



THE CANADIAN  
BAR ASSOCIATION  
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BARREAU CANADIEN



Intellectual Property Institute of Canada  
Institut de la propriété intellectuelle du Canada

February 26, 2021

Via email: [Jaro.Mazzola@cas-satj.gc.ca](mailto:Jaro.Mazzola@cas-satj.gc.ca)

The Honourable Justice Michael D. Manson  
Chair, Federal Court Intellectual Property Users Committee  
c/o Jaro Mazzola, Legal Counsel  
Federal Court  
180 Queen St. W.  
Toronto, ON M5V 3L6

Dear Justice Manson:

**Re: Follow-Up to IP Users Committee November 26, 2020 Meeting**

We write on behalf of the Intellectual Property Institute of Canada (IPIC) and the Intellectual Property Section of the Canadian Bar Association (the CBA Section), in response to matters raised by the Bar during the November 26, 2020 Federal Court IP Users Committee meeting (the Meeting).

IPIC is the professional association of patent agents, trademark agents, and lawyers practising in all areas of intellectual property law. IPIC has more than 1,700 members, including practitioners in law firms and agencies of all sizes, sole practitioners, in-house corporate IP professionals, government personnel and academics. The Canadian Bar Association is a national association representing over 36,000 jurists, including lawyers, notaries, law teachers and students across Canada. We promote the rule of law, access to justice and effective law reform, and offer expertise on how the law touches the lives of Canadians every day. The CBA Section deals with law and practice relating to all forms of ownership, licensing, transfer and protection of intellectual property and related property rights, including patents, trademarks, copyright, industrial designs, plant breeders' rights, as well as trade secrets.

Our joint submissions are on the following issues:

- i. Case and Trial Management Guidelines for Complex Proceedings and Proceedings under the *PM(NOC) Regulations* dated October 16, 2020
- ii. Requests to admit
- iii. Costs – changes to Tariff B quantum on consent
- iv. Virtual and/or hybrid hearings
- v. Early provision of patent claims charts.

**I. CASE AND TRIAL MANAGEMENT GUIDELINES FOR COMPLEX PROCEEDINGS AND PROCEEDINGS UNDER THE *PM(NOC) REGULATIONS***

**a) Certain Guidelines May Effectively Be Rules Amendments**

Before the Meeting, the Court circulated to the Committee draft Case and Trial Management Guidelines for Complex Proceedings and Proceedings under the *PM(NOC) Regulations* (the Guidelines). These Guidelines are intended to replace and consolidate prior Notices to the Parties and the Profession.

The Bar raised the issue of the language used in certain Guidelines provisions. Since the Guidelines (and other practice notices and directions) will inform the interpretation of existing *Federal Courts Rules* or offer the possibility of adverse costs consequences for non-compliance, the profession generally views such direction as within the Court's jurisdiction. However, proposed Guidelines appear to be phrased in a mandatory fashion (e.g., use "shall", as opposed to "may", "should" or "encourage"), and may have the effect of replacing existing Rules or creating new ones:

- Item 4 (discovery planning) refers to the creation of "discovery plans." It is unclear whether creation of a written discovery plan is intended to be a requirement and if so, whether it is intended to include more than setting timetables. If so, it is one that is not contemplated by Part 4 of the *Rules*.
- Item 8 (motions) states that no motions may be brought within 60 days of the trial date without leave. This is a restriction not contemplated by Part 7 of the *Rules*.

Item 15 (demonstrative evidence) addresses the admissibility of demonstrative evidence. It states that parties must exchange any demonstrative evidence to be used at trial at least 60 days before trial. This is also addressed in Rule 287 as follows:

*Except with leave of the Court, no plan, photograph, model or other demonstrative evidence prepared or obtained for use at trial is admissible in evidence at trial, other than in the course of cross-examination, unless at least 30 days before the commencement of the trial all other parties have been given an opportunity to inspect it and consent to its admission without further proof.*

Item 15 therefore appears to amend the substance of Rule 287 by extending the 30-day deadline to 60 and by adding a 45-day deadline for objections. The consequences of non-compliance with the Guidelines are unclear. If the adverse consequence is costs, this should not prevent the parties to create the evidentiary record. However, if evidence can be ruled inadmissible where there is compliance with *Rule 287*, but not the Guidelines, this constitutes a substantive amendment to the *Rules*. The Bar respectfully submits binding deadlines should be created or revised by amending the *Rules*, using the procedure mandated by section 46 of the *Federal Courts Act*.

The Bar respectfully submits that these amendments are more appropriately proposed via the Rules Committee's process.

**b) Comments on Specific Items in the Guidelines**

**Item 4 – Discovery Planning**

During the Meeting, the Court requested information about counsels' experience with using discovery plans: their usefulness, format and timing.

In practice, experiences with voluntary discovery plans in Federal Court proceedings have been highly mixed. There is no common approach to the format, scope, content and level of detail of a discovery plan and the resulting exchange of information is often uneven. Many view the current plans as a make-work project. However, others have indicated that they can be quite useful, particularly where they include a list of what the parties expect to see in each other's documents and areas that the parties intend to cover in examinations for discovery.

The generation and exchange of discovery plans adds little substantively or procedurally to focus or expedite the discovery process beyond what is achieved through existing pre-discovery case management. Many aspects of a typical “discovery plan”, such as the timetable for discovery steps and the identity of corporate witnesses, are matters to be addressed at early case management conferences under the Guidelines.

Without formal guidance on what a discovery plan should include, what form it should take, and when it should be delivered, it is preferable to address these matters through early case management, as the Guidelines contemplate, and if necessary, reduced in writing by agreement of the parties or Direction of the Court. However, we believe that discovery plans are useful to determine the scope of documentary discovery. If the proposed areas of documentary discovery are given before the exchange of Affidavits of Documents, issues as to proper scope can be raised and resolved early in the proceeding.

To address the current variety of discovery plans, it may be useful to develop a template as with model bifurcation orders, protective orders and confidentiality orders. While the Bar may not want mandatory discovery plans, an optional template would guide parties on the type and level of detail of information to give and would be a useful starting point. A template for documentary discovery would likely be welcomed by the Bar, given its support for early intervention on documentary discovery issues, and it would offer the necessary information to assist the Court in resolving arising issues.

