How copyright affects interlibrary loan and electronic resources in Canada

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Abstract
Purpose – The purpose of this paper is to discuss how interlibrary loan practice and access to electronic resources in Canada are affected by copyright law, copyright collectives, and license agreements.

Design/methodology/approach – The author summarizes the current Canadian copyright laws and copyright collectives governing interlibrary loan practices, reviews the terms of typical electronic resource license agreements, describes how copyright laws in the USA are often imposed upon Canadian libraries through their various license agreements, and discusses the confusion created by these often conflicting obligations.

Findings – Although the current state of Canadian copyright law creates confusion for libraries, the promise of new legislation and future Supreme Court rulings may help resolve some thorny issues.

Originality/value – The paper provides a thorough review of Canadian copyright law as it pertains to interlibrary loan practices. It should be of great interest to any interlibrary loan practitioner who is interested in copyright issues, licensing agreements, and their combined impact upon the future of resource sharing.

Keywords Canada, Copyright, Intellectual property, Licence agreements, Interlibrary loan

Paper type General review

In Canada, the Copyright Act and court judgments about copyright, copyright collectives such as Access Copyright, and license agreements all affect library practice. This paper will discuss how interlibrary loan practice and access to electronic resources are affected by these three influences.

The Copyright Act does not allow digital interlibrary loan, and neither does the recent interim Access Copyright tariff. But the 2004 Supreme Court judgment in the CCH Canadian Limited v. Law Society case (CCH)[1] seems to allow libraries a path forward to provide digital interlibrary loan. How do Canadian libraries choose between these conflicting messages?

One of the biggest licensing issues facing Canadian libraries is electronic licenses that require Canadian libraries to follow American copyright law rather than Canadian copyright law. The best example among many are the CONTU guidelines[2] and section 108 (g) (2) of US copyright law[3]. There is nothing equivalent to section 108 (g) (2) in Canadian law, yet it is not uncommon to find Canadian libraries that have signed licenses requiring them to follow this and other parts of American law. How do Canadian libraries deal with conflicting requirements between the license and Canadian law?

The Copyright Act and the CCH Supreme Court judgment

Before the 1997 amendments to the Copyright Act, it was generally assumed that Canadian libraries could provide interlibrary loan (ILL) and otherwise make copies of copyrighted material on behalf of their users under the fair dealing provisions of the Copyright Act. At that point the Canadian Copyright Act (CanLII, 2005) did not include a section confirming what the rights were of libraries (or archives or museums) in the Copyright Act similar for example to Section 108 of US copyright law[4]. Instead libraries acted directly under the fair dealing provisions of the Copyright Act.

Concern that Canada did not have a section in the Copyright Act protecting libraries acting under fair dealing is demonstrated in the Canadian Library Association’s 1995 Position Statement on Copyright:

1.4 A library must be able to enjoy all exceptions available under the Act, as well as the defence of fair dealing, which are enjoyed by its patrons (CLA, 1995).

In addition the same statement showed concern about digital formats:

4. The Copyright Act should be amended to provide explicit clarification that fair dealing applies to the making of an electronic copy of a work and to the storage and transmission of that copy by electronic means (CLA, 1995).

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With the 1997 amendments to the Copyright Act, Canadian libraries, along with archives and museums, received three specific rights (CanLII, 2005):

- Section 30.1 allowed libraries under certain circumstances to make entire copies of copyrighted works for preservation purposes,
- Section 30.2 allowed libraries to act on behalf of their users for fair dealing,
- Section 30.3 confirmed the right of educational institutions, libraries, archives and museums to have self serve photocopiers, but they were required to have a license from a reprographic copyright collective.

These amendments went into force in 1999 and since then Canadian libraries have been able to use section 30.2 to legally justify services such as ILL and in-house copying services for their users. The problem with section 30.2 has always been in the details.

