


Trends in Patent Litigation

- The Honourable Justice Michael Manson, Federal Court
 - Carol Hitchman, Sprigings Intellectual Property Law
 - Donald M. Cameron, Bereskin & Parr LLP
 - J. Bradley White, Osler, Hoskin & Harcourt LLP
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Today's topics

1. Case Management (Don Cameron)
2. Summary Trials (Carol Hitchman)
3. Litigating Digitally (Brad White)

Case Management

In the old days ...

1980s - 2000s

File Wednesday, argue Monday

Wait, listen, learn, argue

Case conferences

2000s - : genetically modified case management

Fewer Motions:

- “Do we really need a motion?”
- Ask before bringing.
 - “Motions if necessary, but not necessarily motions.”
- Negotiate a solution instead.

Controls timeline of the case

Federal Court



Cour fédérale

**NOTICE TO THE PARTIES AND THE PROFESSION
CASE MANAGEMENT: INCREASED PROPORTIONALITY IN COMPLEX
LITIGATION BEFORE THE FEDERAL COURT**

June 24, 2015

June 24, 2015 Notice to Profession: Increased Proportionality in Complex Litigation

1. Earlier trial judge management
2. Short notice for earlier trial dates
3. Demo evidence notice T-60 days
4. Proportionate discovery (discovery plans)
5. Limits on oral discovery: ~1 day/trial week
6. Limits on refusals motions: 1hr./disc. Day.
7. Considering limiting Protho appeals
8. ≤ 5 experts only, unless extraordinary
9. Maybe sci & tech primers
10. Consider early mediation

Mediation

Mediation

- Successful to create settlement

Need to Amend Rule 3 from:

3 These Rules shall be interpreted and applied so as to secure the just, most expeditious and least expensive **determination of every proceeding on its merits.**

...**resolution** of every proceeding.

Federal Court



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NOTICE TO THE PARTIES AND THE PROFESSION

**GUIDELINES FOR ACTIONS UNDER THE
*AMENDED PMNOC REGULATIONS***

September 21, 2017

September 21, 2017: Notice to Profession: Guidelines for Actions under the Amended PMNOC Regs

Faster case management:

- Statement of Claim is filed.
- Referred to Chief Justice to appoint a case management judge and trial judge
- SoC +7 days: 1st person to requisition a case management conference with joint proposed timetable

Timetable has deadlines for:

- making voluntary productions
- serving affidavits of documents
- requesting particulars
- exchanging claims charts [you do it anyway, get on with it. Peter Kappel, laser on forehead settles faster]
- completing examinations for discovery, and
- exchanging notices to admit. (Rule 255: Request to Admit)

Prothonotaries: More or less (fewer)?

2015

- in danger of extinction
- thankfully avoided

2022:

- 8, should be 9
- “Invasion of the IP Practitioners”
- Should there be more?

FC didn't invent it,
but it's darn good.



Summary Trials

“Summary trial rules promote efficiency by enabling courts to dispose of actions efficiently”

- *TPG Technology Consulting Ltd. v. Canada*, 2011 FC 1054 at para. 17

Framework for Summary Trials

Dismissal of a motion for summary trial. The Court must dismiss a motion for summary trial if the issues raised are not suitable for summary trial or if a summary trial would not assist in the efficient resolution of the action. Rule 216(5)

Granting judgment on all or some issues. The Court can grant judgment generally or on certain issues on a motion for summary trial if there is sufficient evidence for adjudication, regardless of the amounts involved, the complexity of the issues and the existence of conflicting evidence, unless it would be unjust to do so: Rule 216(6)

The Cases - first issues

First question: Is the case is suitable for summary trial?

- e.g., *Mainstreet Equity Corp. v. Canadian Mortgage Capital Corporation*, 2022 FC 20 at para. 42.