At the Meeting, the Court asked about timing for the exchange of discovery plans. The Bar suggests an early exchange of discovery plans on the scope of documentary discovery to address concerns before Affidavits of Documents are exchanged – ideally as early in the collection process as possible, to allow sufficient time for additional searches mandated by the Court – with oral discovery plans to be exchanged after production. A case management conference could be scheduled in a timely manner following the exchange of discovery plans to proactively address any issues identified by a party.

The Court asked about using artificial intelligence (AI) in discovery and whether it should be involved in establishing AI parameters. Given the relative novelty and limited use of AI at this time, there is no need for Court involvement at the outset. However, the Bar welcomes case management judges’ availability to address issues that arise in the parties’ discovery process should AI use become an issue.

The Guidelines currently put limits on oral discovery tied to the number of trial days. While they indicate that the Court may order otherwise, the Bar requests that the Court consider adding an explicit reference to a party’s ability to request additional days of oral discovery outside of the limits in certain circumstances, such as significant documentary production or other similar factors that may lead to the need for additional time. The Bar considers clear contemplation of the ability to request additional time in the Guidelines to be beneficial to parties who may make this request.

### **Items 7 and 8 – Motions**

Item 7(a) states that no refusals motions should be permitted until discoveries are complete. The Bar understands this to mean that refusals motions are not permitted until all examinations for any particular round of discovery are completed. Given the ambiguous language, the Bar suggests that the Guidelines be amended to clarify this point.

### **Item 36 – Evidence at Trial**

In patent trials, the Court may find it useful to hear evidence from live witnesses, particularly the inventor. Prior guidance documents encouraged evidence-in-chief by affidavit. The new Guidelines require it as a default, which appears to contradict *Rule 282*, particularly for fact witnesses. In addition, we suggest that the Guidelines specify that expert reports be taken as read (rather than going into evidence by affidavit), to reflect current practice. In practice, how the evidence goes in will

be dictated largely by timing constraints and by the Court in a particular case. For example, in proceedings under the *Regulations*, given the typical time limit of two weeks, counsel and the Court may decide that fact evidence should go in by way of affidavit. However, outside this context, *viva voce* evidence may be preferred.

### c) Clarifications Requested

#### Item 16 – Experts – Early Engagement

*Rules 52.5 and 262(2)* (cited in the Guidelines) are limited to objections “that could disqualify the witness from testifying.” The Guidelines are broader and refer to “any objections to expert reports or expert qualifications”. Is it accurate to assume that the scope of objections under the Guidelines is intentionally broader and intended to capture all objections to expert testimony, not just those related to disqualification pursuant to the *Rules* cited? The Bar would also appreciate guidance on whether the Guidelines' intention is to limit the timing for expert objections. The Bar also suggests that the Guidelines specify that objections be made to the Trial Judge and/or the Case Management Judge.

Finally, the Bar is concerned with the guidance that counsel should give opposing counsel for early notice of the expert's views in advance of the expert reports being finalized and served. This guidance as phrased is broader than being limited to those experts that parties intend to call at trial.

#### Item 22 – Pre-Trial Conference Memorandum

Among other issues, *Rule 267* says that no statement shall be made to a judge presiding over a trial with respect to any statement made at a pre-trial conference unless consented to by the parties. The Bar takes no issue with parties agreeing to give the trial judge a copy of their memorandum, either when filed or later, if they so choose. The Bar understands the default position remains that pre-trial conference memoranda will not be disclosed to the trial judge absent express consent from all parties.

### d) General Comments

#### Additional Matter for Early Case Conferences: Translation

Actions, particularly those involving patents, increasingly involve production of documents in foreign languages (due to the involvement of foreign patent owners or inventors). Disputes about translation issues often arise, especially given the short timeframes in *PM(NOC) Regulations* actions. The Bar suggests that among the topics to be addressed at early case management conferences under items 3 and 4 of the Guidelines is whether the parties expect to produce documents that are not primarily in English or French and, if so, how and when any translation issues will be dealt with, and who will bear the costs.

#### REQUESTS TO ADMIT

Requests to admit have been a feature of civil procedure in the Federal Court (and Exchequer Court) for more than a hundred years.<sup>1</sup> Their primary purpose is to “save both the Court and litigants the time and expense involved in proving the authenticity of documents or in proving facts.”<sup>2</sup> However, the *Rules* are unclear, the process is time-consuming, and the consequences of failing to admit a fact are often inadequate. All of these factors cause the procedure to be underutilized.

<sup>1</sup> See Appendix A. Exchequer Court of Canada – General Rules and Orders, R. 106-109 (March 14, 1876); General Rules and Orders of the Exchequer Court of Canada (April 21, 1931); General Rules and Orders of the Exchequer Court, Rules 146-147 (January 1, 1965); Federal Courts Rules 1971, Rule 468; Federal Courts Rules, 1998, Rules 255-256.

<sup>2</sup> *Clarke v. R.* (2000), 189 F.T.R. 76 (Fed. T.D.) at para. 43, [2000] F.C.J. No. 475 (Fed. T.D.)

In the post-*Hryniak* era, requests to admit can and should play a more central role in IP litigation. This could be achieved in several different ways:

