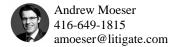
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# Summary Judgment Still Appropriate for Certain Patent Infringement Claims

A desire to expedite patent disputes may result in a party pursuing summary adjudication. We have previously commented on a number of cases relating to the use of summary proceedings for resolving patent cases in Canada. In particular, in the Federal Court of Appeal's 2022 decision in Gemak Trust v Jempak Corporation, the FCA held that summary judgment is not appropriate where there are serious issues with respect to the credibility of witnesses, and the Court observed more generally that "while patent infringement issues are not by definition excluded from the ambit of the summary judgment process, they tend to raise complex issues of fact and law that are usually better left for trial". We noted that in Gemak , the FCA was tapping the brakes on a trend towards increased adoption of summary proceedings in patent cases, and that for parties interested in summary adjudication, summary trial may be a more attractive option, particularly where witness credibility, and especially expert credibility, is likely to be an issue.

The recent decision of the Alberta Court of King's Bench in JL Energy v Alliance Pipeline is a reminder that summary judgment remains a viable option where the nature of the issue and the factual record limits the need for a court to make credibility findings.

## Background and Issues

By way of background, JL Energy owns intellectual property relating to the use of natural gas mixtures, including Canadian Patent No. 2,205,670 (the "670 Patent"). In 2016, JL Energy commenced an action in the Alberta provincial court for patent infringement and breach of a license agreement. In parallel, some of the defendants commenced an impeachment action against the 670 Patent in Federal Court, resulting in a 2019 decision which upheld the validity of 8 of the 10 claims.

The recent decision arose from a summary judgment motion which sought a dismissal of the Alberta action on the basis of a limitations defence. More specifically, the defendants alleged that both the contractual claims and the patent infringement claims were time-barred by the two-year limitations period in



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### the Alberta Limitations Act.

JL Energy argued that it was not an appropriate case for summary judgment because the determination of whether a limitation period had expired was a question of mixed fact and law that involved discoverability issues, and an assessment of credibility was required to determine the factual disputes as to what the claimant knew when.

## **Key Findings**

The Alberta Court disagreed and held that summary adjudication was appropriate because the factual record contained "an extraordinary level of detail pertaining to JL's investigation of whether or not it had a claim" during the relevant time period, such that the Court could make findings of fact on the discoverability issues without making credibility determinations. The record was unusually detailed because of a waiver of privilege over communications between JL and its former legal counsel, such that the record contained "an extensive and detailed contemporaneous record of actual knowledge held by JL and its legal and technical advisors in the period leading up to the filing of the Statement of Claim spanning, generally, the years 2008 to 2013".

#### **Limitations Act**

Although the use of summary proceedings is the focus of this blog post, it is worth noting that the Alberta Court held that the two-year period in the provincial *Limitations Act* applied to the patent infringement claims, rather than the six-year period set out in s. 55.01 of the *Patent Act*. Although this holding might be somewhat unexpected in view of the principle of federal paramountcy, the Court relied on the 2022 *Secure Energy Services* decision of the Alberta Court of Appeal. In any event, parties and litigators should be aware of this decision if litigating patent disputes in Alberta.

## **Takeaways**

In summary, the JL Energy decision is a useful reminder that summary judgment in patent cases is not dead after the FCA decision in *Gemak*, provided that the issue is relatively straightforward, the moving party can assemble the necessary factual record, and a court can decide the issue without substantial credibility issues.

