Date: 20080220

Docket: T-2058-05
T-2099-05

Citation: 2008 FC 220

Ottawa, Ontario, February 20, 2008

PRESENT: The Honourable Madam Justice Simpson

BETWEEN:

ROLAND HARRISON and
CAROLINA MAT CO. INC.

Plaintiffs

and

STERLING LUMBER COMPANY

Defendant

ROLAND HARRISON and
CAROLINA MAT CO. INC.

Plaintiffs

and

SWAMP MATS INC.

Defendant

REASONS FOR JUDGMENT AND JUDGMENT

[1] The Plaintiffs moved to amend their Statements of Claim in actions T-2058-05 and T-2099-05 (the Actions) in the spring of 2007. On April 5, 2007, Prothonotary Lafrenière made orders, on consent, allowing some of the amendments and he dismissed others with leave to reapply. His

dismissal was based on the fact that the proposed pleadings did not provide specifics of the alleged infringements but simply referred to the claim numbers in the relevant patent.

[2] Further motions to amend were made and, on June 26, 2007, Prothonotary Aalto granted the Plaintiffs leave to amend their Statements of Claim in both Actions. This decision deals with the Defendants' appeals of his orders.

THE AMENDMENTS

[3] The amended Statements of Claim in both actions were filed on June 29, 2002 (the Amended Claims). They expand the allegations of infringement. The Actions were commenced based on Claim 14 in Canadian Patent No. 2,462,302 (the 302 Patent). The Amended Claims add 29 more claims (the Additional Claims) so that it is now alleged in both actions that the Defendants have infringed all the claims in the 302 Patent.

THE 302 PATENT

[4] In broad terms, the 302 Patent deals with three-ply bolted temporary road mats which are used to make temporary roads in places where the construction of a conventional road is impractical.

[5] The original claim # 14 is for the road mats themselves. The Additional Claims cover a number of apparatuses for making the road mats (claims 1-10 and 15-24) and methods for their assembly (claims 11-13 and 25-30). These claims cross-reference each other with the result that most of the Additional Claims set out a number of permutations and combinations of apparatuses and methods.

[6] The following claims illustrate this point:

> **Claim 20:** The apparatus as recited in any one of claims 15 to 19, wherein rail means are disposed along said longtitudinal path and said drill assembly includes a pair of support legs interconnected by a cross member and having roller members supported on said rail means.
>
> **Claim 30:** The method as recited in any one of claims 25 to 29, further including the step of beginning said drilling on an outer lateral row and progressing inwardly therefrom.

THE ISSUES

Issue 1 Standard of Review

[7] The law is clear that, if the questions raised on a motion before a prothonotary are vital to the final issue in a case, the decision on those questions should be reviewed on a *de novo* basis (see *Merck & Co. Inc. v. Apotex Inc.*, [2003] F.C.J. No. 1925, 2003 FCA 488 at paras. 18-19).

[8] The Defendants say that the Amended Claims raise new causes of action which are vital to the final outcome of the case and that I should therefore consider them *de novo* on these appeals.

The Plaintiffs, on the other hand, submit that the Amended Claims merely plead the full extent of the Defendants' infringing activities in respect of the 302 Patent and do not raise vital new issues.

[9] It is my view that although the Amended Claims do not add new causes of action, they add patent claims which are likely to be vital to the outcome of this litigation. Accordingly, I will consider this matter *de novo*.

Issue 2 The Sufficiency of the Description of the Infringing Activity

[10] The Additional Claims are found in paragraph 11 of the Amended Claims and it is this paragraph which is the focus of these appeals. In paragraph 11, the Plaintiffs describe the infringing activities using the language of the Additional Claims. Paragraph 11 is attached hereto as Schedule A. The text is the same in both actions. The Defendants say that paragraph 11 recites the patent claims instead of referring to them by number but is otherwise no different from the proposed amendment that Prothonotary Lafrenière rejected.

[11] The Plaintiffs also plead as follows in paragraph 10. Paragraph 10 is not in issue in this appeal but is needed for context. It shows the infringing activities related to claim 14.

> **T-2058-05**
>
> **The Activities of the Defendant**
>
> 10. The Defendant has, since a date that is unknown to the Plaintiffs but that is at least as early as September 2004 and continues to:

(1) Publicly advertise, offer for sale and sell infringing three ply bolted temporary road mats in Canada via their website located at www.sterlinglumber.com, a portion of which is attached at **Schedule A**; and

(2) Manufacture, import, offer for sale and sell to Pe Ben Oilfield Services L.P. in Nisku, Alberta, three ply bolted temporary road mats which infringe the claims of the 302 Patent.

