



THE CANADIAN
BAR ASSOCIATION
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INFLUENCE. LEADERSHIP. PROTECTION.

February 18, 2015

Via email: mcu@justice.gc.ca

The Honourable Peter MacKay, P.C., Q.C., M.P.
Minister of Justice and Attorney General of Canada
284 Wellington Street
Ottawa, ON K1A 0H8

Dear Minister:

Re: Federal Court of Canada Prothonotaries

We write on behalf of the Canadian Bar Association's Federal Courts Bench and Bar Liaison Committee (FCBBLC) and Intellectual Property Section (the CBA Section) to express the view that prothonotaries improve access to justice and the efficient operation of the Federal Court, and should be retained. The FCBBLC consists of CBA members representing areas of law that regularly appear before the Federal Courts.¹ The Court Practices Committee of the CBA Section is tasked with reviewing Federal Court procedure and addressing matters that affect process and procedure in intellectual property matters before the courts.

Prothonotaries are judicial officers of the Federal Court. The office was created in 1971 to advance "the efficient performance of the work of the Court". The role and responsibilities of prothonotaries have grown dramatically since, particularly after 1998 amendments to the Rules. Prothonotaries have a unique, important role that is integral to the proper functioning of the Federal Court. They have jurisdiction and discretion to make decisions on certain matters, lightening the load of the Judges and they exercise case management functions, analogous to that of masters, to help streamline cases. Case management is a key factor in the effective and cost-efficient use of scarce judicial resources. Prothonotaries complement the role of the Judges by implementing procedures and schedules to move cases forward as quickly as possible, while respecting the substantive rights of the parties.

As lawyers who practice before the Federal Courts, our experience is that prothonotaries make an invaluable contribution to the efficient operation of those courts. The attached

¹ The Committee also consists of a representative of Justice Canada, who is not involved in any public statement on behalf of the Committee, including this letter.

letter and the document entitled, "Why Prothonotaries are a Good Idea for the Federal Court" respond to concerns about recent suggestions that the use of prothonotaries may be phased out of the Federal Court. It is important to maintain a full complement of Federal Court Judges, and an ongoing role for prothonotaries in the Federal Courts. If any consideration is being given to phasing out prothonotaries, we are concerned about degradation of the Court's capabilities and timeliness.

We urge you to avoid any changes to the role of prothonotaries without input from those who appear regularly before the Federal Courts, including representatives from the CBA.

Yours truly,

(original signed by Rebecca Bromwich for Christopher Wilson and Paul Harquail)

Christopher Wilson
Chair, Intellectual Property Section

Paul Harquail
Chair, Federal Courts Bench and Bar Liaison Committee

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Why Prothonotaries are a good idea for the Federal Court

1. Prothonotaries are specialized:

Prothonotaries are highly specialized – and certainly more specialized than judges – in case management, interlocutory motions, mediations and simplified trials.

- a. **in case management**, with experience in moving cases along. Their role is particularly important in Intellectual Property matters. In the area of intellectual property law, Prothonotaries adjudicate patent, copyright and trade-mark matters, including a large volume of litigation involving pharmaceuticals. These disputes usually involve complex issues which can be procedurally demanding on the Court and the parties.

Prothonotaries manage complex Patented Medicines (Notice of Compliance) (“NOC”) proceedings. These proceedings relate to generic drug companies trying to gain early entry into the market by contesting blocking patents. NOC proceedings have tripled in number since 2002. Since January 2008, NOC proceedings have been case managed with Prothonotaries handling the majority of this increased workload.

It is the Prothonotaries that ensure intellectual property cases stick to a two year schedule (for NOC proceedings) and 2-3 years for infringement actions, from initiation to completion.

In addition to managing these cases, Prothonotaries have the authority to dismiss the proceedings summarily on the merits, taking into consideration factual and expert evidence.

