Top 10 Differences Between US and Canadian IP Litigation

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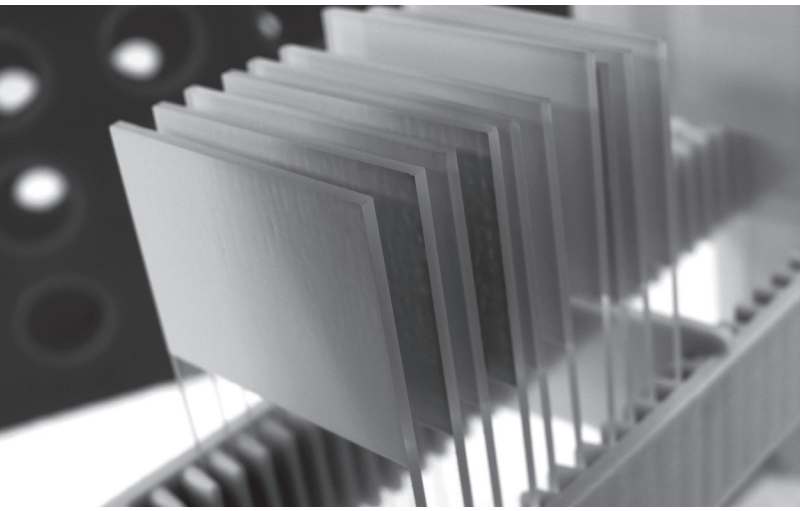

American companies are frequently involved in intellectual property (IP) disputes in Canada. While litigation procedures in Canadian courts are substantially similar to those in the United States, there are noteworthy differences.

No juries

IP litigation proceeds to trial before a judge. Most IP litigation takes place in the Federal Court, where juries are prohibited. Juries in Superior Courts cannot grant an injunction, effectively eliminating a jury trial in any IP case.

Limited discovery

A party must make available one informed representative for examination for discovery (similar to a 30(b)(6) witness). No other employees or former employees may be examined as of right. Inventors and other assignors of IP rights are subject to be examined. However, their evidence may not be read in as part of the examiner's case at trial.

Experts

The Federal Court has recently adopted the practice of some Australian courts of allowing for panels of experts, who are addressing the same issue, to be sworn and present evidence at the same time (colloquially known as "hot tubbing"). The experts would present their views and may be directed to comment on the views of other panel members. There is no pre-trial examination of expert witnesses.

A litigant's right to privacy

Information disclosed by an adverse party under compulsion of a court order or procedural rule is protected from disclosure to non-parties. Parties are protected against use of such information for any purpose beyond the litigation proceedings in which the information was compelled, unless and until the information is disclosed in open court. Parties to Canadian litigation are implied to have given an undertaking (hence "the implied undertaking rule") that they will not disclose or use information obtained in the discovery process of the adverse party for any reason other than the litigation in which the information was disclosed.

Extraordinary remedies – Anton Piller orders

Taking its name from a 1976 English Court of Appeal decision, an *Anton Piller* order is essentially a private search warrant. These orders are difficult to obtain, and require evidence of i) a strong case; ii) serious harm; and iii) clear and convincing evidence that the defendant is likely to destroy evidence if notified of the proceedings. *Anton Piller* orders can authorize the search of businesses, computers, private homes and automobiles to locate and preserve relevant evidence.

Anti-competitive conduct

At present, the legislation prohibiting the abuse of intellectual property rights to unduly prevent or lessen competition is

rarely successfully invoked to challenge the validity or enforceability of a statutory IP monopoly right. While these statues provide remedies in the event of anti-competitive acts, they have never been successfully invoked to strike down an IP right or limit the enforceability of that right.

No Markman hearings in patent cases

Construction of patent claims is a matter of law. The court may receive expert evidence to assist it in its purposive construction of the claims. However, there are no pre-trial Markman hearings. Construction of the claims occurs at the main trial.

No file wrapper estoppel in patent cases

What an applicant or its agent says during the prosecution of the patent cannot be used to construe the claims. The contents of the prosecution history may nonetheless be admissible for other reasons.

No treble damages in patent cases

A successful patentee is entitled to the damages it can prove were caused by the infringing acts. The patentee may also request the court to allow it to recover the infringer's profits derived from the infringement. There are no provisions for treble damages. While punitive damages may be awarded, such an award is exceedingly rare even in cases of demonstrated deliberate and intentional infringement.

Costs of litigation

A successful party is presumed to be entitled to an award of costs from the other side in accordance with a court tariff. A successful party usually recovers a small portion of the fees it has paid its own counsel and reimbursement of the vast majority of out-of-pocket expenses necessarily or reasonably incurred in the litigation.

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