T-2099-05

The Activities of the Defendant

10. The Defendant has, since a date that is unknown to the Plaintiffs but that is at least as early as September 2004:

(1) Publicly adversity, offer for sale and sell infringing three ply bolted temporary road mats in Canada via its website located at www.swampmats.ca, a portion of which is attached as **Schedule A**;

(2) Manufactured, used and offered for sale in Grand Prairie, Alberta, three ply bolted temporary road mats which infringe the claims of the 302 Patent; and

(3) Purchased from Pe Ben Oilfield Services L.P. in Nisku, Alberta, three ply bolted temporary road mats which infringe the claims of the 902 Patent and used name in Canada.

[underlined in original]

[12] These paragraphs demonstrate that the Plaintiffs plead that the full extent of the infringement is unknown. In other words, the Plaintiffs are able to allege that infringing road mats are being manufactured and sold by the Defendants but they do not know which apparatus(es) and method(s) were used in their manufacture. For this reason, they allege in paragraph 11 that all apparatuses and methods were used.

[13] The Defendants say that the basic requirements for pleading in a patent infringement cases are set out in *Dow Chemical Co. v. Kayson Plastics & Chemicals Ltd.* (1996), 47 C.P.R. 1 (Ex. Ct.) at page 11. There, Jackett P. said:

> In general, under out system of pleading, a statement of claim for an infringement of a right should clearly show
>
> (a) facts by virtue of which the law recognizes a defined right as belonging to the plaintiff, and
> (b) facts that constitute an encroachment by the defendant on that defined right of the plaintiff.

[14] The fact situation in Dow Chemical was similar to the one at bar in that the Plaintiff had claimed one type of infringement and had provided particulars (as with Claim 14 and paragraph 10 in this case) and had then (as in paragraph 11 in this case) alleged other infringements by the Defendant manufacturer details of which were unknown to the Plaintiff. The Plaintiff's position was that the Defendant, as the manufacturer, would know what process it used and would reveal it on discovery. Thereafter, the Statement of Claim could be amended.

[15] The Court described the issue in the following terms at pages 3, 6 and 7:

> The parties are agreed that the question that I have to decide is whether the plaintiff's pleadings sufficiently comply with the Rules if, at this stage of the proceedings, that is before discovery, they state one particular of a type of infringement and claim in respect of other types of infringement that are unknown to the plaintiff but are known to the defendant.
>
> …
>
> Is the position any different, if the plaintiff links with the allegation of one cause of action a general allegation of other infringements which, so far as the plaintiff knows, do not exist but which may be

> revealed by an unrestricted discovery? This is the question, as I see it, that is raised by this application.
>
> …
>
> In connection with industrial property litigation, it is obvious that, once it has been established that the defendant has been infringing the plaintiff's rights by one course of conduct, there is a natural desire on the part of the plaintiff to be allowed scope to ascertain, by the judicial process, what other infringements, if any, the defendant has been committing. The question that I have to determine is whether that form of relief is open to him under our judicial system or whether such a course of action is subversive of the principle on which our system is based, namely, that the function of the Courts is to settle existing disputes.

[16] The Court concluded that it was no answer for the Plaintiff to say that if it was allowed unrestricted discovery of the Defendant, it might then be in a position to plead a cause of action. The relevant passage reads as follows:

> …an attempt to include in a statement of claim causes of action based upon no known facts must fail…

[17] Several months later in *Precision Metalsmiths Inc. v. Cercast Inc.* (1966), 49 C.P.R. 234 (Ex. Ct.), Jackett P considered the adequacy of the Plaintiff's claims of infringement of its product and process patents.

[18] The allegation with regard to the product patent read:

> The defendants have infringed letters patent No. 704,693 by making, constructing and using apparatus and moulds covered by claims 1 to 6, 8 and 9 of the said letters patent.

[19] The Court commented on the allegation as follows:

> In effect, this is an allegation that the defendants have made *and* used apparatus "covered" by all the four "sprue" claims in the patent and an allegation that the defendants have made *and* used moulds "covered" by four of the five mould claims in the patent. This, in my view, is not an allegation of "material facts". The only allegation of fact it contains is that the defendants have made and used apparatus and moulds. The balance of the allegation is that the undescribed apparatus and moulds that the defendants are alleged to have made are "covered" by all but one of the claims in the patent. What this means, as I understand it, is that, when the character of the apparatus and moulds is discovered and the meaning of the claims is settled (which meaning is a question of law), it will be found that the apparatus and moulds fall within some one or other of the claims. Obviously, this allegation does not contain such a description of the apparatus and moulds that the defendants are alleged to have made and used as will show (assuming the correctness of the allegation) that they are in fact within the boundaries established by one or other of the claims. In the absence of such a description, there is no allegation of the material facts necessary to show a cause of action for infringement…
>
> [my emphasis]