Both parties have an obligation to put their best foot forward

- *0871768 BC Ltd. v. Aestival (Vessel)*, 2014 FC 1047

Claim Construction & Infringement

ViiV Healthcare Company v. Gilead Sciences Canada, Inc., 2020 FC 11, aff'd 2021 FCA 122

- Motion to dismiss or adjourn the summary trial
- Burden is on the moving party to establish that a summary trial is appropriate but this determination should be made at the motion for summary trial, not in a pre-emptive motion
- Motion dismissed

Claim Construction & Infringement

ViiV Healthcare Company v. Gilead Sciences Canada, Inc., 2020 FC 486, aff'd 2021 FCA 122

- Factors to be considered on a motion for summary trial set out in decision include things like amount involved, complexity of the matter, urgency, prejudice, cost of a trial, whether credibility is a crucial factor, whether the motion results in litigating in slices
- Necessary expert evidence was before the court in addition to the patent specification to construe the claims and determine whether there was infringement
- Gilead's product did not fall within the scope of the claims – action was dismissed

Claim Construction & Infringement

ViiV Healthcare Company v. Gilead Sciences Canada, Inc., 2021 FCA 122

- Reviewed the principles concerning the practice and procedure of the Federal Courts – draws on two sources: the Federal Courts Rules and plenary powers under the Constitution Act, 1867 which allows Courts to run and govern their proceedings as long as there is no legislative text in the way
- Court found no reviewable error on the part of the FC in the motion for summary judgment
- FC was incorrect to suggest it had no authority to consider preliminary motions to quash motions for summary trial

Claim Construction & Infringement

Janssen Inc. v. Pharmascience Inc., 2022 FC 62

- Pharmascience argued that it was appropriate to determine the issue of infringement since it was missing an essential element of the claims in issue
- Court found that it could proceed with the issue without viva voce evidence
- Further there was sufficient evidence to determine the issue
- Burden in the motion was on the plaintiff to show infringement
- Court found infringement

Obviousness (underlying facts not in dispute)

Flatwork Technologies, LLC (Powerblanket) v. Brierley, 2020 FC 997

- The Court noted that there was no need to assess the credibility of the parties or of their expert witnesses. There was no need to conduct a trial to determine whether the patent was valid since all that was needed to make the determination was before the Court.
- Could apply the law to the facts and there was no disagreement regarding the underlying facts. The matter could be decided based on the discrete question of whether the patent was obvious, lacked novelty, or lacked utility (para. 26).
- Patent was obvious and no genuine issue for trial

Where the value of the claim depends on a question of law

Bauer Hockey Ltd. v. Sport Maska Inc. (CCM Hockey), 2020 FC 624, aff'd 2021 FCA 166

- Justice Grammond pointed out that parties should contemplate bringing a motion for summary judgment or summary trial where more than 90% of the value of the claim depends on a question of law

Significant Issues can Be Resolved

Teva Canada Limited v. Wyeth LLC and Pfizer Canada Inc. 2011 FC 1169 (rev'd on other grounds 2012 FCA 141)

- Issue of whether Teva as a merged corporation could maintain the claim for section 8 damages initiated by ratiopharm in the action

Legal Issues

Pharmascience Inc. v. Pfizer Canada ULC 2019 FC 1271, upheld 2020 FCA 55

- Court determined the preliminary issue of whether or not the defendant could plead *ex turpi causa*, i.e., that any damages of Pharmascience should be reduced or eliminated under the regulations due to infringement by Pharmascience
- By deciding this issue beforehand, it obviates the need for evidence and arguments on the issues of infringement and invalidity during the damages hearing

To supplement a written record

Corey Bessner Consulting Inc. v. Core Consultants Realty Inc., 2020 FC 224 (trademark case)

- the Plaintiff requested summary judgment or summary trial or, in the alternative, an interlocutory injunction.
- On April 12, 2019, in response to directions from the Court and in order to permit the receipt of viva voce evidence, the parties agreed to proceed with a summary trial of the Claim and Counterclaim

Time and effort to prepare for the motion

Boulangerie Vachon Inc. v. Racioppo, 2021 FC 308 (trademark case)

- If considerable time and effort have been allotted to prepare for a motion for summary trial, such a factor favours the summary trial

When not appropriate: No cost saving and not more efficient

Hoffmann-La Roche Limited v. Pfizer Canada Inc. 2018 FC 932

- Motion to determine if there was infringement of a second NDS filed by Pfizer which carved out indications in the patent in issue
- The determination of the motion would only be five months before the set trial date
- If same expert reports are used for the motion as in the trial, then no savings of costs
- Will not result in a savings of costs and efficiencies

When not appropriate: Concerns with credibility of witnesses

E. Mishan & Sons Inc. v. Supertek Canada Inc. 2016 FC 613 (trade mark and Industrial design case)

- counterclaim under section 7(a) of the Trade Marks Act related to statements made by the Plaintiffs to Canadian Tire and Walmart
- The court had concerns regarding the credibility of the witnesses and wanted to hear from them

Is consent of the parties enough?

