

**Canadian Bar Association's**  
**National Intellectual Property Section**  
**Court Practice Committee**  
**Forum on IP litigation Reform**  
**May 17, 2012 at 9:00 a.m.**

**Notes taken by C. Bowers (without prejudice and not for external distribution)**

**1. Welcoming Remarks**

- Justice Hughes welcomes everyone at this forum on intellectual property matters and introduces the other members on the panel with him, namely Chief Justice Blais of the Federal Court of Appeal, Chief Justice Crampton of the Federal Court and Prothonotary Tabib of the Federal Court.
- Justice Hughes also indicates the presence of several members of the Courts Administrative Service executive and members of the registry

**Chief Justice Blais and Chief Justice Crampton**

- highlight the importance of forums such as these for members of the profession to be able to meet with members of the judiciary in an informal setting to discuss procedural matters of interest to the intellectual property bar.

**2. *Current Workings of Case Management and #5 re. Improving Access to Early Mediation***

**Comment from a member of the Bar**

- makes a plea to the Federal Court of Appeal to give some direction by way of jurisprudence or practice direction as to several items of interest to the bar, such as:
  - preliminary Motions to Strike
  - general Motions
  - timeframes relating to the length of trial
  - directions as to weight of evidence and not to admissibility

**Chief Justice Blais**

- Most of the preliminary questions should be resolved before coming to the Federal Court of Appeal
- Streamlining and case management has already been done before it even comes to the FCA
-

### **Comment from a member of the bar (Tony)**

- Preliminary motions to discuss tend to be distinct
- Distinction to be made between the US and Canadian Courts
- Not the Motion to Compel that he is addressing

### **Prothonotary Tabib**

-In terms of the comments and pleas for the shortening of trial timelines, maybe we should simply limit the amount of time that the case will take and let the bar work it out for themselves.

“Proportionality” is an important concept that is currently being examined by the Federal Courts Rules Committee, particularly by the Global Review Subcommittee

“Discovery” is another important question that has to be addressed as well.

- There is no discovery in some cases
- More aggressive case management may be needed at the front end

### **Justice Harrington**

- Suggests that the former Rule 447 was particularly helpful and should be brought back
- Supports the idea of discovery being restricted and for shorter trials
- NOCS must be heard within 2 years

### **Prothonotary Tabib**

- Summary trial on a Markman hearing may take longer than the parties might expect.
- She referred the bar to Rules 232/248 which stand for the following principles:

- Do not use the Court’s time, take the refusal regarding the admissibility of a document and move on
- Leave it for argumentation on “particulars”

### **Chief Justice Crampton**

- Added that the Court has been case managing the intellectual property cases quite aggressively for some time now, in accordance with Rule 3, which speaks to the most just, expeditious and least costly resolution of the matter.
- One possibility to consider is to appoint the trial judge as a case manager very early on in the process.

### **Comment from a member of the Bar (Bruce)**

- expressed a concern with that approach in the following scenario - when the prothonotary accepts the objection to a discovery admissibility only to have the trial judge accept it right before hand.

- What about having the trial conference earlier? That is where the rubber hits the road in terms of discovery and experts reports etc.
- So as long as parties don't feel an obligation to submit documents beforehand, we will have a delay in the process.

#### **Comment from another member of the Bar (Charlie)**

- has been doing labour mediation since retirement, ex Public Service Staffing Tribunal
- explains that their rules specify that mediation is voluntary but highly encouraged

#### **Justice Hughes**

- queried whether a "Special Master" might be workable (U.S. model on an *ad hoc* basis)
- procedural aspects would be taken into account early on at the costs of the parties
- Similar to the role of prothonotary

#### **Comment from member of the Bar (Charlie)**

- if the parties are amenable to mediation, then they should go there first, and if not, then then should go directly to Discovery
- this would only apply to the average intellectual property matter, ex. not Anton Piller or NOC

#### **Justice Harrington**

- feels that the I.P. bar is generally pretty good at mediating themselves and the Court is there to provide assistance and guidance

#### **Comment from member of the Bar**

- is it fair to make a distinction with the pharmaceutical cases?
- 95% of the pharmaceutical cases don't end up going to trial
- would early neutral mediation be helpful?
- this would have the advantage of clearing the docket for the other users by separating the pharmaceutical bar from the I.P. bar

#### **Prothonotary Tabib**

- Pharmaceutical cases settle just as much as the others, but they do tend to take longer and more effort from the Court

