeng v John Wiley & Sons, Inc*, 133 S Ct 1351 at 1355–56.

case made misuse the primary issue.[140] Citing District Court Judge Terry Hatter, Wardlaw J agreed that, "Omega impermissibly "used the defensive shield of copyright as an offensive sword.""[141] Wardlaw J found that Omega's attempted use of its copyright to control importation of and restrict competition for its watches, which are "neither copyrightable nor copyrighted," constituted copyright misuse.[142]

Ultimately, Omega conceded that it placed the design on its watches solely for the purpose of taking advantage of section 602 of the *Copyright Act*, which makes importing copyrighted goods into the US without the copyright holder's prior authorization a violation of their exclusive right to distribute.[143] Nevertheless, Omega boldly argued that its subjective anti-competitive motives were irrelevant to the issue of misuse, and that the inquiry should instead focus on its "objective conduct or use." [144] Wardlaw J flatly rejected this as "semantic hairsplitting," and pointed out that "use" requires, by its very definition, an inquiry into purpose.[145] Interestingly, however, Wardlaw J stated that it "need not decide whether Omega's motives are sufficient to establish copyright misuse" since the actual effect of the lawsuits had already been to reduce the price competition for Omega's watches in the US.[146] The court sidesteps this question of intent to avoid engaging with the tricky burdens of proof that such inquiries necessitate. Instead, the court points to equity as lying at the "core" of its inquiry into misuse, and highlights the public policy test from *Lasercomb*.[147] It restates that a use of

[140] *Omega 2015*, *supra* note 134at 696.
[141] *Ibid*.
[142] *Ibid* at 699-701, 703-06; *WIREdata*, *supra* note 118 at 641.
[143] *Omega 2015*, *supra* note 134 at 698, 703.
[144] *Ibid* at 701.
[145] *Ibid*.
[146] *Ibid*.
[147] *Ibid*.

"copyright in a manner contrary to public policy" will allow the court to "refuse to aid such misuse."[148]

In sum, the American jurisprudence on the doctrine of copyright misuse can be distilled into four categories of misuse. The first type of misuse is a violation of antitrust law.[149] The second type is an attempt to expand one's rights beyond the formal limits granted by copyright law, which is analogous to the doctrine of patent misuse.[150] Third, the abuse of process constitutes a misuse of copyright.[151] Fourth, and though less clearly delineated by the case law, the violation of the public policy aims of copyright has also been found to trigger the application of the misuse doctrine.[152]

The final category can be pushed further in a way that, as will be seen, sounds quite similar to the abuse of rights in the civil law. This formulation is that any attempt by a copyright holder to expand the purview of her copyright protection constitutes a misuse, if doing so violates the policies identified as central to copyright. Three main policy goals have been identified as central to copyright in the case law, legal scholarship and statute.[153] The first recognized policy goal is to encourage and ensure a competitive market. This keeps in following with antitrust law guidelines. Another well-recognized policy goal of copyright is upholding free speech. This has been met, for example, by distinguishing between expression, which is accorded copyright protection, and ideas, which are not.[154] A final entrenched policy is that of fair use, which allows for copyrighted works to be used in certain ways and for certain purposes

[148] *Ibid*; *Lasercomb*, *supra* note 56 at 975–76
[149] *Lasercomb*, *supra* note 56; *Alcatel*, *supra* note 103; *Practice Management*, *supra* note 96; Judge, Rethinking Copyright Misuse, *supra* note 55 at 924.
[150] *Lasercomb*, *supra* note 56; *Alcatel*, *supra* note 103; *Practice Management*, *supra* note 96; Judge, Rethinking Copyright Misuse, *supra* note 55 at 925.
[151] *WIREdata*, *supra* note 118; Judge, Rethinking Copyright Misuse, *supra* note 55 at 927.
[152] Judge, Rethinking Copyright Misuse, *supra* note 55 at 930; Burk, *supra* note 41 at 1135; Lemley, *supra* note 57 at 153.
[153] Judge, Rethinking Copyright Misuse, *supra* note 55 at 930-31.
[154] *Eldred*, *supra* note 23.

without the copyright holder's permission.[155] This also serves to safeguard free speech, but also to encourage creativity and progress, which are the basic building blocks of a copyright regime.

Canadian Cases

Voltage Pictures (TekSavvy)

The TekSavvy case[156] marked an important moment in Canadian copyright history: the arrival of copyright trolls.[157] In combination with the entering into force of the Canadian notice-and-notice regime less than a year later, this ruling appeared to embolden new levels of abusive behaviour. It opened the door to a flood of speculative practices that had previously only been employed in the US and the UK.[158]

The issues addressed in TekSavvy are of significant concern to the public because they impact the interests of all Internet users in protecting their privacy and personal information.[159] The case also raised concerns about the court system's ability to recognize and sanction troll-like behaviour as opposed to legitimate exercises of copyrights. The federal court was highly aware of the import of these issues, and the potentially abusive conduct by the plaintiff. Therefore although the court found in favour of the plaintiff, it granted a disclosure order with tightly circumscribed conditions attached.

To start from the beginning, the parties to the action were the plaintiff film production company and copyright holder, Voltage Pictures, Inc; TekSavvy Solutions Inc, an independent Canadian ISP that was joined to the action; and a multitude of unnamed defendants that Voltage

[155] *Ibid*; Patry & Posner, *supra* note 28.
[156] *TekSavvy*, *supra* note 67.
[157] TekSavvy was the first copyright troll case in Canada regarding Internet downloading. See Michael Geist, "Court Establishes New Safeguards on Disclosures in File Sharing Suits" (February 20, 2014) online: Michael Geist's blog <http://www.michaelgeist.ca/content/view/7076/159/>.
[158] *TekSavvy*, *supra* note 67 at paras 62-125.
[159] These privacy concerns were also at issue in a similar case in 2005. See *BMG*, *supra* note 71 at 4, 37-45.

had identified as having infringed its copyright in certain films by illegally downloading them using peer-to-peer file sharing networks. The defendants were only identifiable by their IP addresses as Teksavvy's customers, so Voltage was unable to notify them of their violations or initiate proceedings against them. In order to obtain their names and addresses, Voltage joined TekSavvy as a third party to the proceedings, because it was the only entity that held all of its subscribers' personal information. In joining the ISP, Voltage sought an equitable remedy from the court to order TekSavvy to disclose the confidential subscriber contact information.

The primary issue was whether Voltage, as a copyright holder, ought to be granted the right to examine TekSavvy, a third party to its action, in order to obtain the private contact information of TekSavvy's subscribers. A statutory remedy under Rule 238 of the *Federal Court Rules*,[160] this is also known as a Norwich Order.[161] A Norwich Order is granted solely for the purpose of the copyright holder subsequently bringing an action against the alleged infringers. To grant the order, the court looked at *BMG* to decide whether a *bona fide* claim that unknown persons were infringing Voltage's copyright actually existed.[162] The principles set out in *BMG* mirror those listed in Rule 238(3), namely that the third party must have the relevant information sought; a court order must be the only reasonable means of obtaining this information; fairness must require that the information be provided pre-trial; and the order must not cause undue delay, inconvenience or expense to the third party.[163] The court found that because all of these principles were present, Voltage had made out a *bona fide* claim.[164]

[160] SOR/98-106.
[161] *Norwich Pharmacal Company & Ors v Customs And Excise*, [1974] AC 133, [1973] 3 WLR 164, [1973] 2 All ER 943.
[162] *BMG*, *supra* note 71.
[163] *Federal Court Rules*, *supra* note 160; *BMG*, *supra* note 71 at para 23; *TekSavvy*, *supra* note 67 at para 45.
[164] *TekSavvy*, *supra* note 67 at 56

Moreover, Voltage had to demonstrate both it had a real intention to bring an action for copyright infringement based on the information that it would obtain through the order; and that it had no other improper purpose for seeking the alleged infringers' identity.[165] Voltage met the first part of the test by proving that it was the owner of the copyright over the downloaded films,[166] and there was a strong indication of infringement.[167] However, the second part of the test was more difficult for Voltage to meet. The intervener Canadian Internet Policy and Public Interest Clinic (CIPPIC) presented evidence that Voltage was a "copyright troll" engaged in "speculative invoicing" seeking to "intimidate individuals into easy settlements by way of demand letters and threats of litigation."[168] CIPPIC warned the court "not to become an inadvertent tool assisting parties in this type of business model."[169] Consequently, the court questioned Voltage's ulterior motives, suspecting that even while appearing to be a copyright owner legitimately asserting its intellectual property rights, Voltage may be a copyright troll.[170] Indeed, the court stated that it would have accepted Voltage's position "but for the spectre raised of the "copyright troll" as it applies to these cases and the mischief that is created by compelling the TekSavvy's of the world to reveal private information about their customers."[171] The court feared opening the floodgates to "an enormous number of cases involving the Subscribers many of whom may have perfectly good defences to the alleged infringement."[172]

Nevertheless, because Voltage had demonstrated a *bona fide* claim for copyright infringement, and met all of the tests and principles in *BMG*, the court ordered TekSavvy to

[165] *Ibid* at para 40.
[166] *Ibid* at para 56.
[167] *Ibid* at para 46.
[168] *Ibid* at para 6.
[169] *Ibid*.
[170] *Ibid* at para 54.
[171] *Ibid* at para 60.
[172] *Ibid*.

disclose the confidential subscriber contact information sought by the copyright holder.[173] The court stated that only compelling evidence of an improper motive on the part of the plaintiff would justify denying a motion for disclosure altogether.[174] In Voltage's case, the evidence was not sufficiently clear and compelling.[175]

However, the court's doubts still impacted the scope of the order granted, so as to limit the extent of the intrusion into users' privacy rights and to "ensure that the judicial process is not being used to support a business model intended to coerce innocent individuals to make payments to avoid being sued."[176] The court restricted the disclosure order with a slew of conditions aimed at ensuring the balance between Internet users' rights and Voltage's rights to enforce its copyright.[177] In particular, the court required continued monitoring of Voltage's conduct by a case management judge to "ensure that Voltage does not act inappropriately in the enforcement of its rights to the detriment of innocent internet users."[178] Throughout its decision, the court repeatedly emphasized its role in deterring abusive copyright litigation. It highlighted the threat such copyright trolls posed not only to the privacy rights of individuals, but also to the court system and the use of its limited resources.[179]

Kraft v Euro-Excellence

Similar facts to the US *Omega* case[180] were present in the *Kraft* saga,[181] where the defendant, a domestic company called Euro-Excellence, had purchased the plaintiff companies' products on the "grey market," (i.e. not directly from the plaintiffs, therefore without any sort of

[173] *Ibid* at para 35.
[174] *Ibid* at para 133.
[175] *Ibid* at para 135.
[176] *Ibid* at para 35.
[177] *Ibid* at paras 134, 137-39.
[178] *Ibid* at para 139.
[179] *Ibid* at para 60.
[180] *Omega 2015*, *supra* note 134.
[181] *Euro-Excellence Inc v Kraft Canada Inc*, [2007] 3 SCR 21, 2007 SCC 37. [*Kraft*]

distribution contract or warranty attached) and was selling them in Canada. In an attempt to stop this practice, which is called parallel importation, the plaintiff parent companies copyrighted the design printed on its chocolate products, granted an exclusive distribution license to its local subsidiary, and then brought an action in copyright for secondary infringement against Euro-Excellence in order to block its importation of the chocolate.[182] As in *Omega*, the *Kraft* case raised the issue of the abuse – or misuse – of copyright by attempting to do indirectly what cannot be done directly, namely attempting to extend the protections of copyright law beyond that intended by copyright policy, so as to cover uncopyrightable articles.

The defendant argued that this very issue of abuse was at the heart of the case, yet each successive court rejected its argument. At the level of the Supreme Court of Canada, the reasoning from both the majority and the concurring judges brushed aside the issue as simply irrelevant, given their interpretations of the *Copyright Act*. In his concurring reasoning, Justice Bastarache accorded the most attention to the issues of abuse of right and copyright misuse, yet still found that his analysis replaced any need to consider either doctrine.[183] He did leave the door open, however, to the potential future application of misuse in Canada, remarking that **"**a determination on that issue is best left for another day."[184] On the other hand, Justice Rothstein for the majority rejected the idea that there was precedent to support a broad doctrine of copyright misuse.[185]

Rothstein J relied instead on both textual interpretation and contract law to find that the defendant Euro-Excellence had not committed secondary infringement. [186] Secondary

[182] *Copyright Act*, *supra* note 10, s 27(2).
[183] *Kraft*, *supra* note 181 at paras 97-98.
[184] *Ibid* at para 98.
[185] *Kraft*, *supra* note 181 at para 12. It is intriguing to see that the official court translation uses "misuse" and "abuse of right" interchangeably.
[186] *Ibid* paras 14-15, 51.

infringement can be found even if only hypothetical infringement has occurred, such that the work would have infringed copyright had it been made in Canada.[187] However, the plaintiffs failed to meet this test, because it was not the defendant Euro-Excellence who made the works in Europe, but rather the plaintiff parent companies. Euro-Excellence simply imported the works made by the plaintiffs. Had the plaintiff parent companies made the copies in Canada, they would still not have infringed the copyright because they themselves were the copyright owners. Rothstein J points out that "[a]ccepting this argument would mean that KFB and KFS [the parent companies] have infringed their own copyrights — a proposition that is inconsistent with copyright law and common sense."[188]

Rothstein J went on to consider why subsidiary companies as exclusive licensees under the *Copyright Act* do not become the copyright owners or able to sue licensor parent companies for infringement.[189] He compared an exclusive licensee to an assignee. While an assignee steps into the shoes of the owner and can exercise the same rights,[190] an "exclusive licensee, on the other hand, has a limited property interest in the copyright," which "enables the exclusive licensee to sue third parties for infringement but precludes the exclusive licensee from suing the owner-licensor for infringement."[191] By anchoring his reasoning in contract law, Rothstein J supported his interpretation of the statutory action for secondary infringement of copyrighted works. He therefore concluded that the plaintiff could not succeed in either an action in copyright infringement or an action under contract law against Euro-Excellence.[192]

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[187] *Copyright Act*, *supra* note 10, s 27(2)(e).
[188] *Kraft*, *supra* note 181 at para 24.
[189] *Ibid* at para 25.
[190] *Ibid* at para 27, 29.
[191] *Ibid* at para 28. Rothstein J notes that the Canadian approach follows the UK copyright regime in this respect, whereas the US copyright regime *does* allow exclusive licensees to sue owner-infringers. *Ibid* at para 42.
[192] *Ibid* at paras 49-51.

Rothstein J's reasoning is emblematic of the wariness with which courts view the encroachment of equitable doctrines like misuse into the supposedly hermetic domain of statute. The positivist assertion that the text of a statute contains all that exists of the law remains an entrenched belief. Where a field has been legislated, there is little openness to broad interpretations of the black letter of the law. Cases like *Kraft* demonstrate that this is still true even amongst the judiciary for whom such claims stifles an interpretative function essential to the administration of justice.[193]

iii. Conclusion

Copyright law in North America has a dark side, where some unscrupulous copyright holders overstate their rights in an attempt to deter certain uses of their work, or they use technology and licenses to block all access to those works without prior authorization, or even worse, they make unfounded claims to rights and remedies that copyright does not actually give them under threat of legal action, in order to extort settlements. These ugly (mis)uses of rights have a detrimental effect on the copyright protections in place for the public to make fair use of copyrighted material, and consequently, on the right to free speech. Such actions furthermore detract from the copyright policy goals of encouraging creativity and the development of knowledge.