Mainstreet Equity Corp. v. Canadian Mortgage Capital Corporation 2022 FC 20 (trademark case)

- Consent of the parties is not determinative of the motion for summary trial but is an important consideration in determining whether it is “suitable” and “just” to proceed by way of summary trial

Litigating Digitally

Electronic Aids in the Digital Era

- COVID-19 pandemic accelerated virtual and electronic proceedings
- Result: electronic aids are more easily and readily used
- Examples of electronic aids:
 - Displaying production from record (e.g., through eTrial Toolkit)
 - Presentation accompanying opening or closing submissions
 - Electronic demonstrative evidence (e.g., diagrams, charts)



General Considerations for Electronic Aids

- What is the purpose of the aid?
 - More is not always better
 - Is the interruption to testimony or submissions necessary or required?
- Be prepared – logistics

Current Trend: Presentations

- Presentations accompanying opening and closing submissions
- In Federal Court, leave to be requested at least 2 weeks before trial
- Other considerations:
 - Set date(s) in schedule for exchange of presentations between parties
 - Additional notice requirements and practical considerations if contain demonstrative evidence
 - Careful not to give evidence, especially if accompanying opening submissions

Trends Post-Pandemic

- Witnesses by video ↓
- Electronic displays in cross-examinations and final arguments ↑
- Examinations for discovery by video ↑

Witnesses by Video

- In-person to remain preferred
- At beginning of pandemic, Federal Court confirmed that testimony by video does not necessarily prevent an assessment of witness credibility – see e.g., *Rovi Guides, Inc v Videotron Ltd*, 2020 FC 596 at para 20 :
 - *Although oral testimony should generally be provided in open court and attendance in person is the rule and generally preferable, it does not necessarily follow that the ability of the Court to assess the credibility of a witness or that the effectiveness of counsel in examining the witness will or may be impaired as a result of videoconferencing.*
- In practice, witnesses by video may work well but does not replace in-person experience

Witnesses by Video – cont'd

- Balancing considerations:
 - Nature of testimony (fact witness versus expert witness)
 - Nature of witness
 - Importance of testimony
 - Practical impediments to testimony (e.g., travel costs)
 - Testimony of opposing party's witnesses
- All subject to trial judge's preference – for in-person hearings, request should be made at least 60 days before start of trial and subject to leave of the Court and available resources

Electronic Displays

- Pre-pandemic: limited use without defined protocols (*e.g.*, electronic trials)
- Pandemic: defined protocols to govern how documents shared and put to witnesses
- Post-pandemic:
 - Practice in cross-examinations easily continue with protocols, including adaptation to hybrid situations
 - Presentations to remain case-by-case

Examinations for Discovery by Video

- Continue post-pandemic more frequently than trial context
- Potential for significant cost-savings depending upon location of witness
- However, may be situations where in-person examinations remain easier:
 - For example, if witness resides in a jurisdiction where a party asserts judicial assistance considerations see e.g., *Boehringer Ingelheim Canada Ltd et al. v Teva Canada Limited*, 2021 FC 227

Examinations for Discovery by Video – cont'd

- Balancing considerations:
 - Nature of witness
 - Importance of witness
 - Practical impediments (e.g., travel costs)
 - Whether agreed approach for each party – perception that one side may be disadvantaged over another

PM(NOC) Actions – Multiple Defendants

- Section 6.02 of the *PM(NOC) Regulations*:

6.02 No action may be joined to a given action brought under subsection 6(1) during any period during which the Minister shall not issue a notice of compliance because of paragraph 7(1)(d) other than

(a) another action brought under that subsection in relation to the submission or supplement in that given action; and


(b) an action brought in relation to a certificate of supplementary protection that is added to the register after the filing of the submission or supplement in that given action, if the patent that is set out in that certificate of supplementary protection is at issue in that given action.

PM(NOC) Actions – Multiple Defendants – cont'd

- Trend of joint discoveries (on consent)
 - In discovery context, may be some circumstances where not on consent (see e.g., *Amgen v Sandoz*, 2019 FC 1311)
- Absent consent of all second persons, difficult to have common trial with multiple actions against different defendants with respect to the same drug
 - *Bayer v Teva; Bayer v Apotex*, 2020 FCA 86

Digital era means
greater flexibility – to
continue post-
pandemic.

Questions?

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