

Federal Court



Cour fédérale

Date: 20220630

Docket: T-841-21

Citation: 2022 FC 981

Ottawa, Ontario, June 30, 2022

PRESENT: The Hon Mr. Justice Henry S. Brown

BETWEEN:

ROVI GUIDES, INC.

Plaintiff

and

VIDEOTRON LTD.

Defendant

JUDGMENT AND REASONS

I. Nature of the matter

[1] This is a motion brought by the Defendant pursuant to Rule 51 of the *Federal Courts Rules*, SOR/98-106 [*Federal Courts Rules*], appealing the Order [Order] of Case Management Judge Aalto [CMJ], dated March 22, 2022, which dismissed the Defendant's motion to strike portions of the Plaintiff's Amended Statement of Claim [ASOC] as disclosing no reasonable cause of action, and in the alternative for particulars of the allegations.

II. Facts

[2] The underlying proceeding is a patent infringement action brought by the Plaintiff Rovi Guides Inc. [Rovi] against the Defendant Videotron Ltd. [Videotron] related to four patents. The four patents concern certain digital entertainment technologies including Interactive Program Guides [IPG] and various features of IPG. IPGs allow users to find programming, navigate from one channel to the next or one source to the next, search for content, record content, view content remotely, and more.

[3] Rovi is engaged in the development of digital entertainment technologies. It licenses its technologies to various telecommunication companies. The Defendant Videotron is a previous licensee of Rovi but its license expired in 2016 and has not been renewed.

[4] Since 2016 Videotron has marketed products called “illico” and “illico TV” and more recently a new product called “Helix” or “Helix TV”. All four patents are alleged to be infringed by Helix TV, and two of Rovi’s patents are alleged to be infringed by illico TV.

[5] As noted by the CMJ, the Amended Statement of Claim [ASOC] is extensive. The ASOC is 47 pages in length, and has in addition four schedules containing 358 pages setting out “non-limiting” particulars of infringement for each of the asserted claims of Rovi’s patents.

[6] Rovi’s ASOC alleges five infringing actions for which Videotron is responsible:

A. direct infringement by Videotron;

- B. infringement by common design;
- C. induced infringement;
- D. agency; and
- E. direct infringement as a result of attribution of Comcast or subscribers' actions.

[7] Of these only two are at issue. Videotron takes issue with the allegation of infringement by common design [common design] and with the allegation of infringement by attribution [attribution]. Videotron unsuccessfully moved before the CMJ for an order striking these two allegations, arguing they are not recognized in Canadian law and therefore ought to be struck as disclosing no reasonable cause of action under Rule 221(1)(a) of the *Federal Courts Rules*, SOR/98-106 [*Rules*].

[8] The CMJ defines common design as:

Infringement by common design arises where one party is found to be a joint tortfeasor when another party commits the tort in furtherance of a common plan. An essential element of the common design is that the parties must agree on a common action and the act of infringement must be in furtherance of that agreement. There must be a common design to do the act that is alleged to infringe.

[9] Regarding attribution, the CMJ notes:

The second impugned cause of action is infringement by “attribution”. Canadian courts have not yet dealt with this developing cause of action. The principle of “attribution” in patent infringement actions is discussed in *Akamai Technologies Inc. v Limelight Network*, 797 F.3d 1020 (2015), a decision of the U.S. Federal Circuit Court of Appeals. This case recognizes infringement by attribution and describes it as follows:

Direct infringement . . . occurs where all steps of a claimed method are performed or attributable to a single entity. . . . Where more than one actor is involved in practicing the steps, a court must determine whether the acts of one are attributable to the other such that a single entity is responsible for the infringement. We will hold an entity responsible for others' performance of method steps in two sets of circumstances: (1) where that entity directs or controls others' performance, and (2) where the actors form a joint enterprise.

. . .

. . . We conclude that liability can also be found when an alleged infringer conditions participation in an activity or receipt of a benefit upon performance of a step or steps of a patented method and establishes the manner or timing of that performance. . . . In those instances, the third party's actions are attributed to the alleged infringer such that the alleged infringer becomes the single actor chargeable with direct infringement. Whether a single actor directed or controlled the acts of one or more third parties is a question of fact . . . [citations omitted]

In essence, direct infringement requires a single entity to perform all of the steps of a method claim. However, as described in *Akamai* where the steps of a method claim are divided between two or more actors the concept of attribution arises by way of indirect infringement by one of the actors.

[10] Videotron also submitted to the CMJ that the allegations of common design and attribution lack material facts and for that reason should also be struck under Rule 174:

33. In its pleading (paragraphs from 49 to 56), Rovi alleges that at law certain actions of third parties Comcast and/or Videotron subscribers are to be "ascribed" to Videotron and that on this basis, Rovi is able to establish infringement by Videotron. Such "ascribing" or "the attributing" of actions of non-parties so as to support allegations of patent infringement is not recognized in Canadian law. Further, Rovi has not pleaded any material facts to

support these allegations, even if such an “ascribing”/”attributing” were known in Canadian law. These paragraphs ought to be struck.

...

62. In paragraph 67, Rovi purports to plead that unidentified “activities” of Videotron and Comcast amount to infringement by common design.

63. There is no authority in Canadian law for the proposition that a person can be found liable for patent infringement on the theory of common design. This paragraph should be struck.

64. In the alternative, Rovi has only pleaded the bare allegation that there was ‘common design’ for a “common purpose’ but not provided any supporting material facts. In fact, in paragraph 68 of the Statement of Claim, Rovi admits that it has no material facts relating to the purported “common purpose”.

65. While Courts have on occasion permitted the “novel” pleading of infringement by common design, material facts delineating the roles each of the identified entities are required.

66. Under UK law, which has not been adopted in Canada, liability as joint tortfeasors pursuant to a “common design” requires establishing that there was a “common design” between the entities to do the acts which amount to infringement; and the primary tortfeasor acted further to that design.

67. As noted above, Rovi has not identified any common design or common purpose beyond delivery of Helix TV which relate to the alleged infringing functionality. Rovi has also not provide any material facts on what acts were purported to be carried out pursuant to a common design that relates to the implicated patented features. Rovi has not even identified who it alleges is the primary tortfeasor alleged to directly infringe the asserted patents.

68. Therefore, these paragraphs ought to be struck as not disclosing a cause of action, nor including any material facts. Merely pleading the existence of a contact or an agreement is not sufficient to delineate the roles of the parties in the purported common design.

A. *CMJ's Order*

[11] On March 22, 2022, the CMJ dismissed the Defendant's motion to strike portions of the ASOC as disclosing no reasonable cause of action. The CMJ also refused the Defendant's alternative request for further particulars.

[12] The CMJ conducted a two-step analysis, first assessing whether common design and direct infringement by attribution disclosed valid causes of action in Canadian law. The CMJ then assessed whether those causes of action were sufficiently particularized. The CMJ concluded common design and attribution were both viable in law. He then determined each was sufficiently particularized.

(1) Common design pleadings and particulars

[13] Regarding Videotron's argument that infringement by common design are not recognized in Canadian law and ought to be struck, CMJ Aalto relied on *Nevsun Resources Ltd v Araya*, 2020 SCC 5, and *La Rose v Canada*, 2020 FC 1008 [per Manson J] at paras 16-19 [*La Rose*].

[14] The CMJ held the door is open to plead common design in a patent infringement action. As noted, the CMJ defined common design:

Infringement by common design arises where one party is found to be a joint tortfeasor when another party commits the tort in furtherance of a common plan. An essential element of the common design is that the parties must agree on a common action and the act of infringement must be in furtherance of that

agreement. There must be a common design to do the act that is alleged to infringe.

[15] The CMJ noted the leading authority on the tort of common design emanates from the UK Supreme Court, see *Fish & Fish Ltd v Sea Shepherd UK*, [2015] UKSC 10. The CMJ noted this Court has considered common design for patent infringement in two recent cases: *Packers Plus v Essential Energy*, 2017 FC 1111 [per O'Reilly J], aff'd in 2019 FCA 96 (although Justice O'Reilly's ruling on common design was not an issue before the FCA) and *Genentech v Celltrion*, 2019 FC 293 [per Aylen P as she then was]. In light of these authorities, CMJ Aalto found the door is open to plead common design in a patent infringement action and therefore determined the common design cause of action should not be struck.