The case law on the abuse of intellectual property rights, and copyright in particular, demonstrates an increase in courts' willingness to consider arguments based on the equitable doctrine of copyright misuse – at least in the US. In Canada, where fewer cases have made it before the bench, this doctrine has not had the time to take hold. However, the possibility that

[193] Moyse, "*Kraft Canada c. Euro-Excellence* : l'insoutenable légèreté du droit" (2008) 53 McGill LJ 741 at 781-82, 790. [Kraft]

copyright misuse might have a future role to play in Canadian copyright law has not been completely excluded. Moreover, the proposition that the civilian abuse of rights theory may also have a place in the future of Canadian copyright has been given some consideration. This openness to cross-pollination between the civil law and common law provides the impetus for studying and comparing two theories in the next part of this project: the common law theory of social obligations to property, and the civilian abuse of rights.

Part II: Theories of Property and Rights in the Common Law and Civil Law

Part II of this project is split into three sections. First, two competing common law theories on property, absolute rights and social obligations, will be discussed generally and as they apply to intellectual property rights in particular. Second, the civil law doctrine on the abuse of rights will be explored through its various criteria and historical development, including its application to intellectual property rights. Third, and lastly, a brief comparison of the common law and civil law legal traditions will be undertaken in regards to their respective theories.

i. Common Law Theories of Property

Definitions

Before embarking on a more detailed analysis of common law property theory, the thorny question of definitions must be addressed.[194] To heed H L A Hart's analytic call for clarity in legal theory,[195] it is essential to set out definitional guideposts for how certain terms that hold both legal and colloquial significance will be employed in this project. The first and most obvious, yet troublesome, is "property" itself. "Property" will primarily be used here to mean the *institution* of property law and the theoretical frameworks comprising it.[196] Many property law theorists tend to conflate the term "property" with "*private* property", whereas the intention here is to keep them conceptually distinct. Nonetheless, the main consideration in this project is "private property" as the norm in Western property law systems, [197] and thus as most relevant for

[194] See J W Harris, *Property and Justice* (Oxford: Oxford University Press, 1996) at 8.
[195] H L A Hart, "Positivism and the Separation of Law and Morals" (1957) 71 Harv L Rev 593 at 593 [Separation]; David Lametti, "The Concept of Property: Relations through Objects of Social Wealth" (2003) UTLJ 325 at 325. [Concept of Property]
[196] Lametti, Concept of Property, *supra* note 195 at 329.
[197] *Ibid* at 329-30.

a discussion of intellectual property rights.[198] The expression "property *rights*" will also be used interchangeably with "*ownership* rights," as a malleable category of varying and various rights, but not necessarily denoting "full-blooded" ownership.[199] Lay usage of "property", on the other hand, often refers to the object of the property right,[200] yet this is too imprecise for the purposes of this project. While the importance of the object is paramount to an accurate understanding of property, it is imperative to distinguish it from the institution itself. Therefore, the terms "object" and "resources" will refer here to property as involving an object over which property rights are exercised, and through which property relationships are moderated.[201]

Two Models of Common Law Property Theory[202]

There are two major responses to the question of the scope of property rights held by owners in the common law: the dominant thread, which has held sway since Utilitarian and Liberal theory came to prominence, and another thread which has existed for much longer, but which has fallen out of favour – and recently come back into it. These two models are widely known as the liberal, individualist model of absolute ownership rights on the one hand, and the social obligations or stewardship model of inherently limited property rights on the other. This project is aligned with the second model and the argument that property rights are not absolute and limits on their exercise do not stem from external mechanisms; rather positive duties are contained and arise from within the very institution of property. The conceptual frameworks for

[198] Issues such as Crown copyright are too broad for the scope of this project. See *Copyright Act*, s 12, "Where copyright belongs to Her Majesty".
[199] Harris, *supra* note 194 at 29.
[200] Lametti, Concept of Property, *supra* note 195 at 328; Harris, *supra* note 194 at 10.
[201] *Ibid* at 326. Lametti uses the term "mediated".
[202] Helena Rebecca Howe, *Developing Constraints on Property Rights in the Community Interest: Concepts of Ownership and the Limitation of Property Rights in Land and Copyright Law* (Phd Dissertation, University of London, Queen Mary School of Law, 2010), Queen Mary Research Online, online: <https://qmro.qmul.ac.uk/jspui/handle/123456789/538>; Joseph William Singer, "How property norms construct the externalities of ownership" in *Property and Community*, eds Gregory S Alexander and Eduardo M Peñalver (Oxford: University Press Scholarship Online, 2009) at 61. [Externalities]

these two conflicting models and their effects on the perceived nature and breadth of ownership rights will now be examined.

(1) Liberal Model of Absolute Property Rights

The focus of the liberal model of property is on ownership as an absolute, complete and exclusive granting of rights that the individual owner may exercise at his sole discretion in pursuit of his own pure self-interest. William Blackstone's *Commentaries* evocatively describe these rights as "sole and despotic dominion".[203] The classic example of this thinking taken to its liberal extreme is the English case, *Mayor of Bradford v Pickles*.[204] In this case the House of Lords was faced with a landowner, Mr. Pickles, who diverted the watercourse running over his land that provided the local town of Bradford with its water source. Despite characterizing Pickles' attempt to force the town to purchase his land as "churlish, selfish, and grasping,"[205] Lord MacNaghten nonetheless asked: "where is the malice?"[206] Lord Halsbury, LC explained that "[i]f it was a lawful act, however ill the motive might be, he had a right to do it. … Motives and intentions in such a question as is now before your lordships seem to me to be absolutely irrelevant."[207] Moreover Lord Watson emphasized that "[n]o use of property which would be legal if due to a proper motive, can become illegal because it is prompted by a motive which is improper or even malicious."[208] This emphasis on absolute rights as the defining characteristic of (private) property turns a persistently blind eye to the duties and obligations incumbent on

[203] William Blackstone, *Commentaries on the Laws of England*, vol 2 (Chicago: The University of Chicago Press, 1979) at 2. Likewise, the adage: "A man's home is his castle" evokes the same sense of absolute power and control over one's property.
[204] *Bradford Corporation v Pickles*, [1895] AC 587 (HL), [1895-99] All ER Rep 984; see also *Allen v Flood*, [1898] AC 1 (HL).
[205] *Pickles*, *supra* note 204 at 601.
[206] *Ibid*.
[207] *Ibid* at 594.
[208] *Ibid* at 598.

owners, for whom absolute rights have only ever been a fiction.[209] Nevertheless, before critiquing the liberal model, I will first reiterate its basic outline.

Utilitarians Jeremy Bentham, John Austin and John Stuart Mill contributed to the development of the rights-based model by staunchly supporting individual liberty and autonomy. In focusing on the individual person, the Utilitarians diverged sharply from the previously dominant natural law theory, which was based on a transcendent God imposing moral obligations on all.[210] Everyone had her place in the social structure and owed obligations, rather than held rights. Bentham famously denounced natural law and its insistence on the intrinsic moral dimensions to law as "nonsense on stilts."[211] He instead posited that law exists as an observable, concrete fact, which is created through sovereign-mandated rules.[212]

As liberalism grew, so did the Positivist conviction in the state-generated origins of the law. Law was made up of rules. Rules were issued by the State. If the State sanctioned a right, it could be exercised with impunity. This was tempered by the caveat that such exercise was acceptable so long as it did not harm another, as set out in Mill's "self-regarding acts" theory. Mill defined liberty as "doing as we like … without impediment from our fellow-creatures, so long as what we do does not harm them."[213] He saw any "definite damage, or a definite risk of damage, either to an individual or to the public"[214] as a reason for limiting the liberty of the

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[209] For case law examples see David Lametti, "Laying Bare an Ethical Thread: From IP to Property to Private Law?" in Shyamkrishna Balganesh, ed, *Intellectual Property and the Common Law* (Cambridge University Press, 2013) 353 at 22-25. [Ethical Thread]; Kevin Gray "Property in Thin Air" (1991) 50(2) Cambridge LJ 252 at 253, 305 [Property in Thin Air]; Howe, *supra* note 202 at 33; William N R Lucy and Catherine Mitchell, "Replacing Private Property: the Case for Stewardship" (1996) 55 Cambridge LJ 566 at 570; Tony Honoré, *Making Law Bind: Essays Legal and Philosophical* (New York: Oxford University Press, 1987) at 190; Laura Underkuffler, "On Property: An Essay" (1990-1991) 100 Yale LJ 127 at 142 [On Property]; Glenn, *supra* note 4 at 249.
[210] Singer, Externalities, *supra* note 202 at 66-68.
[211] Jeremy Bentham, "Anarchical Fallacies; Being An Examination of the Declarations of Rights Issued During the French Revolution", vol 2 in John Bowring, ed, *The Works of Jeremy Bentham* (Edinburgh: W Tait, 1843) at 489.
[212] This in turn formed the basis of Austin's command theory. See John Austin, *The Province of Jurisprudence Determined* (New York: Cambridge University Press, 1995) at 6; cf. Hart, Separation, *supra* note 195 at 599, 602.
[213] John Stuart Mill, *On Liberty* (London: G Routledge, 189-?) at 17-18.
[214] *Ibid* at 121.

individual,[215] and triggering either moral or legal punishment, depending on the interests infringed.[216] Therefore, the self-regarding theory acknowledged limiting devices to liberty; however, these remained purely external mechanisms to the fundamental notion of liberty in the free disposition of one's property.

Wesley Newcomb Hohfeld's particular contribution to the debate over the nature of legal relationships had the effect of destabilizing the Utilitarian self-regarding theory.[217] He notably threw into sharp relief the mutually limiting relationship between opposites or correlatives: liberties or rights on the one hand, and duties or liabilities on the other.[218] He posited that where one person's liberty ends, another's right begins. In other words, to the extent that one enjoys a liberty, others have no rights. Hohfeld zeroed in on these "jural relations" as the foundation to all private law. However, his conception has since been widely criticized for retaining an exclusively rights-based, relational perspective to the (very intentional) detriment of the object of the property.[219] Furthermore, his relationship model has been considered downright unhelpful because it collapses the entirety of property law into other areas of private law, especially contract law.[220] Hohfeld's view leads to the conclusion that property law has no internal governing principles, which many have soundly rebuked.[221]

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[215] *Ibid* at 81.
[216] *Ibid* at 15, 16, 111, 115, 121, 140.
[217] See Joseph William Singer, "The Legal Rights Debate in Analytical Jurisprudence from Bentham to Hohfeld" (1982) Wis L Rev 975 at 1051 [Legal Rights Debate]. Singer explains how Hohfeld pointed to the logical fallacy of the self-regarding theory in that it deduced that every harmful act results in a violation of the victim's legal rights. On the contrary, not all harms constitute a violation of another's legally protected interests, and thus do not trigger legal liability. Hohfeld clarified that the law sets outs specific rules on a case-by-case basis prohibiting certain kinds of harmful activity, and legal liability will only attach to those enumerated activities.
[218] Wesley Newcomb Hohfeld, *Fundamental Legal Conceptions as applied in Judicial Reasoning* (New Heaven: Yale University Press, 1904) at 65.
[219] *Ibid* at 74.
[220] Thomas C Grey, "The Disintegration of Property" in J Pennock & J W Chapman, eds, *Property* (New York: New York University, 1980) at 69 [Disintegration]; J E Penner, "'The "Bundle of Rights" Picture of Property" (1996) 43 UCLA L Rev 711 at 724, 730, 739.
[221] Penner, *supra* note 220 at 739, 742, 766. Penner points to certain essential defining aspects of property which distinguish it from other areas of law. For him, these are the rights to determine the use of an object of property,

Tony Honoré's approach, on the other hand, is categorical. He provides a list of the incidents of property, which are "those legal rights, duties, and other incidents which apply … to the person who has the greatest interest in a thing admitted by a mature legal system."[222] His list sets out the "necessary elements" required to be "united in a single person" in order for the liberal concept of ownership to recognize the existence of private property.[223] It is interesting to note that Honoré provides specific incidents of the duties of ownership, such as the duty to prevent harmful use and liability to execution for debt judgments.[224] He moreover highlights the importance of the object to ownership, asserting that property is limited neither to ownership of material things, nor to the rights in a thing.[225] On the contrary, he takes an essential step toward redefining property beyond Hohfeld's relational view, to reincorporate the object of property: "Where the right to exclude others exists, there is legally and often socially a special relation between the holder of the right and the thing, and this is a way of marking it."[226]

J E Penner picks up the conversation and, following Honoré, also refocuses on the object of ownership.[227] He develops more deeply the implicit function of the object as a marker, in that it signals a duty incumbent on all others not to interfere.[228] This duty on the general public is seen as essential for the practical enforcement of an owner's right.[229] He concludes that where a duty of non-interference exists, imposed asymmetrically on everyone else, then an ownership

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which necessitates the power to exclude others (or to compel them to exclude themselves) from using that object, and to alienate, gift or abandon that object. Lametti sees the distinctive aspect of the institution of property as the *object* itself, and the relationships that it engenders. See Lametti, Ethical Thread, *supra* note 209 at 33; Lametti, Concept of Property, *supra* note 195 at 335.

[222] Honoré, *supra* note 209 at 161.

[223] *Ibid* at 165.

[224] *Ibid* at 174-75.

[225] *Ibid* at 179-184.

[226] *Ibid* at 184. See also Thomas W Merrill, "Property and the Right to Exclude" (1998) 77 Neb L Rev 730; Thomas W Merrill & Henry E Smith, "What Happened to Property in Law and Economics?" (2001) 111 Yale LJ 357. Merrill claims that the right to exclude is the defining characteristic of (private) property, although it is not necessarily unqualified: Merrill, Property and the Right to Exclude at 753.

[227] Penner, *supra* note 220 at 733, 740, 817.

[228] *Ibid* at 742-43.

[229] *Ibid* at 744-45.

interest exists.[230] However, in taking this route, Penner remains stuck in the relational view of property (even if it is more insightfully asymmetrical than Hohfeld's view) as only ever creating duties for the general public. He does not go so far as to consider the duties owed by owners to non-owners.[231] In doing so, he sidesteps any association with social obligations theory, and remains solidly within the liberal model of absolute property rights.

The liberal model's adherence to the absolute nature of property creates an assumption that any limiting devices to ownership rights must necessarily be external to the institution of property law, and can only derive from other areas of law, such as the tort of nuisance, or zoning regulation, for example.[232] However, this perception ignores dismemberments or fragmentation of ownership rights that are internal to property law, such as tenancies and trusts. Moreover, the absence of the object of property rights from the liberal model has been sharply criticized, especially where this leads to an obfuscation of the object's particular characteristics.[233] It is especially problematic in regards to rights over intangibles like in intellectual property or securities law.[234] In the following section, these critiques will be expanded to show how the stewardship model has recently re-emerged as the leading alternative to the liberal model.

[230] *Ibid* at 766, 808, 817.
[231] See Lametti's critique, Concept of Property, *supra* note 193 at 344-45. "Penner, despite his claims, does not take the idea of 'thingness' far enough." at 345.
[232] Howe, *supra* note 202 at 34, 36; Grey, Disintegration, *supra* note 220 at 69; Joseph Singer, *Entitlement: The Paradoxes of Property* (New Haven: Yale University Press, 2000) at 4 [Entitlement].
[233] Howe, *supra* note 202 at 44-45; Lametti, Concept of Property, *supra* note 195 at 340-41, 344-45.
[234] *Ibid*.

