



Status of non-exclusive licenses in Canadian copyright law?

OA Policies & Traditional Publishing Agreements

Rumi Graham
Allan Bell
Dominique Lapierre
Mark Swartz



Overview

- Introduction and background
- Legal opinion on key question
- Implications and consequences
- Next steps?

Beginnings

- research as a public good
- funder OA policies
- institutional OA policies
 - *“permissions-based OA policies make it legal to post author manuscripts in the IR regardless of publisher policies”* (Lovett, Rathemacher, & Boukari, 2017)
- “rights retention” OA (RROA) policies
- status of RROA policies in Canada?

RROA policies

- Harvard model
- non-exclusive license to publicly disseminate research
- grantors
- grantee
- prospective application
- peer-reviewed manuscript version
- waiver

RROA policy question

- Non-exclusive license enforceable if an author transfers or exclusively licenses their copyrights in the work to a third party?
- Harvard “[Good practices](#)” website
 - “[Implementing a policy](#)” answers from US and UK copyright law perspectives
- Canadian copyright law perspectives?
- Universities Canada (UC) assistance
- Small working group
- UC legal counsel opinion

Legal opinion

- April 4, 2019: Rights Retention Open Access Policies
Re: Conflict between open access mandates and a subsequent assignment or exclusive license to a publisher under Canadian law.



Issue and Legal Question

What happens if a faculty member operating under a Rights-Retention Open Access (Harvard Style) policy does not obtain a waiver and, mistakenly or otherwise, assigns the copyright in a work to a publisher or third party, or alternatively, grants a publisher or third party an exclusive license in a work?

Limitations:

- Does not address any implementation issues of a RROA policy.
- No statutory provisions that address this issue like in other jurisdictions
- Lack of jurisprudence: no decisions of a Canadian court or other tribunal were identified that have considered this specific issue.

The Scenarios



- Faculty Member authors a scholarly work while employed by the university
- RROA policy grants the university a non-exclusive right to archive, preserve, reproduce and disseminate the work in any medium, and to authorize others to do the same.

The Scenarios (Part 2)



Scenario 1: The faculty member subsequently transfers ownership to a publisher without requesting or obtaining a waiver to the work

OR

Scenario 2: The faculty member grants a publisher an exclusive license to a work without a requesting or obtaining a waiver to the work

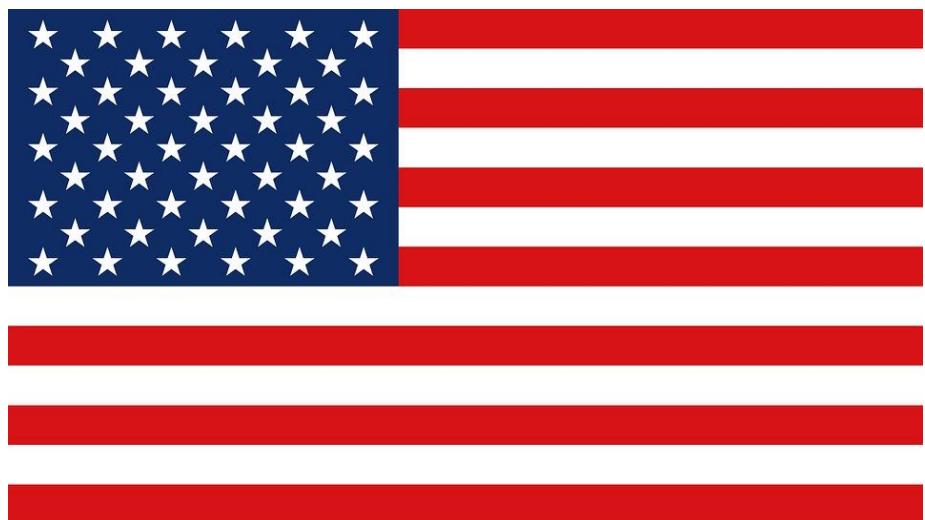
The Scenarios (Part 3)

- The university reproduces the work in its institutional repository
- AND
- The publisher sues the university for copyright infringement