1. Case management – Post-*Hryniak*, the expectation should be of good-faith cooperation to narrow the issues in dispute, not bare technical compliance with the Rules. This is especially true in complex IP litigation involving sophisticated counsel. Case management judges can play an important role in communicating this expectation and fostering the associated “culture shift”. Requests to admit should be incorporated in scheduling orders at various stages of the litigation when they are likely to help narrow the issues (e.g., prior to examinations for discovery; prior to the exchange of expert reports; and prior to trial). Concerns about abusive or tactical use of requests to admit could be addressed by setting expectations as to the volume of requests as well as their timing (e.g., in PM(NOC) cases, it would be useful for parties to agree to only serve requests to admit at certain times, rather than at any time during the proceeding). Case management judges should also be empowered to help parties resolve disputes over admissions prior to trial, either informally or, where necessary, on motion.
2. Judicial guidance – The Rules do not offer guidance on the types of objections that can be made in response to a request to admit, and there is little jurisprudence on point. It would be helpful for the Court to issue a practice direction to “proscribe procedural obstructionism and give case management judges the ability to intervene to correct any abuses.”<sup>3</sup> Parties should be urged to “respond neutrally and with particularity, fully outlining [their] position”, rather than issuing unhelpful blanket denials.<sup>4</sup> By better delineating the “grounds for denial” (Rule 256) or other objections (e.g. relevance, privilege) that can be properly raised, the Court could improve compliance with both the letter and spirit of the Rules. The Court could consult with the Bar and draw on jurisprudence from the superior courts involving analogous rules. The Bar also recognizes that new and different facts can surface during litigation and in exceptional cases may warrant the withdrawal or amendment of a previous admission. The procedural options for doing so, if any, are unclear, and parties may limit the candor of their responses as a result. Guidance from the Court could alleviate this concern.
3. Sanctions – Judges should be encouraged to use their jurisdiction under the Rules (255, 256, 400(3)(j)) to order elevated costs if a party refuses to admit a fact that could and should have been resolved prior to trial. Costs sanctions should also be considered where a party abuses the request to admit procedure (e.g., by serving voluminous or burdensome requests on issues of limited relevance, or by inappropriately seeking to withdraw admissions), to help reinforce the norm of good-faith cooperation to narrow issues.
4. Differentiating types of requests – The Rules do not differentiate between requests to admit facts and requests to admit the authenticity of documents. However, how and when these requests can be best used (or potentially abused) are not the same. In considering the above three recommendations, the Bar encourages the Court and parties to recognize that these types of requests are different and should be addressed individually (for example, with respect to scheduling or limitations).

Additional information on Requests to Admit, including a review of the *Rules* and relevant caselaw is included in the Appendix to this letter.

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<sup>3</sup> Canada v. Tk'emlúps te Secwépemc First Nation, 2020 FCA 179 at para. 53.

<sup>4</sup> Engels v. Richard Killen & Associates Ltd. (2002), 60 O.R. (3d) 572 (S.C.J.), 2002 CarswellOnt 2435, aff'd (2004), 69 O.R. (3d) 183, 2004 CarswellOnt62 (C.A.).

## II. COSTS - CHANGES TO TARIFF QUANTUM ON CONSENT

During the Meeting, Prothonotary Tabib suggested that one way to increase costs awards to be more commensurate with actual costs is to have the parties agree, up front, on an amount per unit that could be higher than the Tariff.

Costs serve many purposes: indemnification in part or in full of the successful party, encouragement to settle, prevention of frivolous or vexatious litigation, discouraging unnecessary steps (e.g., motions) in proceedings. To achieve these purposes, more particularly in complex litigation, the Bar is generally of the view that fixing costs by the Court should be a discretionary exercise governed by the principle of reasonableness.

From the comments received, the Bar believes that increasing the Tariff amount per unit on consent would not facilitate the disposition of costs in contested motions. This is because the Tariff is difficult to adapt to complex litigation and in most cases does not offer enough indemnification to further the purposes of awarding costs, in part because the number of units is also often inappropriate.

In complex litigation, the Tariff amount is often less than 10% of the actual costs incurred by the parties such that there is no incentive to settle and the winning party is not compensated adequately.

The Bar is of the view that the Court should consider awarding costs based on a percentage of the actual costs incurred in bringing or defending a motion (e.g., 25%). The percentage awarded should be consistent from one case to another, subject to adjustment based on the conduct of the parties, the number of counsel, complexity of the case, etc.

Tariff-based costs are inappropriate in most IP cases, irrespective of the unit value. The Bar suggest that costs should be agreed to in advance by counsel or should be fixed as a percentage of actual lawyer's fees.

### Costs of Motions Generally

The same is true for contested motions. The amount awarded as costs is generally very low compared to the real costs of such a motion. The Bar believes that a lump sum reflecting a percentage (e.g., at least 25%) of actual costs, payable forthwith, should also be envisaged. As it stands now, there is no deterrent consequence on a party bringing multiple unnecessary or abusive motions.

Moreover, costs payable only at the end of litigation have minimal deterrent effect, especially if a party believes the costs of the motion will be offset by the costs awarded to them as the winning party. If costs are going to have a real "sting", they should be more frequently made payable forthwith. Requiring payment of costs may impact litigation behaviour more than increasing the amounts at stake.

This approach would be easier to administer than an increased quantum Tariff-based model and would act as a meaningful deterrent against bringing frivolous motions.

### Costs of Refusals Motions

Refusals motions are the *bête noire* of parties, lawyers, prothonotaries and judges.

For many years, the Court has indicated a willingness to curtail abusive motions practice (particularly refusals) through significant costs awards. The Guidelines provide specifically that: "Significant cost sanctions may be imposed against unsuccessful/unreasonable parties". Despite this statement and desire, the Bar is unaware of an instance where an unnecessarily lengthy refusals motion resulted in a solicitor-client, or other cost award that would act as a true deterrent to improper conduct. The Bar encourages the Court to exercise its discretion in refusals motions in the manner contemplated by the Guidelines and also consider making such awards payable forthwith.

### III. VIRTUAL AND/OR HYBRID HEARINGS

For the purpose of these comments:

**Hearings** includes trials, motions, other hearings before the Court, examinations for discovery and cross-examinations.

**Virtual** means a situation in which no counsel are physically present with either the Court or the witnesses.

**Hybrid** means a situation in which at least counsel for one side is either physically present with the Court and/or the witness, and counsel for at least one opposing party is not.

The comments below are applicable to the conduct of virtual or hybrid hearings during the pandemic:

In general, counsel are happy with the conduct of hearings using the Zoom platform. Interruptions and delays have been infrequent and brief. Screensharing is a useful tool that benefits counsel, witnesses and presumably the Court so everybody can be “on the same page”, with some suggesting it should be used as a default tool whenever a witness is referred to or is referring to a document. There is a general perception that use of Zoom does not generally compromise the ability to effectively examine or cross-examine witnesses, subject to the comment below about witnesses’ ability to use the Zoom technology.

Anecdotal observation suggests that more members of the public observe Virtual/Hybrid Hearings than attend hearings in person. This enhances public accessibility. Members of the public should not be required to identify themselves to access the proceeding, i.e., they should be permitted to remain anonymous when joining a Zoom hearing (for example, they should not be required to provide their names for the Zoom hearing, nor to identify themselves for the record). If a hearing moves *in camera*, any individuals not identified by name can be excluded (for example, by being moved into a breakout room) to maintain confidentiality while not excluding the public from being invited back into the hearing once the confidential portion of the Hearing is concluded.