[20] However, the Plaintiffs suggest that *Dow Chemical* and *Precision Metalsmiths* are no longer good law. They rely on *Pharmaceutical Partners of Canada Inc. v. Faulding (Canada) Inc.*, [2002] F.C.J. No. 1305 (F.C.). It turned on whether the Plaintiff met the first branch of the test in *Dow Chemical*. It was admitted that the Plaintiff had pleaded facts which, if true, established infringement of the Plaintiff's patent rights. The issue was whether the patent was adequately described and Madam Justice Layden-Stevenson concluded that when the Statement of Claim and the related particulars were read together, it was not plain and obvious that the claim was deficient. She also concluded that the pleading and the particulars contained enough information about the Patent to allow the Defendant to know with some certainty the case it had to meet. In reaching her

decision, she relied on Mr. Justice Décary's decision in *Sweet v. Canada* (1999), 249 N.R. 17 (F.C.A.). There he described the Plaintiff's declaration in the following terms:

> …Some elements may be missing (for example, with respect to the nature and extent of the damages claimed), and others may be incomplete (for example, with respect to the appellant's own involuntary double-bunking), but this declaration contains enough information to allow the Respondent to know with some certainty the case She has to meet if this proceeding were to continue as an action. The Respondent could then be at liberty to file a motion for particulars.

[21] In my view, this decision does not assist the Plaintiff in the present case because Mr. Justice Décary's decision was based on the premise that the pleading which was incomplete or missing elements could be corrected by the provision of particulars. He was not saying that such a pleading could stand without repair or be amended after discovery.

[22] Further, the amendments in this case cannot be characterized as incomplete or missing some elements. They are entirely bald and the Plaintiff does not have the ability to correct them with particulars before discovery because it lacks the necessary knowledge.

CONCLUSION

[23] The amendments in paragraph 11 of the Amended Claims fail the second branch of the test in *Dow Chemical*, they are utterly devoid of any material facts linking any of the claims to any infringement activities and they do not give the Defendants any idea of the case they must meet. For these reason, the appeals will be allowed as they relate to paragraph 11 of the Amended Claims.

JUDGMENT

UPON reviewing the material filed and hearing the submissions of counsel for both parties in Toronto on September 12, 2007;

AND UPON determining that, for the reasons given above, the appeals should be allowed as they relate to paragraph 11 of the Amended Claims.

NOW THEREFORE THIS COURT ORDERS AND ADJUDGES that, for the reasons given above, the appeals are allowed with costs and the orders of Aalto P. dated June 26, 2007 are hereby set aside insofar as they relate to paragraph 11 of the Amended Claims.

"Sandra J. Simpson"

SCHEDULE A

11. The three ply bolted temporary road mats manufactured, imported, used, offered for sale and sold by the Defendant in Canada:

(1) Are made by an infringing machine whereby the road mats have at least three mutually perpendicular layers of wooden timbers such that there is an upper layer, a middle layer and a bottom layer. The upper layer and a bottom layer have timbers aligned in the same direction while the timbers of the middle layer are aligned crossways to the upper layer. In the infringing road mat made, the layers overlap at lateral rows of vertical intersections. The infringing machine used to make the Defendant's infringing mats has:

(a) A frame;

(b) An assembly support on the frame where timbers may be roughly assembled into layers with mutually perpendicular intersections;

(c) A gang drill assembly supported on the frame whereby the gang drill assembly has a plurality of drill units above the layers for drilling lateral rows of intersections;

(d) A means for selectively aligning the drill units with the lateral rows and for downwardly moving the drill units to form aligned holes through the timbers at the intersections subsequent to which bolts are inserted and fasteners connected below the timbers resulting in a bolted assembled mat (Claim 1);

(2) Are made by an infringing machine having the structure described in paragraph 11(1) above and:

(a) A gang drill assembly which is selectively longitudinally moveable with respect to the frame (Claim 2);

(b) A gang drill assembly which is stationary and the assembly support is longitudinally moveable with respect to the drill units (Claim 3);

(3) Are made by an infringing machine having the structure described in paragraph 11(1) and 11(2)(b) and 11(3) above with an indexing conveyor means for longitudinally moving the assembly support to successively align the lateral rows of intersections with the drill units for drilling the through holes (Claim 4);