Section 30.2 has a number of subsections. Subsection 1 reiterates that libraries, archives, and museums may “do anything on behalf of any person that the person may do personally under section 29 or 29.1” (CanLII, 2005). Unfortunately, increasing numbers of restrictions begin to show up in later subsections. For example, Subsection 2 limits copying to reprographic reproduction (i.e., photocopying) and has the following further copying limits:

- (a) a scholarly, scientific or technical periodical; or
- (b) a newspaper or periodical, other than a scholarly, scientific or technical periodical, if the newspaper or periodical was published more than one year before the copy is made (CanLII, 2005).

Subsection 3 further proscribes the copying of “a work of fiction or poetry or a dramatic or musical work” (CanLII, 2005) that appears in a newspaper or periodical other than a scholarly, scientific or technical periodical. And subsection 5 has a prohibition on digital copies to the library patron: “but the copy given to the patron must not be in digital form” (CanLII, 2005). It is worth pointing out that none of the restrictions on libraries apply to individual Canadians who are using the fair dealing provisions of the Copyright Act on their own. The fair dealing sections of the Copyright Act do not have the format or date restrictions that appear in section 30.2.

Section 30.2 created a number of problems for libraries that wanted to provide interlibrary loan. If an article was from a newspaper or a periodical that was not a scholarly, scientific or technical periodical, it would have to be at least one year old before the library could provide a copy. Copies of works of fiction, poetry, dramatic works and musical works could not be provided unless they were published in a scholarly, scientific or technical periodical. Section 30.2 became yet another legal incentive for Canadian libraries to sign licenses with one of Canada’s two reprographic copyright collectives: Access Copyright[5] or Copibec. A license with a reprographic collective provided a fee-based means to provide service without violating the restrictions.

Unfortunately, the digital copy prohibition was not so easily dealt with. At the time, the reprographic copyright collectives did not have digital rights to print material, only reprographic rights. Without those rights they were not able to sell a solution to libraries. So Canadian libraries received the following legal advice:

A library may make the specified copy for its own patron or for the patron of another library. The person receiving the copy must be given a paper, not a digital, copy (Noel, 1999).

Ironically, at about the same time that Canadian libraries were being told that they could not provide digital copies to their users, Prospero was released. Prospero was software that made it easy for libraries to provide digital copies of library materials to their users through ILL services.

The legal situation changed dramatically in 2004, though Canadian libraries were slow to perceive it. The Great Library of the Law Society of Upper Canada was sued in 1993 by a consortium of legal publishers[6] for the following acts of copyright infringement:

- providing a photocopy service for patrons;
- providing self-service photocopiers in the library; and
- faxing photocopied articles to patrons.

Among other things, the Law Society of Upper Canada did not have a collective license with Access Copyright; Access Copyright was involved as an intervener on behalf of the publishers. The lawsuit slowly wended its way through the court system and, in 2004, the Supreme Court issued its judgment in CCH Canadian Ltd v. Law Society of Upper Canada (CCH, 2004).

Not only did the Supreme Court rule in favor of the Law Society and the practices of its library, it greatly expanded the use of fair dealing in Canada:

The fair dealing exception, like other exceptions in the Copyright Act, is a user’s right. In order to maintain the proper balance between the rights of a copyright owner and users’ interests, it must not be interpreted restrictively (CCH, 2004).

The Supreme Court also provided six factors for deciding whether or not dealing was fair: purpose; character; amount; alternatives; nature; and economic effect. More importantly, the Supreme Court made it clear that libraries do not need to use Section 30.2 to provide copies to their users under fair dealing:

As an integral part of the scheme of copyright law, the section 29 fair dealing exception is always available. Simply put, a library can always attempt to prove that its dealings with a copyrighted work are fair under section 29 of the Copyright Act. It is only if a library were unable to make out the fair dealing exception under 29 that it would need to turn to 30.2 of the Copyright Act to prove that it qualified for the library exemption (CCH, 2004).