What happens internationally

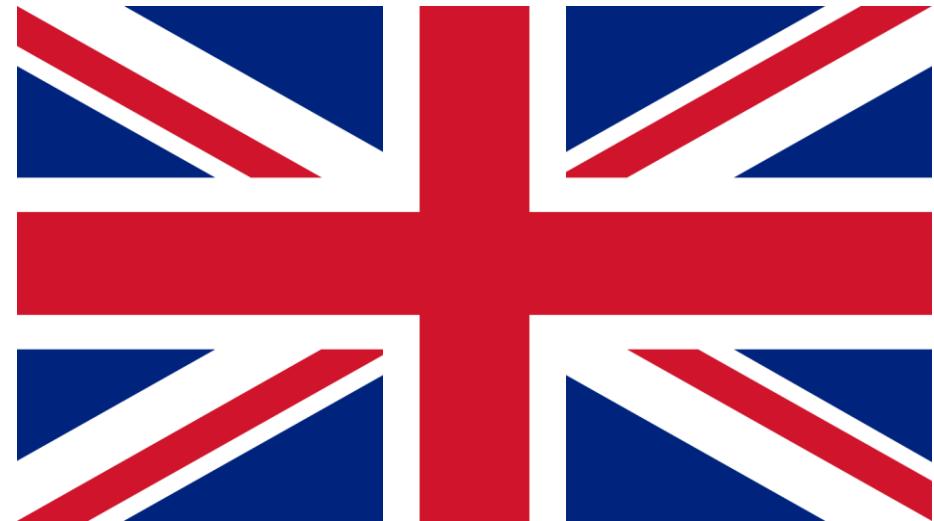
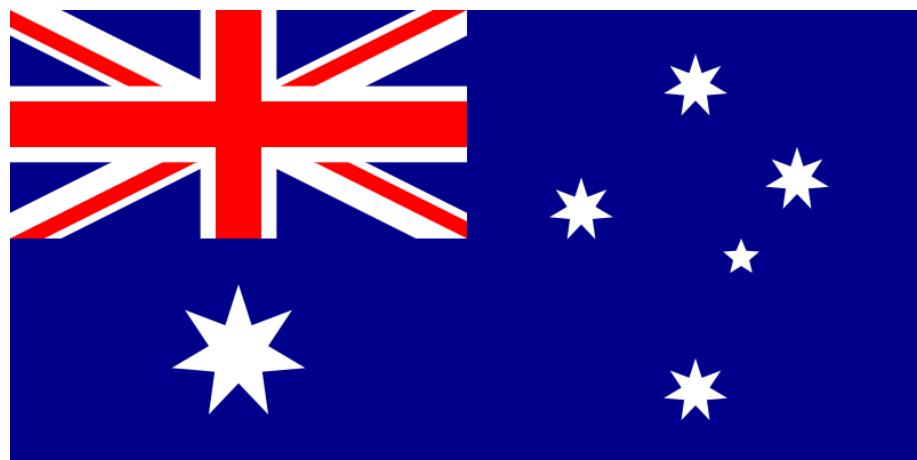
Other common law jurisdictions have enacted statutory provisions giving prior licences binding effect on successor copyright owners.



United States: Prior licenses given priority in US Copyright Law by a statutory provision that specifically addresses the issue of a conflict between a non-exclusive license and a subsequent transfer of copyright ownership

What happens internationally

United Kingdom: A license runs with the copyright ownership, except for a good faith purchaser for value without notice



Australia: Binds every successor in title to all licenses granted. Broader than in UK as it does not include the good faith exception

What about Canada?



- No statutory provision(s) like the United States, United Kingdom or Australia
- Limited case law

Euro-Excellence Inc v Kraft Canada Inc



In *Euro-Excellence Inc v Kraft Canada Inc*, the Supreme Court of Canada considered the differences between a non-exclusive licensee of copyright, and exclusive license of copyright, and an assignee

Euro-Excellence Inc v Kraft Canada Inc (con't)

- “An assignee possesses full ownership rights in the copyright with respect to the rights assigned. A non-exclusive licensee has no property right in the copyright, and enjoys only contractual rights vis-a-vis the owner-licensor. As a result, it cannot sue for infringement. An exclusive licensee, on the other hand, has a limited property interest in the copyright. For reasons explained below, this limited property interest enables the exclusive licensee to sue third parties for infringement but precludes the exclusive licensee from suing the owner-licensor for infringement.”

Conclusions

Scenario 1:

Since the Canadian Copyright Act contains no statutory provision(s) like the U.S., U.K. and Australian provisions discussed above, a Canadian court is likely to conclude that the universities non-exclusive license to use a work has no binding force if the faculty member subsequently assigns copyright in that work to a publisher.

Scenario 2:

Based on *Euro-excellence*, it follows that an exclusive licence would effectively have priority over a non-exclusive license by virtue of the exclusive licensee's right to sue the non-exclusive licensee, and not vice versa.

Implications & Consequences

- There is no case law!
- A ton of assumptions
- Extrapolating from the general principles of contract and property law, and related to copyright
- Courts are unpredictable

Just a legal analysis (more opinions will give confirmation of uncertainty)

Opinion could be totally wrong - **can't base a national strategy on this analysis**

Next steps in the State of Uncertainty?

What should we do?

- **We need a case!**
- **Propose statutory provision(s)**
- **Education**
 - inform faculty about what they have done and help them understand their options in the future (preventing the subsequent licence)
 - Protect all parties (faculty, university, publishers)

Next steps in the State of Uncertainty?

What should we do?

- **Establish Best Practices**
 - IR workflows (share/review our extensive checking of licensing, file format, metadata)
 - Take down policies (other mitigation strategies?)
 - Ingesting from other OA systems, Preprints into the IR - no coordinated checking of author rights (consider working on this together?).
 - CARL will create a model OA Policy for Canadian Institutions

Discussion/Questions?

Does this give you pause about implementing Harvard Style Open Access Policies at your institution?

What should we do next to develop national strategies?

Should we Draft statutory provision(s)?

Sources

Works

- Lovett, J. A., Rathemacher, A. J., & Boukari, D. (2017). Institutional repositories and academic social networks: Competition or complement? A study of open access policy compliance vs. ResearchGate participation. *Journal of Librarianship and Scholarly Communication*, 5(1), eP2183. doi:<http://doi.org/10.7710/2162-3309.2183>
- Shieber, S. M. (2015). A model open-access policy. Cambridge, MA: Harvard University.
Retrieved from <https://osc.hul.harvard.edu/modelpolicy/>
- Shieber, S. M., & Suber, P. (2019, May 12). Good practices for university open-access policies. Retrieved from <http://bit.ly/goodoa>

Images

open padlock: <https://pixabay.com/vectors/padlock-lock-open-161062/>
closed padlock: <https://pixabay.com/vectors/padlock-lock-closed-security-save-161059/>