

Federal Court



Cour fédérale

Date: 20190925

Docket: T-2138-18

Citation: 2019 FC 1233

Ottawa, Ontario, September 25, 2019

PRESENT: The Honourable Mr. Justice Manson

BETWEEN:

CANMAR FOODS LTD.

Plaintiff

and

TA FOODS LTD.

Defendant

JUDGMENT AND REASONS

I. Introduction

[1] On April 26, 2019, TA Foods Ltd [the Defendant] brought a motion for summary judgment based on non-infringement of any asserted claims in Canadian Patent No. 2,582,376 [the '376 Patent], or, in the alternative, to strike the Statement of Claim in its entirety [the Summary Judgment Motion].

[2] CanMar Foods Ltd [the Plaintiff] brought a motion to strike several paragraphs of the Statement of Defence and the Defendant's Response to Demand for Particulars, or, in the alternative, for further and better particulars [the Particulars Motion]. An Amended Notice of Motion was filed on July 10, 2019.

[3] These motions arise in the context of the Plaintiff's patent infringement action against the Defendant involving the '376 Patent. The Defendant alleges that every claim of the '376 Patent is invalid, and denies that it infringes the '376 Patent.

[4] For the reasons that follow, the Defendant's motion for summary judgment is granted, with costs. The Plaintiff's and Defendant's motions to strike, and the Plaintiff's motion for further and better particulars are moot.

II. Background

A. *Parties and Patent at Issue*

[5] The Plaintiff is a Saskatchewan corporation with a principal office and manufacturing facility in Regina, Saskatchewan.

[6] The Defendant is also a Saskatchewan corporation, and has a principal office and manufacturing facility in Yorkton, Saskatchewan.

[7] The Plaintiff and Defendant are competitors in the manufacture and supply of flax seed products, particularly *roasted* flax seed products.

[8] The Plaintiff is the owner of the '376 Patent, entitled "Methods for Roasting Oil Seed, and Roasted Oil Seed Products." The '376 Patent has 23 claims, and includes claims for methods of roasting oil seed and the products produced by these methods. Claim 1 is the only independent claim. The remainder of the claims are either directly or indirectly dependent on Claim 1, which reads as follows:

1. A method for roasting oil seed, the method consisting of the following steps:

(a) heating the oil seed in a stream of air for less than 2 minutes, wherein the stream of air has a temperature from 146 °C to 205 °C, thereby to provide heated oil seed;

(b) transferring the heated oil seed into an insulated or partially insulated roasting chamber or tower;

(c) maintaining the heated oil seed in said roasting chamber or tower without addition of further heat until the roasting process is complete, wherein the temperature of the heated oil seed falls during a maintaining period; thereby to produce a roasted oil seed in the roasting chamber or tower;

(d) removing the roasted oil seed from the chamber or tower, for cooling.

[9] The Plaintiff first became aware of the Defendant's roasted flax seed products at a trade conference in Saskatoon on August 28, 2018. The Defendant displayed a banner advertising "roasted flax" under the brand name "NEPRI." Shortly thereafter, the Plaintiff became aware that the Defendant was advertising "roasted flax" products on its website.

[10] The parties attempted to arrange a mutually agreeable inspection of the Defendant's manufacturing facility to allow the Plaintiff to assess potential infringement of its patent. When talks broke down, the Plaintiff started this action.

B. *Pleadings*

[11] The Statement of Claim was issued on December 17, 2018, and served on the Defendant on January 17, 2019. The Defendant filed a Statement of Defence dated April 18, 2019, and on April 26, 2019 brought this Summary Judgment Motion.

[12] In response to the Statement of Defence, the Plaintiff served a Demand for Further and Better Particulars and for certain pleadings in the Statement of Defence to be struck. The Defendant refused both demands, suggesting that the requested particulars were detailed in the Defendant's motion for summary judgment dated April 26, 2019.

[13] The Defendant eventually served a Response to Demand for Particulars after being served with the Plaintiff's Particulars Motion.

III. Evidence on these Motions

A. *The Summary Judgment Motion*

[14] In support of the Summary Judgment Motion, the Defendant filed the affidavits of Mike Popowich and Jennifer Permann. The Plaintiff filed the affidavits of Jeff Hart.

[15] Mike Popowich, Jennifer Permann, and Jeff Hart were cross-examined on July 25, 2019.

- (1) Defendant's Affidavit of Mike Popowich, dated April 23, 2019 [the Popowich Affidavit]

[16] Mike Popowich is the co-owner of the Defendant, TA Foods. He has been involved with the business since 2013 and is aware of the equipment and processes used by the Defendant.