#### **Prothonotary Aronovitch**

- must have willing parties for this type of mediation to work
- not for the lack of it being offered by the Courts, because it's there

-Must be about the parties wishing to settle, and although the pharmaceutical cases may settle later, they generally get involved as well

### **3. *Fast-tracking of Patent Actions***

#### **Comment from member of the Bar (Harry)**

- alleged infringer must plead the infringement
- for example, s.28 (p) of the *Federal Courts Act* which indicates that the Canadian Artists and Producers which go to Federal Court of Appeal on judicial review as of right
- it is unusual for a patentee to provide any responses regarding construction
- questions don't get answered, which is why discovery can take up to 5 days

#### *Regarding Export Reports*

- patentee can sit back and figure out its case without being required to be proactive
- attackers on invalidity have to go first, and we don't get the experts telling us what it's really like
- simultaneous exchanges appear to be the appropriate way to deal with these matters in order to be more equitable ex. Markman hearings
- when you talk about proportionality i.e. can't have 26 days of discovery as a general rule
- but where ½ billion\$ is at stake in pharmaceutical cases, it may not be appropriate to have 5 days of discovery
- must be tied with sanctions for not answering questions continually
- we are plaintiffs (same as patentees) who are looking at collecting monies, but it has to be done by looking at all the parts without a focus only on shorter hearings and the dollar value on the level of dispute

#### **Comment from another member of the Bar**

- agrees and provides the NOC applications as a prime example
- if we held the applicants accountable to providing timely information, we would see a defining of issues in a meaningful way

#### **Diverging Comment from a different member of the Bar**

- some people feel that simultaneous exchange of expert reports should actually be then exception rather than the rule as it doesn't narrow the issues necessarily
- a need to examine the inventor
- an early Case Management Conference would be advisable to discuss the issues (as opposed to simply review scheduling)
- burden tends to fall on the plaintiff to submit documents with a requirement for simultaneous exchange of expert reports
- problem is that there is a risk exchange
- must expect the respondent to respond with his Report, Claim charts, etc.

### ***Examples of the US***

- they have depositions which can only be used at trial
- examine for discovery and the inventor (transcript can be put into the record)

### **Re. Notice of Application**

- patentee has to put their patent onto the record
- should have a sense of the strength of their patent

### **Markman Matters**

- problem is not with respect to claim construction but rather with regard to “promises” and disclosure of claims
- greater use of Mediation to narrow the issues and shorten the trials

### **Justice Harrington**

- provides an example with neutral evaluation in maritime law
- mediation in patent cases requires the parties to come together and they can see what the other party intends to present
- any tool that forces a party to present their case at the outset will be helpful
- keep offering the case management and mediation possibilities

### **Comments from members of the Bar (Charlie and Alain)**

- Other perspective suggests that early mediation is not at all helpful in certain intellectual property matters (i.e. NOC cases)
- the fact of the matter is that these matters tend to settle later

### **Prothonotary Lafreniere**

- shares the concern about too early a mediation
- mediation is however the ultimate goal but timing is everything
- mediation has the benefit of getting a limited access to documents (early discovery)
- mediation is advertised and it is working
- it is there for the litigants to avail themselves
- similarly case management is also there and is working, but bear in mind that many cases do settle through these processes

### **Comment from member of the Bar**

- what about mandatory mediation?
- like in Ontario, one must have mediation before one can even get a pre-trial
- when is the right time for the mediation is up to the Court to decide
- the Court may say, for instance, that for a variety of reasons, this case is not going to settle in mediation

-however, we already receive early trial dates in the Federal Court

### **Prothonotary Tabib**

- reminds the bar that there already is mandatory consideration of mediation
- for example, Rule 257 speaks to Settlement Discussions and Mediation (Within 60 days offer close of pleadings)
- you can't get a pre-trial conference until you've gone through the mediation (Rule 258(2)(b)))
- Also, the failure to meet the modest requirements of R.257 could be taken into account in awarding costs

### **Comment from member of the Bar (Harry)**

- mediation possibilities is what truly distinguishes the Federal Courts from the ON Courts, including Case Management
- flexibility is the key
- the practitioners in Toronto prefer to come to the Federal Courts for early resolution of matters