(2) Social Obligations Model of Property

A long history of thought supports the concept of stewardship or social obligations, starting with Greek philosophers like Aristotle[235] and the post-platonic philosophers of the Roman Empire, as well as the beliefs and practices of "primitive and pastoral peoples".[236] Judeo-Christian tradition is imbued with an overarching sense of individual obligation owed to God,[237] although there is divergence between conservative interpretations that place man as separate from and thus master over the earth and its fruits, and the stewardship interpretation which sees man as the delegate of God to watch over the earth as its custodian.[238] This appeal to a higher order provided the basis for natural law theory, and in particular Locke's writings, which asserted individuals' inherent, universal rights to life, liberty and property.[239] More recently, stewardship scholars have moved away from religious justifications of obligations owed to the divine, to focus more on the secular notion that obligations are owed to the community or the collective body as a whole.

One variant of stewardship is the needs-based theory, which refocuses legal analysis on the needs of the most marginalized instead of the rights of the richest and most powerful.[240] Through its claims that property rights imply social obligations for the most needy, the needs-based theory helped in shaking the hold of the liberal absolute rights model.[241] However, it retained rights-holders at the center of its conception of property, and the rights-less at the

[235] John A Lovett, "Progressive Property in Action: The Land Reform (Scotland) Act 2003" (2010) 89 Neb L Rev 739 at 745.
[236] Howe, *supra* note 202 at 46.
[237] On the Talmudic tradition's insistence on *mitzvah*, or the obligation owed to the divine and to the community, see: Glenn, *supra* note 4 at 115, 127.
[238] Lucy & Mitchell, *supra* note 209 at 583.
[239] Locke's theory has been read in favour of both liberal and stewardship models, though some maintain that stewardship is central to Locke's thinking. See Howe, *supra* note 202 at 46; Lucy & Mitchell, *supra* note 209 at 583.
[240] A J Van der Walt, "Property and marginality" in Gregory S Alexander and Eduardo M Peñalver, eds, *Property and Community* (Oxford University Press Scholarship Online, 2009) at 91, 96; see for an early critique of rights Mark Tushnet, "An Essay on Rights" (1984) 62 Texas L Rev 1363.
[241] Van der Walt, *supra* note 240.

periphery.[242] This provoked critiques that needs-based theory reinforces the sense of weakness of the marginalized and unquestioningly preserves the normalcy of rights-holders as the obvious and natural central focus of the law.[243] It furthermore maintains the idea that any restrictions to ownership rights are external to the notion of property, as a sort of add-on duty that does not fundamentally qualify or shape legally recognized property rights.[244] The social obligations model specifically addresses this deficiency by asserting instead that property is a "social artifact" and as such is contingent and inherently limited.[245]

It is important to establish that social obligations are not incompatible with the idea of ownership rights; rather both constitute a fundamental part of the institution of property.[246] In order to seize the import of this assertion, one must recall the problematic use of terms such as "property" or "ownership." Private property is a set of ownership rights held by an individual, but does not indicate absolute or exclusive rights, as proponents of the pervasive liberal model would like us to believe. On the contrary, what needs to be emphasized is a clearer distinction between ideas of *private* property as a whole, and *liberal* ideas of individualism and absolute rights as one particular conception of the institution of property. The problem is in confounding the two.[247] It is easy to fall prey to this confusion, since the liberal model has been the dominant theoretical thread for centuries, and is often ubiquitous in its application, especially through

[242] *Ibid*.
[243] *Ibid*.
[244] *Ibid*.
[245] *Ibid*. Laura S Underkuffler, *The Idea of Property: Its Meaning and Power* (Oxford University Press Scholarship Online, 2012) at 58-59.
[246] Lametti, Ethical Thread, *supra* note 209 at 12. In Lametti's terms, they are "subservient to the teleology of private property" at 12.
[247] Howe, *supra* note 202 at 144-45, 161-63.

judicial decision-making.[248] The essential argument is that social obligations, along with ownership rights, are inherent to and constitutive of the overall institution of property.[249]

Actual practices in existing property law support a conception of social obligations as inherent to property. State holdings in the public benefit are one example, including the US Public Trust Doctrine,[250] as well as the reversion of property to the Crown, as in the case of escheat.[251] Another striking example is that of life estates or tenancies, which impose a clear positive duty on life tenants not to waste.[252] Another commonly cited example, which will be briefly explored more below, is that of the equitable trust.[253]

Policy justifications for the social obligations theory align with the recognized purposes of property, such as promoting "human values"[254] including human flourishing and democracy,[255] as well as the protection of privacy and autonomy rights.[256] Since these purposes generate moral expectations on the part of non-owners as well as social obligations for owners,[257] the rights often recognized in owners such as the right to exclude are not – and cannot be – exercised absolutely.[258] While property law's overarching purposes imply a correlative, asymmetric general duty on the part of all others to respect an individual *owner's* right of use of

[248] *Ibid*; see also Gray, Property in Thin Air, *supra* note 209 at 268 et seq."…the courts … engage constantly in a range of latent policy decisions which shape the contours of the property concept." at 281.
[249] But there is debate over whether an ownership obligation to act in a socially virtuous way is an objective or external constraint on property rights, if it requires owners to takes the interests of others into account when dealing with their object of property. See Larissa Katz, "Spite and Extortion: A Jurisdictional Principle of Abuse of Property Right" (2012-2013) 122 Yale LJ 1444 at 1479. However, Katz also takes the perspective that an abuse of right in property sets an *internal* limit to property rights. *Ibid* at 1456.
[250] See Joseph Sax, "Takings, Private Property and Public Rights" (1971) 81 Yale LJ 149.
[251] See, e.g., *Successions Law Reform Act*, RSO 1990, c S 26, ss 47(7).
[252] Victor John Yannacone Jr, "Property and Stewardship – Private Property Plus Public Interest Equals Social Property" (1978) 23 South Dakota L Rev 7 at 74; Lametti, Ethical Thread, *supra* note 209 at 28-29.
[253] Howe, *supra* note 202 at 46.
[254] *State v Shack*, 277 A.2d 369 (NJ 1971) Weintraub, CJ at 369, 372.
[255] Gregory S Alexander et al, "A Statement of Progressive Property" 94 Cornell L Rev 743; Lovett, *supra* note 235 at 744-46.
[256] Howe, *supra* note 202 at 52, 206, 208.
[257] Singer, Entitlement, *supra* note 232. Singer is clear that property owners are not entirely free to ignore the ways that their property affects others. There are obligations placed on them that respond to and are shaped by social relations.
[258] Alexander et al, *supra* note 255.

a resource, its purposes also convey duties onto the owner to respect *others'* rights, whether they are other individual owners, individual non-owners or the community at large. Therefore, recognizing the two-way social aspect of property relations reveals how rights and duties are imposed on owners and non-owners alike, and this both supports and furthers the values and purposes of the institution of property.

A basic assertion of social obligations theory is that ownership involves more than mere negative duties placed upon an owner to refrain from harming others or their property, but also positive duties to take action. These positive duties may be in the form of actively preventing harm to others,[259] or managing and conserving resources (i.e. not destroying, despoiling, or wasting them), or even using resources in a way that is beneficial for the community, such as providing access to those resources according to the community's needs.[260] However, ownership duties may also be more limited, such as the requirement of genuinely pursuing what an owner subjectively thinks is a worthwhile use of their object.[261]

Laura Underkuffler defines rights as the means of ensuring an individual's communally recognized well-being by imposing duties on others.[262] Without the imposition of a correlative positive duty to respect rights, rights cannot be either fulfilled or enforced. While she touches upon the individual personality or personhood central to Lockean theory, she also highlights that the protection of individual rights is dependent on social context for both development and fulfillment.[263] This pragmatic focus gives "the collective an integral role within the concept of

[259] Lametti, Concept of Property, *supra* note 195 at 340, 347; for Honoré's incidents of property, see Honoré, *supra* note 209 at 174-75.
[260] Howe, *supra* note 202 at 50-52; Lucy & Mitchell, *supra* note 209 at 58.
[261] Katz, *supra* note 249 at 1481.
[262] Underkuffler, On Property, *supra* note 209 at 138-39.
[263] *Ibid* at 140. Such social context could, for example, be set within the boundaries of the State. *Ibid* citing Madison at 141.

property itself" and implies "both support and restraint."[264] Others have even gone so far as to assert that it is the existence of the rights of the community as a whole that sets the boundaries to individual owners' rights and determine the scope of their obligations.[265] In refocusing property on the social body, Underkuffler breaks from the liberal theory's emphasis on the exclusivity and absoluteness of individual rights.[266] She situates social context and obligations as inherent to the conception of property, thereby rejecting the assertion that limitations to absolute rights are external.[267]

In recognizing positive duties, the social obligations model departs significantly from the liberal perspective on private property, whereby the owner's only duty is to avoid harming *other owners* by avoiding harm to their objects of property.[268] Such a limited perspective raises questions of distributive justice in the use of resources. It blithely ignores the duty to avoid harming non-owners, and indeed does not even contemplate their existence. On the contrary, in the social obligations model, duties are vastly expanded to impose a positive obligation on owners to prevent harm to the entire community, regardless of individuals' ownership status.[269] Indeed, individual community members may not own anything at all, yet owners still owe them a positive duty. This is significant for bringing non-owners back into the property law picture, rather than relegating them to the rights-less periphery.

While no exact source of positive duties for owners is identified, a growing body of literature has developed around the revived idea of the moral obligations inherent to property as the source of social obligations. Indeed, many have asserted that internal limiting devices are

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[264] *Ibid* at 141.
[265] Kevin Gray, "Equitable Property" (1994) 47:2 Current Legal Problems 157 at 189 [Equitable Property]; Howe, *supra* note 202 at 52-54.
[266] Underkuffler, On Property, *supra* note 209 at 141-145.
[267] *Ibid* at at 146-47.
[268] Penner exemplifies this perspective. See Penner, *supra* note 220 at 762.
[269] Howe, *supra* note 202; Van der Walt, *supra* note 240 at 92-93.

contained within the very notion of property law so as to circumscribe the free and absolute exercise of ownership rights from the start. David Lametti in particular situates the intrinsically limiting aspect of property law in the moral dimensions of property.[270] He posits that *virtues* or *ethics* are the third alternative to rights-based and utilitarian narratives in understanding and conceptualizing private property.[271] His argument is linked to the foundational notion of *equity* in both "the Aristotelian sense of the general principles of justice behind specific and unarticulated laws" and in reference to the law of Equity with its "general, all-pervasive supporting function – which can have the effect of limiting ownership rights."[272] An example of the notion in practice is the equitable institution of trusts, or the splitting of ownership interests between legal owners and beneficial owners or interest-holders.[273] The search for a fair and just balance to parties' interests, which lies at the heart of equity, is also shared by social obligations theory's appeal to conscience.

William Lucy and Catherine Mitchell state that "[t]he steward is, in essence, a duty bearer, rather than a right-holder, but this should not be taken to suggest that the steward has no rights. … Since the steward's control must *in the main* be exercised in favour of others, it is not the case that he must be completely selfless…"[274] This observation adds an important nuance to the (imperfect) analogy of an owner or steward to a trustee, because unlike for a trustee, there is no fiduciary duty owed by a steward, who may in fact reap the benefits of the holding.[275] In other words, while duties are central to the idea of social obligations, legally recognized owners do retain certain important rights, such as the right to exclude third parties from the use of a

[270] Lametti, Ethical Thread, *supra* note 209 at 12.
[271] *Ibid* at 30, 12.
[272] *Ibid* at 30.
[273] *Ibid* at 31. The institution of trusts "thus serves as a metaphor for a more moral institution of private property, representing the conscience of the property institution." at 31. See also: Yannacone, *supra* note 252 at 74-76.
[274] Lucy & Mitchell, *supra* note 209 at 584 (emphasis in original).
[275] *Ibid*; Gray, Equitable Property, *supra* note 265 at 188-206; Howe, *supra* note 202 at 47, 50-52.

resource *insofar as* is necessary to protect their privacy and livelihood rights.[276] What is at question, then, is both the extent to which individual owners can exercise their rights, and the sort of corollary duties that arise when owners face others' legally relevant interests.[277] This in turn requires consideration of another essential dimension of property law: the object of property.

The object of property has special significance within the social obligations model, because it determines the scope of those obligations. Following the general evolution of the conceptualization of property, the social obligations model implicates not only relationships, but also the "thing" through which property relationships are mediated.[278] That "thing" is generally conceived of as a scarce resource, and thus as an object of value or social wealth.[279] It can be either tangible and corporeal or intangible and incorporeal in nature. This nature in turn determines the relational rights and duties that attach to the resource.[280] Consequently, the type of object at issue and its particular nature become crucial factors in determining the scope of the social obligations of property.

The balancing decision of how a resource should be used and what justifications are invoked to support that decision is deeply linked to the particularly of the resource. An individual owner's control over scare resources necessarily implies social interaction because almost any use will inevitably impact others.[281] As a result, not only are economic utility and efficiency relevant justifications (e.g. making a profit by farming a parcel of land or licensing use of a

[276] Howe, *supra* note 202 at 52, 206, 208.
[277] Singer touches upon this, especially in regards to the moment when an act goes beyond self-regarding and does indeed trigger liability for a legally recognized harm. See Singer, Externalities, *supra* note 202 at 63, 78.
[278] Lametti, Concept of Property, *supra* note 195 at 326; Lucy & Mitchell, *supra* note 209 at 584: "Like the other property concepts we have examined, stewardship is a relationship between agents in respect of particular scarce and material resources, such as land. The concept requires that control over these resources be exercised with due regard to the interests that other persons, apart from the holder or steward, may have in the resource."
[279] Lametti, Concept of Property, *supra* note 195 at 332, 347.
[280] Lametti, Ethical Thread, *supra* note 209 at 22.
[281] Alexander et al, *supra* note 255. Although the argument can be made that some uses of objects of property are purely "self-regarding acts" because they only impact the individual owner (see Singer, Legal Rights Debate, *supra* note 217) it is hard to imagine a case in a deeply interconnected world of globalization and over-population.

patented formula), but the public, community benefit gleaned from use are also pertinent considerations (such as having access to land for recreational uses or community food plots, or access to patented formulas to make life-saving medicines).[282] The individual characteristics of a given resource will determine how ownership rights can be used, and whether such a use is considered sufficiently "productive" or beneficial for the community's purposes.[283] In short, the social impacts of use must be considered, and that will depend in great part on the special nature of the object of property.

Any definition or understanding of property failing to recognize the importance of the object of property and its impact on social relations and the values, morality and obligations attaching to it, is ultimately incomplete and imbalanced.[284] The liberal model is therefore open to attack for failing to consider how different objects with different characteristics impact both ownership rights and duties. This becomes especially important with regards to intellectual property rights. Some authors have made it very explicit that importing the liberal model of absolute ownership rights, which includes no distinction between the varying characteristics of different resources, from real property law into intellectual property law, will only reproduce the same blindness to the object and its importance, and thus ought to be avoided.[285] As an alternative, social obligations theory places the object of property at the heart of its considerations, and so can better address the particularities of intellectual property law.[286]

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[282] Lametti, Ethical Thread, *supra* note 209 at 22-23.
[283] *Ibid* at 25.
[284] Lametti, Concept of Property, *supra* note 195 at 326.
[285] Howe, *supra* note 202 at 144-45, 161-63. Gray, Property in Thin Air, *supra* note 209 at 269, 276, 280-81. Gray pushes the point on the nature of resources even further when discussing the refusal of the law to "propertise", or to attach rights of excludability, to certain resources on physical, legal or moral grounds.
[286] Howe, *supra* note 202 at 144-45, 161-63.

