Federal Court  Cour fédérale

IP Users Committee

MINUTES
NOVEMBER 8, 2018
TORONTO, ON

Attendance:
for the Court: Justice Manson (Chair), Chief Justice Crampton, Justice Barnes, Justice Zinn (by phone), Justice Lafrenière, Prothonotary Tabib (by phone), Prothonotary Aylen, Prothonotary Steele

for CBA: Yuri Chumak, Trent Horne, Michael Crinson (for Jonathan Stainsby)

for IPIC: Julie Desrosiers

Secretary: Lise Lafrenière Henrie

Regrets: Justice O'Reilly, Justice Phelan, Justice Locke, Prothonotary Milczynski, Prothonotary Aalto, Sana Halwani, Patrick S. Smith

SUBJECT	STATUS / ACTION
1. Agenda – approved **2. Minutes of May 31st, 2018 meeting - approved** **3. Bill C-86: *Budget Implementation Act, 2018, No. 2* - Intellectual Property Strategy** Justice Manson provided an overview of the scope of amendments related to IP (referred to background information provided by the government as well as various articles from law firms). The amendments will introduce file wrapper estoppel into Canadian law. This may prevent a patent owner from taking a different position with respect to claim construction as was taken during prosecution of the patent. However, in some instances, admissions for changes made during prosecution are not intended to be admissions in terms of restrictions or expansion. Representations will be looked at more closely. This will bring a whole new dimension to claim construction. There are questions as to how certain amendments will be implemented. When drafting patents, there are usually two reasons to limit scope of a claim 1) to get the patent issued more quickly; 2) to get around objections by an examiner (restricting the scope of claims to get around prior art). These amendments will now present parties with a different focus on claim construction.	

U.S. Markman hearings: The Federal Court is interested in looking into something similar – whether through case management or otherwise. If counsel want claim construction determined earlier, the Court will be supportive. This could be done by way of motion early in the proceedings (see Rule 52.6). If it's a regular action, then the prothonotaries can look at it. It could go to trial judge for an appeal. If it's a PMNOC, you must get leave to appeal to go to the FCA. If counsel want the trial judge's view, they can ask the case management judge/ Prothonotary to have the trial judge hear the motion.

How will the new rules affect the 10-day trial? C-86 is the 2nd budget bill, and is expected to pass fairly quickly. The coming into force date will be determined by Order in Council. It will also be interesting to note the transitional provisions.

On the Trademark side, bad faith will be added as a ground of opposition and there is a clarification of the prohibition against the use of official marks.

Confidentiality Orders – The Registrar of Trademarks will be able to deal with confidentiality orders in trademark matters. (See section 223 of the Bill)

The Bill will be discussed further at the May meeting.

4. PMNOC Regulations – views from the Bar

The Court received comments from the Court Practice Committee of the CBA dated November 2, 2018 highlighting various issues of concern to the bar. The 10-day limit for trials continues to be the biggest issue. For the Court, the experience on the "new" PMNOC files varies from one file to the other. Some run very smoothly. There is still an issue with the shift in culture. In discovery, some counsel continue to routinely object. Refusals motions are bogging down the process. This may require greater cost sanctions.

Justice Manson asks members to take it back to the bar: if you are going to object, object and let them answer. If they don't let the witness answer, there may have to be cost consequences. All IP matters will have limited trial time, so the message for the bar is do not make objections without letting the witness answer.

The question was raised whether an adverse inference be drawn if no answer is provided.

The Bar wants to know if the Court is open to considering a longer trial. The Chief Justice indicated that while the Court is open to considering longer trials in very complex cases, it will only be in extraordinary circumstances. What is an appropriate case for a longer trial?

Justice Manson and Prothonotary Aylen have already allowed one extra day in

a multi-patent case (4 patents initially, now 3, with 5 actions).

The Chief Justice mentioned that at a recent international conference with the U.S. and the U.K., they advised that their courts have, for 10 or more years, restricted patent trials to one or two weeks. The difference appears to be a culture issue. U.S. judges admit that they are doing shorter trials because they have Markman hearings. The Federal Court is conceptually willing to do this. Counsel should discuss the possibility of early claim construction with the case management judge.

With time, cases get simpler (not usually more complex). They may not need 10 days.

Trent Horne shared comments that Sana Halwani wanted shared with this group, including:

- Claims charts appear to be a make-work project
- Trial time- if shorter, does that mean less time in chief?

Bar to comment on Markman hearing and when they should be held.

Justice Manson indicates that there has been push-back on early claim construction. There are times where experts are not retained early enough. Getting early claim charts require parties to get their experts earlier. He is seeing cases now where one side has prepared the charts but not the other side. He indicated that the Court doesn't expect a finalized chart until after discovery. The Court understands that claim charts may be premature before then and would allow leeway. Trent mentioned that Markman hearings would help.

The Chief Justice mentioned that because there is now a 24-month timeframe to have the decision out, more needs to be done upfront. This recommendation to move things up came from the bar. He invited the bar – especially if there will be collaboration to make the early claim construction process work – to identify when a motion should be in the process. Is three months the right timeframe? The collective interest is to find a reasonable timeline.

