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The Other Shoe Has Dropped: Summary Judgment in the Federal Court

Patent infringement actions are inherently complex and technical. They often involve complex scientific inquiries and expert evidence. The Federal Court has historically held that summary judgment—which does not include live evidence—is generally not the preferred means of resolving patent infringement actions. Instead, such determinations are best left to a trial judge who has had the opportunity to hear all of the evidence live (e.g., *Suntec Environmental Inc v Trojan Technologies Inc*).

In early April, we commented on the Federal Court's recent use of summary trial to resolve a patent infringement dispute. The abbreviated procedure of a summary trial addresses many of the Federal Court's concerns with summary judgment (e.g., lack live evidence).

However, summary trials have not displaced summary judgment motions completely. In early June, we commented on three recent decisions in which the Federal Court signaled that summary judgment might be appropriate in the right circumstances.

As we noted, those circumstances might mirror those of *Canmar Foods Ltd v TA Foods Ltd* ("*Canmar*"), where the defendant brought a motion for summary judgment based on non-infringement. In that case, neither party proffered expert evidence, and the Court did not require expert assistance to understand and construe the claims at issue.

Those circumstances might also correspond to *Gemak v Jempak* ("*Jempak*"), another motion for summary judgment based on non-infringement. Unlike *Canmar*, both parties in *Jempak* advanced expert evidence; however, the Court criticized the plaintiff (here and here) for relying on expert evidence that attempted to contradict the defendant's experts, rather than advancing its own evidence on relevant issues. Ultimately, the Court granted summary judgment on the basis that there was "no substantial conflict" in the expert evidence and the "[moving party's] expert [was] the only witness who provides" evidence on the relevant issues (see *Jempak*, here).

Since our last comment, Justice McVeigh's decision in *Flatwork Technologies, LLC (Powerblanket) v Brierley*

("*Flatwork*")—a patent impeachment action where the parties advanced conflicting expert evidence—raised entirely new circumstances in which to consider summary judgment.

Background

Flatwork was a patent impeachment action related to an electric heating wrap for use on articulated hydraulic booms (e.g., the hydraulic arm of a backhoe). According to the patent at issue:

> Hydraulic booms use a controlled flow of hydraulic fluid to affect movement under load. In freezing temperatures, the hydraulic fluid becomes increasingly viscose. Should the hydraulic fluid become too viscose, undue stress is placed upon seals leading to seal failure.

This action was commenced shortly after the defendant patent owner sued the plaintiff, Flatwork Technologies, LLC, in Alberta's Court of Queen's Bench for patent infringement. The patent infringement action was ultimately stayed pending the outcome of the Federal Court impeachment action, which alleged that the patent at issue was invalid for a host of reasons.

The plaintiff's motion for summary judgment was based on three of those grounds: anticipation, obviousness and lack of utility. Like *Jempak*, the plaintiff sought an order directing a summary trial on the relevant issues, in the alternative, should its motion for summary judgment be unsuccessful.

The Evidence

Each party advanced expert evidence and conducted cross examinations. However, the Court was critical of each parties' expert evidence.

The Court characterized the plaintiff's expert as "unprofessional and combative" and noted that he "acted like a belligerent litigant rather than as an impartial expert," which "must be taken into account or factored in when assessing an expert's testimony" (see here).

The Court noted that the defendant's expert evidence was of "limited assistance" because, although he had 20 years of experience as a heavy-duty mechanic in freezing temperatures, he had no experience in designing or making electric heat wraps or blankets which is the subject matter of this patent. The Court also noted that the defendant's expert included "without prejudice opinions which are not appropriate in an expert report."

Ultimately, however, the Court held that it would afford little (if any) weight to the defendant's expert evidence because the witness was never properly instructed in Canadian legal patent

concepts, including the person of ordinary skill in the art (see here).

On the issue of claims construction, it is settled law that patents must be construed from the perspective of the skilled person to whom the patent is addressed (see the Supreme Court of Canada's decisions in *Whirlpool Corp v Camco Inc* and *Free World Trust v Électro Santé Inc*). Since the defendant did not make submissions on the skilled person or provide instructions on the same to her expert, the Court adopted the construction set out in the plaintiff's expert report (see here and here).