[16] The CMJ also dismissed a request for further and better particulars in relation to "common design."

(2) Attribution pleadings and particulars

[17] Regarding infringement by "attribution" as an impugned cause of action, the CMJ agreed with Videotron that the concept of attribution has not yet been specifically considered in patent infringement cases. However, the CMJ held, correctly in my view, that attribution is a well-established principle in tort law. The CMJ found while importing the tort concept of attribution into patent infringement is novel it should not be struck because it cannot be determined to be without any prospect of success at this stage.

[18] The CMJ also dismissed a request for further and better particulars in relation to “attribution.”

[19] Therefore, the CMJ Ordered:

- A. The motion insofar as it seeks to strike common design and attribution is dismissed.
- B. This motion insofar as it seeks further and better particulars is dismissed.
- C. Costs to Rovi. If the parties cannot agree, brief submissions may be made to the Court within 20 days of the date of this order.

[20] Videotron now appeals the Order of CMJ Aalto on the issue of “attribution” and “common design”, seeking to strike paragraphs 51 to 57 (attribution) and 67 to 69 (common design) of the ASOC.

III. Issues

[21] The issues are:

- A. Did the CMJ err in finding allegations of patent infringement by common design should not be struck on the ground they fail to disclose a reasonable cause of action?
- B. Did the CMJ err in holding allegations of patent infringement by attribution should not be struck as disclosing a reasonable cause of action?
- C. Did the CMJ err in holding the ASOC and schedules disclosed sufficient material facts of common design such that no further particulars are required?

- D. Did the CMJ err in holding the ASOC and schedules disclosed sufficient material facts of attribution such that no further particulars are required?

IV. Standard of Review

[22] On an appeal from a discretionary order of a Prothonotary under Rule 51, the Court applies the standards of review in *Hospira Healthcare Corp. v Kennedy Institute of Rheumatology*, 2016 FCA 215 [per Nadon JA] at paras 27 and 66 [*Hospira*]. The Federal Court may only interfere with a discretionary decision of a Prothonotary if the Prothonotary made a palpable and overriding error on a question of fact or mixed fact and law, or erred on a pure question of law. This standard is set out by the Supreme Court of Canada in *Housen v Nikolaisen*, 2002 SCC 33 [*Housen*]:

1 A proposition that should be unnecessary to state is that a court of appeal should not interfere with a trial judge's reasons unless there is a palpable and overriding error. The same proposition is sometimes stated as prohibiting an appellate court from reviewing a trial judge's decision if there was some evidence upon which he or she could have relied to reach that conclusion.

[...]

8 On a pure question of law, the basic rule with respect to the review of a trial judge's findings is that an appellate court is free to replace the opinion of the trial judge with its own. Thus the standard of review on a question of law is that of correctness: *Kerans, supra*, at p. 90.

[...]

10 The standard of review for findings of fact is that such findings are not to be reversed unless it can be established that the trial judge made a "palpable and overriding error": *Stein v. The Ship "Kathy K"*, 1975 CanLII 146 (SCC), [1976] 2 S.C.R. 802, at p. 808; *Ingles v. Tutkaluk Construction Ltd.*, [2000] 1 S.C.R. 298, 2000 SCC 12, at para. 42; *Ryan v. Victoria (City)*, 1999 CanLII 706 (SCC), [1999] 1 S.C.R. 201, at para. 57. While this standard is often cited, the principles underlying this high degree of deference

rarely receive mention. We find it useful, for the purposes of this appeal, to review briefly the various policy reasons for employing a high level of appellate deference to findings of fact.

[...]

36 [...] Matters of mixed fact and law lie along a spectrum. Where, for instance, an error with respect to a finding of negligence can be attributed to the application of an incorrect standard, a failure to consider a required element of a legal test, or similar error in principle, such an error can be characterized as an error of law, subject to a standard of correctness. Appellate courts must be cautious, however, in finding that a trial judge erred in law in his or her determination of negligence, as it is often difficult to extricate the legal questions from the factual. It is for this reason that these matters are referred to as questions of "mixed law and fact". Where the legal principle is not readily extricable, then the matter is one of "mixed law and fact" and is subject to a more stringent standard. The general rule, as stated in *Jaegli Enterprises*, supra, is that, where the issue on appeal involves the trial judge's interpretation of the evidence as a whole, it should not be overturned absent palpable and overriding error.

[Emphasis added]

[23] Justice Stratas in *Canada v South Yukon Forest Corporation*, 2012 FCA 165 explains

what the Applicant must show to establish a palpable and overriding error:

[46] Palpable and overriding error is a highly deferential standard of review: *H.L. v. Canada (Attorney General)*, 2005 SCC 25, [2005] 1 S.C.R. 401; *Peart v. Peel Regional Police Services* (2006) 2006 CanLII 37566 (ON CA), 217 O.A.C. 269 (C.A.) at paragraphs 158-59; *Waxman, supra*. "Palpable" means an error that is obvious. "Overriding" means an error that goes to the very core of the outcome of the case. When arguing palpable and overriding error, it is not enough to pull at leaves and branches and leave the tree standing. The entire tree must fall.

[Emphasis added]

[24] The Federal Court of Appeal, again per Justice Stratas JA, provides additional guidance on palpable and overriding error in *Mahjoub v Canada (Citizenship and Immigration)*, 2017 FCA 157:

[61] Palpable and overriding error is a highly deferential standard of review: *Benhaim v. St. Germain*, 2016 SCC 48, [2016] 2 S.C.R. 352 at para. 38; *H.L. v. Canada (Attorney General)*, 2005 SCC 25, [2005] 1 S.C.R. 401. When arguing palpable and overriding error, it is not enough to pull at leaves and branches and leave the tree standing. The entire tree must fall. See *Canada v. South Yukon Forest Corporation*, 2012 FCA 165, 431 N.R. 286 at para. 46, cited with approval by the Supreme Court in *St. Germain*, above.

[62] “Palpable” means an error that is obvious. Many things can qualify as “palpable.” Examples include obvious illogic in the reasons (such as factual findings that cannot sit together), findings made without any admissible evidence or evidence received in accordance with the doctrine of judicial notice, findings based on improper inferences or logical error, and the failure to make findings due to a complete or near-complete disregard of evidence.

[63] But even if an error is palpable, the judgment below does not necessarily fall. The error must also be overriding.

[64] “Overriding” means an error that affects the outcome of the case. It may be that a particular fact should not have been found because there is no evidence to support it. If this palpably wrong fact is excluded but the outcome stands without it, the error is not “overriding.” The judgment of the first-instance court remains in place.

[65] There may also be situations where a palpable error by itself is not overriding but when seen together with other palpable errors, the outcome of the case can no longer be left to stand. So to speak, the tree is felled not by one decisive chop but by several telling ones.

[Emphasis added]

[25] On an appeal under Rule 51, a case management judge is assumed to be very familiar with the particular circumstances and issues in a proceeding and therefore, a case management

judge's decision must be afforded deference, especially on factually suffused questions, see *Hughes v Canada (Human Rights Commission)*, 2020 FC 986 [per Little J] at para 67 [*Hughes*]; *Sawridge Band v R*, 2001 FCA 338, at para 11; and *Merck & Co v Apotex Inc.*, 2003 FCA 438, at para 12.

[26] Videotron submits the errors committed by the CMJ are errors of law, and therefore submits the correctness standard applies.

[27] Rovi submits the standard of review is palpable and overriding error, relying on *Elbit Systems Electro-optics Elop Ltd. v Selex ES Ltd.*, 2016 FC 1129 where Justice Martineau states:

[15] The decision to strike a pleading is a discretionary one. I have considered the respective representations of the parties in light of the applicable standard of review to be applied in the present case. However, I disagree with the defendant's submission that in the case at bar, the appropriate standard of review is correctness. Rather, the appropriate standard of review is a palpable and overriding error as defined in *Housen v Nikolaisen*, 2002 SCC 33, [2002] 2 SCR 235 [*Housen*].