Counsel appreciate the cost savings of virtual and hybrid hearings. Some counsel propose that, with the experience gained during the pandemic, Zoom should be a viable option for witness testimony (in the discretion of the Court), even after COVID lockdown and travel restrictions are eased. However, some counsel are of the view that for complex matters, Zoom hearings are not as effective or efficient as in-person hearings.

Counsel have divergent views about how to manage a situation where one party’s counsel wishes to proceed virtually, but another party’s counsel prefers to attend in person (resulting in a Hybrid Hearing). Counsel agree that it should ultimately be in the discretion of the Court. Some counsel believe it is unfair for one party’s counsel to be with the adjudicator, while the other counsel is appearing virtually, so the default should be that if either party elects a virtual attendance, all counsel should attend virtually. Other counsel are of the view that an in-person hearing should be the default, though in the discretion of the Court to deviate from that approach if it is justified in the circumstances, e.g., if one counsel is unable to travel, or if there is a disparity in the parties’ financial ability to attend.

While Virtual and Hybrid Hearings have been generally well-received by the Bar, there are technical and procedural concerns that need to be considered or addressed:

1. Despite best efforts, witnesses face challenges in making technology work, whether it be video/audio or accessing electronic documents on which they are examined (e.g., microphone placement, witnesses turning away from the microphone to pick up or review hard copies of documents). Witnesses could benefit from the Court providing a brief guidance document prior to participating in a virtual/hybrid hearing.

2. Transcript quality. There is a perception that more errors are occurring in transcripts in Virtual Hearings, perhaps because of the reduced ability of Court reporters to confirm what was said during breaks in the hearing, or because of more than one person talking at a time (as a result of lag in sound transmission on Zoom), though counsel note that discoveries and cross-examinations transcripts not conducted as part of trial may be reviewed for corrections and that Zoom hearings are recorded by many court reporters for this very reason.
3. A feature of Zoom appears to be that the person speaking loudest takes over the audio channel, so the original speaker may get cut off. Protocols for Virtual and Hybrid Hearings need to ensure a mechanism to avoid this, e.g., a means to object that does not involve speaking.
4. A noticeable problem has been dealing with confidentiality of testimony or documents shown on a shared screen. This situation often results in delays as individuals, particularly members of the public and representatives of the parties, are excluded and then ultimately readmitted. This could be resolved by using breakout rooms on Zoom, with individuals assigned to different breakout rooms according to their level of access to different levels of confidential information, though this would require the Court registry officer to identify these individuals prior to the start of the hearing.
5. Some issues have been noted with slow connection, particularly because of the Court's connection in Toronto.
6. There is a perception by some counsel that Virtual Hearings can take longer than In-Person Hearings. One way to address this is to encourage counsel to provide (at least fact witness) evidence in chief through affidavits rather than live testimony. Counsel note there is also a virtual fatigue factor, so regular breaks have proven important but also lead to longer hearings.
7. Dealing with documents has posed some issues, particularly with large documents that can take time to load using the Court's trial document management system. For cross-examination of witnesses, getting to the right page of a document can be slow – counsel can address this by using bookmarked pages of relevant PDFs. Screensharing also minimizes the video of the participants, which can effectively turn the hearing into an examination by telephone. Is there a Zoom solution to “pin” the witness and the hearing judge to prevent minimizing their videos during screensharing?

Occasionally, when connections are slow or cut out completely, it can create a situation where an examination continues without all counsel “present”. Protocols should address this concern, for example, by deeming any answers given during a “black-out” as answered under reserve of objection so the matter may be dealt with later if needed, but without trying to undo or erase parts of the record.

#### **IV. EARLY PROVISION OF CLAIMS CHARTS**

At the Meeting, Justice Manson explained that members of the Bench were surveyed on what would be helpful to include in claims charts. Prothonotary Furlanetto prepared templates for claims charts to be used by the Bar. We welcome the Court's invitation to give feedback from the Bar on these templates.

##### **a) General**

The Bar welcomes further dialogue on the Court's perspective of the purpose of claims charts. The Bar's view is that claims charts can be useful, particularly to highlight key issues between the parties on claims construction where there are multiple claims and elements at issue. However, depending on the level of detail, they can also become time consuming to prepare and cumbersome to use. The Bar's view is that ideally, claims charts should be a convenient quick-reference tool for the judge to use at the outset of the trial; they should not be a substitute for expert reports and closing arguments.

The Bar's chief concern about the current templates is that they invite counsel to respond to issues comprehensively (e.g.), for each element of each claim the validity template asks counsel to "insert Defendant/Plaintiff's obviousness analysis, indicate relevant common general knowledge and/or prior art"). To ensure that their positions are accurately reflected in the charts, counsel may be tempted to include all relevant evidence that relates to the issue (for example., all the expert evidence on obviousness). Below, the Bar suggests ways to ensure that claims charts are helpful for the Court, and do not amount to a reiteration of the expert evidence in chart form.

1. No reference to evidence. The Bar would welcome an indication that quotes from or citations to expert evidence should not be included.
2. Non-binding. If the Court is simply interested in a summary of the parties' positions on the key issues, it would be helpful if the claims charts were non-binding. That way parties will not be concerned about giving a less complete but ultimately more helpful summary of their position on the key issues in dispute.
3. Page limits. Page limits are another tool the Court can use to ensure the claims charts do not become too detailed. A page limit would be a good indicator to counsel of the level of detail the Court will find helpful in a particular case. Depending on the case and the number and type of claims at issue, different page limits will be appropriate. Thus, while the Bar are not proposing a particular page limit, this should be discussed at a pre-trial conference (discussed below).
4. Timing. A key issue regarding claims charts is timing. The Federal Court's PM(NOC) checklist contemplates the parties exchanging claims charts early in the proceeding, although these are not provided to the Court. These claims charts are typically non-binding and are done on a without prejudice basis. Because they are done early, counsel have generally not found this step to be useful. However, claims charts can be a useful tool for the Court (and are easier for counsel to prepare) if exchanged and filed later in the process, ideally after expert reports have been exchanged and in advance of trial. By that time, the parties' positions on the issues have crystallized, and the claims and issues in dispute will possibly have narrowed.
5. Flexibility. Given the wide range of patents and cases before the Federal Court, the Bar would welcome flexibility around claims charts. Claims charts may make good sense in some cases but may be unnecessary or unhelpful in others. The Bar suggest templates for claims charts can be a starting point, but the precise format and content should be an item for discussion between counsel and the judge at a pretrial conference. The following issues could be addressed:
  - whether the Court finds claims charts helpful;
  - whether they should be prepared for construction, infringement and/or validity (in many cases, claims charts make sense for construction and infringement, but not validity);
  - the level of detail the Court would like to see, including page limits; and
  - the timing for delivery of claims charts.

