

Date: 20090421

**Docket: T-1570-07
T-1571-07**

Citation: 2009 FC 392

Ottawa, Ontario, April 21, 2009

PRESENT: The Honourable Mr. Justice Mandamin

Docket: T-1570-07

BETWEEN:

SIMPSON STRONG-TIE COMPANY INC.

Applicant

and

PEAK INNOVATIONS INC.

Respondent

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Applicant

and

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Respondent

REASONS FOR JUDGMENT AND JUDGMENT

[1] The Applicant, Simpson Strong-Tie Company Inc., appealed a decision of the Registrar of Trade-marks. In the course of the appeal proceedings, the Respondent, Peak Innovations Inc., filed certain affidavits. The Applicant served Directions to Attend on the affiants for cross-examination on their affidavits. The Directions sought extensive document production by the affiants. Neither the affiants nor the Respondent provided documents they considered beyond the scope of the affidavits. At the cross-examination, the affiants refused to answer Simpson Strong-Tie's questions about the documents requested in the Notice to Attend.

[2] Simpson Strong-Tie then brought a motion before the case management Prothonotary for production of documents and re-attendance of the affiants to answer refused questions. The Respondent opposed the motion.

[3] The case management Prothonotary dismissed the Applicant's motion. Simpson Strong-Tie now appeals the Prothonotary's Order dismissing its application for production of documents sought in the Direction to Attend and for answers to the questions refused in the cross-examination on affidavit.

Decision Under Appeal

[4] The Prothonotary observed the Directions to Attend and required the affiants to produce an extensive list of documents. He considered the majority of the Applicant's questions, for which answers were refused, to be about documents which Simpson Strong-Tie sought in its Directions to Attend. The Prothonotary considered the

Applicant's remaining questions on cross-examination to be equally wide in scope. They were, in the Prothonotary's view, beyond the reach of the specific knowledge of the two affiants.

[5] The Prothonotary noted that the Applicant's questions arose during cross-examination on affidavits rather than on examination for discovery.

[6] The Prothonotary acknowledged the Applicant's submissions that witnesses are required to produce documents referred to in the Directions to Attend and that the *Federal Courts Rules*, SOR 98-106, contemplated that a witness in a proceeding may be compelled to produce documents reaching beyond the scope of the affidavit upon which they were cross-examined. However, he agreed with the Respondent's submission that the questions were not focussed on the affidavits and matters deposed therein, rather to efforts to obtain production of documents not within the possession, power or control of the affiants.

[7] The Prothonotary considered Rule 91, and more particularly 91(2)(c), directly applicable to the issue in the motion. That Rule provides that a party intending to conduct an oral examination shall serve a Direction to Attend on the person to be examined. Rule 91(2)(c) is specific to cross-examination on affidavit and requires the documents to be produced are those documents "in **that** person's possession, power or control" (emphasis in Prothonotary's reasons) that are relevant to the application. He contrasted this wording with Rule 91(2)(a) which deals with examinations for discovery and refers to documents

“in the possession, power or control **of the party** on behalf of whom the person is being examined” (emphasis added). The Prothonotary held that on a plain reading of Rule 91(2)(c) the documents to be produced are only those in the affiant’s possession, power or control.

[8] The Prothonotary concluded that a Direction to Attend which seeks “all documents” in the Respondent corporation’s files are documents not necessarily in the possession, power or control of the affiants. He decided that in its Directions to Attend, the Applicant had overreached what the affiants were required to produce.

[9] The Prothonotary acknowledged that where a proper foundation was laid in cross-examination, a party could be required to obtain the production of additional documents. He found that the thrust of questions refused in the Applicant’s cross-examinations on affidavit did not seek to lay a foundation to demonstrate the documents were in the possession of the affiants.

[10] The Prothonotary ruled the questions arising from the Directions to Attend were not proper and need not be answered. Finally, he decided the remaining questions refused by Peak Innovations were questions to which argument was not directed or dealt with matters that were not relevant, were privileged, or exceeded the scope of the affidavits. On these, the Prothonotary decided that Simpson Strong-Tie was free to argue in the course of the proceeding that an adverse inference could be drawn against Peak Innovations for failing to produce those documents.

[11] In result, the Prothonotary dismissed the Applicant's Motion for production of documents sought in the Direction to Attend and for answers to the questions refused in the cross-examination on affidavit.

Issue

[12] The issue in this appeal is whether the Prothonotary erred in holding that on cross-examination on an affidavit the production of documents and answers to questions thereto was governed by Rule 91(2)(c) and that the Rule limited document production in cross-examination on affidavit to documents in the possession, power or control of the affiants.