[16] Recently, a panel of 5 judges from the Federal Court of Appeal reviewed the applicable standard of review governing discretionary decisions made by prothonotaries (*Hospira Healthcare Corporation v Kennedy Institute of Rheumatology*, 2016 FCA 215, [2016] FCJ No 943 [*Hospira*]). As stated by the Federal Court of Appeal, the supervisory role of judges over prothonotaries enunciated in Rule 51 no longer requires that discretionary orders of prothonotaries be subject to *de novo* hearings. In accordance with *Housen*, absent error on a question of law or an extricable legal principle, intervention is warranted only in case of palpable and overriding error.

[17] The Federal Court of Appeal concluded that the *Housen* standard should be applied in reviewing discretionary decisions of judges and prothonotaries. This standard establishes that with respect to factual conclusions reached by trial judges, the applicable standard is that of palpable and overriding error, and with respect to questions of law and questions of mixed fact and law, where there was an extricable legal principle at issue, the

applicable standard is that of correctness: *Hospira* at para 66, citing to paras 19 to 37 of *Housen*; para 69; para 71, citing to paras 25 to 29 of *Imperial Manufacturing Group Inc v Decor Grates Incorporated*, 2015 FCA 100, [2016] 1 FCR 246 79; para 74, citing to para 12 of *Turmel v Canada*, 2016 FCA 9, 481 NR 139; and para 79.

[18] In the present case, since the Prothonotary did not make any error while describing the applicable test and legal principles governing the striking out of a pleading under Rule 221, and since the defendant is challenging the Prothonotary's application of Rule 221 on the specific facts of the case, the applicable standard of review for such question of mixed fact and law should be that of palpable and overriding error. No final decision has been made by the Prothonotary on the merit of the allegations of infringement and induced infringement made by the plaintiff in its statement of claim. I doubt very much that the issues raised today by the defendant in this appeal truly deal with a pure question of law or an extricable legal principle at issue.

[19] While the impugned order was made by the Prothonotary a few weeks before her designation as the Case Management Judge in this matter, considering her vast experience in these types of file, as observed by the Federal Court of Appeal in *Hospira* at paragraph 103: “[...] it is always relevant for motions judges, on Rule 51 appeal, to bear in mind that the case managing prothonotary is very familiar with the particular circumstances and issues of a case and that, as a result, intervention should not come lightly. This does not mean, however, that errors, factual or legal, should go undetected. In the end, “elbow room” is simply a term signalling that deference, absent a reviewable error, is owed, or appropriate, to a case managing prothonotary – no more, no less.” Be that as it may, considering that “discretionary orders of prothonotaries should only be interfered with when such decisions are incorrect in law or are based on a palpable and overriding error in regard to the facts” (*Hospira* at para 64), I have no ground to interfere with the order made by the Prothonotary, having found no error of law or an error of the type that falls within the palpable and overriding error component of the *Housen* standard.

[Emphasis added]

[28] Respectfully, I conclude from the foregoing that the applicable standard of review on the reasonable cause of action issue is palpable and overriding error. I find this because of the

jurisprudence, and because a decision striking a pleading is a discretionary one and, in addition, entails a question of mixed fact and law. I am unable to conclude the CMJ's Order in relation to Videotron's common design or attribution causes of action issue entails either a pure question of law or an extricable legal principle.

[29] In terms of the alternative claim for particulars, I conclude the test is also palpable and overriding error. The sufficiency of pleading material facts under Rule 174 is a question of mixed fact and law, and raises neither a pure question of law nor an extricable legal principle.

V. Relevant Provisions

[30] Rule 51(1) of the *Federal Courts Rules*:

Appeal

51(1) An order of a prothonotary may be appealed by a motion to a judge of the Federal Court.

Appel

51 (1) L'ordonnance du protonotaire peut être portée en appel par voie de requête présentée à un juge de la Cour fédérale.

[31] Rule 174 of the *Federal Courts Rules*:

Material facts

174 Every pleading shall contain a concise statement of the material facts on which the party relies, but shall not include evidence by which those facts are to be proved.

Exposé des faits

174 Tout acte de procédure contient un exposé concis des faits substantiels sur lesquels la partie se fonde; il ne comprend pas les moyens de preuve à l'appui de ces faits.

[32] Rule 181 of the *Federal Courts Rules*:

Particulars

181 (1) A pleading shall contain particulars of every allegation contained therein, including

(a) particulars of any alleged misrepresentation, fraud, breach of trust, wilful default or undue influence; and

(b) particulars of any alleged state of mind of a person, including any alleged mental disorder or disability, malice or fraudulent intention.

Further and better particulars

(2) On motion, the Court may order a party to serve and file further and better particulars of any allegation in its pleading.

Précisions

181 (1) L'acte de procédure contient des précisions sur chaque allégation, notamment:

a) des précisions sur les fausses déclarations, fraudes, abus de confiance, manquements délibérés ou influences indues reprochés;

b) des précisions sur toute allégation portant sur l'état mental d'une personne, tel un déséquilibre mental, une incapacité mentale ou une intention malicieuse ou frauduleuse.

Précisions supplémentaires

(2) La Cour peut, sur requête, ordonner à une partie de signifier et de déposer des précisions supplémentaires sur toute allégation figurant dans l'un de ses actes de procédure.

[33] Rule 221(1) of the *Federal Courts Rules*:

Motion to strike

221 (1) On motion, the Court may, at any time, order that a pleading, or anything contained therein, be struck out, with or without leave to amend, on the ground that it

Requête en radiation

221 (1) À tout moment, la Cour peut, sur requête, ordonner la radiation de tout ou partie d'un acte de procédure, avec ou sans autorisation de le modifier, au motif, selon le cas:

(a) discloses no reasonable cause of action or defence, as the case may be,	a) qu'il ne révèle aucune cause d'action ou de défense valable;
(b) is immaterial or redundant,	b) qu'il n'est pas pertinent ou qu'il est redondant;
(c) is scandalous, frivolous or vexatious,	c) qu'il est scandaleux, frivole ou vexatoire;
(d) may prejudice or delay the fair trial of the action,	d) qu'il risque de nuire à l'instruction équitable de l'action ou de la retarder;
(e) constitutes a departure from a previous pleading, or	e) qu'il diverge d'un acte de procédure antérieur;
(f) is otherwise an abuse of the process of the Court,	f) qu'il constitue autrement un abus de procédure.

and may order the action be dismissed or judgment entered accordingly.

Elle peut aussi ordonner que l'action soit rejetée ou qu'un jugement soit enregistré en conséquence.

Evidence

Preuve

(2) No evidence shall be heard on a motion for an order under paragraph (1)(a).

(2) Aucune preuve n'est admissible dans le cadre d'une requête invoquant le motif visé à l'alinéa (1)a).

VI. Analysis

A. *Did the CMJ err in finding allegations of patent infringement by common design should not be struck on the ground they fail to disclose a reasonable cause of action?*

[34] The crux of Videotron's appeal is set out in paragraph 2 of its submission: "In his Order, the CMJ erred in law by concluding that it is not proper for a pleaded allegation founded on a novel question of law to be struck out at the pleadings stage of a proceeding." This

argument is repeated throughout Videotron's memorandum. At paragraph 10, Videotron submits "The CMJ referenced the Supreme Court of Canada's decision in *Nevsun Resources Ltd v Araya* as an example of the 'ample authority' that 'a novel cause of action should not be struck at this stage of the proceeding.'" At paragraph 12, Videotron submits: "He finally concluded that a novel cause of action should not be struck at this stage of the proceeding." At paragraph 15, Videotron argues "The conclusions of the CMJ on both these causes of action were grounded on the repeated assertion that 'a novel cause of action should not be struck at this stage of the proceeding.'" At paragraph 29, it further argues "Given the statements of the Supreme Court in *Nevsun and ALC*, it was an error of law for the CMJ to hold simply that 'there is ample authority for the proposition that a novel cause of action should not be struck at this stage of the proceeding.'"

