



Protecting Intellectual Property Rights In Canada and Updating Copyright Legislation

Speaking Notes for
The Hon. Perrin Beatty
President and CEO
The Canadian Chamber of Commerce

House of Commons Committee on Bill C-32

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Thank you for the opportunity to be here today. I am here with Lee Webster, a Partner with Oslers. Lee is also the Chair of the Canadian Chamber's intellectual property committee and a member of the Canadian Intellectual Property Council.

Our members see this bill as a piece of the larger puzzle of innovation in Canada. Many companies, big and small, rely on the protection of intellectual property rights to maintain their businesses in Canada. Updated copyright legislation will bring Canada in line with other major industrial economies and establish "rules of the road" for downloading and file sharing on the Internet. It will also position Canada to finally ratify the WIPO Internet treaties that Canada signed in 1997.

Certains disent que le projet de loi C-32 va empêcher les Canadiens d'écouter de la musique et de regarder des films sur leurs portables. C'est faux!

Businesses in Canada don't want to stop people from enjoying their media, but rules do have to be established so that illegal commercial operations are stopped. What we need is to establish a marketplace framework that will support development of new digital products, services, platforms and business models and make it clear what kinds of behaviour are legitimate and what kinds are prohibited. We have to strike a balance between the interests of consumers and those of rights holders. Generally, we believe the government has done a good job in striking the right balance and we support the principles of this legislation.

Striking the appropriate balance to establish good public policy is not an easy task. I can commiserate, as I had the copyright file when I was Minister of Communications in the early 90s. Both the Conservatives and the Liberals put legislation on the table in recent years only to have the bills die on the order paper. We're anxious to see this new bill get passed to clarify rights and responsibilities for both businesses and consumers. Perhaps the third time's a charm.

Strong copyright protection will benefit communities across Canada.

Here are some examples:

- In Toronto, there are over 3,300 high-tech companies generating revenues over \$32.5 billion annually and employing 148,000 people

- In Kitchener-Waterloo, there are over 700 high-tech companies generating \$18 billion annually and employing 30,000 people, with over 200 burgeoning start-ups ;
- The Canadian video game industry generates billions annually and employs over 14,000 people across the country. Many major studios are in the Montreal area, such as Ubisoft and Electronic Arts and Behaviour; while St. Catharines is home to prominent video game company Silicon Knights which employs over 100 people in high-value jobs;
- En 2009-10, l'industrie du film et de la télévision au Québec était évaluée a 1.2 milliard annuellement et crée plus de 36,000 emplois dans la province;

IP is the economic currency of the future. Properly applied IP rights drive job creation, economic growth and innovation. As I mentioned, copyright is only part of the puzzle; patent and brand protection and promotion is also a key element to attracting and retaining businesses in Canada.

Leading economies around the world have made IP protection a priority. In Japan, has created an IP Strategy Council led by the Japanese Prime Minister leads the organization. In France, President Nicolas Sarkozy heads an anti-piracy commission to curtail internet piracy. Clearly, other nations are effecting major changes in IP protection. If Canada does not soon follow suit, Canadian businesses risk being left at the periphery of the global economy.

By defining and better protecting IP rights, we will develop a marketplace that rewards investments in innovation and creation. It will foster new business models that will lead to stronger economic growth, job creation and prosperity. In modern, developed nations

like Canada, where services and innovation have become key economic drivers, and given our emphasis on the knowledge economy, doing so has never been more important.

Let's fix the unintended consequences in the drafting of the legislation and get this copyright bill passed. It's desperately needed to provide certainty to Canadian businesses.

Since our time is limited for opening remarks, Lee will get into specific areas where the Canadian Chamber and the CIPC need to see amendments during the question and answer period.

However, we need to see some clarifications or improvements in the areas of: enabling infringement; encryption research; computer and network security; interoperability; reverse-engineering of software; user-generated content; online service provider liability ("safe harbours"); private copying and back-ups; and statutory damages.

Thank you.