#### **b) Construction and Infringement Template**

As a general matter, the Bar believes that the setup of the template construction and infringement chart makes sense. However, in keeping with the comments above, there is a concern that for the infringement columns, asking parties to insert their "infringement analysis" of whether the product includes a given element will invite a reiteration of the infringement evidence. Instead, the Bar suggest that the chart simply indicate the parties' position on whether the product includes the claim element (i.e., yes/no). In addition, to ensure that these are focused, it may make sense for the chart to be limited to the issues in dispute, rather than comprehensively cover each element of every claim.

**c) Validity Template**

The claim-by-claim and element-by-element approach of the validity chart makes sense for anticipation. However, the Bar suggest that there should be separate columns for the Defendant's position and Plaintiff's position (as is currently set out for obviousness). Also, in keeping with the comments above, the Bar suggests that rather than ask for the parties' "analysis and relevant passages from the reference or prior disclosed device/product/process," the chart ask for "the key passages from the prior art reference" or "key aspects of the prior disclosed device/product/process." For obviousness, the current format asks for the analysis for each element. Since the obviousness analysis asks about the "inventive concept of the claim," the obviousness column could be divided by claim rather than by element. In addition, to avoid the concerns discussed above, the Bar suggests that for obviousness and the "other validity issues," the chart requires point form summary of the parties' positions on the key issues in dispute rather than their full analysis.

The Bar thanks you for soliciting our input on these important issues of concern to the judiciary and the profession. We would be pleased to discuss our feedback with you.

Yours sincerely,

*(original letter signed by Julie Terrien for Georgina Danzig and Sana Halwani)*

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## **APPENDIX (Requests to Admit)**

### **Federal Courts Rules**

<p>Request to admit fact or document</p> <p>255 A party may, after pleadings have been closed, request that another party admit a fact or the authenticity of a document by serving a request to admit, in Form 255, on that party.</p>	<p>Demande de reconnaître des faits ou des documents</p> <p>255 Une partie peut, après clôture des actes de procédure, demander à une autre partie de reconnaître la véracité d'un fait ou l'authenticité d'un document en lui signifiant une demande à cet effet selon la formule 255.</p>
<p>Effect of request to admit</p> <p>256 A party who is served with a request to admit is deemed to admit a fact or the authenticity of a document set out in the request to admit unless that party serves a response to the request in Form 256 within 20 days after its service and denies the admission, setting out the grounds for the denial.</p>	<p>Effet d'une telle demande</p> <p>256 La partie qui reçoit signification d'une demande de reconnaissance est réputée reconnaître la véracité du fait ou l'authenticité du document qui en fait l'objet, sauf si elle signifie une dénégation établie selon la formule 256, avec motifs à l'appui, dans les 20 jours suivant la signification.</p>

### **Federal Court – Jurisprudence**

#### **A. Pre-Hryniak**

***Hazeldean Farm Co v. Canada (Minister of National Revenue)*, [1967] 1 ExCR 245, [1966] CTC 607, 66 DTC 5397, per Noel J.**

First reported case dealing with requests to admit.

Both parties served a notice to admit facts prior to trial and each party responded. One party listed and repeated in its response all the facts specified in the notice to admit. Sometimes it made no comment opposite a particular fact or facts (in which case it or they were admitted). In other cases, it noted some qualification opposite a fact or facts. In still other instances, it merely denied the admissibility of such fact or facts as being irrelevant. The counterparty, on the other hand, listed those facts which it was prepared to admit outright and those which it was prepared to admit subject to some qualification. It refrained from referring to those facts that it was asked to admit which, for some reason, it did not wish to admit.

The Court made many comments about the proper procedure for dealing with requests to admit under *Rules 146-147*, as they then read:

1. The reply to a notice to admit facts, as well as the notice itself, should both be filed as part of the case of the party who served the notice to admit if that party chooses to use the reply for one or both of the following purposes:
  - (a) as proof of a fact that is part of the case that it is proving whether such fact has been admitted as demanded or has been admitted as a qualified form of the fact demanded, or
  - (b) as proof of the refusal by its opponent to admit a fact upon which proof it may, at the appropriate time, found an application for costs under the second paragraph of Rule 147.

2. If the reply contains a qualified admission that he does not accept, counsel should, when filing it, indicate for the record that he elects to treat that response as a refusal to admit the fact that his opponent was asked to admit. If a party receives a reply to a notice to admit that he decides not to use for either of the above purposes, he should not file it.
3. When a document has been admitted pursuant to a notice under Rule 146, the party may tender the document as having been so admitted. Documents, plans or schedules related to the facts the other party is called upon to admit and mentioned therein or mentioned in the qualifications to the facts admitted which counsel requesting the admissions of facts is also prepared to accept, should also be tendered as admitted. In such a case, the document should not be proven by a witness as such proof unnecessarily increases the costs.
4. Where there has been a refusal to admit a document pursuant to a notice to admit, the party who served the notice may file the notice to admit and the response in order to found an application for costs under Rule 146.
5. When there has been no response to a notice to admit documents or facts, a party who wishes to apply for costs under Rules 146 or 147 will have to be able to prove service of the notice and its opponent's failure to respond.
6. Questions as to relevancy or other questions as to admissibility of evidence should be raised by the objecting party when proof is submitted based upon admissions in the same way as when evidence is tendered in any other way.
7. In all such cases where facts required to be admitted are admitted but are contested as being irrelevant or as being for some other reason inadmissible, an objection should be made to their acceptance. Such objection can either be resolved immediately by the Court or the decision can be reserved. If the matter is resolved immediately and the objection maintained, the admission does not go in. If the decision is reserved, such facts go in, subject, however, to the subsequent decision of the Court as to their admissibility.
8. In every case where a party has failed or refused to admit a fact or a document, he should ask the Court to determine and certify before the completion of the hearing or trial, that it was reasonable in so failing or refusing to admit. Otherwise, such failure or refusal will result in the costs of proof being payable by the party who failed or refused to admit.