[35] The same point was made in Videotron's oral submissions.

[36] Videotron submits a novel cause of action should not be allowed to stand simply because it is novel. I completely agree. This is an uncontroversial and well settled proposition of law: see *Atlantic Lottery Corp. Inc. v Babstock*, 2020 SCC 19 [*Atlantic Lottery*].

[37] By the same token, a novel cause of action should not be struck simply because it is novel.

[38] The test on a motion to strike for no cause of action involves considerations of far more than novelty, again per *Atlantic Lottery*:

[19] Of course, it is not determinative on a motion to strike that the law has not yet recognized the particular claim. The law is not static, and novel claims that might represent an incremental development in the law should be allowed to proceed to trial (*Imperial Tobacco*, at para. 21; *Das v. George Weston Ltd.*, 2018 ONCA 1053, 43 E.T.R. (4th) 173, at para. 73; see also *R. v. Salituro*, 1991 CanLII 17 (SCC), [1991] 3 S.C.R. 654, at p. 670). That said, a claim will not survive an application to strike simply because it is novel. It is beneficial, and indeed critical to the viability of civil justice and public access thereto that claims, *including novel claims*, which are doomed to fail be disposed of at an early stage in the proceedings. This is because such claims present “no legal justification for a protracted and expensive trial” (*Syl Apps Secure Treatment Centre v. B.D.*, 2007 SCC 38, [2007] 3 S.C.R. 83, at para. 19). If a court would not recognize a novel claim when the facts as pleaded are taken to be true, the claim is plainly doomed to fail and should be struck. In making this determination, it is not uncommon for courts to resolve complex questions of law and policy (see e.g. *Imperial Tobacco*; *Cooper v. Hobart*, 2001 SCC 79, [2001] 3 S.C.R. 537; *Syl Apps*; *Alberta v. Elder Advocates of Alberta Society*, 2011 SCC 24, [2011] 2 S.C.R. 261).

[Emphasis added]

[39] That said, upon review of the Reasons of the CMJ, and with respect, there is no merit to Videotron’s submission. I make this finding because the CMJ did not hold that a novel cause of action should be allowed to stand “simply” because it is novel. With the greatest respect, that is not what the Reasons of the CMJ, fairly and fully considered, actually were in this case. Thus this aspect of this appeal will be dismissed as set out below.

[40] Videotron’s submissions ask this Court to take one sentence out of context, and use it to mischaracterize the legal test actually applied on the issue of whether or not the ASOC disclosed a reasonable cause of action in terms of common design.

[41] I start with reproducing what the CMJ's Reasons actually say:

Page 3

....

Rovi alleges five infringing actions by Videotron as follows: direct infringement by Videotron; infringement by common design; induced infringement; agency; and direct infringement as a result of attribution of Comcast or subscribers' actions. Of these causes of action, Videotron takes issue with infringement by common design and infringement by attribution. Videotron argues they are not recognized in Canadian law and ought to be struck.

Page 4

However, there is ample authority for the proposition that a novel cause of action should not be struck at this stage of the proceeding [see, for example, *Nevsun Resources Ltd v Araya*, 2020 SCC 5, and *La Rose v Canada*, 2020 FC 1008]. In the latter case, the Honourable Justice Michael Manson set out the general guidelines on a motion to strike as follows:

[16] The test on a motion to strike is whether it is plain and obvious that the pleadings disclose no reasonable cause of action, or that the claim has no reasonable prospect of success (*Hunt v Carey Canada Inc*, [1990] 2 SCR 959 at 980; *R v Imperial Tobacco Canada Ltd*, 2011 SCC 42 at para 17 [*Imperial Tobacco*]). The threshold to strike a claim is high and the matter must proceed to trial where a reasonable prospect of success exists.

[17] The material facts pleaded in the Statement of Claim must be taken as true, unless the allegations are based on assumption and speculation (*Operation Dismantle v The Queen*, [1985] 1 SCR 441 at para 27 [*Operation Dismantle*]). It is incumbent on the Plaintiffs to clearly plead the facts in sufficient detail to support the claims and the relief sought. The material facts form the basis upon which to evaluate the possibility of the success of the claim (*Imperial Tobacco*, above at para 22; *Mancuso v Canada (National Health and Welfare)*, 2015 FCA 227 at paras 16-17, leave to appeal to SCC refused, 36889 (23 June 2016)).

[18] Further, the pleadings must be read as generously as possible, erring on the side of permitting a novel but arguable claim to proceed to trial (*Imperial Tobacco* at para 21; *Atlantic Lottery v Corp Inc v Babstock*, 2020 SCC 19 at para 19 [*Atlantic Lottery*]).

[19] The test on a motion to strike considers the context of the law and the litigation process. It “operates on the assumption that the claim will proceed through the court system in the usual way – in an adversarial system where judges are under a duty to apply the law as set out in (and as it may develop from) statutes and precedents” (*Imperial Tobacco* at para 25).

These are the principles applicable to Videotron’s motion to strike Rovi’s pleas of attribution and common design.

[42] Both parties agreed with and relied upon this statement of principles from *La Rose*. I adopt it as well. The CMJ adopted it also - he set them out, and states those are the principles on a motion to strike. The CMJ did this in the last sentence just quoted above.

[43] While the first sentence on page 4 quoted above, taken out of context, might seem to support Videotron’s argument, I find it does not reflect the law actually stated by the CMJ. That is manifest from reading the above.

[44] Importantly, the sentence Videotron takes out of context also inaccurately reflects how the CMJ considered and applied the principles to the issue of whether common design is a reasonable cause of action.

[45] In my view, as will be seen, the CMJ sufficiently considered and applied the proper principles to the allegation of common design, and did not, as alleged by Videotron, decide the matter based “simply” on novelty.

[46] To start with, here are the CMJ’s actual reasons for not striking the common design pleadings as disclosing no reasonable cause of action:

Page 5

Infringement by common design arises where one party is found to be a joint tortfeasor when another party commits the tort in furtherance of a common plan. An essential element of the common design is that the parties must agree on a common action and the act of infringement must be in furtherance of that agreement. There must be a common design to do the act that is alleged to infringe.

The leading authority on the tort of common design emanates from the UK Supreme Court. In *Sea Shepherd UK v Fish & Fish Ltd*, [2015] UKSC 10, the UK Supreme Court reviewed the principles of joint tortfeasance by common design. The Court observed:

55. It seems to me that, in order for the defendant to be liable to the claimant in such circumstances, three conditions must be satisfied. First, the defendant must have assisted the commission of an act by the primary tortfeasor; secondly, the assistance must have been pursuant to a common design on the part of the defendant and the primary tortfeasor that the act be committed; and, thirdly, the act must constitute a tort as against the claimant.
...

In Canada, this Court has considered common design for patent infringement in two cases: *Packers Plus v Essential Energy*, 2017 FC 1111 [Packers Plus] and *Genentech v Celltrion*, 2019 FC 293 [*Genentech*].

In *Packers Plus*, the defendant supplied the system which, when used in open hole fracturing, fell within the relevant claims of the patent in suit. The defendant’s system was used by the

company who owned and operated the wells for the fracturing operation. The defendant was also involved in pre-installation planning and design, assembling, installing, and operating the equipment, and providing an on-site supervisor. The Honourable Justice James O'Reilly held the defendant was not liable as a participant in a common design. He stated:

Page 6

48. In terms of liability for acting in concert with others, Packers has not pointed to any legal support for that theory of liability. Packers points to the well-known English case of *Fabio Perini SPA v. LPC Group PLC*, [2009] EWHC 1929 (Eng. Patents Ct.). There, Justice Floyd found that a company that installed a machine on the defendant's premises and enabled it to be operated according to the patented method was jointly liable with the defendant for infringement (at para 179). That finding was cited, in obiter, by Justice Johanne Gauthier in *Bauer Hockey Corp. v. Easton Sports Canada Inc.*, 2011 FCA 83 (F.C.A.) at para 75. However, there is no authority in Canadian law for the proposition that a person can be found liable for infringement on the theory of common design. At common law, however, parties who act in concert to commit a tortious act can each be found liable if all of the parties involved arrived at an agreement to carry out the tort (*Sea Shepherd UK v. Fish & Fish Ltd.*, [2015] UKSC 10 (U.K. S.C.) at para 40).