In a sense this restored the balance in place before the 1997 copyright amendments. Libraries now have the choice to choose between operating under section 30.2 or operating directly under fair dealing as libraries had before the 1997 copyright amendments; compliance with either section 29/29.1 or section 30.2 was sufficient. Libraries did not have to comply with both simultaneously. In writing about the decision, Trosow (2005) says:

[...] interlibrary loan service, to the extent that they involve copyright-relevant activities, may be justified under both the general fair dealing exceptions (sections 29, 29.1 or 29.2) as well as under the specific library exception (section 30.2). These sections do not conflict with each other, since they are all an integral part of a statutory scheme and need to be read together. If something can be done under section 29, then the fact that it cannot be done under section 30.2 is not relevant [...].

In addition, operating under fair dealing is less restrictive then under section 30.2. While libraries have to follow the Supreme Court’s six factors, there are no format or date restrictions as in section 30.2.

In commenting on the transmission by fax portion of the CCH judgment, Wilkinson (2005) comes to a similar conclusion that CCH would allow digital delivery of interlibrary loans:
That case specifically addresses the question of the delivery of materials to patrons using the telecommunication process of the fax. The issue of delivery of materials to patrons using the digital network process of the Internet would seem to call forth the same reasoning. As in the case of fax delivery, Internet delivery of interlibrary loan materials would be “emanating from a single point and each intended to be received at a single point.” (Wilkinson, 2005).

Since CCH, Canadian library practice regarding the digital delivery of interlibrary loan seems to be divided several ways. After a slow start, many libraries are now providing ILL directly under fair dealing rather than using 30.2 following the opinion detailed in paragraph 49 of CCH. A larger group of libraries appears to be reluctant to use the CCH Supreme Court Judgment, preferring to wait for Parliament to change the law in the future. A third group, in an interesting twist, has interpreted CCH as allowing digital delivery from a library’s own collection to its clients, but not from other libraries (Figurski, 2007).

There has not yet been a formal survey to indicate how many Canadian libraries have chosen each option since CCH. In fact, many libraries have been reluctant to discuss their ILL practices in public. In past amendments to the Copyright Act, corporate and collective copyright interests have been more effective in lobbying than have library organizations. This has led to the often unspoken concern that if too many libraries were to publicly admit to using CCH for digital delivery of ILL, that this would lead to corporate interests targeting CCH in the next round of amending the Copyright Act.

The last three attempts to amend the Copyright Act were Bill C-60 of 2005[7], Bill C-61 of 2008[8], and Bill C-32 from 2010-2011[9]. In each case, the bill to amend the Copyright Act did not pass through Parliament before an election was called. All three bills contained very similar amendments to allow the provision of digital copies via ILL. Here is the amendment from Bill C-32, the most recent bill:

(5.02) A library, archive or museum, or a person acting under the authority of one, may, under subsection (5), provide a copy in digital form to a person who has requested it through another library, archive or museum if the providing library, archive or museum or person takes measures to prevent the person who has requested it from

(a) making any reproduction of the digital copy, including any paper copies, other than printing one copy of it;
(b) communicating the digital copy to any other person; and
(c) using the digital copy for more than five business days from the day on which the person first uses it (Canada, 2010).

None of the changes here are terribly appealing to libraries that are using CCH as a legal justification for digital delivery. It appears that a library would need to use digital rights management to prevent the user from making more than one copy and to ensure that the digital copy is no longer available after five business days. This level of technical protection would probably be beyond the ability of most Canadian libraries. In any event, the recently re-elected government has promised to introduce a new copyright bill to Parliament this fall with substantially similar wording to Bill C-32. It is too soon to say whether the new bill will deal any differently with ILL.

Collective administration of copyright

In 1988 the Canadian Parliament expanded the power of the collective administration of copyright (Knopef, 2008) and not surprisingly the number of copyright collectives increased. Among the new collectives were two reprographic collectives: Access Copyright and Copibec. The two collectives have arranged their rights so that users in the province of Quebec negotiate with Copibec and in the rest of Canada with Access Copyright.