## **6. *Discovery Reform***

### **Prothonotary Tabib**

- with respect to Protective orders and Confidentiality orders, member of the bar are encouraged to reread *Sierra Club*
- you cannot file into Court things under seal unless you can prove that your client's interests for confidentiality outweighs the principle of open Court policies and accessible proceedings
- when a patent and pleadings are put into sealed envelopes, this is very different from a Court order which is legitimately sealed

### **Chief Justice Blais**

- also indicated that this is an area of interest for the Federal Court of Appeal
- in fact, consideration is being given by a Rules subcommittee considering substantive amendments to the *Federal Courts Rules* to indicate clearly that where a party wishes to submit a confidential document to the Court, it must also provide a redacted version to the other party and for the public Court file

## **7. *On-line availability of all filed documents in searchable PDF format***

- Justice Hughes invited a member of the CAS staff to speak to this issue

**Mme Brazeau, Deputy Chief Administrator of Registry and Judicial Services -**

provided an overview of the direction being taken by CAS at the present time in terms of technology and information services

- emphasized the Chief Administrator's priorities on technology and IT infrastructure
- however, she reminded the bar that the CAS is a federal government department, and like other departments, has been subjected to funding challenges and cutbacks
- notwithstanding the financial challenges, she assured the bar that the CAS is actively working on improving its networks and technology is on the forefront of priorities being addressed in the upcoming couple of years
- of particular interest will be a new Court Record Management System (CRMS) which we are hopeful will be functional by 2016

**Comment from member of the Bar (Ron )**

- re: the Federal Courts' absence of fulsome e-filing, he indicated that at least in the Federal Court, parties can see the docket on line
- however, he referred to the system in the USA where the federal government uses PACER and it only costs the parties 10 cents a page

**Comment from another member of the Bar (Mr.Cameron)**

- I.P. users Meeting last spring was the first time to raise the issue of e-filing before the Federal Courts as an access to justice issue
- the problem is not technological, because it definitively works elsewhere( all Federal Courts in USA, British Columbia, and Saskatchewan are but some examples)
- rather, the problem appear to be two-fold
  - (1) Leadership
  - (2) Money
- he and his colleagues wish to help on both fronts
- one way to finance this fulsome e-filing system would be through the I.P Users Committee
- Treasury Board can act as a management bank (User Pay)
- Pacer system could be at the front end
- Self-funding opportunities available
- If the Courts Administrative Service were to work with the Bar we could find a way to put it into effect
- Mr. Cameron had written a letter to the four Chief Justices with a copy to the Chief Administrator highlighting these points
- to date, he has received responses from two of them, namely Chief Justice Blais, FCA and Chief Justice Blanchard, CMAC
- Finally, mention was made of a member of the intellectual bar who has put together a compilation of cases on a well-used website that the Courts may find of interest also at [www.ipractice.ca](http://www.ipractice.ca)

### **Chief Justice Blais**

-Indicated that Mr. Goseelin and his team are working very hard on the Information Technology front with a particular emphasis on e-filing and digitalization of documents.  
-He has put aside a separate budget for the CRMS project, but it takes time to develop and implement.

### **Chief Justice Crampton**

-Added that there is a definite willingness and desire to move forward on the technology front and there is a Rules Subcommittee on technology that is working to ensure that there are no obstacles to this progress in the rules.  
-A request for proposal may be necessary, but PACER should definitely be contacted at some point by CAS.

#### ***4. Draft Practice Direction re. Conducting Experiments for Trials***

-Don Cameron spoke of a new proposed fast track system template that was distributed  
-New Suggestion as an optional procedure to get to trial within 18 months using any of the following tools:

- 1-Set trial at commencement
- 2-Exchange claim clerks
- 3-Appoint the trial judge as case conf. judge from the outset
- 4-Hold a preliminary case conference with the judge within 4 months
- 5-Limit the discovery time
- 6- Have Case Management Prothonotaries “on-call” to resolve any dispute (ready how this) questions during discovery
- 7-Hold case conference re: Trial schedule

### **Comment from member of the Bar**

-some things are entirely foreign to the British Columbian system, such as:  
-Case Management, which is a great distinguishing factor of the Federal Court  
-Motions to Compel and obligation to put all of your questions on the record

### **Comment from another member of the Bar**

-Re. Discovery, counsel should really be dividing their questions into three parts:  
1-Absolutely Need to Know  
2-That you need to know  
3-That you don't care about

If this is done, then discovery time can be diminished incrementally. The issue of answering all questions is that it may be wasteful when the other party has 1,000 questions over numerous days.