***Edison v. Canada (Minister of National Revenue), [2000] F.C.J. No. 475, per MacKay J.***

Next reported decision addressing the effect of a request to admit.<sup>5</sup>

Counsel for the plaintiffs served a Notice to Admit documents on the defendant in a tax case pursuant to *Rules 255 and 256 of the Federal Courts Rules, 1998*. The Notice to Admit was served so that the twenty-day period set out in *Rule 256* expired after the first day of the hearing without the defendant having denied the admission. Counsel for the plaintiffs then gave notice to the Court at the close of the plaintiffs' evidence that he intended to use in oral argument, documents provided to the plaintiffs by Revenue Canada that were listed in the plaintiffs' Notice to Admit. Counsel urged that:

The Notice to Admit expired as of the close of business yesterday, there was no response so as of today those documents are authenticated and the facts contained therein are admitted.

Counsel for the defendant objected, particularly to the contention that the facts contained in the documents were deemed to be admitted by the expiration of the notice period. He also objected to the fact that a Notice to Admit that expires during a hearing is not a proper Notice to Admit. During the

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<sup>5</sup> NOTE: All research for this memo was performed using Quicklaw, Westlaw and online searching tools. Due to COVID, documents that only exist in paper form could not be accessed.

argument on the issue, counsel for the defendant did state to the Court that the documents were authentic but did not make any representations regarding the facts contained in them other than they ought not to be deemed to be admitted.

The Court made a number of comments in regard to the application of the *Rules*:

1. The *Rules* are designed to dispense with the sometimes onerous and inefficient requirement in the law of evidence that, in trials, each document be authenticated by testimony unless it is admitted by agreement, or pursuant to the *Rules*.
2. A primary purpose behind the *Rules* in question is to save both the Court and litigants the time and expense involved in proving the authenticity of documents or in proving facts.<sup>6</sup>
3. A Notice to Admit should be served more than twenty days in advance of a hearing, if at all possible, as a matter of fairness and to avoid a trial by surprise. The *Rules* are silent on this point.
4. Deemed admissions arising by operation of the *Rules* should be settled before the beginning of the hearing.
5. In a document-intensive action, where numerous documents are offered as evidence, authored by a large number of people, the cost of proving individual documents could be significant if there is no agreement to admit their authenticity. That is reflected in current *Rule* 400(3)(j), where the Court may consider "the failure of a party to admit anything that should have been admitted" in calculating an award of costs.

***Society of Composers, Authors & Music Publishers of Canada v. Runway 66 Enterprises Ltd., 2000 CarswellNat 5436, 2000 CarswellNat 845, [2000] A.C.F. No. 556, [2000] F.C.J. No. 556, 97 A.C.W.S. (3d) 49, per Hugessen J.***<sup>7</sup>

The plaintiff filed a motion for summary judgment in a copyright case based on the defendants' failure to respond to a Notice to Admit, despite some extensions of the normal time period of 20 days. The plaintiff argued that by operation of *Rule* 256, the facts contained in the Notice to Admit were deemed to have been admitted and, if deemed admitted, left "no lively issue for trial in the action."

The Court accepted the plaintiff's submissions and granted summary judgment based on the deemed admissions in the Notice to Admit. The Court held that the failure to respond to the Notice was not a mere technicality. The defendants did not offer any evidence to explain their failure to respond, or why the Notice should not have its full effect.

## **B. *Hryniak v. Mauldin, 2014 SCC 7***

In *Hryniak*, the Supreme Court of Canada urged a "culture shift" in civil litigation by adopting a litigation culture that favors proportionality, timeliness and affordability. Judges were encouraged to actively manage the legal process in line with the principle of proportionality to achieve a fair process that results in a just adjudication of disputes.<sup>8</sup> A fair and just process must permit a judge to find the facts necessary to resolve the dispute and to apply the relevant legal principles to the facts as found.<sup>9</sup>

<sup>6</sup> See also *Clarke v. Minister of National Revenue* (2000), 189 F.T.R. 76 at para. 43, [2000] F.C.J. No. 475

<sup>7</sup> See also *Monsanto Canada Inc. v. Van Derdegem*, [2013] F.C.J. No. 62 at para. 6, per Hughes J. (no default judgment based on deemed admissions); *Monsanto Canada Inc. v. Wouters*, 2007 FC 625 per Barnes J. (default judgment on the basis of deemed admissions); *Canada (Minister of Citizenship and Immigration) v. Dao*, [2004] F.C.J. No. 870, per Heneghan J. (A party that does not reply to a Request to Admit within the time limited by the Rules cannot now attack the validity of the documents by means of submissions from his counsel in his Pre-Trial Conference Memorandum or otherwise).

<sup>8</sup> *Hryniak v. Mauldin*, 2014 SCC 7, [2014] 1 S.C.R. 87 at para. 28.

<sup>9</sup> *Hryniak v. Mauldin*, 2014 SCC 7, [2014] 1 S.C.R. 87 at para. 28.