Lawrence Lessig situates the basic difference between real and personal property versus intellectual property in the "nonrivalrous" nature of intellectual property.[287] Due to the intangible nature of intellectual property, the problem of one person's consumption decreasing another's does not arise. In other words, as Lessig puts it: "My knowing what you know does not lessen your knowing of the same thing."[288] However, he notes that this does not preclude the need to grant rights over the expression of ideas.[289] There is a panoply of good reasons for doing so, including incentivizing creativity, progress and productivity.[290] All of these are recognized policy aims of copyright law.

Elizabeth Judge points to the distinction in intellectual property law between tangible ownership rights over an object, and intangible intellectual property rights over an invention (in the case of patent law) or a creation (in copyright law).[291] She situates this difference as internal to intellectual property law's doctrine of exhaustion (patent) and first sale (copyright), which cuts off rights-holders' intellectual property rights and liability upon the sale of their invention or creation, and vests certain ownership rights like use and transfer in the buyer.[292] In her view, this split is a crucial one for protecting the public interest, and thus ought to be strengthened.[293]

Judge further posits that upon the granting of intellectual property rights to an inventor or creator, there are duties simultaneously imposed on the inventor or creator.[294] She places the source of these duties squarely within the notion of intellectual property law, claiming that

[287] Lessig, *supra* note 45 at 132.
[288] *Ibid*.
[289] *Ibid*.
[290] *Ibid* at 133.
[291] Elizabeth F Judge, "Intellectual Property Law as an Internal Limit on Intellectual Property Rights and Autonomous Source of Liability for Intellectual Property Owners" (August 2007) 27 Bulletin of Science, Technology & Society 301 at 302-03.
[292] *Ibid* at 303.
[293] *Ibid* at 303, 304, 306, 307.
[294] *Ibid* at 305.

intellectual property duties arise internally and concomitantly with the granting of rights.[295] The scope of ownership duties triggered by the particular nature of objects of intellectual property rights are best addressed internally, from with the notion of intellectual property law.

Judge's proposition is a salient reflection of the social obligations theory as a whole. It gives the object of property its due importance by recognizing that rights in the object come attached to duties that not only the general public must fulfill, but also the owners themselves. These duties stem from a moral root. Each of these assertions is a fundamental precept inherent to the very conception of property in the common law.

[295] *Ibid* at 307-08, 311-12.

ii. Civil Law Theory of Abuse of Rights

Introduction

The civil law tradition has a long history of liberal individualism, placing a great deal of emphasis on the importance of individual liberties and personal autonomy. Within the civilian conceptual universe, structure and categorization reign supreme.[296] The person is placed at the front and center of that universe, and is endowed with a juridical personality, complete with certain rights.[297] The nature of these rights and the extent to which they may be exercised, and to what aims, is at the heart of the debates surrounding the doctrine of abuse of rights.

In contrast to the overarching narrative of strict order and logic, the doctrine of abuse of rights seems like the black sheep of the civilian family. It was mainly developed in the late 19th-century and early 20th-century courts of France, and, while now firmly anchored in French law[298] and spread around the civilian world, it has nonetheless never been codified in the French *Code Civil*. [299] It is a messy, contested notion that defies succinct definition and clear conceptualization.[300] It has been described as neither a criterion nor a concept, exactly, but rather a normative device – or at least, the essential piece needed for that device to function.[301] Abuse of rights constitutes an anti-norm, [302] a sort of superlegality, [303] or counterweight to the

[296] Glenn, *supra* note 4 at 169; Mary Ann Glendon et al, *Comparative Legal Traditions in a Nutshell*, 3rd ed (Thomson West: St Paul, MN, 2008) at 32.
[297] Glenn, *supra* note 4 at 146-49; Charles Aubry & Charles-Frédéric Rau, *Cours de droit civil français d'après la méthode de Zachariae*, vol 6, 4th ed (Paris: Marchal et Billard, 1873) at 229-31.
[298] Gérard Cornu, *Droit civil. Introduction, les personnes, les biens*, 9th ed (Paris: Montchrestien, 1999).
[299] But see, e.g.: *Civil Code of Quebec*, CQLR c C-1991, [CCQ] art 7: "No right may be exercised with the intent of injuring another or in an excessive and unreasonable manner, and therefore contrary to the requirements of good faith."; Swiss Civ c, art 2 "Everyone is bound to exercise their rights and perform their obligations according to the principles of good faith. The manifest abuse of a right is not protected by the law." [Translated by author]
[300] Gutteridge draws attention to the "vacillation and nebulosity which appear to be salient features of the French law of the abuse of rights." H C Gutteridge, "Abuse of Rights" (1935) 5 Cambridge LJ 22 at 35.
[301] Pierre-Emmanuel Moyse, "L'abus de droit : l'anténorme – Partie I" (2012) 57:4 McGill LJ 859. [Anténorme Part I]
[302] *Ibid* at 861, 898.

fundamental civilian notion of "right" (*droit subjectif*), and indeed to the entire notion of the law as rules, in particular absolute rules.[304] In this way, it goes against the very grain of Positivist legal thinking about the law as a set of propositional rules, which either apply or do not.[305] Abuse of rights operates, rather, to deny the application of a legal rule, or to attach liability to the exercise of a legally sanctioned right.[306] It justifies this function as a moral imperative.

Any inquiry into the heart of the doctrine ultimately arrives at the fundamental civilian question: what is a right? What is the place for rights in the conceptual structure of the law?[307] These are central questions in the civil law, because rights are conceived as existing prior to litigation and the determination of a cause of action.[308] Many civilian scholars point to Rudolph von Jhering's definition of rights as "legally protected interests,"[309] which are to be enjoyed and alienated freely and fully.[310] The vast civilian literature elaborating the nuances of rights and interests proposes that interests can be classified into a hierarchy according to the extent of the protection granted by the state – the greatest resulting in a right (*droit subjectif*).[311] An inverse relationship stemming from this protection-based hierarchy is argued to exist between rights, interests and obligations, such that an obligation will take primacy over a less-powerfully

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[303] Louis Josserand, *De l'esprit des droits et de leur relativité : La théorie dite de l'abus des droits* (Paris: Librairie Dalloz, 2006).
[304] Moyse, Anténorme Part I, *supra* note 301 at 898.
[305] H L A Hart, *The Concept of Law* (Oxford: Oxford University Press, 1961) at 93; John H Crabb, "The French Concept of Abuse of Rights" (1964) 6 Inter-Am LR 1 at 18.
[306] Moyse, Anténorme Part I, note 301 at 861.
[307] *Ibid* at 873, 879.
[308] *Ibid* at 884, 887, 889, 892-93; Geoffrey Samuel, ""Le Droit Subjectif and English Law" (1987) 46: 2 Cambridge LJ 264 at 269, 274.
[309] Rudolph von Jhering, *L'esprit du droit romain* (Paris: A Marescq, 1891); Josserand, *supra* note 303 at 388; Moyse, Anténorme Part I, *supra* note 301 at 869, 900; Julio Cueto-Rua, "Abuse of Rights" (1975) 35, no 5 Louisiana L Rev 965 at 995-96.
[310] Moyse, Anténorme Part I, *supra* note 301 at 899; Paul Roubier, *Droits subjectifs et situations juridiques* (Paris: Dalloz, 1963) at 22.
[311] Moyse, Anténorme Part I, *supra* note 301 at 872, 905; François Ost, *Droit et intérêt. Entre droit et non-droit : l'intérêt*, vol 2 (Brussels: Facultés universitaires Saint-Louis, 1990) at 36; see also Jean Carbonnier, *Droit civil : Institutions judiciaires et droit civil*, vol 1, (Paris: Presses Universitaires de France, 1955) at 129.

protected interest, but it will come second to a formally recognized right.[312] This dormancy of the notion of obligation paired with the ascendancy of rights within the civilian conceptual structure, and the resulting impotence of the law to restrain unfettered exercises of rights,[313] greatly motivated the development of the doctrine of abuse of rights, so as to infuse more flexibility and socially aware morality into the law.

Many scholars claim that the abuse of rights functions as a residual doctrine, to which one only resorts when no other rule of law can provide a source of liability.[314] However, seeing it as purely residual ignores its use even where a right is already strictly regulated.[315] A N Yiannopolous and Pierre-Emmanuel Moyse both call it a "corrective device" to keep the exercise of individual rights within their legally prescribed bounds.[316] The express provisions of positive law may set out these legal boundaries or, more commonly, it may fall to the courts to make this determination on a case-by-case basis, through a showing of one of the myriad factors evidencing an abuse. Seen through the "corrective device" lens, the abuse of rights is a way "to soften the harshness of the positive law and of contractual provisions in light of society's concerns that transcend individual interests."[317] It "occupies the intersection of positive law and morals,"[318] and ultimately seeks the "reconciliation of individual freedom with community

[312] Moyse, Anténorme Part I, *supra* note 301 at 893; Ost, *supra* note 311 at 37.
[313] Josserand, *supra* note 303 at 327 "Rights are not above the Law; they must fit into its framework and be exercised in its "climate."" [Translated by author]
[314] Elspeth Christie Reid, "Abuse of Rights in Scots Law" (1998) 2 Edinburgh L Rev 129 at 131. [Abuse of Rights in Scots Law]
[315] Moyse, Anténorme Part I, *supra* note 301 at 888, note 82; A Council of Europe report defined the abuse of rights doctrine as a "legal mechanism designed to ease the inflexibility of the legal relationships derived from statutory, judicial or treaty rules" J Voyame, B Cottier & B Rocha, "Abuse of Right in Comparative Law" in *Abuse of Rights and Equivalent Concepts: The Principle and Its Present Day Application* (Proceedings of the 19th Colloquy on European Law, Luxembourg, 6-9 November 1989) (Strasbourg: Council of Europe, 1990) 23 at 23.
[316] A N Yiannopoulos, "Civil liability for abuse of right" (1994) 54 Louisiana L Rev 1173 at 1195-96;
[317] *Ibid* at 1195.
[318] Shael Herman, "Classical Social Theories and the Doctrine of "Abuse of Right"" 37 La L Rev (1977) 747 at 748.

cohesion."[319] Indeed, the abuse of rights neutralizes positive law by injecting morality into the formal state-ordered rules.[320]

The first section provides the broad outlines of the doctrine and its criteria as they have been formulated through the case law. Then the history of controversy, criticisms and rejoinders is presented in the second section to develop the theory and elaborate its strengths and weaknesses. Lastly, the application of the theory of abuse of rights in the context of intellectual property rights will briefly be considered.

Criteria

An attempt at itemizing the basic elements that constitute an abuse of right might read like the following: (1) the existence of a right, (2) exercised in a manner that harms another constitutes an abuse, (3) usually because it is intentional. Abuse is determined according to the factual existence of at least one of the following criteria, whose application varies according to the jurisdiction: (a) the intent to harm another (malice),[321] (b) the exercise of a right without any serious or legitimate interest (otherwise known lack of benefit or utility),[322] (c) the exercise of a right contrary to the social purpose for which the right was recognized by the law,[323] or (d) the exercise of a right contrary to good faith or reasonableness.[324]

However, these basic elements can prove slippery when faced with actual factual situations. Certain criteria may be lacking or unproven; yet courts will still find liability. Whether

[319] *Ibid* at 759.
[320] Moyse, Anténorme Part I, *supra* note 301 at 862; Josserand, *supra* note 303 at 333
[321] Cueto-Rua, *supra* note 309 at 985; Reid, Abuse of Rights in Scots Law, *supra* note 314 at 131; Josserand, *supra* note 303 at 366.
[322] Cueto-Rua, *supra* note 309 at 992; Reid, Abuse of Rights in Scots Law, *supra* note 314 at 131; Josserand, *supra* note 303 at 388.
[323] Cueto-Rua, *supra* note 309 at 1000; Reid, Abuse of Rights in Scots Law, *supra* note 314 at 131; Josserand, supra note 303 at 394.
[324] Cueto-Rua, *supra* note 309 at 996.

such cases are therefore still considered to fall within the ambit of the doctrine remains an unsettled question. Due to its piecemeal, case-by-case development and the divergent scope and limits attributed to it in different civilian jurisdictions,[325] the function and place of the doctrine within the conceptual structure of private law have been the subjects of much confusion and debate.

To understand the arguments about the nature of the abuse of rights and its place within the civilian conceptual structure, it is helpful first to examine the different ways in which civilian jurisdictions have defined the doctrine's scope and limits when applying it in practice. The general factors evidencing an abuse (malice, lack of serious or legitimate interest, acting contrary the social purposes of the right, or acting contrary to good faith or reasonableness) provide the framework for this analysis.

Exercise of a right with the intent to harm

The subjective intent to harm, or malice, is often presented as the crucial criteria for determining an abuse.[326] Louis Josserand points to the intent to harm as the typical form conceived for the abuse of rights, and the source of its historical genesis.[327] However, Josserand, like others, does not consider malice alone to be constitutive of abuse, nor to inevitably trigger liability.[328] When faced with the complexity of real factual situations, the intent to harm is often inadequate as a primary, comprehensive criterion for determining an abuse.[329]

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[325] Cueto-Rua, *supra* note 309 at 971.
[326] Henri Mazeaud, Léon Mazeaud & André Tunc, *Traité théorique et pratique de la responsabilité civile délictuelle et contractuelle*, 6th ed (Paris: Montchrestien, 1965), t 1, no 575; Josserand, *supra* note 303 at 367; Michael Taggart, *Private Property And Abuse Of Rights In Victorian England: The Story Of Edward Pickles And The Bradford Water Supply* (New York: Oxford University Press, 2002) at 148.
[327] Josserand, *supra* note 303 at 366.
[328] *Ibid* at 368-69; Pierre-Emmanuel Moyse, "L'abus de droit : l'anténorme – Partie II" (2012) 58:1 McGill Law Journal 1 at 31. [Anténorme Part II]
[329] Josserand, *supra* note 303 at 394; Pierre Catala & John Antony Weir, "Delict and Torts: A Study in Parallel – Part II" (1964) 38 Tulane LR 221 at 227.

Indeed, there are situations where the intent to harm is not clearly present or easily proven, but abuse may be found all the same. Josserand points out that in reality it is not uncommon for licit and illicit motives to coexist, however, it is unlikely that they will all be equally powerful.[330] One motive will inevitably be predominant, and it is up to the judge to discern which was the determining factor in motivating the harmful act.[331] Where the intent to harm is lacking or mixed with other motives, a mixed objective-subjective test for intent is employed.[332] In these cases, "intent is to be inferred if the one who exercises his right derived no benefit from such exercise while, at the same time, he was injuring another party."[333] In this way, another economic criterion of lack of serious or legitimate interest is combined with the intent to harm to make a more complete test. Classic French property law cases demonstrate well how the malice element is tested, particularly as it interacts with this other criterion of the lack of serious or legitimate interest. Due to the intertwined nature of these determinations, the case law will be considered in the next section regarding the criterion the lack of serious or legitimate interest.