In finding that the patent at issue was invalid for obviousness, the Court noted that "there is no need to assess credibility, as the areas on which [the parties' experts] agree provide a sufficient path to a finding that there is no genuine issue surrounding obviousness." For this reason, the Court held that it did not need to consider the other grounds of invalidity.

The Defendant's Litigation Decisions

The Court noted at the outset that the defendant patent owner and inventor, Ms. Brierly, was "self-represented and very ably represented herself." Nevertheless, the defendant's failure to properly instruct her expert witness and make clear submission on the person of ordinary skill in the art likely compromised her attempt to resist summary judgment.

Similarly, perhaps because the defendant was wearing so many hats—defendant, inventor and advocate—she did not formally provide her invention story by way of affidavit and submit to cross-examination.

Such an affidavit might have been helpful to provide firsthand evidence of the purported inventor's identification of the problem in the field, the context for the purported invention, and the time and effort involved in making the invention. At times, the Court appears to note the absence of such evidence (e.g., " [the defendant] has not indicated any challenges or obstacles with applying a typical heating sleeve […] to heat an articulated hydraulic boom" and "[i]t is telling that [the defendant] does not identify challenges or ingenuity to wrapping the prior art around the hydraulic boom").

The defendant also made some problematic litigation decisions (e.g., taking contrary positions to those taken in the parallel litigation in Alberta). Perhaps the most consequential of such was the decision to not pursue the argument related to the impartiality of the plaintiff's expert. According to the defendant's expert, the plaintiff's expert had performed contract work for the plaintiff in 2018 and did not submit documentation about this work, something he viewed as a potential conflict of interest.

While the Court noted that, in its view, this potential conflict was irrelevant to this expert's ability to provide an opinion on the patent, it is possible that, had the defendant pursued this argument in earnest, the Court may have determined that summary judgment was not the appropriate procedure for resolving this dispute.

The defendant could have argued that this potential conflict of interest required the Court to assign weight or potential weight to the plaintiff's expert evidence, which necessitated live evidence. For this point, the defendant could have pointed to the Supreme Court of Canada's decision in *White Burgess Langille Inman v Abbott and Haliburton Co*, which provides guidance as to the relationship between the requirement of impartiality and the question whether the Court should receive an expert's evidence at all (see our colleague Scott Rollwagen 's excellent commentary). In that case, the Supreme Court noted that:

> A motions judge hearing a summary judgment [motion] under [rules that do not allow that judge to weigh evidence, draw reasonable inferences from evidence or settle matters of credibility] must be satisfied that proposed expert evidence meets the threshold requirements for admissibility at the first step of the analysis, but should generally not engage in the second step cost-benefit analysis. That cost-benefit analysis, in anything other than the most obvious cases of inadmissibility, inevitably involves assigning weight — or at least potential weight — to the evidence. [emphasis added]

Implications of *Flatwork*

Flatwork, like *Jempak*, is a strong reminder that the party resisting summary judgment should take such a motion seriously.

Proper retention and instruction of expert witnesses is critical. The defendant patent owner in *Flatwork* was disadvantaged right out of the gate because she advanced evidence from an expert that in the Court's view did not have

the appropriate qualification. This gap only grew when the defendant did not properly instruct that expert on Canadian patent law.

Parties should put their best foot forward. As noted above, the defendant in *Flatwork* did not provide fact evidence on her invention story. Additionally, the defendant unsuccessfully sought to introduce new evidence after cross-examinations had concluded.

Parties should have a clear litigation strategy. In summary judgment motions it is not uncommon for only one of infringement or invalidity to be at issue. As the Supreme Court held, “it has always been a fundamental rule of claims construction that the claims receive one and the same interpretation for all purposes” (*i.e.*, infringement and invalidity). Accordingly, it is important for parties to advance a consistent position as between these purposes. Although the Court in *Flatwork* noted that the defendant’s contrary positions in the Federal Court action (invalidity) and Alberta action (patent infringement) were not malicious, it is illustrative of a litigation strategy unlikely to prevail in complex patent litigation.

Final Thoughts

As we noted in our previous commentary, the Federal Court of Appeal has yet to weigh in on *Canmar* and *Jempak*. The same is true of *Flatwork*, which is the only patent impeachment action in this group of recent summary judgment decisions. With that said, these decisions, together with Justice Grammond’s comments in *Bauer Hockey Ltd v Sport Maska Inc*, indicate that the Federal Court appears willing and ready to consider increased use of summary judgment in the right circumstances.