(4) Are made by an infringing machine having the structure described in (11(1) and 11(2)(b) and 11(3) above with an end conveyor and trimming station at one end of

the assembly support to enable the cutting of rough timber to length for longitudinally extending timbers and for presenting the timber for assembly (Claim 5);

(5) Are made by an infringing machine having the structure described in 11(1) and 11(2)(b) and 11(3) and 11(4) above with a first side conveyor and trimming station at one side of the assembly support for cutting the rough timber to length for the laterally extending timbers and for presenting the timber for assembly (Claim 6);

(6) Are made by an infringing machine having the structure described in 11(1) and 11(2)(b) and 11(3) and 11(4) and 11(5) above wherein the mat includes a top and bottom layer of laterally extending timbers whereby the first side conveyor and trimming station cuts the rough timber to length for the bottom layer and a second side conveyor and trimming station on the other side of the assembly table cuts rough timber to length for the laterally extending timber of the top layer and for presenting the timber for assembly (Claim 7);

(7) Are made by an infringing machine having the structure described in 11(1) above with drill units having a first bit section for forming the through holds and a second bit section for forming counterbores in the upper layer of timbers (Claim 8);

(8) Are made by an infringing machine having the structure described in 11(1) and 11(7) above with second drill units for forming counterbores in the lower layer of timbers (Claim 9);

(9) Are made by an infringing machine having the structure described in 11(1) above with a plate means overlying the lateral rows of drilled holes after insertion of the bolts through the through holes to maintain the bolts position during fastening (Claim 10);

(10) Are made using an infringing method of assembling temporary road surfaces having at least three mutually perpendicular layers of elongated members consisting of an upper layer, a middle layer and a bottom layer. The upper layer and lower layer have timbers vertically aligned in the same direction and the middle layer has timbers aligned crossways to the upper layer. In the road mat made, the layers overlap at lateral rows of vertical intersections. The infringing method the Defendant uses to make its infringing mats consist of:

(a) Using an assembly platform aligned in relation to a longitudinal path;

(b) Orienting the bottom layer timber on the platform;

(c) Transversely orienting the middle layer timber on the bottom layer;

(d) Orienting the top layer timber on the middle layer parallel to the bottom layer thereby establishing a roughly assembled mat wherein the layers vertically overlap at lateral rows and longitudinal columns of intersections;

(e) Providing a drill assembly with a plurality of drilling units aligned for concurrently drilling through holes in unison through intersections in the lateral rows;

(f) Serially indexing the roughly assembled mat with respect to the drilling units;

(g) Drilling the through holes through each row of intersection until all required holes in the mat are completed;

(h) Inserting bolts through each row of drilled holes following drilling and fastening nuts to the inserted bolts so as to clamp the layers together at the intersections (Claim 11);

(11) Are made using an infringing method of assembling temporary road surfaces having the description in 11(10) above and serially indexing by moving the drilling units with respect to the roughly assembled mat (Claim 12);

(12) Are made using an infringing method of assembling temporary road surfaces having the description of paragraph 11(10) above serially indexing by moving the roughly assembled mat with respect to fixed longitudinally located drilling units (Claim 13);

(13) Consist of a bolted three ply temporary road mat comprising:

(a) A bottom layer of elongated timbers aligned in parallel rows in a first direction;

(b) A middle layer of elongated timbers aligned in parallel rows on said bottom layer extending to a second direction transverse to said first direction;

(c) A top layer of elongated timbers aligned in parallel rows on said middle layer and vertically aligned with said timbers of said bottom layer whereby said timbers of said layer overlie at an array of vertically aligned intersecting surfaces;

(d) Through holes formed through said timbers at said intersecting surfaces;

(e) Bolts having threaded shanks extending through said through holds with heads engaging the upper surface of said timbers of said top layer; and

(f) Nuts threaded to said shanks and compressively engaging the lower surface of said timbers of said bottom layer thereby forming a bolted composite assembly of timbers (Claim 14);

(14) Are made by an infringing machine whereby the infringing road mats have multiple layers of mutually perpendicular elongated timbers having an array of vertical intersections comprised of longitudinally spaced lateral rows and having:

(a) A pair of assembly tables spaced in adjacent relation where each table has an upper layout surface above the work floor so as to allow for a work bay underneath. The layout surface has indicia for orienting the timers in each layer so as to allow the timber to be roughly assembled into layers with intersections;

(b) A gang drill assembly supported for controlled movement in a longitudinal path along the assembly line with respect to the assembly tables. The gang drill assembly carries a plurality of drill units above the layout surface aligned for drilling the lateral rows of intersections;