49. However, there is simply no evidence showing any such agreement between Essential and the other companies with whom it acted — operating companies, drilling companies, or fracturing companies. Therefore, Essential cannot be found liable for infringement based on a common design. [Emphasis added.]

In *Genentech*, Her Honour Prothonotary Aylen (as she then was) found the plea of common design in relation to patent infringement to be sufficiently pleaded. She noted:

40. This Court has previously held that while the concept of infringement by common design has not been applied in the context of a patent infringement

action, its existence under Canadian law has been recognized. [...]

41. In *Hoffmann-La Roche et al v. Sandoz Canada Inc* (Order dated November 15, 2018), I held that the use of the phrase “acting in concert” would fall within the concept of infringement by common design, as conceptually they are no different. As the claim was novel, I held that it should not be struck on a pleadings motion.

42. In this case, the Plaintiffs seek to plead that CTHC was acting in concert with the Additional Defendants toward the common goal of bringing HERZUMA to market, with each of CTHC and the Additional Defendants undertaking various steps in furtherance of that common goal, as detailed in the pleading and noted, in part, above.

Page 7

43. CTHC takes issue with the sufficiency of the material facts pleaded in the proposed amended pleadings, arguing that the proposed pleadings do not go far enough to particularize what acts each of CTHC and the Additional Defendants will do or have done in furtherance of the common design. I reject this assertion. I am satisfied that by delineating the roles of each of CTHC and the Additional Defendants in bringing HERZUMA to market, the Plaintiffs have pleaded a minimum level of sufficient material facts to support this cause of action against CTHC and so as to enable me to conclude that the proposed allegation is not doomed to fail. In reaching this finding, I am mindful that this allegation is premised, in large part, on acts that have not yet occurred, which is not surprising in an action under the Regulations. To require too high of a threshold for sufficient material facts in the circumstances would, in many circumstances, be unfair.

44. I am also satisfied that the allegation of acting in concert should be permitted to move forward against CTHC notwithstanding that the Additional Defendants have not been joined to the actions, as there is nothing in the case law relied upon by the

parties that suggests that all potential joint tortfeasors must be impleaded to sustain a cause of action against one of them. [Emphasis added.]

In light of these authorities, the door is open to plead common design in a patent infringement action. That cause of action will not be struck.

[47] With respect, I see no palpable error, let alone any palpable and overriding error, in either the CMJ's statement of the legal test to determine if common design should be struck, or the consideration and application of the tests by the CMJ on the facts of this case.

[48] In citing Justice Manson's Decision in *La Rose* at paragraph 16, the CMJ concluded, correctly and without any palpable and overriding error, that the test on a motion to strike for disclosing no reasonable cause of action "is whether it is plain and obvious that the pleadings disclose no reasonable cause of action, or that the claim has no reasonable prospect of success (*Hunt v Carey Canada Inc*, [1990] 2 SCR 959 at 980; *R v Imperial Tobacco Canada Ltd*, 2011 SCC 42 at para 17 [*Imperial Tobacco*]). The threshold to strike a claim is high and the matter must proceed to trial where a reasonable prospect of success exists." The parties agreed on this law.

[49] It is not disputed that the heavy burden was on Videotron to establish Rovi's claim "has no reasonable prospect of success" per *R v Imperial Tobacco Canada Ltd.*, 2011 SCC 42 at para 17 [*Imperial Tobacco*]. In this connection, the Supreme Court confirms there is a heavy burden on the moving party, stating "[t]he approach must be generous and err on the side of permitting a novel but arguable claim to proceed to trial," per *Imperial Tobacco* at para 21.

[50] Videotron agreed – as it must – that infringement by common design is recognized by the UK Supreme Court in *Fish & Fish Ltd v Sea Shepherd UK*, [2015] UKSC 10 [*Sea Shepherd*]. However, Videotron submits common design in the UK only applies where a narrow set of defined requirements are met. Indeed, Videotron “accepts that, if material facts are provided for each requirement, this cause of action may be sustained in Canada at the pleading stage” [Emphasis in original], see para 47 of Videotron’s written submissions before this Court.

[51] However, and citing to paragraph 58 of *Sea Shepherd*, Videotron submits a “primary tortfeasor” is a requirement of the tort of common design. In this case, Videotron says Rovi has not identified a primary tortfeasor directly infringing for the purposes of its “common design” allegations. Videotron therefore submitted the CMJ erred in allowing the common design cause of action to proceed.

[52] In response, Rovi submits Videotron’s use of the term “primary tortfeasor” is not substantiated in the law. I agree. In this connection, Rovi points to paragraph 55 of *Sea Shepherd* where in fact Lord Neuberger did not use the term “primary tortfeasor” to mean the two parties to the common design each had to be independently tortious. Rather, the term “primary tortfeasor” is used to identify the party to the common design that joins the defendant in the tort (but is not named as a defendant).

[53] Notably, as set out at paragraph 38 of *Sea Shepherd*, Lord Sumption approvingly quotes Lord Neuberger from *Vestergaard Frandsen A/S v Bestnet Europe Ltd*, [2013] 1 WLR 1556 at para 34: “in order for a Defendant to be party to a common design, she must share with

the other party, or parties, to the design, each of the features of the design which make it wrongful. If, and only if, all those features are shared, the fact that some parties to the common design did only some of the relevant acts, while others did only some other relevant acts, will not stop them all from being jointly liable.” [Emphasis added]

[54] Moreover, in Canadian jurisprudence the BC Supreme Court in *ICBC v Stanley Cup Rioters*, 2016 BCSC 1108 [*ICBC*], relies upon the principles set out in *Sea Shepherd* in considering the joint liability of tortfeasors. *ICBC* was cited approvingly by the Supreme Court of Canada, in *Montréal (Ville) v Lonardi*, 2018 SCC 29 at paragraph 66, which described the holding as where tortfeasors: “had joined forces to flip a car over or had otherwise acted in concert with other individuals who were vandalizing a vehicle at the same time as them, the Court held them jointly liable.”

[55] I note neither the Supreme Court of Canada nor the BC Supreme Court requires a “primary tortfeasor” who performed all acts necessary to damage any vehicle.

[56] Therefore I reject Videotron’s argument that there is a requirement in Canadian and UK law for a “primary tortfeasor”, and its concomitant argument that a pleading of common design requires the identification of a “primary tortfeasor.”

[57] Respectfully, I also agree with Rovi’s submission that the question of whether pleading common design discloses a valid cause of action is also not entirely at issue in this appeal. I say this because Videotron admitted at paragraph 47 of its memorandum “if material facts are

provided for each requirement, this cause of action may be sustained in Canada at the pleading stage”.

[58] To conclude on common design, I am unable to find either error, or palpable error, or palpable and overriding error in the statement of, or in the consideration and application by the CMJ of the *La Rose* principles on striking this pleading as disclosing no reasonable cause of action. The CMJ found the allegation of common design should not be struck and I agree with that determination. Thus, the appeal alleging infringement by common design discloses no cause of action is dismissed.

B. *Did the CMJ err in holding allegations of patent infringement by attribution should not be struck as disclosing a reasonable cause of action?*

[59] The CMJ next determined whether the allegations of infringement by “attribution” should be struck for disclosing no reasonable cause of action. There was of course no need for the CMJ to repeat the passage from *La Rose* setting out the law in this respect; he did that in relation to his consideration of common design.

[60] That said, one may not read the CMJ’s consideration of the tests for striking the attribution allegations without referring to the statement of law from *La Rose* which was applicable to both. The CMJ’s statement of these legal tests is not in dispute. I have already set that out at paragraph 41.