Exercise of a right without any serious or legitimate interest

This criterion for abuse refers to the lack of economic benefit or other utility that the right-holder obtains from her actions. As explored above, this criterion is often employed to infer malice or the intent to harm, where it is otherwise difficult or even impossible to adduce evidence of such intent. Paired with the criterion for malice, lack of interest is a particularly key element for determining an abuse of property or ownership rights.[334] It is moreover the most recognized and favoured test by scholars and jurisprudence for its grounding in considerations of

[330] Josserand, *supra* note 303 at 377.
[331] *Ibid*.
[332] *Ibid* at 411; Cueto-Rua, *supra* note 309 at 988-90.
[333] Cueto-Rua, *supra* note 309 at 988.
[334] Josserand, *supra* note 303 at 25, 35-36.

cost-benefit and utility.[335] This criterion is typically met when a right-holder is faced with several options, yet with full knowledge that it would bring her no benefit, or even impose further costs, choses the option that would harm another.[336] Three classic French cases neatly illustrate the interaction of these two criteria.

The *Doerr* case from the Court of Colmar in 1855[337] applied the interwoven tests for intent to harm and lack of legitimate interest to a homeowner who had built a fake chimney of imposing height onto his roof. The construction overshadowed the neighbour's home, yet had no use for the homeowner. The Court ruled that even if property rights are in theory a type of absolute right, the exercise of a property right, like any other, nevertheless has to be limited to the satisfaction of a serious and legitimate interest.[338] The defendant's malicious act, which was unjustified by any personal utility and caused grave prejudice to another, was found to violate the principles of morality and equity.

The *Saint Galmier Springs* decision rendered one year later provides another classic example of the inference of the intent to harm from the lack of benefit flowing to the right-holder.[339] A landowner with a mineral water spring on his land customized a powerful pump to run continuously from his spring, so that it reduced the output from an adjacent owner's spring by two thirds. The landowner did not use any of the mineral water that he had pumped out; rather he let it all run into the local river. While there was no direct evidence of the landowner's intent to harm, it was inferred under the circumstances, because he obtained no benefit from running the pump. The Court of Lyon found that an act committed with the sole and deliberate intention

[335] *Ibid* at 388-90.
[336] *Ibid* at 37, 382, 391; Civ Trib Draguignan, 17 mai 1910 (D. P. 1911.2.133). Comp. Req. 23 mars 1927 (D. P. 1928.1.73).
[337] Colmar, 2 mai 1855 (D.P. 1856.2.9).
[338] Josserand, *supra* note 303 at 26-27.
[339] Lyon, 18 avr 1856 (D.P. 1856.2.199).

of harming another cannot be justified by the existence of a property right. The Court stated that an owner's right is necessarily limited by the obligation to allow one's neighbour to enjoy his property, as well.[340]

The famous *Clément-Bayard* case reinforced these decisions 60 years later.[341] A landowner neighbouring a hanger where a dirigible manufacturer stored his devices, built high wooden frames topped with sharpened iron rods on his otherwise abandoned land. One of the manufacturer's dirigibles was torn when flying over the defendant's land, so he brought an action seeking damages and the demolition of the spikes. The defendant attempted to justify his actions by claiming that his primary intention was to force the manufacturer to buy his land, and that it was only his secondary intention to damage the dirigibles, if necessary, to reach his primary goal. Here, the existence of the intent to harm was evident from the facts, but above all from the lack of utility and even the annoyance for the landowner to construct the spikes on his abandoned land.[342] Three levels of court successively held that property rights can only be exercised socially, and never with the intention of harming another. They moreover emphasized that a malicious intent cannot shelter behind a non-malicious one.[343]

In addition to these famous examples, there are notable cases where not only is the requirement for malice waived, but the requirement for a lack of serious or legitimate interest is also missing, yet liability is still imposed.[344] These exceptions often occur in tandem, in situations where the right-holder is seeking a profit (and thus has a legitimate, economic interest) and is not acting out of malice. The typical example is a company operating either a railroad or a

[340] Josserand, *supra* note 303 at 26-27.
[341] Civ Trib Compiègne, 19 fév (D.P. 1913.2.177, note Josserand); Amiens 12 nov 1913 and Req 3 août 1915 (D.P. 1917.1.79) [*Clément-Bayard*]. For a Quebec case with analogous facts, see *Air-Rimouski c Gagnon*, [1952] CS 149.
[342] Josserand, *supra* note 303 at 27-28.
[343] Gutteridge, *supra* note 300 at 34.
[344] For a discussion of several early Canadian cases where abuse of right was found, even lacking the element of malice *and* the element of lack of economic benefit, see Albert Mayrand, "Abuse of Rights in France and Quebec" (1973) 34 La L Rev 993 at 1000-02. See also *Drysdale v Dugas*, (1896) 20 SCR 20.

factory, which was granted the necessary permits and authorizations to conduct its business, but in doing so, creates pollution that harms its neighbours.[345] The company had no intent to harm; in carrying on a business it had good, profitable reason and thus serious interest in using its rights; and it moreover duly sought out legally conferred rights prior to exercising its rights. Nevertheless, the company can be held liable for the damage resulting from its activities, all while taking into account the reasonableness of its operations, the residential or industrial character of the area in which it operates, and so forth.[346]

Some doctrinal writers have identified this as an excessive, irregular or abnormal use of a right, which will usually result in an order to indemnify the injured parties, but not an injunction.[347] This sort of case intersects with the theory of risks, which requires any person who benefits from an economic activity to assume the risks of that activity, and thus pay any resulting damages even if they were caused without fault.[348] Therefore, despite the absence of both elements of malice and lack of benefit, liability can still be attributed.[349]

However, it is debated whether this situation constitutes an abuse of rights. Josserand asserts that it falls outside of the scope of the doctrine of the abuse of rights, and rather becomes a question of objective liability to be treated by either the jurisprudence on neighbourhood law, or according to precise and concrete acts of positive law.[350] He bases his assertion in his proposition that the foundation of liability for an abuse is the anti-social use of a right. Yiannopolous also notes that this sort of case appears to go beyond the scope of the abuse of

[345] Cueto-Rua, *supra* note 309 at 977-78; Josserand, *supra* note 303 at 20, 36; Req, Dec 5, 1904, D 1905.1.77; Req, Apr 19, 1905, D 1905.1.256.
[346] Mayrand, *supra* note 344 at 1000-01.
[347] Cueto-Rua, *supra* note 309 at 977-78; Josserand, *supra* note 303 at 433-34.
[348] Mayrand, *supra* note 344 at 1002; Moyse, Anténorme Part I, *supra* note 301 at 913; Josserand, *supra* note 303 at 21. See *St Lawrence Cement Inc v Barrette*, 2008 SCC 64, [2008] 3 SCR 392 at paras 23-29.
[349] Josserand, *supra* note 303 at 21.
[350] *Ibid* at 21-22, 411.

rights and into the realm of the theory of risks.[351] Nevertheless, he suggests that it could fall within the doctrine of abuse of rights through a broader conception of fault, whereby the fault lies not in the noxious act, but rather in the company's refusal to compensate the neighbours harmed by its activities.[352] This perspective is also supported in Quebec.[353] Yiannopolous states that, "responsibility may attach to intentional as well as negligent and non-negligent acts that may constitute an abuse of right."[354] While it remains debatable whether this constitutes a situation of an abuse of right at all, there is support for the proposition that neither the intent to harm, nor the lack of serious or legitimate interest is always a necessary criterion for attributing liability for an abuse.

Exercise of a right contrary to its social purpose

Josserand's best-known contribution to the development of the theory lies in his proposition that the primary element of an abuse is the exercise of a right contrary to the social purposes for which the right was enacted.[355] He notes the demise of the idea of *dominium* and absolute rights for the individual,[356] and highlights that the institution of private property itself is only justified insofar as it aligns with the interests of the community that gave it being.[357] Right-holders in general and private property owners in particular are therefore constrained in the extent to which they may exercise their rights for their own interests or desires.[358] This constraint is the interest of the community to which they belong, which is manifested in the spirit of the

[351] Yiannopoulos, *supra* note 316 at 1182-83.
[352] *Ibid* at 1183.
[353] Louis Baudouin, *Le droit civil de la Province de Québec: Modèle vivant de droit comparé* (Montreal: Wilson et Lafleur, 1953) at 1285. In the words of Lebel and Deschamps JJ of the Supreme Court of Canada in *St Lawrence Cement Inc*, *supra* note 348 at para 45 "This concept of objective limits on the right of ownership relates not to the owner's *conduct*, but to the consequences of the owner's use of his or her property." [emphasis in original]
[354] Yiannopoulos, *supra* note 316 at 1197.
[355] Josserand, *supra* note 303 at 321.
[356] *Ibid*.
[357] *Ibid* at 322, 394-95.
[358] *Ibid*.

law.[359] If owners transgress this limit inherent to all rights, then they will have committed an abuse of right.[360]

Josserand maintains that this element of social purpose supplies a key nuance to the subjective inquiries into intent conducted by judges, by adding an objective test of law for conduct.[361] This test questions the conformity of the exercise of a right with the interest of the community, not only, nor necessarily, with the individual interests of the right-holder.[362] These community interests generate the law and shape its spirit or social purpose. Therefore, a determination of abuse also requires a determination of the spirit of the law and the purpose for which the right was conferred.[363]

Josserand argues that without a legitimate, correct purpose for a right to which an act may be compared, there is no way of knowing whether that act is abusive.[364] This objective determination infuses the abuse of rights with its moralizing function, so as to maintain the exercise of rights within their just and socially oriented limits.[365] It also allows for the flexible evolution of the law according to social morals as they change over time.[366]

Josserand has been heavily criticized for his propositions, which detractors qualify as vague and unhelpful. Shael Herman points out three major weaknesses in Josserand's notion of social purpose: there is no guarantee that legislators had any specific social aims in mind; the social aims of rights may not actually be "objectively knowable and constant"; and the legislation itself may provide no clues as to its social purpose, thus frustrating any attempt at

[359] *Ibid*.
[360] *Ibid*.
[361] *Ibid* at 411, 413.
[362] *Ibid* at 393.
[363] Crabb, *supra* note 305 at 19-20.
[364] Josserand, *supra* note 303 at 406.
[365] *Ibid* at 415.
[366] *Ibid* at 407.

extracting the supposed essential social purpose to a right.[367] Some complain from a Positivist perspective that Josserand's test would place too much discretion in the hands of the judge to determine *a posteriori* the social aims of law, which is an encroachment on the domain of the legislator to enact positive law.[368] Others fear that the malleability of Josserand's concept would enable the State to intrude excessively upon individual liberties.[369] Ultimately, many critics prefer to remain on more stable ground, and base the determination of abuse on fault.[370] However, a fault-based approach retains the ambiguities and uncertainties highlighted above in the discussions on the intent to harm and its corollary criterion of lack of serious or legitimate harm. Josserand's contribution in highlighting the cases where a right is used contrary to its social purpose thus remains pertinent to a comprehensive understanding the abuse of rights doctrine.[371]

Exercise of a right against good faith or reasonableness

The idea of good faith has a much broader application than to the abuse of rights alone, and is often invoked in contractual relations. Codal provisions on requirements for good faith abound. French, Louisiana, Quebec and Swiss civil codes all contain references to the obligation of performing obligations (both contractual and extra-contractual) in good faith.[372] Reasonableness, on the other hand, takes its source from the common law, and is most clearly present in mixed jurisdictions like Quebec and Louisiana where the common law has a strong

[367] Herman, *supra* note 318 at 754.
[368] See the overview of the critiques in Moyse, Anténorme Part I, *supra* note 301 at 907-08; Moyse, Kraft, *supra* note 193 at 786-87. See also Crabb, *supra* note 305 at 20-21.
[369] Gutteridge, *supra* note 300 at 44; Roubier, *supra* note 310 at 191.
[370] Mazeaud, Mazeaud & Tunc, *supra* note 326; see also Moyse, Anténorme Part I, *supra* note 301 at 911-12, 916-7; Crabb, *supra* note 305 at 22.
[371] Moyse, Kraft, *supra* note 193 at 787; Catala & Weir, *supra* note 329 at 228-29.
[372] Fr C civ, art 1134(3) "Agreements … must be performed in good faith." [Translated by author]; La Civ C, arts 1759, 1983: "Good faith shall govern the conduct of the obligor and the obligee in whatever pertains to the obligation."; "[…] Contracts must be performed in good faith."; CCQ, art 7, *supra* note 299; Swiss Civ c, art 2, *supra* note 299.

influence. While Josserand did not include this criterion in his eminent treatise on the abuse of rights, other scholars and courts have since linked the two.[373] Conditions of good faith and reasonableness thus demonstrate the general principles of law relevant to the abuse of rights that guide courts in adjudicating private disputes.

However, the test for lack of good faith is now often considered too demanding as a means of determining an abuse of a contractual right. As a result, the test for an abuse of a contractual right has expanded to include the criterion of reasonableness, which is less stringent. This has developed particularly in Quebec, since the Supreme Court of Canada rendered its decision in *Houle* prior to the enactment of the new Civil Code of Quebec.[374] The standard affirmed by the Supreme Court is that of "the reasonable exercise" of a right, which necessitates the conduct of the prudent and reasonable individual.[375] Moreover, recently throughout Canada,[376] the development of the duty of good faith in contractual performance has become the rule. The development of the obligation of good faith in contractual matters shows how the doctrine of abuse of rights can take up an important and increasingly relevant role in influencing the moral evolution of the law.

Due to the difficulty of pinning down set criteria, as well as its variation of effects and justifications, the abuse of rights has not been without its detractors. It remains a partly contested doctrine that raises fundamental issues of the rule of law in administering justice and maintaining certainty and predictability within the legal system. Its history and internal debates will now be considered.

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[373] Cueto-Rua, *supra* note 309 at 996; *Houle v Canadian National Bank*, [1990] 3 SCR 122, [1991] 74 DLR 577.
[374] *Houle*, *supra* note 373 at 154-55; see Rosalie Jukier, "*Banque Nationale du Canada v. Houle* (S.C.C.): Implications of an Expanded Doctrine of Abuse of Rights in Civilian Contract Law "(1992) 37 McGill LJ 221 at 227-28.
[375] *Houle*, *supra* note 373 at 154-55; Jukier, *supra* note 374 at 227-28. See also *Wallace v United Grain Growers Ltd*, [1997] 3 SCR 701, at para 145.
[376] *Bhasin v Hrynew*, [2014] 3 SCR 494.