Standard of Review

[13] Discretionary orders of Prothonotaries ought not to be disturbed on appeal unless they are clearly wrong in the sense that the exercise of discretion was based on a wrong principle or misapprehension of the facts or that they raise questions vital to the final issue of the case. *Canada v. Aqua-Gem Investments Ltd.*, [1993] F.C.J. No. 103 (F.C.A.)

[14] In *Merck & Co., Ltd. v. Apotex Inc.*, 2003 FCA 488, Justice Décary decided that a judge should first determine whether the question is vital to the final issue. Secondly, whether “the orders are clearly wrong, in the sense that the exercise of discretion by the prothonotary was based upon a wrong principle or upon a misapprehension of the facts.” *Merck* at para. 19.

Legislation

[15] Rule 91 of the *Federal Rules of Court* provides:

Direction to attend

91. (1) A party who intends to conduct an oral examination shall serve a direction to attend, in Form 91, on the person to be examined and a copy thereof on every other party.

Production for inspection at examination

(2) A direction to attend may direct the person to be examined to produce for inspection at the examination

(a) in respect of an examination for discovery, all documents and other material in the possession, power or control of the party on behalf of whom the person is being examined that are relevant to the matters in issue in the action;

(b) in respect of the taking of evidence for use at trial, all documents and other material in that person's possession, power or control that are relevant to the matters in issue in the action;

(c) in respect of a cross-examination on an affidavit, all documents and other material in that person's possession, power or control that are relevant to the application or motion; and

(d) in respect of an examination in aid of execution, all documents and other material in that person's possession, power or control that are relevant to the person's ability to satisfy the judgment.

[16] Rule 94(1) provides:

Production of documents on examination

94. (1) Subject to subsection (2), a person who is to be examined on an oral examination or the party on whose behalf that person is being examined shall produce for inspection at the examination all documents and other material requested in the direction to attend that are within that person's or party's possession and control, other than any documents for which privilege has been claimed or for which relief from production has been granted under rule 230.

Relief from production

(2) On motion, the Court may order that a person to be examined or the party on whose behalf that person is being examined be relieved from the requirement to produce for inspection any document or other material requested in a direction to attend, if the Court is of the opinion that the document or other material requested is irrelevant or, by reason of its nature or the number of documents or amount of material requested, it would be unduly onerous to require the person or party to produce it.

Analysis

[17] The underlying proceeding is an appeal by the Applicant, Simpson Strong-Tie, of the decision of the Registrar of Trade-marks (Opposition Board) of the Trade-marks Office. Simpson Strong-Tie had opposed the Respondent's application for registration of the trade-mark at issue: No. 1,205,529. This opposition was refused by the Opposition Board and the trademark has been registered. Simpson Strong-Tie appealed the decision pursuant to section 56 of the *Trade-marks Act*, R.S.C. 1985, c. T-13, by filing a Notice of Application in Federal Court seeking an order granting its appeal, an order setting aside the decision of the Registrar of Trade-marks, and an order directing the Registrar of Trade-marks to refuse the registration of the trademark.

[18] I begin by noting that the Prothonotary's decision refusing Simpson Strong-Tie's motion relates to an interlocutory matter and not to an issue vital to the final outcome. As such the Prothonotary's order ought not to be disturbed on appeal unless it is clearly wrong in the sense that the exercise of discretion was based on a wrong principle or misapprehension of the facts. *Merck, supra*.

[19] The Applicant submits that Rule 94(1) requires that the person or party to produce the documents required and that the onus was on the recipient to apply under Rule 94(2)

to seek relief from the Court from the production of documents. Further the Applicant submits that Rule 91(2)(c) allows the person issuing the Direction to Attend to ask for production of “all documents and other material ... relevant to the application or motion.” Simpson Strong-Tie submits the Prothonotary did not deal with its submission and instead put the onus on the Applicant contrary to Rule 94(2).

[20] The Applicant also submits the Federal Court Rules on the Direction to Attend provide for the production of all documents relevant to the application. It cited the decision of Justice Snider in *Sawridge Band v. Canada*, 2005 FC 865, specifically:

In my view, the most succinct statement of the current state of the law on the scope of cross-examination on an affidavit, in the context of an interlocutory motion such as this, is set out by Reed J. in *Castlemore Marketing Inc. v. Intercontinental Trade and Finance Corp.* [1996] F.C.J. No. 201, at para. 1:

An affiant is required to answer questions on matters which have been set out in the affidavit as well as any collateral questions arising from his or her initial answers. In *Bally-Midway Mfg. Co. v. M.J.Z. Electronics Ltd.* (1984), 75 C.P.R. (2d) 160, Mr. Justice Dubé stated that cross-examinations on affidavits are confined to "the issues relevant to the interlocutory injunction and/or all allegations contained in the affidavit". In [*Weight Watchers International Inc. v. Weight Watchers of Ontario Ltd.* (No. 2) (1972), 6 C.P.R. (2d) 169 (F.C.T.D.)], Mr. Justice Heald relied upon jurisprudence which held that a person cross-examining on an affidavit was not confined to the area within the four corners of the affidavit but could cover any matter relevant to the determination of the issue in respect of which the affidavit was filed. In addition to being relevant, the question of course must not be of such a general nature that it cannot be intelligently answered, and the Court will exercise its discretion and disallow any question which it considers in the nature of a "fishing expedition".

