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PANEL ON CHANGES AND TRENDS ON PATENT LAW

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Summary Trials: use and when appropriate

"Summary trial rules promote efficiency by enabling courts to dispose of actions efficiently[1]*."*

1. Framework for Summary Trials

Issues on a motion and when can it be brought. A party may bring a motion for summary trial at any time after the defendant has filed a defence, but before the time and place for trial have been fixed. The summary trial can address all or some of the issues raised in the pleadings (Rule **213(1))**

Contents of the motion record. The motion record for summary trial must contain all of the evidence on which a party seeks to rely: Rule 216(1) and (2)

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)

Simplified actions. No motion for summary trial may be brought in a simplified action: Rule 297

Memoranda of fact and law required. On a motion for summary trial, a motion record shall contain a memorandum of fact and law Rule 366

[1] *TPG Technology Consulting Ltd. v. Canada*, 2011 FC 1054 at para. 17

2. Cases on Summary Trials

The first question on a motion for summary trial is to determine whether the case is suitable for summary trial (see 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

(a) When appropriate:

Issue of Claim Construction and 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
- Motion for summary judgment would address one issue: whether "Ring A" in claims 1, 11 and 16, properly construed, included a bridged ring structure, a component of the defendant's product (para. 6).
- Both plaintiff and defendant served expert reports
- About 6-7 weeks later, Viiv filed a notice of motion seeking an order dismissing or adjourning *sine die* Gilead's motion for 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
- The Viiv motion to deny Gilead it right to summary trial should not be condoned

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

- Motion for summary trial
- 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

[based on *Wenzel Downhole Tools v National-Oilwell Canada Ltd,* 2010 FC 966, at paras 36-37]

- Court found:
- 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

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

- Upheld the Federal court
- 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
- FCA also notes that the general default position is that litigation is party-run and Rule 3 plays a central role
- The words of the Rule 216 must be interpreted and applied broadly, favouring proportionality and fair access to the affordable, timely and just adjudication of claims—consistent with the objectives of Rule 3:
- the Court must be satisfied that the prerequisites in the Rules, understood in light of Rule 3, are met and that it is able to grant summary judgment, fairly and justly, on the evidence adduced and the law
- court found no reviewable error on the part of the FC in the motion for summary judgment but did say that the FC was incorrect to suggest it had no authority to consider preliminary motions to quash motions for summary trial
- motions to quash can be appropriate and advance Rule 3 objectives if brought early and dealt with quickly. However, substantives defences to a motion for summary trial should generally be made in the responding motion record

Janssen Inc. v. Pharmascience Inc. 2022 FC 62

- patent related to dosing regimens of long-acting injectable paliperidone palmitate for the treatment of schizophrenia and related disorders

- a previous case against Tev had considered the construction of the claims of the patent
- Pharmascience argued that it was appropriate to determine the issue of infringement since it was missing an essential element of the claims in issue
- Janssen argued that it would be inappropriate for a number of reasons including the fact that the Teva case was under appeal and it could determine issues of law in respect of the test for infringement and there are issues of credibility of experts
- 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

Issue of Obviousness where underlying Facts are not in Dispute

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

- The plaintiff brought a motion for summary judgment in respect of its patent impeachment action under section 60(1) of the *Patent Act* (para. 1). The plaintiff alleged that the patent did not disclose a patentable invention, was obvious, was anticipated and was invalid because of lack of utility
- Both parties filed an expert report with both affiants being cross-examined on their affidavits and reports (para. 6).
- 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).
- Granting summary judgment rather than proceeding to trial or summary trial would promote expeditious, proportionate, less expensive, timely justice in this matter, because there was no genuine issue for trial
- (para. 27).
- Court held:
- Patent was obvious and no genuine issue for trial

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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

***United Yacht Transport LLC v. Blue Horizon Corporation*, 2020 FC 1067 (admiralty case, damages issue)**

This case was suitable for summary trial since it centered on the interpretation for a booking note, which was already in the case, to determine which party was responsible for damages caused to a ship

There were also affidavits, text messages and emails regarding discussions, negotiations and key events that led to the signing of the booking note

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
- The defendant's argument that by reason of a license to Novopharm and other events, Teva is not entitled to damages

Legal Issues

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

- Case under section 8 of the PMNOC Regulations

- 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.
- the Defendants opposed the Plaintiff's Motion for summary judgment and argued that the evidence before the Court raised serious issues of credibility and that the Claim and Counterclaim should not be determined by way of summary judgment. The Defendants also resisted the Plaintiff's request for 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
- In this case, the motion was almost two years in the making with active case management by Prothonotary Aalto
- The efforts by the parties and the Court to move the matter to adjudication by summary trial weighed in favour of deciding the matter by summary trial

(b) When not appropriate:

No cost saving and not more efficient

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

- Action in Section 6(1) PMNOC Regulations, so trial date had been set down
- Court acknowledged it could still set down the motion in accordance with Rule 55 and Rule 3
- Court to consider if there will be a significant savings of costs, savings of time and efficiencies, any prejudice
- Due to 24-month time frame, the motion and the action would proceed in parallel
- Motion to determine if there was infringement of a second NDS filed by Pfizer which carved out indications in the patent in issue
- Court was concerned that the steps in the motion were not sufficiently spaced apart in time
- 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

Where the court has concerns regarding the 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 evidence filed relating to that claim did not include evidence from the relevant people at Canadian Tire and Walmart to whom the comments in issue were made; the court wanted to hear from them
- The court had concerns regarding the credibility of the witnesses and wanted to hear from them

(c) 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

***Ark Innovation Technology Inc. v. Matidor Technologies Inc.*, 2021 FC 1336** (copyright / passing off case)

If parties are prepared to proceed through summary trial, likely "just" to proceed in this matter and courts should be reluctant to require the parties to incur further costs and time in proceeding to a full trial.

(d) Evidence on a motion for summary trial

***Ark Innovation Technology Inc. v. Matidor Technologies Inc*., 2021 FC 1336** (trademark case)

- The plaintiffs filed (1) the entire transcript from the examination of the defendant in the expectation that it would be read-in at the summary trial, (2) all answers to undertakings and (3) all of the defendant's productions in the affidavit of documents
- Evidence on a summary trial is not governed by Rules 271-291, but by Rule 216(1): it is the inclusion of evidence in a motion record that makes it part of the record on the summary trial motion, without the need to read transcripts at the hearing
- In this case, the entire transcript was part of the record and could be used by both parties
- A party should include *only* the evidence on which they seek to rely. In this case, the plaintiffs failed to refer to a number of documents in their submissions