[61] The principles in *La Rose* also form the starting point for the CMJ's determination on whether to strike the infringement by attribution pleadings as disclosing no reasonable cause of action. For certainty on that point, the CMJ stated at page 4 of his Reasons immediately after setting out the principles in *La Rose*: "These are the principles applicable to Videotron's motion to strike Rovi's pleas of attribution and common design."

[62] For the same reasons I gave above regarding common design, I conclude the CMJ properly and correctly considered far more than the issue of novelty in determining whether infringement by attribution disclosed a reasonable cause of action. After correctly setting out the agreed principles in *La Rose*, and considering and applying them to common design, the CMJ turned to the issue of whether attribution disclosed a reasonable cause of action. This may be seen from his Reasons:

Page 7

The second impugned cause of action is infringement by "attribution". Canadian courts have not yet dealt with this developing cause of action. The principle of "attribution" in patent infringement actions is discussed in *Akamai Technologies Inc. v Limelight Network*, 797 F.3d 1020 (2015), a decision of the U.S. Federal Circuit Court of Appeals. This case recognizes infringement by attribution and describes it as follows:

Direct infringement . . . occurs where all steps of a claimed method are performed or attributable to a single entity. . . . Where more than one actor is involved in practicing the steps, a court must determine whether the acts of one are attributable to the other such that a single entity is responsible for the infringement. We will hold an entity responsible for others' performance of method steps

Page 8

in two sets of circumstances: (1) where that entity directs or controls others' performance, and (2) where the actors form a joint enterprise.

...

... We conclude that liability can also be found when an alleged infringer conditions participation in an activity or receipt of a benefit upon performance of a step or steps of a patented method and establishes the manner or timing of that performance. . . In those instances, the third party's actions are attributed to the alleged infringer such that the alleged infringer becomes the single actor chargeable with direct infringement. Whether a single actor directed or controlled the acts of one or more third parties is a question of fact . . . [citations omitted]

In essence, direct infringement requires a single entity to perform all of the steps of a method claim. However, as described in *Akamai* where the steps of a method claim are divided between two or more actors the concept of attribution arises by way of indirect infringement by one of the actors.

The concept of attribution has not yet been specifically considered in patent infringement cases. However, it is a well-established principle in tort law. As noted in the written representations of Rovi, attribution of liability by one party to another arises from common law principles of vicarious liability and agency. In particular, Rovi relies on *Reading & Bates Construction Co. v Baker Energy Resources Corp.*, (1986) 2 F.T.R. 241 at para. 61 wherein the Honourable Justice Barry Strayer observed:

From this I conclude that in determining who can be considered a party to infringement and thus subject to liability under s.57 of the Patent Act one should have to resort not to the law of the province where the infringement took place but rather to common law principles of tort which are presumed to have been adopted by implication when Parliament enacted this section.

Page 9

I am satisfied that while importing the tort concept of attribution into patent infringement is novel it should not be struck as it cannot be determined to be without any prospect of success at this stage. As noted above, a novel cause of action should not be struck at this stage of the proceeding.

The motion is therefore dismissed as it relates to striking these two causes of action.

[63] I note the last sentence in the second to last paragraph just quoted. In my respectful view this sentence may not be taken out of context either. Instead it must be read out of context but instead it must be read together with the several pages of analyses that precede it. With respect, it is unobjectionable.

[64] Before me, Videotron repeats its argument that direct infringement by attribution is not a viable cause of action. It says this allegation is a truly “novel allegation” in Canadian law.

[65] The CMJ rejected this argument and instead recognized at page 7 of his Order that “Canadian courts have not yet dealt with this developing cause of action.” At page 9 the CMJ characterized infringement by attribution as “importing the tort concept of attribution into patent infringement.”

[66] In my respectful view, Rovi’s pleading constitute an “incremental development in the law” that should be allowed to proceed to trial as per *Atlantic Lottery, supra* at para 19:

[19] Of course, it is not determinative on a motion to strike that the law has not yet recognized the particular claim. The law is not static, and novel claims that might represent an incremental development in the law should be allowed to proceed to trial (*Imperial Tobacco*, at para. 21; *Das v. George Weston Ltd.*, 2018

ONCA 1053, 43 E.T.R. (4th) 173, at para. 73; see also *R. v. Salituro*, 1991 CanLII 17 (SCC), [1991] 3 S.C.R. 654, at p. 670).

[Emphasis added]

[67] In particular I agree with the following submission by Rovi:

37. In the case at hand, Rovi alleges attribution as a logical extension of recognized tort principles, as there are currently inadequate remedies available to patentees in Canada to address the harm caused when the essential elements of a claim are executed by two parties that are connected in their purpose or in other ways. This gap in jurisprudence opens the door for parties to potentially circumvent patent claims by working with a third party or relying on a third party to fully implement an invention. In a world where inventions are increasingly implemented across networks, including mobile devices and individual users' equipment, there is a need for patent law to evolve and adapt. To evolve with this technological landscape, a pleading of a novel cause of action that is sufficiently particularized and incremental in nature should not be struck as disclosing no reasonable cause of action.

[68] I also agree with the CMJ and Rovi that the concept of attribution is not novel. It is well-accepted in tort law. I see no reason in principle why it might not at least be considered in the context of patent infringement for the same reason it now serves a useful purpose in Canadian tort law. I am not determining nor was the CMJ that it is accepted as a cause of action at this stage, only that is a reasonable cause of action that should not be struck on preliminary motion or on this appeal. I am mindful that in determining whether a cause of action discloses no reasonable chance of success, “the Court has a duty to carefully assess the reasonableness or viability of a claim in light of applicable legal principles”, see *Elbit Systems Electro-Optics Elop Ltd. v Selex ES Ltd*, 2016 FC 1129 [per Martineau J] at para 13, citing *Merck & Co. v Apotex Inc*,

2014 FC 883 [per Lafrenière P as he then was] at para 38. This claim seems to me to be a reasonable and potentially viable claim.

[69] The CMJ turned his mind not only to Canadian tort law where attribution is commonly applied in tort cases of joint liability and vicarious liability, but also to US patent law, that is, law applicable in our largest trading partner, where attribution is recognized in the patent infringement context. The CMJ then found at page 8 of his Order that “attribution of liability by one party to another arises from common law principles of vicarious liability and agency” and concluded these similar causes of action in Canadian law weighed in favour of finding attribution should not be struck at this stage of the proceeding.

[70] I note the CMJ relied on *Akamai Techs., Inc. v Limelight Networks, Inc.*, 797 F.3d 1020 (2015) [*Akamai*], where the United States Court of Appeals, Federal Circuit used similar tort law principles to accept the attribution of a third party’s actions to the main party to establish infringement by the main party.

[71] Videotron suggests the CMJ erred in his reliance on this US case because *Akamai* is concerned with a finding of “direct infringement” under US patent law, thereby proposing a legal concept unknown in Canadian patent law, whereby the acts of a third party are considered to be attributable to the party alleged to infringe. In response, Rovi submits the CMJ correctly understood and relied on *Akamai* in finding “the concept of attribution arises by way of indirect infringement”. He did not characterize attribution as a form of indirect infringement. Rather, the CMJ characterized Rovi’s pleading to allege “direct infringement as a result of attribution of

Comcast or subscribers' actions" and quoted relevant portions of *Akamai* describing attribution as arising where "the third party's actions are attributed to the alleged infringer such that the alleged infringer becomes the single actor chargeable with direct infringement". Respectfully, I am unable to conclude the CMJ's consideration of *Akamai* constitutes palpable and overriding error.

[72] Videotron further submits Rovi's allegations of "attribution" seek to import a theory of contributory infringement into Canadian law, namely "an allegation of divided liability where the non-infringing actions of one party (Comcast or subscribers) contribute to the non-infringing actions of another (Videotron), such that together a single entity (allegedly Videotron) is responsible for infringement."

[73] Videotron alleges the CMJ effectively imports the concept of contributory infringement which Canadian authorities have rejected theories of divided infringement, see for example *MacLennan v Produits Gilbert Inc.*, 2008 FCA 35 [MacLennan] and *Apotex Inc v Nycomed Canada Inc*, 2011 FC 1441 [per Simpson J] [*Nycomed*].