5. Confidentiality Orders

The draft report on Confidentiality Orders has been revised. The first seven pages are distilled from comments received from the Bar and internally. The *Seedlings* case indicates that the Court will look at protective orders, but the Court is still encouraging parties to agree.

The Chief Justice mentioned that while the bar has been asking for more specialized judges to hear IP matters, counsel have brought a few IP cases (including *Seedlings*) to general sittings (where any of the Federal Court judges may be assigned). To ensure that a member of the core IP group is assigned to the matter, counsel should be asking for a special sitting under Rule 35.

Justice Manson asks the Bar to provide their comments on the draft orders by the end of the year. The drafts are based on input already received.

Bar to provide their comments on the draft confidentiality orders by the end of the year.

Trent mentioned that if parties want an order, they could put forward a

proposal based on a template that would be approved by the Court. Any changes counsel make to the template would be blacklined. Then, the Court could see what changes have been made to decide whether to grant the order. Justice Manson indicated that the Court is happy to consider a template order for parties to use. The Court invites the bar to submit a template order for the Court to consider (ideally a joint CBA/IPIC proposal).

Bar to submit a template order for the Court to consider (ideally a joint CBA/IPIC proposal).

The Ontario Court allows counsel to record hearings for personal use only. Is this something that the Federal Court would allow? The Court will consider this. Prothonotary Tabib mentioned that DARS can be redacted but parties must let the registry officer know at the beginning and at the end.

Court to consider whether to allow counsel to record hearings for personal use only.

6. Case Management Checklist

The Court had input at the last meeting. The only criticism is that there are too many checks in the checklist, but prothonotaries are flexible. Prothonotary Aylen confirmed that the key dates are the ones that they focus on.

7. Chief Justice's Update

- ACJ – expecting the appointment of an associate chief justice hopefully before the end of the year (such an appointment has to go to the prime minister), as well as the appointment of two prothonotaries (Ottawa and Toronto). There is also a third prothonotary position but the Court hasn't asked for it to be filled yet.
- The government appears to be open in engaging in a dialogue on supernumerary status for prothonotaries. The advantage is that when a prothonotary elects supernumerary status, another prothonotary can be appointed. This would help with transition.
- There are two vacancies in judges' positions – both from Québec. The FCA also has a vacancy for a Québec judge. Ontario judges will be electing supernumerary status (one in a few weeks and two next year). There are several good candidates from the IP bar, but not many from Québec. There is another position announced in the budget but the Court isn't seeking that it be filled at this time.
- Workload and scheduling: 5+ day trials are being scheduled in fall 2019 (well within the 2-year objective); less than 5 days are being scheduled in the next few months.
- Electronic trials – Courtrooms are equipped in Québec (in the new building) and Toronto (courtroom 5C) and several e-trials have been held. This is helping the Court move away from being a paper-based organization. The result is a significant reduction in court time.
- External electronic scheduling is being considered for 2020.
- There is an immigration e-filing/e-trial pilot project in Toronto.
- A new CRMS (court registry management system) is required for electronic access to court records (and other e-projects). The Chief Justice thanked the IP Bar for its support for the program integrity

funding (to ensure that the Court had enough registry officers, etc.) that was provided in the last budget. • Translation – Translation is still an issue. It takes too long to get decisions out in both languages. The Court is asking for funding to address these delays. • New website – In Spring 2019, the new FC website should be launched providing a more intuitive and user-friendly site based on the 3-clicks principle. It will also be mobile-friendly. The new site will feature new tools for self-reps including fillable forms, flowcharts, and checklists. It will be an on-going project, so the Court will be looking for users' feedback. There will be general information on key areas of the law under the Court's jurisdiction. If the bar has any suggestions on information that should be included for IP, they are invited to contact Lise. The bar asked if they could assist by reviewing the content ahead of the launch. The Court will likely ask a few members of the bar to comment. • File Retention: This project is moving ahead, but the first of list of files for destruction has not yet been posted. When the list is posted, it will be available online for about three months to allow counsel or parties who are interested in commenting or acquiring copies. • Rules Committee – the Courts are still waiting for three appointments by the Minister. It has been over two years since the positions were left vacant. • Chess clock – the Chief Justice wants the Bar to become more comfortable using the chess clock, and encourages its use. He indicated that it gives counsel more control to manage their time and encourages members to talk to their colleagues about it. Justice Manson and Justice Barnes indicate that the IP bar does this to a certain extent by giving a schedule on what will happen each day (witnesses), so that no chess clock is needed. • The Chief also mentioned that he would like experts to get together to identify areas of agreement/disagreement. See Rule 54. Justice Lafrenière mentioned that the Court is working on templates in various areas of the law to provide greater consistency. He added that it would be useful if there could be agreement on a consistent template for a confidential order. He asked the bar to identify model orders that should be included in these templates (Mareva, Anton Piller, bifurcation, etc.)? **8. Next meeting: Ottawa, May 30th, 2019**	**Bar to identify model orders.**