We are not aware of any decision post-*Hryniak* in which the Federal Court of Appeal has said that requests to admit can or should play a more central role in patent litigation. However, the Court has “responded to that cue and quickened the pace of reform”<sup>10</sup> in a number of different ways, such as:<sup>11</sup>

- encouraging motions to strike to remove unmeritorious cases from the court system;<sup>12</sup>
- allowing relief to be requested by informal letters in uncontroversial matters where facts are not in dispute;<sup>13</sup>
- reinforcing the proportionality requirement on motions to compel answers to discovery questions;<sup>14</sup>
- fashioning a broad array of new, innovative tools to curb and prevent abuses;<sup>15</sup>
- requiring a party seeking leave from an interlocutory order under the *PM(NOC) Regulations* to “persuade the Court that its decision on the interlocutory appeal will have a direct impact on the overall success or failure of the case”;<sup>16</sup>
- affirming the use of summary judgment motions in patent infringement actions;<sup>17</sup>
- encouraging cooperation between counsel and opposing parties;<sup>18</sup>
- not countenancing unacceptable, tactical conduct;<sup>19</sup>
- noting that the goals set out in *Hryniak* apply to all proceedings before the Federal Courts, including complex intellectual property matters.<sup>20</sup>

At the same time, the Court reminded parties that “substantive rights cannot be subordinated to procedural rules and practice principles”<sup>21</sup> and “cannot be modified by rules of procedure and principles of economy, fairness and proportionality.”<sup>22</sup> A party’s invocation of its legal rights cannot be side-stepped by using tools designed to address abusive use of the *Rules*.<sup>23</sup>

### C. Post-*Hryniak*

There have only been a handful of reported Federal Court decisions involving requests to admit post-*Hryniak*. None of these cases have suggested that requests to admit should play a central role in the “culture shift” proposed by the Supreme Court.

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<sup>10</sup> *Teksavvy Solutions Inc. v. Bell Media Inc.*, 2020 FCA 108 at para. 5.

<sup>11</sup> *Mazhero v. Fox*, 2014 FCA 219 at para. 4, *Fabrikant v. Canada*, 2018 FCA 171 at para. 3; *Olumide v. Canada*, 2016 FCA 287 at para. 42.

<sup>12</sup> *Forner v. Professional Institute of the Public Service of Canada*, 2016 FCA 35 at para. 10; *Rock-St Laurent v. Canada (Citizenship and Immigration)*, 2012 FCA 192, 434 N.R. 144 and *Lee v. Canada (Correctional Service)*, 2017 FCA 228 (Rule 74); *Canada (National Revenue) v. JP Morgan Asset Management (Canada) Inc.*, 2013 FCA 250, [2014] 2 F.C.R. 557 (interlocutory motions to strike).

<sup>13</sup> *Foresthetics Advocacy Association v. Canada (Attorney General)*, 2014 FCA 182 at para. 9

<sup>14</sup> *Hospira Healthcare Corporation v. Kennedy Trust for Rheumatology Research*, 2020 FCA 177 at para. 9.

<sup>15</sup> *Fabrikant v. Canada*, 2018 FCA 224 at para. 26; *Canada v. Olumide*, 2017 FCA 42, [2018] 2 F.C.R. 328.”

<sup>16</sup> *Apotex Inc. v. Allergan Inc.*, 2020 FCA 208 at para. 15.

<sup>17</sup> *Canmar Foods Ltd. v. TA Foods Ltd.*, 2021 FCA 7 at para. 23, citing *Hryniak v. Mauldin*, 2014 SCC 7, [2014] 1 S.C.R. 87 at para. 5.

<sup>18</sup> *Janssen Inc. v. Pfizer Canada Inc.*, 2019 FCA 188 at para. 12.

<sup>19</sup> *Amgen Canada Inc. v. Apotex Inc.*, 2016 FCA 121 at para. 24.

<sup>20</sup> *Sport Maska Inc. v. Bauer Hockey Ltd.*, 2019 FCA 204 at para. 32.

<sup>21</sup> *Bisaillon v. Concordia University*, 2006 SCC 19, [2006] 1 S.C.R. 666 at paras. 17-18.

<sup>22</sup> *Canada v. Tk'emlúps te Secwépemc First Nation*, 2020 FCA 179 at para. 47.

<sup>23</sup> *Canada v. Tk'emlúps te Secwépemc First Nation*, 2020 FCA 179 at para. 47.

***Nautical Data International, Inc. v. Navionics, Inc.*, [2017] F.C.J. No. 1320, per MacDonald A.M. J.**

Motion to compel responsive answers to a request to admit.

The defendant argued that the plaintiff did not provide proper grounds for denying facts in the Response to the Request to Admit. In both responses, the defendant's reason for denial was a stated reliance on additional documents. The defendant argued that it had complied with the spirit of *Rule 256* by providing the grounds for denial. Moreover, *Rule 256* does not require a party to provide "meaningful" grounds for denial or to provide a list of all other agreements it may rely upon, as this would require disclosure of privileged trial strategy.

The Court held that the defendant's denial was in "technical compliance with the requirements of *Rule 256*" and "decline[d] to order that a more fulsome response be provided by NDI." That said, the Court observed that the position taken by the defendants may be a relevant consideration with respect to the issue of costs at the conclusion of the trial.

***Bauer Hockey Ltd. v. Sport Maska Inc. (CCM Hockey)*, 2020 FC 862, per Grammond J.**

This was a hearing to assess costs following a patent infringement action. The successful plaintiff argued that it should be entitled to elevated costs due to the defendant's failure to admit certain facts that were ultimately proven at trial (*Rule 400(1)(j)*). The plaintiff relied on the "culture shift" mandated by *Hryniak* in support of its claim – and the fact that "on two or three occasions during this trial, I expressed the view that some matters ought to be resolved by discussions between the parties, or that certain facts should be admitted instead of being the subject of testimony."<sup>24</sup>

The Court denied the plaintiff's request and held that the assessment of costs should not "become a detailed autopsy of the trial."<sup>25</sup> One should always remain conscious of the difficulties associated with judging litigation conduct with the benefit of hindsight. Tactical decisions may be made for reasons not disclosed to the judge. In addition, the trial judge may not be in a good position to assess pre-trial proceedings, which are supervised by another judge or a prothonotary.<sup>26</sup> While costs may be used to sanction and deter various kinds of conduct hampering the efficient resolution of a case, including "the failure by a party to admit anything that should have been admitted or to serve a request to admit", the manner in which these factors are taken into consideration may vary depending on whether costs are assessed according to the tariff or in a lump sum. Where a lump sum is awarded, the result of many litigation choices is already reflected in the base amount of the calculation.<sup>27</sup>

***Biofert Manufacturing Inc. v. Agrisol Manufacturing Inc.*, 2020 FC 379, 2020 CF 379, 2020 CarswellNat 1293, per McVeigh J.**

This was a trademark and copyright infringement action. In preparation for trial, the plaintiff served each of the self-represented defendants with requests to admit facts. None of the defendants replied within the 20-day window where required for a response to avoid a deemed admission under *Rule 256*. At the start of trial, the defendants attempted to withdraw the admissions of fact as they were not familiar with the law. The defendants did not explain why they did not respond to the requests, nor did they suggest that withdrawal was required to raise a triable issue or that it would otherwise be in the interests of justice. The Court did not allow the defendants to withdraw any admissions without the plaintiff's consent.