The 1997 amendments to the Copyright Act added the new section 30.3 which confirmed the right of educational institutions, libraries, museums, and archives to have self-serve photocopiers on their premises, but required a license with a reprographic collective (CanLII, 2005). Along with ILL restrictions in new section 30.2, this led most Canadian libraries to sign an agreement or, in the case of libraries affiliated with educational institutions, to be part of an institution-wide agreement. Educational institutions were especially motivated to sign licenses because Canadian fair dealing does not explicitly allow multiple handouts to students in a classroom similar to the explicit provision in section 107 (fair use) of the Copyright Law of the United States. The multiyear license negotiated by the Association of Universities and Colleges in 2003 for the years 2004-2010 with Access Copyright for universities and colleges outside of Quebec is in many ways typical of other licenses (The Canadian Copyright Licencing Agency, 2003).

The license was negotiated in such a way that it appeared to be a replacement in many respects for fair dealing. Section 2 (a) allowed the use of ILL to other non-profit educational institutions and to non-profit libraries, archives, and museums. The license contained specific examples as to how much copying was allowed. Sections 2 (c) and 14 (f) required the payment of copyright tariff for copies made beyond those made in section 2 (a). So copyright logs needed to be kept and payments paid for ILL to for-profit organizations. These costs were of course passed on to those organizations. And of course the payments were only for the interlibrary loan of copies. Actual books and other items sent through the mail were not covered by this agreement.

A high proportion of ILL copies would have been from scholarly, scientific or technical periodicals or would have been from newspapers or periodicals more than a year old – copies all allowed under section 30.2 of the Copyright Act. Nonetheless, the license covered all copies made. The license forbids the making of digital copies with one exception, detailed in Schedule C, for ILL between libraries but not extending to the patron (The Canadian Copyright Licencing Agency, 2003). The license did cover copying made by and for all of an educational institution’s students, faculty and staff, but faculty and students typically never understood the minutiae of the agreement, let alone the difference between a print and a digital copy. But the first page of the license clearly states that “the parties do not agree on the scope of the said fair dealing” (The Canadian Copyright Licencing Agency, 2003).

Once the CCH Supreme Court Judgment came out in 2004, questions arose about various parts of the agreement. For example, the Supreme Court stated that even “Lawyers carrying on the business of law for profit are conducting research within the meaning of s. 29 of the Copyright Act” (CCH, 2004). Why then would there be a copyright tariff for ILL to for-profit institutions? The Supreme Court made it clear in section 30.3 that a library with self-serve photocopiers was in compliance with the law as long as it had signage advising its users not to break copyright law. Why then would a library or an educational institution even need a license from a reprographic collective covered in the same section? (CanLII, 2005). Canadian educators have long been troubled by the fact that fair use in the USA explicitly
allows multiple copies distributed in a classroom, while Canadian fair dealing is at best unclear as to whether or not multiple copies distributed by a teacher are a fair dealing. While CCH did not address this particular question, the Supreme Court did say:

“It may be relevant to consider the custom or practice in a particular trade or industry to determine whether or not the character of the dealing is fair” (CCH, 2004).

This gave a tremendous well of hope to many in education that the Supreme Court had opened up a path for the court system to clarify that multiple copies distributed in a classroom clearly were a fair dealing.

Starting as early as 2005, organizations with Access Copyright licenses started exploring using CCH as a justification for opting out or at least reducing the costs of an Access Copyright license. Access Copyright responded by using its powers as a copyright collective to file for the following tariffs with the Copyright Board of Canada (Wilkinson, 2010):

- provincial and territorial governments for 2005-2009 and 2010-2014; and

Section 70.12 of the Canadian Copyright Act gives copyright collectives the right to negotiate a license with their users or to file for a tariff. The Copyright Board of Canada is a tribunal similar to a court that makes decisions on tariffs. As of July 2011, the Copyright Board has only decided on one tariff, the K-12 tariff for 2005-2009 which decided that fair dealing could not be applied to copies made for classroom use (Copyright Board of Canada, 2009). That decision was appealed by the K-12 School Boards to the Federal Court of Appeal, which upheld the decision (Alberta Education, 2010). In May 2011, the Supreme Court agreed to hear an appeal of that judgment (Elder and Mysicka, 2011). It is worth noting that in the same time period, Copibec the other reprographic collective, has continued to negotiate with its users and has not filed for any tariffs with the Copyright Board.