[21] I note that in *Sawridge*, Justice Snider was dealing with an interlocutory motion by which the plaintiffs sought an order that the defendant produce an alternative witness

who was a more informed affiant than the paralegal who prepared the affidavit that listed certain documents. Justice Snider declined to grant the requested relief because, in addition to not specifying questions they wished to ask, the plaintiffs appeared to propose to cross-examine on the contents of the documents beyond the limited purpose for which they were put forward. Justice Snider held that such cross-examination would extend beyond the matters in respect of which the affidavit was filed.

[22] The Applicant also refers to decisions in *Bruno v. Canada*, 2003 FC 1281, and *Autodata Ltd. v. Autodata Solutions Co.*, 2004 FC 1361. *Bruno* dealt with a situation where the examining party failed to specify the production of documents in a Direction to Attend before examining a witness.

[23] In *Autodata*, Prothonotary Tabib was considering an application made in the course of an appeal under section 56 of the *Trade Marks Act* which is the same type of proceeding as the instant case. She was considering whether production and answers were required in a situation where an undertaking to produce documents had been given. She echoed the Federal Court of Appeal decision in *Merck Frosst Canada Inc. v. Canada (Minister of Health)*, [1997] F.C.J. No. 1847, where it was stated that cross-examination is not examination for discovery in that the deponent is not a party and the deponent can be required to produce only documents within his or her custody or control, and the rules of relevance are more limited.

[24] In my view, the three aforementioned decisions do not compel an interpretation of Rule 91(2)(c) different than the interpretation settled on by the Prothonotary. Rather, the decisions tend to support the Prothonotary's decision, especially *Autodata*. Prothonotary Tabib made the distinction between proceedings in an action and an application, the later involving a more restricted and summary procedure.

However, a cross-examination on affidavit is not a discovery, and an application is not an action. An application is meant to proceed expeditiously, in summary fashion. For that reason, discoveries are not contemplated in applications. Parties cannot expect, nor demand, that the summary process mandated for applications will permit them to test every detail of every statement made in affidavits or in cross-examinations against any and all documents that may be in the opposing party's possession. If a party is not required to "accept" a witness' bald assertion in cross-examination, it is however limited in its endeavours to test that assertion to the questions it may put to the witness and the witness' answers in the course of the cross-examination. To the extent documents exist that can buttress or contradict the witness' assertion, production may only be enforced if they have been listed, or sufficiently identified, in a direction to attend duly served pursuant to Rule 91(2)(c) (see *Bruno v. Canada (Attorney General)*, [2003] F.C.J. 1604). I reiterate: a cross-examination on an affidavit is the direct testimonial evidence of the witness, not a discovery of the party. (underlining added)

[25] The Applicant, Simpson Strong-Tie, proceeded in its appeal of the Registrar of Trade-marks decision by way of a Notice of Application. In choosing to proceed by application, it must observe the limitations that are attendant on application proceedings.

[26] I agree with the Prothonotary that Rule 91(2)(c) is directly applicable. The language of Rule 91(2)(c) is precise with respect to production of documents for cross-examination on affidavits and is to be preferred over more generally worded provision of Rule 94 dealing with oral examinations.

[27] The remaining matters the Applicant raises assume success in this application and deal with case management questions. Given the Applicant does not succeed in the central issue and given that case management is in the hands of the Prothonotary, I decline to address those issues. The Applicant should return to the case management Prothonotary for direction in respect of those matters.

Conclusion

[28] I conclude that the Prothonotary's Order ought not to be disturbed since it is not clearly wrong in the sense that the exercise of discretion was based on a wrong principle or misapprehension of the facts.

[29] Costs are awarded to the Respondent, Peak Innovations Inc.

JUDGMENT

THIS COURT ORDERS AND ADJUDGES that:

1. The application is dismissed.
2. Costs are awarded to the Respondent.

“Leonard S. Mandamin”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1570-07 and T-1571-07

STYLE OF CAUSE: Simpson Strong-Tie Company v. Peak
Innovations Inc.

PLACE OF HEARING: Toronto, Ontario

DATE OF HEARING: February 23, 2009

**REASONS FOR JUDGMENT:
AND JUDGMENT** Mandamin, J.

DATED: April 21, 2009

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