In its recent Strategic Plan (2014-2019), the Federal Court has stated that:

The bulk of the Court’s case management work is conducted by its six prothonotaries. As a result of the substantial increase in the Court’s workload over the last decade, and the fact that its complement of prothonotaries has not increased, the Court’s ability to substantially expand the use of case management is constrained.¹

¹ Federal Court Strategic Plan (2014-2019), p. 9-10, available at [http://cas-ncr-nter03.cas-satj.gc.ca/fct-cf/pdf/Strategic%20Plan%20\(Final%20for%20posting%20with%20COA%20and%20accessibility\)%20English.pdf](http://cas-ncr-nter03.cas-satj.gc.ca/fct-cf/pdf/Strategic%20Plan%20(Final%20for%20posting%20with%20COA%20and%20accessibility)%20English.pdf) (Accessed November 18, 2014).

The Strategic Plan also states that:

Among other things, experience has demonstrated that case management assists to:

- move proceedings toward a hearing much more expeditiously;
- narrow the number and nature of issues in dispute;
- substantially reduce legal costs;
- facilitate a mediated or other non-litigious resolution of disputes; and
- make scarce Court resources available to the public for other matters.²

Anecdotally, one member of our committee observed an increased delay in getting procedural matters resolved after mandatory case management was implemented for NOC Proceedings and as the Court's caseload increased. The increase in Federal Court proceedings between the 2007-08 and 2013-14 Court years was 22.5%. The number of dispositions over that same time has increased by 55.8%.³ As the caseload of the Prothonotaries increased, the delay to obtain a case management conference (CMC) or schedule a motion also increased. Those delays have since been resolved. Case management conferences can now be arranged within a reasonable time: within a week or two of a request being made. If the number of Prothonotaries is reduced, we anticipate greater delays in the court's response time. The court could use more, rather than fewer Prothonotaries.

b. in interlocutory matters/motions involving pleadings, discovery questions, costs, etc.

Since the advent of case management by Prothonotaries, the number of motions in general sittings has declined noticeably. Prothonotaries often deal with matters that used to require a motion, informally at a case management conference. Prothonotaries often require parties to explain the need for a motion prior to its filing. Further, the Prothonotaries have developed generally consistent approaches to such motions, which also reduced their number as the parties can often predict the outcome of the motion.

Most of such interlocutory motions are handled by Prothonotaries, freeing up judges to handle more substantive motions, hearings of applications, and trials.

² Federal Court Strategic Plan (2014-2019), p. 10.

³ Statistics taken from the Annual Reports of the Courts Administration service at http://cas-ncr-nter03.cas-satj.gc.ca/portal/page/portal/CAS/AR-RA_eng (Accessed November 18, 2014).

- c. **in mediation, to resolve cases earlier, without the need for cases to go to trial.** Prothonotaries are often able to resolve cases earlier, without the need for trials. Mediations help settle cases before expensive and time consuming trials, saving the Federal Court resources and money. Ninety-five percent (95%) of IP cases settle before trial, and Prothonotaries contribute to that high resolution rate. Prothonotaries have formal mediation training and conduct many more mediations than do judges. Our data reveals that two Prothonotaries conduct, on average, at least one mediation per week.

The Federal Court's Strategic Plan states that "making greater and timely use of mediation and other dispute-resolution tools" is a high priority for the Court in facilitating the just, expeditious and efficient resolution of matters.⁴

- d. **in conducting simplified trials.** Simplified trials are trials without live witnesses (they are based on affidavit evidence). Prothonotaries have the same authority as do judges in running simplified trials. These trials last 1-5 days and are the small to medium-sized trial flow of the Federal Court. Every day of trial that a Prothonotary conducts is a day of trial that a judge does not have to conduct, freeing him or her up for more complex matters.

The Federal Courts Rules Committee is considering increasing the monetary limit in simplified actions⁵, which would make the role of Prothonotaries in conducting these trials all the more important to the efficient running of the Federal Court.

If these responsibilities were moved to judges, an efficiency and specialization would be lost.

2. **They lighten the workload of judges.** As set out above, Prothonotaries are responsible for handling a significant portion of the procedural matters before the Federal Court, including case management, interlocutory motions and mediation. Over the years, the Prothonotaries have developed special expertise in these areas which allows them to handle such matters with efficiencies that come with experience. Movement of all these front-line responsibilities to Judges will significantly increase the burden on the Judges' workload for these tasks. In addition, Judges may not be able to handle these matters with the same efficiency that comes with experience in dealing these matters on a day to day basis. As a result, this will take time away from Judges for conducting final hearings and trials, which is not an efficient use of judicial resources.