(c) A means for aligning the drill units discretely at the lateral rows for downwardly moving the drill units to form through holes through the timers at the intersections subsequent to which bolts are inserted into the through holds from above and fasteners are connected to the bolts. The movement of the gang drill assembly and the sequence of the drilling alternates between the assembly tables (Claim 15);

(15) Are made by an infringing machine having the structure described in 11(14) above with a gang drill assembly which includes a means for compressing the timbers adjacent to and during the drilling to prevent relative movement of the timbers (Claim 16);

(16) Are made by an infringing machine having the structure described in 11(14) and 11(15) above with a conveyor means at opposite ends of the line for transferring timbers inwardly to each assembly table (Claim 17);

(17) Are made by an infringing machine having the structure described in 11(14) and 11(15) and 11(16) above with a trimming station wherein roughly cut timbers are transferred onto the conveyor means past the trimming station where the timbers are cut to a desired length for use in the layers (Claim 18);

(18) Are made by an infringing machine having the structure described in 11(14) and 11(15) and 11(16) and 11(17) above with elevated walkways surrounding the tables for permitting mobility of a workforce between the tables (Claim 19);

(19) Are made by an infringing machine having the structure described in 11(14) and 11(15) and 11(16) and 11(17) and 11(18) above with a rail means along the longitudinal path and the frill assembly includes a pair of support legs interconnected by a cross member and having roller members supported on the rail means (Claim 20);

(20) Are made by an infringing machine having the structure described in 11(14) and 11(15) and 11(16) and 11(17) and 11(18) and 11(19) above and a drive means connected with the roller members for moving the drill assembly along said the longitudinal path (Claim 21);

(21) Are made by an infringing machine having the structure described in 11(14) and 11(15) and 11(16) and 11(17) and 11(18) and 11(19) and 11(20) above with drill units which are carried on a transverse member slideably supported on the support legs (Claim 22);

(22) Are made by an infringing machine having the structure described in 11(14) and 11(15) and 11(16) and 11(17) and 11(18) and 11(19) and 11(20) and 11(21) above with an actuator means for moving the drill units between a raised position and a lowered position for performing the drill (Claim 23);

(23) Are made by an infringing machine having the structure described in 11(14) and 11(15) and 11(16) and 11(17) and 11(18) and 11(19) and 11(20) and 11(21) and 11(22) above with a means carried on the frill assembly and moveable between a raised position and a lowered position for compressing the timbers during drilling Claim 24);

(24) Are made using an infringing method of assembling temporary road surfaces having at least two mutually perpendicular layers of elongated members overlapping at lateral rows of vertical intersections. The infringing method the Defendant uses to make its infringing mats consist of:

(a) A pair of assembly tables aligned in back to back relation along a longitudinal path;

(b) Orienting a first layer of elongated timbers on each table;

(c) Orienting a second layer of elongated timbers on each table perpendicular to the first layer to establish a roughly assembled mat. The intersections allowing a mobile drill assembly to move along said the longitudinal path between the tables;

(d) A plurality of drilling units on the drill assembly aligned for drilling through holes in unison through intersections in the lateral rows;

(e) Downwardly moving the drill units for drilling holes in the lateral rows:

(f) Removing the drill units from the holes subsequent to drilling;

(g) In sequence longitudinally moving the drill units to subsequent lateral rows and drilling until all required holes in the mat have been completed;

(h) Moving the drill assembly to the other assembly table and drilling in sequence the holes in the lateral rows of the roughly assembled mat (Claim 25);

(25) Are made using an infringing method of assembling temporary road surfaces having the structure described in 11(24) above and inserting bolts through the holes subsequent to drilling (Claim 26);

(26) Are made using an infringing method of assembling temporary road surfaces having the structure described in 11(24) above and applying nuts to the bolts to form a unitized assembly of the timbers (Claim 27);

(27) Are made using an infringing method of assembling temporary road surfaces having the structure described in 11(24) and 11(25) and 11(26) above and mechanically clamping the timbers adjacent to and during the drilling to prevent movement (Claim 28);

(28) Are made using an infringing method of assembling temporary road surfaces having the description of paragraph 11(24) and 11(25) and 11(26) and 11(27) above and alternating the Defendant's workforce between the tables prior to and subsequent to drilling (Claim 29); and

(29) Are made using an infringing method of assembling temporary road surfaces having the description of paragraph 11(24) and 11(25) and 11(26) and 11(27) and 11(28) above including the steps of beginning the drilling on an outer lateral row and progressing inwardly (Claim 30).

FEDERAL COURT

SOLICITORS OF RECORD

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