



**NOTES FOR REMARKS BY THE HON. JOHN MANLEY  
PRESIDENT AND CHIEF EXECUTIVE OFFICER  
CANADIAN COUNCIL OF CHIEF EXECUTIVES**

**TO THE COMMITTEE STUDYING BILL C-32  
HOUSE OF COMMONS  
OTTAWA, DECEMBER 8, 2010**

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Mr. Chairman, committee members, the Canadian Council of Chief Executives has a long history of support for measures to strengthen our country's economy and promote innovation.

A strong regime of intellectual property protection and copyright is fundamental to that overall mission. Laws that protect and reward the fruits of intellectual capital and artistic creativity are critical to maintaining a dynamic, innovative and open economy.

By the same token, society has an interest in ensuring that consumers and other users enjoy fair and reasonable access to copyrighted material.

This can only be achieved through a balanced approach to copyright protection. For that reason, we support Bill C-32.

This legislation is, as you know, the product of extensive national consultations, roundtables, town halls and submissions from thousands of individuals and organizations across Canada.

Throughout this process, care has been taken to respect the concerns, needs and legitimate rights of everyone who creates, markets, distributes or in any way makes use of copyrighted material.

I am aware that some Canadians are of the view that this bill goes too far in protecting the rights of creators and copyright holders.

Similarly, there are people who feel this bill gives too much freedom to consumers and other users.

This divergence of views is inevitable. The challenge in copyright law has always been to strike a balance between the interests of creators and those of the general public.

To my mind, there are four key elements of Bill C-32.

First, it brings Canada's copyright rules into the 21<sup>st</sup> century by legitimizing activities that consumers do every day. This includes recording TV programs for later viewing, transferring digital content from one format to another, and making backup copies, provided that the original material was acquired legally and that the copying is for the consumer's personal use.

Second, the bill gives creators and copyright owners stronger legal tools to control how their works are made available and to guard against copyright violation. As other witnesses have pointed out, these provisions are needed to ensure that Canada does not become a haven for international music, movie and software piracy.

Third, the bill will improve the learning experience for Canadian students by providing educational institutions, as well as libraries and museums, with enhanced access to copyrighted material. It does this in part by expanding the concept of "fair-dealing" in a way that recognizes the significant societal benefits of education. This is consistent with the recommendations of the Competition Policy Review Panel, which in its 2008 report identified the use of the Internet for research and education as a cornerstone of Canada's ability to innovate and compete in a knowledge economy.

Fourth, Bill C-32 encourages the growth of internet services in Canada by providing legal clarity for network service providers, web-hosting services and search engines. Under the new rules, ISPs will be exempt from liability when they act strictly as intermediaries in the communication of copyrighted material. At the same time, the bill includes new provisions targeting those who knowingly enable copyright violations.

On behalf of the Canadian Council of Chief Executives, I strongly endorse the overall thrust of this legislation.

Having said that, I believe the committee may wish to consider certain technical changes to the bill so as to avoid unintended consequences. For example, important concerns have been raised with respect to the impact on Canada's software industry of provisions dealing with encryption research, network security, reverse engineering and copying for interoperability purposes.

In addition, some of the language dealing with user-generated content and copying for private purposes may be too broad.

I will leave it to others to propose amendments that would address specific concerns while staying true to the spirit of the legislation.

Those issues aside, the bill generally strikes an appropriate balance among the various stakeholder interests. I note that Bill C-32 includes a mandated review of the Copyright Act by Parliament every five years. While it may not be possible to satisfy every demand of every group, this provision ensures that parliamentarians will have the tools to address unforeseen problems on the basis of experience.

In that light, I urge you to move this bill forward as expeditiously as possible. As others have noted, the *Copyright Act* was last revised when

the internet was in its infancy, and badly needs updating to reflect the impact of new technologies on business practices and daily life.

Bill C-60, tabled in June 2005, and Bill C-61, tabled in June 2008, both died on the order paper after the dissolution of Parliament. If these hearings continue at the current pace, there is a danger that this bill, too, will die. That would not be in the interests of Canadian creators and it would not be in the interests of consumers.

Nor, I suspect, would parliamentarians welcome the prospect of going back to the drawing board, with yet another round of consultations and more hearings.

Finally, I want to commend the committee for the work you are doing. I bear the scars of the last time Canada's copyright law was amended, and I am the first to admit that mediating among so many competing interests requires a great deal of care and effort.

Thank you, and I would be pleased to answer any questions.