⁴ Federal Court Strategic Plan (2014-2019), p. 6.

⁵ Federal Court Strategic Plan (2014-2019), p. 9.

3. **They have control over their own schedules.** Unlike judges, who are assigned to hearing dates and locations by the court, the Prothonotaries control their own schedules and, therefore, are more flexible and accessible to conduct case management teleconferences with lawyers. This flexibility is particularly beneficial during contentious discovery examinations when a case management judge may be called upon, on short notice, to adjudicate disagreements. The accessibility of Prothonotaries for case management duties means that cases can move forward faster without interlocutory matters getting bogged down by limited access to a decision-maker. On the other hand, often judges can only do case management during breaks from or after their hearings in court and are therefore less accessible for interlocutory matters. This is significant in instances of long trials spanning periods of several weeks, if not months. At those times, the judge hearing the trial sitting will either be inaccessible for case management responsibilities during the trial, or, alternatively, will have to schedule time to deal with case management responsibilities during the trial, thereby extending the trial.
4. **They are located in major litigation centres across Canada.** Federal Court judges are required to reside in Ottawa but regularly travel to various cities for hearings. Unlike judges, Prothonotaries live and work in Montreal, Ottawa, Toronto and Vancouver and serve these centres of Federal Court litigation, which has a number of benefits. For example, this often means Prothonotaries are more readily available for hearings, case conferences or mediations in person in their own cities. They are also locally available to participate as speakers for Continuing Legal Education programs and other bar events to promote access to justice and the Federal Court as a venue for disputes. This also provides members of the bar with some predictability as to which Prothonotary will be assigned as a case management judge based on the geographical location in which the case is commenced. Having Prothonotaries in various cities allows for the recruitment of talented people who, for whatever reason, do not wish to move themselves and/or their families to Ottawa.
5. **They cost less.**
 - a. Subject to the implementation of Bill C-43, Prothonotaries' salaries and retirement benefits are 76% that of a judge.⁶ Delegating work to a lower paid person, to do the same job (and, as explained above, more efficiently, due to increased practice with the tasks and availability) reduces the cost of court operations. Thus, Prothonotaries provide better access to justice, at a lower price to taxpayers.

⁶ Bill C-43, entitled "A second Act to implement certain provisions of the budget tabled in Parliament on February 11, 2014 and other measures", includes a provision to amend the *Judges Act* so that Prothonotaries' compensation will be fixed at 76% of a judge's compensation (section 318 of Bill C-43, adding section 10.1 to the *Judges Act*). This provision will be deemed to have come into force on April 1, 2012 (section 333 of Bill C-43), once the bill passes. Bill C-43 had its first reading in the House of Commons on October 23, 2014, its second reading on November 3, and is currently at the committee stage.

b. Because they travel less than judges, their travel expenses are generally less.

6. **Other Courts find their equivalents necessary.**

Other provinces, including at least Ontario, British Columbia and Alberta rely on Masters for case management. Masters have powers in the superior courts of provinces similar to those of Prothonotaries.

In 1989, **Ontario** began phasing out Masters. In 1996, Ontario introduced the new position of Case Management Master, which has been recognized as performing the same function as a “Traditional” Master. Members of the Ontario bar and bench recognize the important role that Case Management Masters play in avoiding procedural delay, and in making decisions that affect the final outcome of civil litigation.⁷ We would like you (and the Federal Court and the IP bar) to avoid a repetition of Ontario’s failed experiment to eliminate Masters.

In **British Columbia**, the role of Masters was expanded in the 2010 revision to the Civil Rules. The powers of Masters are now defined as equivalent to those of Judges but for certain exceptions⁸, including the conduct Case Planning Conferences and setting schedules for steps in litigation⁹. Additionally, applications which are within the jurisdiction of a Master, including some forms of final order such as default or consent judgments, are presumptively set down before a Master¹⁰.

In **Alberta** litigants are similarly required to bring motions before a Master if the matter is within a Master’s jurisdiction. As with BC, the powers of a Master are defined as being the same as those of a Judge of the Court of Queen’s bench, with certain exceptions¹¹.