[74] However, Rovi says it does not seek to import a theory of contributory infringement into Canadian law, noting that direct infringement by attribution is a distinct cause of action from contributory infringement. Rovi also notes and I agree that the cases relied upon by Videotron (*MacLennan* and *Nycomed*) are distinguishable because neither involved a pleading of attribution. Moreover, Canadian courts have only considered limited arguments regarding

contributory infringement and have not closed the door to any and all form of divided infringement in Canada.

[75] With respect, in finding support for direct infringement by attribution in Canadian tort law and in US patent law, the CMJ did not err in law or make a palpable and overriding error in determining that attribution as pleaded by Rovi was a reasonable cause of action that should be allowed to proceed at this point.

[76] To conclude on this point, I have found the CMJ's statement of applicable principles on the motion to strike the pleading of attribution contains no error or palpable and overriding error. I am not persuaded there is any error or palpable and overriding error in either his following analysis or application of these principles to whether attribution should be struck as disclosing no reasonable cause of action. I conclude it should not. The appeal alleging patent infringement by attribution discloses no cause of action is therefore dismissed.

C. *Did the CMJ err in holding the ASOC and schedules disclosed sufficient material facts of common design such that no further particulars are required?*

[77] The CMJ having concluded these two causes of action should not be struck, then proceeded to determine whether common design and attribution were sufficiently particularized.

[78] In doing so he set out the following principles concerning particularization as applicable to both the issues of common design and attribution:

Page 9

The remaining issues on this motion are whether the claim is sufficiently particularized and whether some bits and pieces of the Claim should be struck for lack of particularity.

Videotron argues that various parts of the Claim run afoul of Rule 221 as they do not contain the necessary material facts for Videotron to know precisely the case it has to meet.

There is much jurisprudence concerning proper pleadings [see, for example, *Mancuso v Canada*, 2015 FCA 227 and *Simon v Canada*, 2011 FCA 6] which will not be recited here. Suffice it to say the Court is familiar with the jurisprudence and has applied it in considering the positions of the parties.

Generally speaking, particulars are material facts alleged by the party pleading which, if proved, support the allegation made (*Throttle Control Tech Inc v Precision Drilling Corporation*, 2010 FC 1085 at para 10 [*Throttle Control*]). The purpose of particulars is to facilitate the ability to plead (*Imperial Manufacturing Group Inc v Decor Grates Incorporated*, 2015 FCA 100 at para 32). Rule 181 of the *Federal Court Rules*, SOR/98-106, requires a party to include particulars of allegations in its pleadings and permits the Court to order further and better particulars of any allegations in its pleadings.

Page 10

When faced with a motion for particulars, the Court asks two questions (*Throttle Control* at para 10):

- 1) Are the alleged particulars requested material facts or are they evidence? The former may be ordered whereas the latter should not.
- 2) Are the particulars requested necessary for the purpose of being able to respond to the pleading?

It should also be noted that material facts sought by way of a particulars motion should not be within the knowledge of the requesting party. To the extent they are not, an affidavit should be provided setting out why the particulars are required (see, *Tommy Hilfiger Licensing Inc. v 2970-0085 Quebec Inc.*, [2000] F.C.J. No. 88). A failure to provide an affidavit, however, is not necessarily fatal to a motion for particulars [see, *Throttle Control* at para 8 – 9].

[79] Before considering this aspect of the appeal it is worth recalling that the ASOC in this case was lengthy at 47 pages, and it has schedules attached setting out an additional 358 pages of particulars. Notwithstanding, Videotron alleged the pleadings and particulars lack sufficient particulars.

[80] In this connection, Videotron says at the outset of its memorandum (para 3) that “Videotron’s appeal is centred on Rovi’s allegations of ‘attribution’ and ‘common design.’” I take this to be the case in terms of Videotron’s submissions regarding both the cause of action issues, and the particularization issues.

[81] On the particularization of the common design allegations, the CMJ held on page 16:

Page 16

Paras 67-69 These paragraphs deal with infringement by common design between Videotron and Comcast. While Videotron argued that the cause of action does not exist in Canadian law, I have found above that, even though novel, it should be allowed to proceed.

The issue is whether there are sufficient material facts in the Claim or whether any particulars should be ordered. In my view, the Claim sets out Rovi’s limited knowledge of the Videotron/Comcast relationship. The Claim also asserts that Videotron and Comcast have acted [*sic*] in concert to design, manufacture and sell Helix TV to subscribers and that such conduct is for a common purpose. Videotron knows the case it has to meet.

[82] Videotron in its memorandum submits:

24. Allowing allegations to stand on the basis of bald, speculative or conclusory statements invites parties to make the broadest, most sweeping allegations without material facts, claim everything as relevant, and embark on fishing expeditions. [Footnote: *Merchant*

Law Group v. Canada Revenue Agency, 2010 FCA 184, VBOA, Tab 15, ¶ 34; *R. v. Imperial Tobacco Canada Ltd.*, 2011 SCC 42, VBOA, Tab 18, ¶ 25.] The CMJ found that Rovi had made just such broad and sweeping allegations related to Videotron’s involvement with Comcast, recognizing that, “Rovi implicitly acknowledges that there are no material facts of precisely what a Comcast entity has done to amount to direct infringement.” [Footnote: Order, pg 15]

25. The CMJ held that Rovi’s pleading provides “virtually no limits on the scope of inquiry into the relationship between Videotron and Comcast”, which “may lead to unlimited discovery”. The pleading fails to define the issues to be tried. There is no guidance as to what facts will need to be proved at trial to establish liability, or what contrary facts would serve to provide a defence.

26. The CMJ’s findings should have lead him to strike Rovi’s claims as the CMJ also found that “involvement of Comcast with Videotron from a holistic reading of the Claim is an essential part of the infringements alleged.” [Footnote: Order, pg 15] This was especially so in the face of the novelty of the pleaded allegations.

...

53. Further, rather than clearly delineate what roles Videotron, Comcast, and subscribers, play in the alleged infringement, Rovi expressly acknowledges that it has no knowledge of these required facts. Rovi states: “With respect to Helix TV, the precise roles that Videotron and Comcast each play in (i) using and/or providing the methods of those claims and (ii) distributing, offering for sale, selling, leasing, supplying, or otherwise using or making available Helix TV in a manner that infringe the systems and methods of those claims is not known to Rovi but is known to Videotron”. (emphasis added)

54. The CMJ incorrectly allowed the plea of common design to be maintained because he failed to consider whether, based on the pleaded facts, the novel claim had a reasonable prospect of success. Since Rovi failed to provide sufficient material facts, supporting the existence of a primary tortfeasor, as required by the novel common design allegation, this allegation must be struck.

[83] Regarding the last paragraph quoted above, because I have found there is no requirement for a “primary tortfeasor” in a common design cause of action, this request for particulars must fall.

[84] Rovi takes issue with Videotron’s submissions noting the CMJ reviewed and considered the underlying factual allegations relating to attribution and common design on pages 14-16 of his reasons and found that sufficient material facts were pleaded. The CMJ found “given the extensive Claim, the detail contained therein and the schedules, Videotron knows the case it has to meet”, “this is not a case where a party makes an open-ended pleading in the hope of finding a cause of action through the discovery process”, and “Rovi has pleaded a cause of action and has provided particulars.”

[85] Videotron provided no evidence it requires further particulars of common design or attribution. With respect, the CMJ correctly noted particulars require a court to answer two questions: 1) are the alleged particulars requested material facts or are they evidence; and 2) are the particulars requested necessary for the purpose of being able to respond to the pleading? (*Throttle Control Tech Inc v Precision Drilling Corporation*, 2010 FC 1085 [per Zinn J] at para 10).

[86] The CMJ answered these questions. He noted jurisprudence that material facts generally should not be within the knowledge of the requesting party, and properly observed that if material facts are not within the knowledge of the requesting party, then an affidavit generally should be provided setting out why the particulars are required (see *Tommy Hilfiger Licensing*,

Inc. v 2970-0085 Québec Inc., 2000 CanLII 14768 (FC) [per Lafrenière P as he then was] at para 43). An affidavit may be of persuasive value where the need for particulars is not apparent on the face of the record (see *Brantford Chemicals Inc. v Merck & Co. Inc.*, 2004 FCA 223 at para 4). The CMJ neither erred in law nor made a clear and palpable error in setting out these principles.