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<sup>24</sup> *Bauer Hockey Ltd. v. Sport Maska Inc. (CCM Hockey)*, 2020 FC 862 at para. 19.

<sup>25</sup> *Bauer Hockey Ltd. v. Sport Maska Inc. (CCM Hockey)*, 2020 FC 862 at para. 20.

<sup>26</sup> *Bauer Hockey Ltd. v. Sport Maska Inc. (CCM Hockey)*, 2020 FC 862 at para. 18.

<sup>27</sup> Seedlings, at paragraph 25

## D. Other jurisdictions

Many provinces have enacted rules of procedure pertaining to requests to admit. The following grounds for refusing to admit a fact have been established by rule and/or recognized by superior courts:

- Relevance;<sup>28</sup>
- Privilege;<sup>29</sup>
- Veiled attempt to obtain particulars or ensure compliance with a discovery obligation;<sup>30</sup>
- Question of law alone;<sup>31</sup>
- Overly repetitious, overly broad, or in the nature of argument;<sup>32</sup>
- Vague;<sup>33</sup>
- Incapable of evaluation within the time required for a response<sup>34</sup> or at all;<sup>35</sup>
- Fact cannot be reasonably evaluated, e.g., what is in the mind of another person;<sup>36</sup> and
- Lack of knowledge (provided reasonable steps have been taken to investigate).<sup>37</sup>

## Historic Rules Provisions

### 1. Exchequer Court of Canada – General Rules and Orders, R. 106-109 (March 14, 1876)

#### Admissions

106. Any party to an action may give notice, by his own statement or otherwise, that he admits the truth of the whole claim or any part of the case stated or referred to in the statement of claim, defence, or reply of any other party.

107. Either party may call upon the other party to admit any document, saving all just exceptions; and in case of refusal or neglect to admit, after such notice, the costs of proving any such document shall be paid by the party so neglecting or refusing, whatever the result of the action may be unless at the hearing or trial the Court certify that the refusal to admit was reasonable; and no costs of proving any document shall be allowed unless such notice be given, except where the omission to give the notice is in the opinion of the taxing officer, a saving of expense.

108. A notice to admit documents may be in the Form in Schedule M hereto.

109. An affidavit of the solicitor or his clerk, of the due signature of any admissions made in pursuance of any notice to admit documents, and annexed to the affidavit, shall be sufficient evidence of such documents.

<sup>28</sup> *BC Supreme Court Civil Rules*, BC Reg 168/2009, Rule 7-7; *Ceperkovic v. MacDonald*, [2016] B.C.J. No. 1075; *Alberta Rules of Court*, Alta Reg 124/2010, r. 6.37(3)(b)(ii).

<sup>29</sup> *BC Supreme Court Civil Rules*, BC Reg 168/2009, Rule 7-7; *Ceperkovic v. MacDonald*, [2016] B.C.J. No. 1075 at para. 34; *Alberta Rules of Court*, Alta Reg 124/2010, r. 6.37(3)(b)(ii).

<sup>30</sup> *Muskoka Lakes (Township) v. 1679753 Ontario Ltd.*, 2011 ONSC 1997 at paras. 34-39; *Slate Falls Nation v. Canada (Attorney General)*, [2005] O.J. No. 5228 at para. 40, 2005 CanLII 45206 (Sup. Ct. J.)

<sup>31</sup> *Gecho v. BCAA Insurance Corp.* (1996), 35 C.C.L.I. (2d) 178 at para. 12, 1996 CarswellBC 538 (S.C.), rev'd on other grounds 35 B.C.L.R. (3d) 82 (C.A.)

<sup>32</sup> *Slate Falls Nation v. Canada (Attorney General)*, [2005] O.J. No. 5228 at para. 33-37, 2005 CanLII 45206 (Sup. Ct. J.)

<sup>33</sup> *Sperry Inc. v. Ford* (1997), 122 Man. R. (2d) 227 at para. 7, 1997 CarswellMan 355 (Q.B.)

<sup>34</sup> *Ceperkovic v. MacDonald*, [2016] B.C.J. No. 1075 at para. 40.

<sup>35</sup> *Bronson v. Hewitt*, 2011 BCSC 102 at para. 151, aff'd 2013 BCCA 367

<sup>36</sup> *Children's Aid Society of Algoma v. M.O.*, [2001] O.J. No. 5220 at para. 44, 2001 CanLII 37715 (Ct. J.)

<sup>37</sup> *Pershad v. Lachan*, 2015 ONSC 5290 at para. 81

**2. General Rules and Orders of the Exchequer Court, Rules 146-147 (January 1, 1965)**

*Rule 146:* [Not available on QuickLaw or WestLaw]

*Rule 147 – Notice to Admit Facts*

Any party may call upon any adverse party not less than 14 days before the commencement of trial, to admit, for the purposes of the cause, matter or issue only, any specific fact or facts mentioned in such notice.

In case of refusal or neglect to admit, after a notice under this Rule, the cost of proving the fact not admitted shall be paid by the party so neglecting or refusing, whatever the result of the action may be, unless at the hearing or trial the Court certify that the refusal to admit was reasonable.

A notice to admit facts may be in the terms of Form 26A in the Appendix to these Rules.

**3. Federal Courts Rules 1971-1998, Rule 468**

[Not available on QuickLaw or WestLaw]. But see *Edison v. Canada, infra*, where the Court noted that “*Rules 255 and 256 in the 1998 Rules are functionally similar to the former Rule 468 and to Rules 146 and 147 of the General Rules and Orders of the Exchequer Court.*”

**4. Federal Courts Rules, 1998 / Federal Courts Rules, Rules 255-256.**

255. A party may, after pleadings have been closed, request that another party admit a fact or the authenticity of a document by serving a request to admit, in Form 255, on that party.

256. A party who is served with a request to admit is deemed to admit a fact or the authenticity of a document set out in the request to admit unless that party serves a response to the request in Form 256 within 20 days after its service and denies the admission, setting out the grounds for the denial.