In **the United States**, Magistrate Judges of the District Court conduct mediations, resolve discovery disputes and other motions, and perform case management duties. In a paper published by the United States Federal Bar Association, Magistrate Judges are noted as an integral and indispensable component of the

⁷ Yamri Taddese, “Case management masters decry salary discrepancy”, *Law Times News* (19 May 2014), online: <<http://www.lawtimesnews.com/201405193974/headline-news/case-management-masters-decry-salary-discrepancy>> (“Lawyer John McLeish says the role of case management masters is hugely important at a time when the courts are struggling to maintain the flow of cases without procedural delays”); *The Masters’ Association of Ontario v Ontario*, 2010 ONSC 3714 at para 111 (“...there can be no doubt that Case Management Masters make important judicial decisions that affect, from a practical perspective, the final outcome of civil litigation...”).

⁸ Practice Direction PD-42

⁹ Rule 5-2(1), 5-3(1)

¹⁰ Practice Direction PD-42.

¹¹ Notice to the Profession – Masters’ Jurisdiction.

federal District Courts, in part because they provide the courts with an efficient judicial resource to assist in expediting the courts' workload.¹²

7. **Misconceptions about Prothonotaries:**

- a. **Their decisions can be appealed as-of-right to a judge of the Federal Court who has to re-hear their decisions resulting in a duplication of effort.** True, but only to a very limited point. Based on discussions with the Court, only about 1-2% of their decisions are appealed, most only in part. The judge hearing such appeals would "re-hear" only a portion of the original motion. Of those, only about 10-25% are modified or overturned on appeal, some of which are reinstated by the Federal Court of Appeal.

Prothonotaries' decisions are often discretionary. Judges are giving Prothonotaries' decisions increasing deference. This makes appeals less attractive because the Prothonotary's discretionary decisions will likely be sustained on appeal. Prothonotaries are often, therefore, the final decision makers of interlocutory decisions.

- b. **They require more staff than do judges.** True, due to the nature of their case management work. They have case management teams: judicial assistants and dedicated Registrars acting as case management officers. Such resources are necessary for case management in any event, even if these responsibilities were transferred to judges.

Lawyers in the IP bar are heavy users of Prothonotaries – in some cases up to 50% of their workload.

Using Prothonotaries, the Federal Court has done it right with case management. We have a stake in keeping – even expanding – the role of Prothonotaries in the Federal Court.

¹² Peter G McCabe, "A Guide to the Federal Magistrate Judge System: A White Paper Prepared at the Request of the Federal Bar Association" (August 2014), online at <http://www.fedbar.org/PDFs/A-Guide-to-the-Federal-Magistrate-Judge-System.aspx>.



December 15, 2014

The Professional Association

*Concerned with Patents,
Trade-marks, Copyright and
Industrial Designs*

L'association professionnelle

*en matière de brevets,
de marques de commerce,
de droits d'auteur et
de dessins industriels*

The Honourable Peter G. MacKay
Minister of Justice and Attorney General of Canada
Ottawa, Ontario

Dear Minister MacKay,

I am writing on behalf of the Intellectual Property Institute of Canada (IPIC), the professional association of trademark agents, patent agents and lawyers practicing in all areas of intellectual property law. Our membership totals over 1,700 individuals, consisting of practitioners in law firms and agencies of all sizes, sole practitioners, in-house corporate intellectual property professionals, government personnel, and academics. Our members' clients include virtually all Canadian businesses, universities and other institutions that have an interest in intellectual property in Canada or elsewhere, and also foreign companies who hold intellectual property rights in Canada.

I write in relation to the attached letter from members of the Intellectual Property bar and the meeting scheduled on Wednesday, December 17, 2014 with Carl Dholandas and representatives of the Department of Justice, in response to the attached letter. IPIC Vice-President Peter Wilcox will attend the meeting by telephone.

IPIC believes the government should maintain prothonotaries in the Federal Court. IPIC is currently preparing a formal written submission in support of maintaining prothonotaries in the Federal Court, which it intends to submit shortly after the meeting.

Yours truly,

A handwritten signature in black ink, appearing to read "David Schwartz", with a long horizontal flourish extending to the right.

David Schwartz
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