The K-12 school boards appealed the Copyright Board’s tariff for at least two reasons. The Copyright Board issued its decision for the 2005-2009 tariff in June of 2009, two months before the tariff expired. The school boards owed retroactive payments for the first three years of the tariff of $2.19 per full-time equivalent (FTE) student and a retroactive payment of $2.71 per FTE student for the last year of the tariff. The painfully slow tariff process makes it extremely difficult for any organization subject to a tariff application to plan for the future, when they cannot predict what kind of tariff payments might be owed retroactively. The Federal Court of Appeal ruled in favor of Access Copyright and specifically ruled that teacher hand outs could not be considered a fair dealing:

“Private study” presumably means just that: study by oneself [...] When students study material with their class as a whole, they engage not in “private” study but perhaps just “study” (Alberta Education, 2010).

It is expected that the Supreme Court of Canada will hear the appeal in 2012.

Post-secondary institutions operate under an interim tariff issued by the Copyright Board in December 2010 that will cover the post-secondaries until a final tariff is issued[10]. There are two differences between the old license and the interim tariff. The additional copyright tariff for ILL to for-profit institutions has been omitted. There is a new Schedule G that institutions can choose to opt into that allows for new digital rights including e-reserve. As of late July 2011, a growing number of Canadian colleges and universities had either opted out of the interim tariff or were planning to opt out at the end of August. Institutions that opt out of the tariff plan depend upon a combination of fair dealing, existing licenses for e-journals and e-books, and as-necessary transactional licenses[11].

**Licensing issues**

Normally when one purchases a print book or journal, there is no license attached, so one only follows the Copyright Act in determining what one can or cannot do. When a digital book or journal is purchased or subscribed to, there is almost always a license or contract involved. In 2008, according to Canadian Association of Research Libraries statistics, the average university library spent 51 percent of their collections budget on digital collections[12]. Licensing potentially has the ability to affect ILL practice well beyond copyright law.

In 2007-2008, the Canadian Association of Research Libraries Copyright Committee organized a task group to examine issues around textbooks. One of the things that the task group did was to examine 11 e-book licenses held by three Canadian university libraries. Three of the licenses explicitly required the licensees to follow US copyright law, specifically mentioning section 108 and the CONTU guidelines (Owen et al., 2008).

If one were to compare sections 30.1-30.3 of the Canadian Copyright Act with section 108 from US copyright law, one would notice many similarities between the rights of libraries in both countries. There are differences as well. There is no exact equivalent between 108 (g) (2) and Canadian copyright law:

(2) engages in the systematic reproduction or distribution of single or multiple copies or phonorecords of material described in subsection (d): Provided, That nothing in this clause prevents a library or archives from participating in interlibrary arrangements that do not have, at their purpose or effect, that the library or archives receiving such copies or phonorecords for distribution does so in such aggregate quantities as to substitute for a subscription to or purchase of such work[13].

Most American libraries use the CONTU Guidelines (also known as the rule of five) as their system for complying with 108 (g) (2). The CONTU Guidelines restrict a library from requesting more than five articles on interlibrary loan from the most recent five years of a specific journal that the library does not subscribe to[14]. A library, at the sixth and subsequent requests, would have the following options: subscribe to the journal to make more requests; pay copyright royalties, usually via the Copyright Clearance Center[15], for subsequent requests; or refuse any further ILL requests from that journal for the remainder of that year. This is different enough from Canadian fair dealing and library practice that Canadian ILL departments are not set up to follow American law and certainly not the CONTU Guidelines. It is hard to know what a Canadian court would do with a contract requiring a Canadian library to follow US law. Moreover, it is not clear how a US court could enforce a contract requiring compliance with US law in Canada.

Just to see how things had changed since 2008, approximately 400 licenses from the University of Calgary Library were scanned to see if the word CONTU was mentioned. A total of 17 licenses mentioned the word...
CONTU and most of the licenses contained language similar to this:

Interlibrary Loan of articles or components in any electronic or digital form is allowed under CONTU (National Commission on New Technological Uses of Copyrighted Works) [www.cni.org/docs/infopubs/CONTU.html] guidelines, provided only a limited number of copies of such articles will be made and distributed.