[17] In 2016, the Defendant purchased a used "micronizer" [the Micronizer], and this is the only equipment used by the Defendant to cook its oil seed. The Micronizer was originally purchased from the Micronizing Company in the United Kingdom in 1993, and was manufactured in 1994.

[18] The Micronizer operates by subjecting oil seed to infrared radiation as the seed travels along a vibratory steel plate under a series of heated ceramic tiles. In the Defendant's process, the oil seed is heated to temperatures ranging from 30-90 °C for about 71 seconds. These temperature readings were taken with a handheld digital infrared thermometer. Use of this thermometer was addressed in the Hart Affidavit (below), and was the subject of cross-examination.

[19] From the vibrating steel plate, the oil seed exits the Micronizer down a slide into a triangular shaped hopper. The hopper is made of steel plating, and is uninsulated. From the bottom of the hopper, the seed travels up an uninsulated auger trough to an uninsulated cooling tower made of steel sheeting.

[20] The seed falls to the bottom of the cooling tower, and is immediately transported from the cooling tower to other uninsulated hoppers made of steel sheeting for long-term storage or packaging. The retention time in the cooling tower is less than 5 seconds.

[21] The Defendant does not have any other equipment or use any other process to cook oil seed.

[22] There is no evidence in this proceeding to suggest any proprietary right in roasted flax seed per se. Only the specific method to roast flax seed provided in the '376 Patent claims is asserted.

(2) Defendant's Affidavit of Jennifer Permann, dated April 26, 2019 [the Permann Affidavit]

[23] Jennifer Permann is a law clerk at Gowling WLG LLP. Ms. Permann's affidavit includes prosecution file histories from the Canadian and American patent offices for the '376 Patent and corresponding US Application 11/576,405 [the '405 Application].

[24] The Plaintiff objects to the Permann Affidavit insofar as it attaches excerpts from the United States prosecution history of the '405 Application. I agree that paragraphs 4, 5, 7a, 7b, 7d, 7e, 7f, 7g, 7h, 7i, 7l, and 8, as well as Exhibits C and D are inadmissible and will not be considered. Otherwise, the affidavit is admissible. The Defendant later filed a certified copy of the prosecution history of the '405 Application, which was accepted into evidence.

- (3) Plaintiff's Affidavit of Jeff Hart, dated July 9, 2019 [the Hart Affidavit], and Supplemental Affidavit of Jeff Hart, dated July 19, 2019

[25] Jeff Hart is the Director of Operations of the Plaintiff, CanMar Foods. Prior to swearing the July 9 affidavit, Mr. Hart reviewed the Popowich Affidavit.

[26] On October 12, 2017, Mr. Hart received an email chain between Mr. Popowich and one of the Plaintiff's customers in China. Based on this email chain, the Plaintiff became aware that the Defendant was considering offering a roasted flax seed product.

[27] On August 28, 2018, the Plaintiff's president attended the 2018 STEP Mexican Trade Conference in Saskatoon, and took a photograph of the Defendant's "NEPRI" brand display, which advertised roasted flax.

[28] The Plaintiff then became aware that the Defendant was advertising "roasted flax" products on its website and social media pages, and was listed as a supplier and exporter of "roasted flaxseed" on the Flax Council of Canada website.

[29] Mr. Hart describes correspondence between Plaintiff's counsel and the Defendant in a failed attempt to arrange an inspection of the Defendant's facility. Email correspondence and a proposed confidentiality agreement are attached as schedules to the affidavit.

[30] Finally, Mr. Hart critiques the Popowich affidavit. One criticism is the use of the handheld digital infrared thermometer, which according to a product manual measures the surface temperature of an object, not the air temperature around said object.

[31] Additionally, Mr. Hart questions the setup of the auger trough shown in the photographs in the Popowich Affidavit. Specifically, Mr. Hart states that the auger trough “appears to have been staged or specially presented and is not shown in an operable state.” Plaintiff’s counsel addressed this allegation in cross-examination, and Mr. Popowich stated that the auger trough was operational in the video/photo demonstration.

[32] In his supplemental affidavit, Mr. Hart states that the Plaintiff’s Director of Sales attended the 2019 Saskatchewan Asia Trade Conference in Regina on July 11, 2019, and obtained TA Foods and NEPRI business cards. These cards listed roasted flax as an example of the retail products offered by TA Foods under the NEPRI brand.

[33] On July 12, 2019, Mr. Hart searched the NEPRI website, and found that at this time the website made no reference to roasted flax. Instead, the website listed “Pre-Cooked Whole & Milled Golden Flaxseed” in its list of products.