A Long History of Controversy

Roman law is considered to be the origin of the doctrine of the abuse of right, although even then, the doctrine's contours and logical coherence were contested.[377] In Justinian's *Digest*, several writers contested the possibility that a right could be abused.[378] For example, a person cannot commit a fraud when he does something that he has a right to do (*Nullus videtur dolo facere, qui suo jure utitur*).[379] Put differently, no one commits a wrong against another unless he does something that he has no right to do (*Nemo damnum facit, nisi qui id fecit, quod facere jus non habet*).[380] However, some Roman jurists did embrace the abuse of rights, in particular by rejecting any use of a right that would cause harm to another.[381] For example, one such maxim forbids malice, even if a right is being exercised (*Neque malitiis indulgendum est*).[382] It appears that taken as a whole Roman law recognized the possibility of an abuse of right,[383] particularly in certain areas of the law like water rights or abuse of process,[384] but not as a general theory.[385] The French in turn adopted these Roman ideas, with one of the first instances of abuse condemned by the courts of Aix in 1577, when a wool carder was ordered to pay damages for maliciously singing just to annoy his neighbouring lawyer.[386]

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[377] See Josserand, *supra* note 303 at 2-5; see also L'Heureux-Dubé J's account of the history of the doctrine in *Houle*, *supra* note 373 at 136.
[378] D J Devine, "Some Comparative Aspects of the Doctrine of Abuse of Rights" (1964) Acta Juridica 148 at 150.
[379] Paul Krueger et al, *Corpus iuris civilis* (Berlin: Apud Weidmannos, 1954); Dig 50.17.55 (Gaius).
[380] Dig 50.17.151 (Paulus).
[381] Marcel Planiol and Georges Ripert, *Traité pratique de droit civil français*, 2nd ed (Paris: Librairie générale de droit et de jurisprudence, 1952) t 6, no 573, at 798-99.
[382] Dig 6.1.38.
[383] Mazeaud, Mazeaud & Tunc, *supra* note 326 no 555; see also Charles Appleton, "Les exercices pratiques dans l'enseignement du droit romain et plan d'un cours sur l'abus des droits" (1924) 78 Revue internationale de l'enseignement 142 at 151-56; Devine, *supra* note 378.
[384] Devine, *supra* note 378 at 153; Anna Di Robilant, "Abuse of Rights: The Continental Drug and the Common Law" (2009-2010) 61 Hastings LJ 687 at 696.
[385] Gutteridge, *supra* note 300 at 32; Mazeaud, Mazeaud & Tunc, *supra* note 326 no 555; Devine, *supra* note 378 at 153.
[386] Mazeaud, Mazeaud & Tunc, *supra* note 326 no 556.

However, the purposeful integration of the doctrine into French law was neither simple nor straightforward. It developed primarily as a reaction against the classical formalism that reigned in 18th- and 19th-century France. After the French Revolution in 1789, there was a vast restructuring of French society and a deep rejection of all remnants of the Royalist *ancien régime*. The institutionalization of this new, centralized revolutionary society culminated in the Napoleonic *Code civil des français* in 1804.[387] However, the Code's drafters did not reinvent the wheel, and drew upon Roman law, as maintained in the Justinian Digests and Pandects,[388] and French customary law, some of which had conveniently been codified in 1580 as the Custom of Paris.[389] In addition to this inherited law, however, the *Code civil* included a great deal more systematization and categorization than was ever achieved in either the Digests or the Custom of Paris, which were more compilations of laws than rationalized, systemic modes of thinking about the law.[390]

Hand in hand with this rational systematization came the idea of the State as protector and the Law as generator of rights. As a result, the dichotomy between the public sphere of law and legal institutions,[391] and the private sphere of individual rights and autonomy became the accepted conceptual starting point, based to a great extent on Jean-Jacques Rousseau's social contract.[392] The one supported the other, and gave rise to the idea of entrenched, absolute rights

[387] See Jean Carbonnier, "The French Civil Code" in Pierre Nora, ed, *Rethinking France: Les lieux de mémoire*, vol 1, translated by Mary Trouille (Chicago: University of Chicago Press, 2001) 335. [French Civil Code]
[388] Krueger, *supra* note 379.
[389] François Olivier-Martin, *Histoire de la coutume de la prévôté et vicomté de Paris* (Paris: Ernest Leroux, 1922-30), 3 vols.
[390] Carbonnier, French Civil Code, *supra* note 387.
[391] Moyse, Anténorme Part I, *supra* note 301 at 877.
[392] Jean-Jacques Rousseau, *Discourse on Political Economy and The Social Contract*, translated by Christopher Betts (New York: Oxford University Press, 1994); see Moyse, Anténorme Part I, *supra* note 301 at 875; Josserand, *supra* note 303 at 321; David Angus, "Abuse of Rights in Contractual Matters in the Province of Quebec" (1962) 8 McGill LJ 150 at 150.

in the name of liberty.[393] The doctrine of the abuse of rights arose precisely as a reaction to this conception of an ultra-structured society, and the primacy it accorded to the law and its institutional protections.[394] It developed by refusing to accept that all obligations are based in the Law, which, on the contrary it asserts can never be total and complete.[395] As a response to and rejection of formalism and absolute rights, the abuse of rights has thus become its companion – or anti-thesis.[396]

The doctrine has suffered its share of detractors and critics, the sharpest perhaps, and certainly the most commonly cited, being Marcel Planiol.[397] Planiol elaborates on objections already formulated in antiquity by certain Roman jurists and famously decries the abuse of a state-sanctioned right as a logomachy.[398] He asserts that if a right exists by virtue of its recognition by the state, then its exercise is automatically legitimate, and therefore there can be no such thing as an "abuse" of a right.[399] For once one has a right, one has absolute discretion in using it. Even if he would deny it, Planiol's thinking neatly demonstrates the classical liberal individual belief in the absolute nature of rights.[400]

Planiol finds the very name of the doctrine "abuse of rights" objectionable for being vague and contradictory, which he argues demonstrates the impoverished conceptualization of the theory.[401] Planiol and Emmanuel Lévy assert that it would be more accurate to call the wrong

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[393] Crabb, *supra* note 305 at 5, 18.
[394] Moyse, Anténorme Part I, *supra* note 301 at 873.
[395] *Ibid* at 877; Devine, *supra* note 378 at 153; Di Robilant, *supra* note 384 at 689-90.
[396] Moyse, Anténorme Part I, *supra* note 301 at 898, 919-20; Moyse, Kraft, *supra* note 193 at 784.
[397] Marcel Planiol and Georges Ripert, *Civil Law Treatise*, vol 2, translated by Louisiana State Law Institute (St Paul, MN: West Publishing Company, 1959). [*Civil Law Treatise*]; see also Léon Duguit, *Les transformations générales du droit privé depuis le Code Napoléon*, 2d ed (Paris: Mémoire du Droit, 1999); Emmanuel Lévy, *La vision socialiste du droit* (Paris: Marcel Giard, 1926); Georges Ripert, *La règle morale dans les obligations civiles* (Paris: Librairie générale de droit et de jurisprudence, 1949). [*La règle morale*]
[398] Planiol & Ripert, *Civil Law Treatise*, *supra* note 397 at no 871.
[399] *Ibid*.
[400] Cueto-Rua, *supra* note 309 at 975; Crabb, *supra* note 305 at 18-19.
[401] Planiol & Ripert, *Civil Law Treatise*, *supra* note 397 at no 871.

at issue an act committed without right.[402] Others have proposed calling it an "excessive" act.[403] In this way, different authors have attempted to find a terminological solution to the very real problem of inappropriate uses of rights, and at the same time, acknowledge the (liberalism-based) insight that a right cannot, by its very definition, be abused. However, there are weaknesses with these critiques that supporters of the doctrine have highlighted.

First, it is argued that the term abuse of right has been in use for long enough that it has developed a technical meaning with special significance for practitioners and theorists.[404] It should not be changed because it alone can evoke a certain shared meaning.[405] The word "abuse" especially imparts the essential, moral dimension to the doctrine. Speaking of an "excess" of right fails to capture this immoral side of the use of a state-sanctioned right.[406] Proponents like Josserand assert that this subjective question of (im)morality is what distinguishes the abuse of right from other purely objective tests.[407]

Second, supporters of the doctrine argue that there are important conceptual distinctions to be made between "abusive", "illegal", "excessive", and "illicit" acts.[408] Josserand divides the general system of responsibility into three theories according to which an act may trigger liability.[409] Two of these theories are objective, while the third is rather more subjective than objective (although it may be a combination of both). They correspond to three distinct categories of acts: illegal, excessive and illicit. *Illegal* acts are inherently wrong and unsupported

[402] *Ibid*; Lévy, *supra* note 397 at 47-48.
[403] J R L Milton, "The law of neighbours in South Africa" (1969) Acta Juridica 123 at 165; Cueto-Rua, *supra* note 309 at 975; Reid, Abuse of Rights in Scots Law, *supra* note 314 at 130.
[404] Cueto-Rua, *supra* note 309 at 976.
[405] *Ibid* at 976-77; Mayrand, *supra* note 344 at 994.
[406] Reid, Abuse of Rights in Scots Law *supra* note 314 at 130, citing Ripert, *La règle morale*, *supra* note 397 at 159.
[407] Josserand, *supra* note 303 at 21-22, 361, 363, 411.
[408] *Ibid* at 357-62; Moyse, Anténorme Part I, *supra* note 301 at 912-16; cf Cueto-Rua, *supra* note 309 at 977-984; Crabb, *supra* note 305 at 11.
[409] Josserand, *supra* note 303 at 358.

by any legal right.[410] They are clear violations of the law. *Excessive* acts only attract liability due to the excesses or abnormality of the harm that results to another, typically in cases of neighbour disputes.[411] *Illicit* acts are the exercises of a formally recognized right that become wrongs through the malicious intent behind them, which wrongfully negates the spirit of the law.[412] Josserand thereby departs from Planiol and Lévy's understanding of a right as impervious to abuse,[413] and distinguishes acts which are inherently wrong and committed outside of the scope of any right (illegal), from acts which are committed by a right-holder, but which constitute a misuse of that right (illicit). Josserand places the abuse of rights into this category of illicit acts, which holds the right-holder liable on the basis of the wrongful subjective intent behind the act.[414] Calling a situation of abuse an excess of rights, or simply illegal, would therefore miss these subtle, but important differences of meaning.[415]

Another common criticism of the doctrine is that it gives judges too much discretion to determine case-by-case outcomes according to the individual's intention and the social purposes of the right.[416] This is particularly difficult to swallow in a classic civilian system, where judges are in theory barred from exercising any semblance of legislative function, let alone any review

[410] *Ibid*; Moyse, Anténorme Part I, *supra* note 301 at 914.
[411] Josserand, *supra* note 303 at 360; Moyse, Anténorme Part I, *supra* note 301 at 915; cf Devine, *supra* note 378 at 148.
[412] Josserand, *supra* note 303 at 359-60; Moyse, Anténorme Part I, *supra* note 301 at 915.
[413] Planiol *Civil Law Treatise*, *supra* note 397 at no 871; Lévy, *supra* note 397 at 47-48.
[414] Josserand, supra note 303 at 361, 363; Moyse, Anténorme Part I, *supra* note 301 at 916.
[415] Devine, *supra* note 378 at 158. Devine asserts that many cases of abuse of rights in French law erroneously include excessive uses within the ambit of the abuse of rights, and that abuse should rather be limited to cases of purely subjective intent to harm.
[416] Josserand, *supra* note 303 at 350-51; Joseph Charmont, "Examen doctrinal – Jurisprudence civile, Questions de responsabilité (Arrêts publiés en 1897)", (1898) Revue critique de législation et de jurisprudence 129 at 145, Bibliothèque nationale de France, Gallica bibliothèque numérique, online: <http://gallica.bnf.fr/ark:/12148/bpt6k6256199d/f139.tableDesMatieres>; Raymond Saleilles, *Etude sur la théorie générale de l'obligation d'après le premier projet de Code civil pour l'Empire allemande*, 2nd ed (Paris: Pichon et Durand-Auzias, 1925) at 368-69, Bibliothèque nationale de France, Gallica bibliothèque numérique, online: <http://gallica.bnf.fr/ark:/12148/bpt6k5455119b/f3.image>.

function of administrative or legislative action.[417] There is a traditional civilian sense of pre-existing rights being "out there",[418] waiting to be found and confirmed by the judge, whose only function is to determine and order the legitimacy of claims and the resulting liabilities.[419] Placing so much allegedly arbitrary discretionary power in the hands of judges would result in an improper infringement into the separation of powers between government bodies. [420] Consequently, allowing judicial discretion to the extent required by the criteria for determining an abuse of rights would threaten the balance of the rule of law by jeopardizing the predictability and certainty of the entire legal system.[421]

In support of the abuse of rights, Josserand emphasizes that the very reason why adjudicators – and not machines[422] – are necessary for dispute resolution, is to exercise discretion and pass judgment over complex questions of justice and fairness. A more mechanical application of the law as an objective instrument would lead to injustice and even bring the legitimacy of the entire legal apparatus into question. In other words, judicial discretion does not threaten, but rather strengthens the integrity of the legal system. Moreover, judges are constrained by the criteria of the doctrine itself, [423] so that in exercising the discretion necessary to determine an abuse, they will further the predictability and certainty of the law. Although the various criteria of the abuse of rights have been elaborated differently in each jurisdiction, the case law shows that courts adhere to their local variations quite closely.[424]

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[417] Glendon, *supra* note 296 at 63.
[418] Legrand, *supra* note 2 at 59.
[419] Glenn, *supra* note 4 at 154.
[420] Glendon, *supra* note 296 at 63.
[421] Josserand, *supra* note 303 at 350
[422] *Ibid* at 430.
[423] *Ibid* at 400, 424, 429-30.
[424] Vera Bolgar, "Abuse of Rights in France, Germany, and Switzerland: A Survey of a Recent Chapter in Legal Doctrine" (1974-1975) 35 La L Rev 1015 at 1033; Mayrand, *supra* note 344 at 996-1002; *Houle*, *supra* note 373 at 146.

Part of these fears might be assuaged by looking to the common law tradition, which is much more accustomed to this type of judicial function. In the common law, a central judicial function is to determine the law itself in addition to the parties' rights. This is seen as taking a legislative role to fill the gaps left in the written statute.[425] Despite the omnipresent suspicion of judges as "loose canons",[426] arbitrary exercises of discretion are in theory and practice quite rare, since judges are bound to base their reasoning on authoritative sources of law.[427] Perhaps the fear of upsetting the rule of law by according judges too much discretion would appear less dire to traditional civilians if they gave greater consideration to the common law experience and recognized its equivalent within the civil law.[428]

It is also crucial to remember that examining parties' intents is nothing new, even in a classic civilian system, nor is it specific to the abuse of rights. On the contrary, the judge's basic task as the "sovereign master of fact and interpreter of the law" is to scrutinize parties' motives according to the facts.[429] Judges do this in many other areas of the law, including both criminal law and the private law of delicts and contracts, without attracting any similar uproar.[430] For example, the French law of delicts developed mainly through judicial interpretation, because it confronted modern disputes that the 19th century drafters of the Civil Code could never have fathomed.[431] Moreover, judges may be bound to interpret the law and apply it to novel facts by

[425] Glendon, *supra* note 296 at 277, 279.
[426] Glenn, supra note 4 at 261.
[427] Josserand, *supra* note 303 at 353; Glendon, *supra* note 296 at 275-303; see also A T Kronman, "Precedent and Tradition" (1990) 99 Yale LJ 1029; Gerald Postema, "Philosophy of the Common Law", in *The Oxford Handbook of Jurisprudence and Philosophy of Law*, Jules Coleman & Scott Shapiro, eds, (Oxford: Oxford University Press, 2002).
[428] But see Devine, *supra* note 378 at 184. Devine claims that the common law may have avoided incorporating a general doctrine of abuse of rights precisely because of this problem of proof in determining subjective intent.
[429] Josserand, *supra* note 303 at 353: "*maître souverain du fait et interprète de la loi*". [Translated by author]
[430] Mayrand, *supra* note 344 at 996; Josserand, *supra* note 303 at 351-52, 422.
[431] Glendon, *supra* note 296 at 55.

the very text of the law.[432] Over the course of the 20th century and into the 21st, this critique has therefore lost much of its sting as many civilians more openly acknowledge the need for the gap-filling function of judicial interpretation.[433]

These sweeping critiques overflow into another major debate regarding the relationship between law and morality. The abuse of rights doctrine has been denigrated precisely for its propensity to create an inexcusable confusion between law and morals.[434] This confusion supposedly arises from a panoply of transgressions: by giving too much discretion to judges, by requiring subjective inquiries into intent, by denying the application of a legal rule, or by imposing liability even when a legally sanctioned right has been exercised. In this way, the abuse of rights has a neutralizing effect on the action of the law, which creates an unpredictable overlap between the law and value judgments.[435] The doctrine thereby raises fundamental issues of justice and the rule of law.