[87] The appeal threshold is very high and considerable deference is owed to decisions by Case Management Judges of this Court including Prothonotaries, see *Apotex Inc v Canada (Health)*, 2016 FC 776 [per Kane J] at para 13-15, citing to *J2 Global Communications Inc. v Protus IP Solutions Inc.*, 2009 FCA 41:

[16] It has often been said in this Court that, because of their intimate knowledge of the litigation and its dynamics, prothonotaries and trial judges are to be afforded ample scope in the exercise of their discretion when managing cases: see also *Federal Courts Rules*, rules 75 and 385. Since this Court is far removed from the fray, it should only intervene in order to prevent undoubted injustices and to correct clear material errors. None have been demonstrated here. On the contrary, Prothonotary Tabib's order seems to me a creative and efficient solution for moving along litigation that appears to have become bogged down.

[88] It is also relevant to recall that the Federal Court of Appeal in a five person panel considered and rejected the proposition that decisions of Case Management Judges including Prothonotaries are reviewed *de novo* by Judges of this Court. While once they were, *Hospira*, *supra* ended that requirement:

[64] These circumstances “fundamentally shift the parameters of the debate” regarding the standard applicable to discretionary orders of prothonotaries. In my respectful opinion, the supervisory role of judges over prothonotaries enunciated in Rule 51 no longer requires that discretionary orders of prothonotaries be subject to *de novo* hearings. That approach, as made clear by Low J. in *Zeitoun*, is one that has been overtaken by the evolution and rationalization of standards of review and by the presumption of fitness that both

judges and masters are capable of carrying out the mandates which the legislator has assigned to them. In other words, discretionary orders of prothonotaries should only be interfered with when such decisions are incorrect in law or are based on a palpable and overriding error in regard to the facts.

[Emphasis added]

[89] In the case at bar, the CMJ determined the need for particulars was not apparent on the face of the record. Moreover, Videotron did not file an affidavit in support of its argument there were insufficient material facts for it to know the case it has to meet. Importantly, I note in its memorandum, Videotron points to no palpable or overriding error in this connection.

[90] As to the balance of the allegations, they are in my respectful view answered by the CMJ in his reasons quoted above. I am not persuaded there is any palpable and overriding error in respect of the CMJ's decision regarding Videotron's request for further particularization of the common design allegations. Therefore the appeal in respect of particulars of common design is dismissed.

D. *Did the CMJ err in holding the ASOC and schedules disclosed sufficient material facts of attribution such that no further particulars are required?*

[91] At the outset, we must recall the CMJ set out guiding principles governing particulars which apply both to the claims for common design and for infringement by attribution. They are set out in para 78 above.

[92] It should also be recalled the ASOC in this case was lengthy at 47 pages, and that the ASOC has schedules attached setting out an additional 358 pages of particulars.

[93] Regarding particularization of allegations of attribution, Videotron submits Rovi failed to plead, in terms of the features alleged to infringe, what step or steps have been taken by Comcast, or what components have been supplied by Comcast, and why those activities should be attributable to Videotron.

[94] However, and with respect, Videotron made this same argument before the CMJ on the motion to strike.

[95] Moreover, as noted above, this Court is no longer required to conduct a *de novo* analysis of the pleadings on an appeal of a motion to strike: see *Hospira, supra* at para 64:

In my respectful opinion, the supervisory role of judges over prothonotaries enunciated in Rule 51 no longer requires that discretionary orders of prothonotaries be subject to *de novo* hearings. ... In other words, discretionary orders of prothonotaries should only be interfered with when such decisions are incorrect in law or are based on a palpable and overriding error in regard to the facts.

[96] I need not go further to dismiss this appeal.

[97] However, in this connection Rovi also provided the following examples of allegations already pleaded which in my view support the CMJ's finding that sufficient material facts are pleaded on why Comcast's actions are attributable to Videotron:

- a) Rovi has identified what step or steps have been taken by Comcast by pleading that each of the steps of the method claims are used or provided by Videotron, Comcast, and/or the subscriber;

- b) Rovi has identified what components have been supplied by Comcast by pleading that all of the elements of the system are supplied or otherwise made available by Videotron, Comcast, and/or the subscriber;
- c) Rovi has explained why those activities should be attributable to Videotron by pleading that:
 - i. in and around 2017, Videotron announced an agreement to launch a new IPG product with Comcast;
 - ii. Helix TV is based on Comcast's Xfinity X1 IPG Product ("X1"). Videotron has customized X1 for Helix TV by choosing to implement certain but not all functionalities from X1 and/or by requiring Comcast to modify certain aspects of X1 for Helix TV;
 - iii. Videotron has conditioned participation in an activity or receipt of a benefit upon Comcast's performance of a step or steps of a patented method or Comcast's supply of a component or components of a patented system by contracting with Comcast for the development and operation of Helix TV;
 - iv. Videotron has established the manner and timing of Comcast's performance by instructing Comcast through correspondence, contractual negotiations, technical proposals, technical specifications, requests for proposals, contracts, and like documentation; and telephone, online, and in-person discussions. As such, any performance of a step or steps of a patented method or supply of any component of Helix TV by Comcast is ascribed to Videotron; and
 - v. Videotron controls the manner and place in which Comcast puts Helix TV into service and that Videotron has established the manner of timing of Comcast's performance by instructing Comcast through various means, such as through correspondence, contractual negotiations, technical proposals, and technical specifications.

[98] The CMJ at pages 14 and 15 of his Order considered Rovi's pleadings. These were characterized, including their schedules, as "extensive" and "sufficiently" particularized. In addition, the CMJ found Videotron knew the case it had to meet. The conclusions of the CMJ are

entitled to deference on this appeal under Rule 51, as summarized in *Hughes* at para 67. I will afford that deference to them.

[99] While the CMJ's reasons are necessarily brief, the Federal Court of Appeal has ruled, "detailed reasons are not required in a prothonotary's order" (*Maximova v Canada (Attorney General)*, 2017 FCA 230 at para 11). This is the case because "Prothonotaries deal with an extraordinary volume of procedural issues" (*Novopharm Ltd v Nycomed Canada Inc*, 2011 FC 109 [per Mandamin J] at para 22 [*Novopharm*]). I note "[i]t would be intolerable, and the wheels of justice would grind most slowly indeed, if each discretionary order had to be accompanied by a full set of motivated reasons in order to discourage the unsuccessful party from appealing and inviting the Court to exercise its discretion anew," (*Novopharm, supra*).

[100] In the result I am not persuaded the CMJ's findings in respect of the particularization of attribution were the result of error or palpable and overriding error. Therefore the appeal in this respect is dismissed.

VII. Conclusion

[101] In my respectful view, Videotron has failed to establish the CMJ made an error or palpable and overriding error in dismissing Videotron's motion to strike portions of Rovi's ASOC relating to either common design or attribution. I am further satisfied no error or palpable and overriding error was made in respect of the CMJ's rejection of Videotron's claims for additional particulars in respect of either common design or attribution. Therefore, this appeal will be dismissed in its entirety.

VIII. Costs

[102] The parties made a joint submission that the unsuccessful party should pay the successful party as its costs award the all inclusive lump sum of \$4,000.00. In my view this is reasonable and I will so Order in favour of the Plaintiff Rovi.

JUDGMENT in T-841-21

THIS COURT'S JUDGMENT is that:

1. This appeal is dismissed.
2. The Defendant shall pay costs to the Plaintiff in the all inclusive lump sum of \$4,000.00.

“Henry S. Brown”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-841-21

STYLE OF CAUSE: ROVI GUIES, INC. v VIDEOTRON LTD.

PLACE OF HEARING: HELD BY WAY OF VIDEOCONFERENCE

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JUDGMENT AND REASONS: BROWN J.

DATED: JUNE 30, 2022

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