Of the 17 aforementioned licenses, five explicitly allowed digital interlibrary loans in such a way that even those Canadian libraries that are strict adherents to the digital copy ban in 30.2 of the Canadian Copyright Act should feel comfortable providing digital copies from those licenses for ILL. An additional two licenses contained qualifiers that allowed the licensee to operate under either US copyright or applicable international copyright:

(...) unless the Institutional Licensee is subject to similar international guidelines or customary and usual practices regarding Interlibrary Loan.

Finally, one of the licenses did not allow digital copies to be made, and one license allowed ILL only within the same country as the licensee.

Further scanning of the 400 licenses, found that the word interlibrary appeared in 72 of them. Looking at a sample of 14 of the 72 licenses found some interesting examples. For instance, four of the 14 ended up being licenses that already had been looked at because of the use of the word CONTU. Another four of the 14 licenses explicitly banned digital copies. One example follows:

Fulfill interlibrary loan requests from other institutions via fax or paper document delivery [...]  

One license only allowed ILL within the same country as the subscriber. While they did not mention the CONTU Guidelines, three licenses were quite explicit that the license had to follow the interlibrary loan provisions of US Copyright Law. Finally, one license explicitly forbade interlibrary loan.

This brief sampling of licenses illustrates that a lot more needs to be done in studying the effect of licensing on ILL in Canada. As the shift to digital licenses becomes the predominant way of acquiring works or at least providing access to them, there is a danger that digital licensing terms will have even greater effect on ILL than does copyright law. Furthermore, if licenses require following the copyright law of the USA or other countries, Canadian libraries may be ill-equipped or unequipped to follow them. Which raises questions both about institutional liability, and even whether or not licensing terms that require Canadian libraries to follow foreign copyright law are even enforceable? How can Canadian libraries argue for licensing provisions that better apply to the Canadian context?

That said, what may be the most important effect is uncertainty. If ILL staff start behaving as if every license for a digital product has different and hard-to-understand terms of use for ILL, you have a race to the bottom. Libraries may apply the most restrictive interpretation of terms to all licenses, or ILL of digital resources are banned for fear staff may violate a license term, even in a small number of cases.

Conclusion

In conclusion, the next two to three years may offer more certainty or more confusion for Canadian libraries. The Government of Canada has promised to introduce new copyright legislation in the fall of 2011. Will the law provide clarity or more confusion between the Copyright Act and the Supreme Court’s CCH judgment? In December 2011 the Supreme Court will hear the K-12 appeal of the Access Copyright tariff, with a decision probably coming in 2012. Will the Supreme Court’s decision reinforce the interpretations of fair dealing that many libraries and educational institutions are taking based on CCH? Or will a new decision of the Supreme Court take the side of the copyright collectives and the publishing industry?

Notes

1 CCH Limited is a division of Wolters Kluwer. CCH’s web site can be found at www.cch.ca
2 National Commission on New Uses of Copyrighted Works (CONTU).
3 Title 17 United States Code Section 108 (g) (2) explicitly permits a library or archives to participate in interlibrary arrangements so long as those arrangements are not “in such aggregate quantities as to substitute for a subscription to or purchase of such work”, available online at: copyright.gov/title17/  
4 Text of US copyright law can be found at www.copyright.gov/title17/circ92.pdf  
5 Access Copyright has also been known as: the Canadian Reprography Collective; the Canadian Copyright Licensing Agency; and, CANCOPY.
6 The Supreme Court of Canada decision listed the publishers as: Canada Law Books Inc; Federation of Law Societies of Canada; Publishers’ Council and Association of Canada; and, Copibec.
10 See Copyright Board of Canada (2011).
11 See Geist (2011).
12 See CARLABRC (2008).
13 See United States Copyright Office (2011).
14 See CONTU (n.d.).
15 See Copyright Clearance Center web site at www.copyright.com

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Further reading


About the author

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