With his characteristic pragmatism, Josserand retorts that as far as he is aware, distinct borders between law and morality have never existed – except in the minds of jurists.[436] In fact, he claims that the law as a whole is so deeply infused with morality that the two are inextricably linked, and that the law would be foul and empty if it were otherwise.[437] Without morality, the law would be incomplete and unjust.[438] The very role of the abuse of rights as a

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[432] See e.g. the Swiss codification of the judge's interpretive and legislative function: Swiss c civ, art 1: "In the absence of an applicable legal provision, a judge must decide according to customary law and, in the absence of a custom, according to the rules that he would make were he the legislator. He shall take inspiration from doctrinal and jurisprudential solutions." [Translated by author]
[433] Glendon, *supra* note 296 at 55, 63.
[434] Josserand, *supra* note 303 at 347-48; Saleilles, *supra* note 416 at 347.
[435] Georges Ripert, "Abus ou relativité des droits : A propos de l'ouvrage de M. Josserand : De l'esprit des droits et de leur relativité, 1927" (1929) 49 Revue critique de législation et de jurisprudence 33.
[436] Translation by author. Josserand, *supra* note 303 at 348: "… *à notre sentiment ces frontières n'ont jamais existé que dans l'imagination des juristes*." This sentiment foreshadows the famous Anglo-American debate between Hart and Fuller, see Hart, Separation, *supra* note 195; Lon L Fuller, "Positivism and Fidelity to Law – A Reply to Professor Hart" (1957) 71 Harv L Rev 630.
[437] Josserand, *supra* note 303 at 348-49.
[438] *Ibid* at 442.

"superlegality"[439] is to ensure that the law does not become so inflexible or absolute that it contradicts its basic function to mete out justice.[440] Josserand reminds us that, "the law is made for society, society is not made for the law".[441]

A final similar, but distinct protest against the doctrine targets the subjective test for intent. The argument is that in order to avoid liability anyone can easily lie and fabricate a motive other than that of harming another.[442] Often motives are multiple and interwoven, so that it becomes impossible to determine the sole or dominant motivation.[443] This is especially problematic where an individual interest is alleged to exist, in order to sidestep the criterion of a lack of serious or legitimate interest.[444]

This critique is a classic issue of evidence: how to determine fact when the parties contradict each other's version of the events. Yet again, proponents of the abuse of rights respond that such inquiries have not posed an insurmountable problem for courts in other areas of the law, including criminal law inquiries into *mens rea* and private law examinations of good faith in contracts or malice in delicts.[445] There is no reason why it should be particularly problematic for a judge to make a similar determination of intent behind the exercise of a right. Typically, this involves a careful consideration of the facts and the harmful consequences of the act.[446] Moreover, the parties have to appear to argue their cases as adversaries, so that the pleading of their versions of the facts dictates to a great extent their credibility.[447] The assertion of an individual interest to justify a harmful act is thus rather easily corroborated, such as in the

[439] *Ibid* at 351.
[440] *Ibid* at 407.
[441] *Ibid* at 351, [translated by author]; see also 322, 422.
[442] Gutteridge, *supra* note 300 at 26.
[443] *Ibid*.
[444] Saleilles, *supra* note 416 at 371.
[445] Mayrand, *supra* note 344 at 996; Josserand, *supra* note 303 at 351-52, 422.
[446] Josserand, *supra* note 303 at 424, 429-30.
[447] *Ibid* at 428.

cases familiar to the common law lawyer as "spite fences". For example, building a 47-foot-long and eight-foot-high barrier on a property line and planting a flag on top is not within the scope of individual interest, but is instead clearly for the sole purpose of gratifying one's hatred and feelings of revenge toward one's neighbour.[448]

Josserand also emphasizes that subjective inquiries into intent are only a problem when the determination of an abuse of rights is erroneously reduced to the sole criterion of malice.[449] If the abuse of rights is seen instead as constituted by acts contrary to the spirit of the law and thus to the interests of the community that created that law, then the test is never purely subjective. Rather, it incorporates an objective, social element of conduct in addition to the subjective element of intent.[450]

iii. Comparison of Theories

This section aims to explore briefly how the common law and civil law theories on property rights compare: how are they different or similar? Many scholars taking a classic comparative law approach posit that the civilian abuse of rights doctrine is functionally equivalent to malice in the common law field of torts.[451] As such, the common law rules of torts purportedly obviate the need for any such general doctrine of abuse.[452] Other scholars who are more perceptive of its purpose rather than its structure, point to equity in the common law as fulfilling the corrective role that abuse of rights meets in the civil law. However, what these approaches miss, which is what the social obligations theory hangs its hat upon, is the crucial question of how the nature and scope of rights are inherently limited by corollary social duties or

[448] *Brodeur c Choinière*, [1945] CS 334 at 336.
[449] Josserand, *supra* note 303 at 401, 412-13.
[450] *Ibid*.
[451] Di Robilant, *supra* note 384.
[452] Devine, *supra* note 378 at 164; Catala & Weir, *supra* note 329 at 237.

purposes. In this way, the two theories find their common ground in exposing the shortcomings of liberal individualism, formalism and positivism.

This project's basic comparative claim is that within the common law an analogous movement to the abuse of rights already exists and is under development: the social obligations theory. Both the abuse of rights and the social obligations theory touch upon fundamental debates over justice, morality and the rule of law. Therefore either one may turn to the other for inspiration. The social obligations theory would especially benefit from the rich development of the doctrine of abuse of rights in various civil law systems over the 20th century. Moreover, the abuse of rights notion of applying broad and general principles would be particularly helpful to alleviate some of the dense legislation troubling the area of intellectual property law. As such, intellectual property law is a potentially transformative site for improvement upon which the social obligations theory could focus.

To understand how these theories converge, the general outlines of the two legal systems must first be laid out: their mentalities, style of reasoning and conceptual structure. These are inevitably linked to the legal traditions' historical development, which is beyond the scope of this project to relate in full, although a general overview will be provided. Next, as evoked above, the intersection of law and morality, ethics and equity, is present and debated in both traditions. It has been in response to the perceived need for a systematic framework that scholars have attempted to provide a workable theory. Identifying these frameworks and their characteristics aids in better understanding and comparing the theories.

Mentalities and Development of Two Traditions

In contrast to the classic inductive reasoning of the common law, where legal principles are teased out of the cases pleaded before the bench, the civil law tradition engages in deductive

reasoning by imposing codified rules onto factual situations. Common law lawyers in the modern age are, of course, familiar with this technique as part of statutory interpretation. The classic civilian taxonomy is reflected in its codes, which are structured beginning with general overarching principles, leading to specific definitional categories, and then to derogations or exceptions to the general principles.[453] Taking property as an example, the general principle of "ownership" is defined in the Civil Code as a set of rights to be enjoyed freely and fully, and then the extent to which it may be exercised is immediately restrained by blanket reference to the various limits imposed by the law.[454]

The common law, on the other hand, is typically inductive, starting with specific cases and facts to pull out general principles, so that rules are developed incrementally, ad hoc, through analogy, rather than through a top-down, systematic imposition.[455] This points to a structural divergence between the traditions: whereas the common law is very much a piecemeal, case-by-case system, and so its principles are often quite messy and scattered, the civil law is much more precise, logical and abstract.[456] It therefore provides a more coherent and unified framework, within which principles such as the abuse of rights can have a more general application.[457] Entire areas of law may be encapsulated in several short codal articles.[458]

[453] See, e.g., C civ, Book II, arts 516-710 (France); CCQ, *supra* note 299, Book V, arts 899-1370; La Civ Code, Book II, arts 448-818.
[454] See, e.g. CCQ, *supra* note 299, art 947: "Ownership is the right to use, enjoy and dispose of property fully and freely, subject to the limits and conditions for doing so determined by law."
[455] See e.g. Glendon, *supra* note 296; Kronman, *supra* note 427; Gerald Postema, *supra* note 427.
[456] Cueto-Rua, *supra* note 309 at 969-70.
[457] Elspeth Christie Reid, "The Doctrine of Abuse of Rights: Perspective from a Mixed Jurisdiction" (October 2004) 8.3 E J Comp L at 9, 10 [Perspective]; Gutteridge, *supra* note 300 at 43; Crabb, *supra* note 305 at 24.
[458] Cueto-Rua, *supra* note 309 at 969: "the common law lawyer … is usually amazed when he is told that only five articles of the French Civil Code (1382 to 1386) were more than sufficient for the development of the whole field of law concerning damages caused by negligence, by fault, or by dangerous things."

Curiously, the development of the civilian doctrine of abuse of rights followed a jurisprudential path more familiar to the common law.[459] The underlying development and rationalization of the doctrine is partly why it provides such an interesting and fruitful site for comparison with the common law. It points to the shared Roman law origins and influences of both systems, particularly the Scots law doctrine of *aemulatio vicini*, which was at issue in *Mayor of Bradford v Pickles*, and which the House of Lords wished to curtail.[460]

In regards to the substance of the two theories, Elspeth Christie Reid points out that the mechanisms used by the common law and the civil law to restrict the ambit of absolute property rights are not distinctive to either.[461] Reid asserts that the doctrine of abuse of rights "…is not rooted in pure Civilian doctrine and clearly does not offer a straightforward example of Common Law/Civil Law polarity."[462] Rather, in drawing upon other scholars like Pierre Catala and John Antony Weir, she asserts that the abuse of rights "is less helpful as a way of identifying differences, than as a means of exploring similarity" or "an intriguing 'study in parallel'" that "offers material for a study in convergence."[463] This project takes inspiration from these claims and argues that they are illustrated by the similarities between the abuse of rights and the social obligations theory.

Law and Morality

The intersection of law and morality is a crucial aspect to both the abuse of rights and the social obligations theory. It constitutes at once their source, their purpose and their function. While probably their most provocative goal and role, injecting morality (back) into the law is

[459] Reid, Perspective, *supra* note 457 at 15.
[460] *Ibid* at 10, 14-15; Taggart, *supra* note 326 at 155; *Pickles*, *supra* note 204. Note that this is not the route taken by American courts, which do indeed recognize limits to riparian rights.
[461] Reid, Perspective, *supra* note 457 at 10, 15.
[462] *Ibid* at 15.
[463] *Ibid*.

also these two theories' strongest point. It sets them apart as an antidote to the heavily criticized theories of liberalism, formalism and positivism.

It is important to highlight the disagreement over the claim that the abuse of rights is the civilian equivalent to equity in the common law. While similar, and parallels are drawn, for example, to the doctrine of misuse in American intellectual property law,[464] the abuse of rights is not truly the civilian equivalent of equity. Equity is a residual doctrine, a last resort where no remedy exists at law. The abuse of rights, on the other hand, applies generally, cutting across vast fields of law and even where a right is strictly regulated.[465] More fundamentally, the abuse of rights leads to the civilian conception of a right (*droit subjectif*), which pre-exists any judicial determinations of standing, cause of action, or liability. It operates so as to limit or sanction rights, even where purely private law interests are at play.[466] In this way, the civilian doctrine of abuse of rights is more pervasive and all reaching than equity in the common law tradition.

Some scholars assert that the abuse of rights already exists in the American common law, only under a different name. J M Perillo claims that it "is employed under such labels as nuisance, duress, good faith, economic waste, public policy, misuse of copyright and patent rights, lack of business purpose in tax law, extortion, and others."[467] He laments that its lack of express recognition leads to injustices in cases that do not fit squarely into one of these categories.[468] Along similar lines, John Crabb finds that American civil rights issues are a matter for the abuse of rights doctrine, and would benefit from its systematic approach of general application, rather than a "sporadic and uneven" legislative approach.[469] He points out the

[464] Judge, Rethinking Copyright Misuse, *supra* note 55.
[465] Moyse, Anténorme Part I, *supra* note 301 at 888, note 82.
[466] *Ibid* at 890.
[467] J M Perillo, "Abuse of Rights: A Pervasive Legal Concept" (1995) 27 Pacific LJ 37 at 40.
[468] *Ibid*.
[469] Crabb, *supra* note 305 at 24.

advantages of the abuse of rights approach as a way to both "curb improper denial of these rights, and also restrain excessive assertion by those claiming a denial of rights."[470]

Anna Di Robilant supports Crabb's perspective by presenting the abuse of rights as a "tool for redressing distributive inequalities."[471] Nevertheless, on her account, the most valuable potential of the abuse of rights may lie in its use as a transformative means of "recasting rights, expanding the domain of resources subject to rights, and devising new criteria of ownership," rather than as a means for simply limiting or correcting rights as the presumed norm and the center of legal discourse.[472] In this way, Di Robilant echoes the goals of social obligations theory, and more particularly the progressive property scholars, to displace the focus of property theory away from rights and towards the uses of the object of property.

These insights into common law property theory and the potential application of abuse of rights notions within it, raises a central questions underlying these two theories: what are the nature and scope of rights? Both the social obligations theory and the abuse of rights doctrine point to the inherently circumscribed nature of rights by reference to their corollary social duties or purposes. Such considerations are universally brushed aside by liberal individualism, formalism and positivism as vague, arbitrary and unpredictable. Yet the injustices that can result from such unyielding and absolutist theories expose their inadequacy at adapting to the actual uses which right-holders make of their rights. Bringing concerns of social good and justice back into the property picture helps to balance the legal force behind rights with broader community and policy purposes. Both the abuse of rights and social obligations theory take this balance seriously and place it at the heart of their conceptual frameworks.

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[470] *Ibid*.
[471] Di Robilant, *supra* note 384 at 747.
[472] *Ibid* at 748.

iv. Conclusion

In this Part, the common law social obligations theory and the civil law abuse of rights theory were presented and compared. In the first section on the common law, two principal property theories were studied and contrasted, with an emphasis on precision when using loaded terms like "property". The liberal theory was stripped to its essentials and exposed as only one of several property law theories, not to be confused with the concept of property itself. The social obligations theory was considered as an alternative, especially where it addresses the shortcomings of the liberal theory. It focuses on the collective as a source of both rights and positive duties of ownership. It looks to the moral dimensions of the use of resources and the distinct nature of those resources to define the scope of obligations attaching to property rights. Social obligations theory generally finds the moral sources of those obligations to be inherent to the institution of property.

In the section on the civil law theory, the abuse of rights was considered as a distinct doctrine in terms of its place within the overall civilian conceptual structure, and in relation to intellectual property in particular. To understand the doctrine, the criteria proposed as constituting an abuse of rights were laid out through an overview of its theoretical and substantive application. It is also crucial to understand why such criteria have been recognized – or contested, in different parts of the civilian world – and thus how the doctrine of abuse of rights has developed. Therefore the historical origins and the debate surrounding the doctrine of abuse of rights were explored.

There is a budding recognition of the potential application of the doctrine to a significant, current issue of justice: the abuse of intellectual property rights. As a theory of vast and general application, the doctrine of abuse of rights has been noted for its particular relevance to the field

of intellectual property law,[473] where rights have shown themselves to be especially prone to abuse.[474] In the ways explored above through the debates and controversies surrounding the doctrine, the abuse of rights raises crucial questions as to the source and nature of rights, the interpretive role of the judge in determining the scope of those rights, particularly when faced with a minutely legislated area of the law, and the proper place for morality and policy in the law.[475] All of these issues are currently looming over the field of intellectual property law. Scholars have begun to make these links more explicit, and a new call is being heard to acknowledge the innovative abuse of rights notion of the social purpose of rights as being especially germane to intellectual property law.[476] The applicability or importability of the abuse of rights doctrine in the common law will now be considered in Part III.

[473] Moyse, Anténorme Part I, *supra* note 301 at 862-63; Christophe Caron, *Abus de droit et droit d'auteu*r (Paris: Litec, 1998).
[474] Moyse, Anténorme Part I, *supra* note 301 at 863.
[475] *Ibid* at 864-65.
[476] Moyse, Anténorme Part II, *supra* note 328 at 31.

Part III: Commentaries

i. Case Law Commentary

Echoes of Abuse of Rights in the Misuse Doctrine

The American doctrine of copyright misuse exhibits many similarities to the civilian doctrine of the abuse of rights[477] in terms of development, purposes and functions. Both are judge-made and have developed on a case-by-case basis. For this reason, they are often criticized for creating rule of law issues like uncontrolled judicial activism, discretion and arbitrariness, which can lead to unpredictability and uncertainty in the law. However, this also provides them with their most powerful attribute: flexibility. Their malleability in the hands of a judge allows these doctrines to compensate for the rigidity of a rights-granting statute. Indeed, in both cases, it was in reaction to the gaps in the black letter law that became evident when faced with abuses (or worse: that facilitated abuses) that caused judges to seek out these pliable doctrines.

The underlying purposes and functions of each doctrine are strikingly similar. Their objective is to manage uses of statutorily conferred rights with a flexible doctrine. Both doctrines function to regulate excessive uses or overreaching of rights. Each emphasizes the idea of obligation and responsibility for actions taken within the ambit of rights granted by statute. In particular, accountability to the community and the public at large are central themes. The deeper implication of this focus is that both doctrines reject a purely individualist rights dialogue, and are predicated on the search for justice and morality in the law.

When considering the issue of the abuse of intellectual property rights, and copyright in particular, the tension between codification and case law development, and arbitrariness and

[477] Perillo claims that misuse is an expression of the abuse of rights, simply under another guise. Perillo, *supra* note 467.

certainty becomes apparent. As a judge-made doctrine, misuse will likely always raise the rule-of-law fears of arbitrary exercises of judicial discretion and uncertainty and unpredictability in the law.[478] This is reminiscent of Josserand and the critics of abuse of rights, particularly when Josserand dared place the responsibility of determining the (potentially vague) social aims of legislation on the shoulders of judges. These well-worried civilian concerns may nevertheless be overcome for misuse, thanks to an insight by Kathryn Judge. She points out that many of the policy aims of copyright have already been recognized in the case law, and therefore identifying them would not require any arbitrary invention on the part of judges. On the contrary, judges would be following and further shaping the existing, well-recognized policy goals and purposes of copyright.[479] Dan Burk furthers this point in highlighting the fairly clear legislative history behind certain copyright law enactments, which would make a determination of congressional intent relatively straightforward.[480]

Judge's proposed principled guidelines method furthers this coherent approach by requiring both litigants and judges to tie their claims and reasoning to copyright policy. Parties claiming the misuse defense ought to identify which policy goals of copyright have been violated, while judges should acknowledge and articulate their rationale and formulate a rule based on these policy considerations.[481] This approach would promote the development of case law on those policies, which in turn would establish standards according to which interested parties could adapt their behaviour, and would therefore create a reasonable certainty about the state of the law.[482]

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[478] Judge, Rethinking Copyright Misuse, *supra* note 55 at 933.
[479] *Ibid* at 934.
[480] Burk, *supra* note 41 at 1135.
[481] Judge, Rethinking Copyright Misuse, *supra* note 55 at 930.
[482] *Ibid*.

In seeking to avoid uncertainty altogether, the question arises whether the copyright misuse doctrine should be codified. Some are lukewarm in their approval of enacting the misuse doctrine into statute, approving it only on the condition that there be sufficient legislative momentum.[483] Nevertheless, others like Mazzone are strongly in favour of taking legislative steps to combat overreaching and other abuses of copyright. Where there are statutory rights for copyright holders, he reasons, there ought to also be statutory rights for the public.[484] Mazzone proposes a multifaceted approach, primarily via the statutory enactment of a civil cause of action for false copyright claims.[485] Mazzone also encourages the judiciary to expand the defense of copyright misuse so as to penalize copyright holders from enforcing valid copyrights when they have previously committed "copyfraud"[486] He suggests bolstering fair use by regulating it through an administrative agency.[487] Mazzone further calls for the creation of both a national registry listing public domain works and a symbol to designate public domain works as such, so as to better protect the public interest.[488] Overall, he focuses heavily on statutory solutions to the problem of abuse of copyright.

Mazzone's recommendations would likely address many of the issues plaguing the current copyright regimes in the US and Canada that too often facilitate the trampling of public interest in favour of the interests of copyright holders. Nonetheless, considering how heavily regulated the area of intellectual property already is, an even more general approach would provide more flexibility and far-reaching results. Such an approach could be inspired by the experience of the abuse of rights.[489] Both the civilian and common law doctrines have grown out

[483] *Ibid* at 937; see also Patry & Posner, *supra* note 28 at 1659.
[484] Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 at 168.
[485] *Ibid* at 168 et seq.
[486] *Ibid* at 178-79; Mazzone, Copyfraud 2006, *supra* note 35 at 190.
[487] Mazzone, *Copyfraud and Other Abuses*, *supra* note 14 186 et seq.
[488] *Ibid* at 213 et seq.
[489] Moyse, Anténorme Part II, *supra* note 328; Moyse, *Kraft*, *supra* note 193 at 789.

of the need for flexibility in curtailing abuses, within a context of dense and rigid legislation. Each has become an indispensible tool to fill gaps in statute according to public policy, public interest and general principles of justice and morality. Moreover, even if the doctrine did become codified, it would still require human judges to implement and interpret it.[490] Indeed, the exercise of discretion is nothing new to judges, and is certainly something with which they are trusted anyway, as part of the judicial function.[491] Commentators of the misuse doctrine seem to channel Josserand in making these common sense arguments.

On the opposite end of the spectrum, Burk contends that misuse needs clear limits, yet he would leave it entirely up to the judiciary to develop the misuse doctrine, as consistent with its past evolution.[492] Burk asserts that the judiciary should continue to develop the copyright misuse doctrine so as to benefit further from the strengths of the misuse doctrine and its functions in patent law.[493] These functions include coordination between different areas of the law such as antitrust, patent and copyright; and gap-filling between different aspects of intellectual property law and adjacent areas of law like antitrust.[494] He also locates the strength of the functions of the misuse doctrine in safeguarding the public interest, preserving judicial integrity and the judiciary's reputation for justice, and contributing to judicial economy, especially regarding the avoidance of costly constitutional issues.[495] For all of these reasons, Burks supports the purely judge-led development of the misuse doctrine.

The problem shared by all of these solutions is that the misuse doctrine retains a limited, restricted scope of application. Unlike the abuse of rights, which applies generally across most

[490] Judge, Rethinking Copyright Misuse, *supra* note 55 at 937. Again, this echoes the very same points made by Josserand, *supra* note 303 at 353.
[491] Judge, Rethinking Copyright Misuse, *supra* note 55 at 906, 912, 934-35.
[492] Burk, *supra* note 41 at 1114, 1140.
[493] *Ibid* at 1122-23.
[494] *Ibid* at 1127-30.
[495] *Ibid* at 1123, 1127.

areas of the law, misuse is limited to copyright and the analogous field of patent law. When questions of jurisdiction arise, (state versus federal, triggering the pre-emption or supremacy doctrines) the misuse doctrine may lose all of its bite. If contract law applies, then the state will have jurisdiction and federal copyright with its attendant misuse doctrine ceases to have relevance. As pointed out by Mark Lemley, misuse is a defense to claims in infringement, therefore it does not aid copyright owners who are forced into abusive licensing agreements by licensees.[496] A doctrine with a more general scope of application like the abuse of rights would help to remedy this situation.

In Canada, because the misuse doctrine has not taken hold, its application is not in question. On the positive side, this leaves open a greater potential receptiveness to the application of the abuse of rights to intellectual property law.[497] As highlighted by Moyse, there is a special openness given the history of Canadian law and appeals to the Supreme Court from the mixed civil law-common law jurisdiction of Quebec, where the abuse of rights is a recognized doctrine.[498] The Supreme Court of Canada has even suggested that there is likely to be a future role for the abuse of rights in intellectual property law, although such a clear case has yet to come before the court.[499] Intriguingly, in *Kraft*, where Moyse unsuccessfully argued as counsel that this very issue was indeed before the court, "*abus de droit*" was translated in English as "*misuse* of copyright."[500] This linguistic ambiguity underscores the links between the two doctrines and legal traditions.

[496] Lemley, *supra* note 57 at 157.
[497] Moyse, Anténorme Part II, *supra* note 328 at 59.
[498] *Ibid* at 28, 34 et seq.
[499] *Kraft*, *supra* note 181 at paras 97-98.
[500] *Ibid* at para 12; Moyse moreover sees misuse as the common law equivalent of the abuse of rights. Moyse, Anténorme Part II, *supra* note 328 at 52, 55.

ii. Role of Social Obligations Theory

This project takes the argument further than a simple similarity or coincidental existence of aspects of the abuse of rights theory in the common law. The claim here is that there is an analogous movement to the abuse of rights that already exists and is in development within the common law: the social obligations theory. The social obligations theory, as informed by the experience of the abuse of rights, could provide a strong, principled and systemic response to the problem of the abuse of intellectual property rights. Furthermore, as a theory internal to the common law, social obligations will likely gain greater acceptance for its application within the common law than the civilian theory.

The abuse of rights aims to reinvigorate the central role of morality in the law. It moreover has a long history of dealing with abuses of statutorily conferred rights. By exploring these general principles and the development of the abuse of rights, the limits inherent to the law – and in particular the institution of property – can be clarified.

Intellectual property law would especially benefit from this broader perspective. Indeed, the very expansiveness of the abuse of rights is what makes it such a fresh approach to many problems within intellectual property law, such as its notoriously complex and specialized legislation that inevitably lags behind technological advances.[501] Rather than attempts at exhaustive codification,[502] what is needed is a return to more general principles of justice and morality. For these reasons, the civilian abuse of rights provides an excellent model for the common law to develop a flexible framework of general application to respond to abuses of intellectual property rights.[503]

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[501] Moyse, Anténorme Part II, *supra* note 328 at 35.
[502] *Ibid* at 35; John Perry Barlow, "The Economy of Ideas" Wired, online, <http://archive.wired.com/wired/archive/2.03/economy.ideas_pr.html>.
[503] Moyse, Anténorme Part II, *supra* note 328 at 40, 42, 56.

The recognition of general principles of justice and morality in the abuse of rights is mirrored by the social obligations theory. The social obligations theory emphasizes the role of duties rather than rights. It can apply broadly, at a high level of generality to the entire institution of property. When applied to intellectual property law, it focuses on the responsibilities assumed along with a grant of intellectual property rights, rather than pure benefits. Consequently, the balance of rights is realigned. This translates into greater clout accorded to users and the public at large, which would in turn help address abuses of intellectual property rights.

Given that the social obligations theory exists internally to the common law and has developed out of common law scholarship on the institution of property, it is probably a more cogent and indigenous theory upon which to base any revisions of intellectual property law, rather than the abuse of right. Nevertheless, the experience of the civil law tradition provides a rich resource for addressing the fundamental debates of justice, morality and the rule of law that arise within the context of intellectual property rights and their increasingly frequent abuse. The civilian abuse of rights theory can thus be drawn upon to bolster the social obligations idea of duties internal to property rights, so that abuses of intellectual property rights can be confronted and stopped in a principled, coherent and effective way.

Conclusion

The rights granted by the intellectual property law regimes in common law Canada and the US have been shown to be particularly susceptible to abuse. When focusing specifically on abuses of copyright, examples abound such as misrepresentation, where a copyright holder claims a greater scope of protection than that actually granted by intellectual property law in order to deter permitted uses. Alternatively, copyright holders frequently overreach when they encrypt digital locks technology onto copyrightable and uncopyrightable works in order to control users' access to them. Outright fraud and deception occurs when companies known as copyright trolls engage in speculative invoicing practices, which often involves sending demand letters for unproven copyright infringement in an attempt to intimidate unsuspecting recipients into settling. The case law is rife with other examples of abuse, ranging from restrictive covenants in licensing agreements to placing copyrighted designs on uncopyrightable articles, so as to benefit from the protections of copyright law for those articles.

There are several reasons why intellectual property law is so susceptible to abuse. The systemic problems are found in the complex, ultra-specialized nature of intellectual property legislation, which inevitably lags behind technological advances and sophisticated schemes of abuse. Moreover, there is no recognized civil cause of action for victims of these schemes to seek redress for abuse. In this way, abuses can only be denounced at the level of a defense against infringement of rights, such as in the equitable defense of misuse recognized in the US. Lastly, the highly fact-specific nature of the fair use or fair dealing doctrine restricts the application of these protections for public use of works to after-the-fact judicial determinations. This diminishes the doctrine's effectiveness by increasing parties' uncertainty as to whether their uses will be protected.

The widespread abuses of intellectual property rights in North America could be better managed by implementing a flexible framework of general application. The civil law theory of the abuse of rights provides an excellent model for this framework. The abuse of rights has a long history of dealing with abuses of statutorily conferred rights and is predicated on general principles of justice and morality. By exploring the development of the abuse of rights, the limits inherent to the institution of property – and especially intellectual property – are clarified and a broader understanding of property and its abuses can be reached.

The abuse of rights has a counterpart in the common law property theory of social obligations. The abuse of rights doctrine and the social obligations theory both engage with fundamental debates over justice, morality and the rule of law. Each theory recognizes and emphasizes the idea of obligation as equal to, if not prevailing over, the idea of rights. Both developed out of a perceived need for flexibility in the face of persistent formalist and positivist perspectives on the law, to counter the unjust outcomes these rigid perspectives can engender.

While the common law already recognizes doctrines specific to intellectual property law like misuse and fair use, which have developed along a similar, judge-made path as the abuse of rights, they do not benefit from the broad application of the civilian abuse of rights. By taking a more purposefully systemic approach like the civil law does, the common law could apply the general theory of social obligations to intellectual property law in order to develop a strong, principled, and malleable response to intellectual property rights abuse. This would be especially helpful given the dense legislation troubling the area of intellectual property law, which facilitates abuses by stifling the judicial flexibility necessary to curb inappropriate uses of rights. In this way, the social obligations theory is reinforced and enriched through comparison to the abuse of rights theory.

However, it may not be feasible to expand the role of the abuse of rights beyond that of comparison. Actors within the common law would likely be more receptive to a theory internal to their own legal system, thus according more legitimacy to the social obligations theory than to the abuse of rights. Nevertheless, through study of the civilian abuse of rights model, the social obligations theory could greatly benefit from its long experience in combatting the abuse of statutorily conferred rights, which is directly applicable to the field of intellectual property law.

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