B. *The Particulars Motion*

[34] In support of the Particulars Motion, the Plaintiff filed affidavits of Jessica Yaromich, dated May 9, 2019 and July 20, 2019. Ms. Yaromich is a law clerk at Siskinds LLP. Ms. Yaromich’s affidavits included the pleadings, the Plaintiff’s Demand for Further and Better

Particulars, the Defendant's reply letter to this demand, and three versions of the Defendant's Response to Demand for Particulars.

IV. Issues

A. *The Summary Judgment Motion*

[35] The issues are:

- (1) Whether the Court should grant summary judgment on the basis of non-infringement of the '376 patent.
- (2) Alternatively, whether the entirety of the Plaintiff's Statement of Claim should be struck on the ground that it is frivolous, vexatious or is otherwise an abuse of process of the Court.

B. *The Particulars Motion*

[36] The issues are:

- (1) Whether the Defendant should be ordered to provide further and better particulars of certain allegations contained in paragraphs 5, 12-14, 16, 17, 19, and 20 of the Statement of Defence, pursuant to Rule 181(2) of the *Federal Courts Rules*, SOR/98-106.

- (2) Whether paragraphs 5, 7, 8, 11, and 15 of the Statement of Defence and the Defendant's Response to Demand for Particulars should be struck, pursuant to Rule 221(1).

V. Relevant Provisions

A. *The Summary Judgment Motion*

[37] The Defendant seeks an order granting summary judgment based on non-infringement of the '376 Patent. Rule 213 of the *Federal Courts Rules* allows a party to bring a motion for summary judgment or summary trial on all or some of the issues raised in the pleadings at any time after the defendant has filed a defence but before the time and place for trial have been fixed.

[38] In the alternative, the Defendant seeks an order striking the Statement of Claim in its entirety as being speculative and therefore frivolous, vexatious or otherwise an abuse of the process of the Court. Rule 221 gives the Court the power to strike pleadings on the following grounds:

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

- (a) discloses no reasonable cause of action or defence, as the case may be,
- (b) is immaterial or redundant,
- (c) is scandalous, frivolous or vexatious,
- (d) may prejudice or delay the fair trial of the action,

- (e) constitutes a departure from a previous pleading, or
 - (f) is otherwise an abuse of the process of the Court,
- and may order the action be dismissed or judgment entered accordingly.

[39] The Defendant relies on the new section 53.1 of the *Patent Act*, RSC 1985, c P-4, which provides a limited exception to the general rule that prosecution history is not admissible evidence in an action respecting a patent:

53.1 (1) In any action or proceeding respecting a patent, a written communication, or any part of such a communication, may be admitted into evidence to rebut any representation made by the patentee in the action or proceeding as to the construction of a claim in the patent if

- (a) it is prepared in respect of
 - (i) the prosecution of the application for the patent,
 - (ii) a disclaimer made in respect of the patent, or
 - (iii) a request for re-examination, or a re-examination proceeding, in respect of the patent;and
- (b) it is between
 - (i) the applicant for the patent or the patentee; and
 - (ii) the Commissioner, an officer or employee of the Patent Office or a member of a re-examination board.

B. *The Particulars Motion*

[40] The Plaintiff seeks an order requiring the Defendant to serve and file further and better particulars. Rule 181 of the *Federal Courts Rules* states that pleadings shall contain particulars of

every allegation contained therein. On motion, the Court may order a party to serve and file further and better particulars of any allegation in its pleading:

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.

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

[41] The Plaintiff also relies on Rule 221 for its request to strike certain paragraphs of the Statement of Defence and the Defendant's Response to Demand for Particulars.

VI. Analysis

A. *The Summary Judgment Motion*

[42] Summary judgment allows the Court to summarily dispense with cases which ought not to proceed to trial because there is no genuine issue to be tried (*Harley-Davidson Motor Company v Manoukian*, 2013 FC 193 at para 29). The procedural steps on a motion for summary judgment are set out in Rules 213, 215, and 217 to 219 of the *Federal Courts Rules*.

[43] Where the Court is satisfied that there is no genuine issue for trial, it must grant summary judgment. If the only genuine issue is a question of law, the Court may also determine the question and grant summary judgment (*Federal Courts Rules*, r 215).

[44] The Plaintiff relies on the decision in *MacNeil Estate v Canada (Department of Indian and Northern Affairs)*, 2004 FCA 50, for the proposition that if there is a genuine issue to be decided or credibility concerns, then summary judgment is inappropriate and the parties should proceed with full blown discovery and a trial on the merits.

[45] For a decade following that decision this Court felt bound by that approach and summary judgment as a just, efficient and expeditious means to resolve disputes on a proportionate basis was lost.

[46] However, the Supreme Court of Canada's decision in *Hryniak v Mauldin*, 2014 SCC 7 [*Hryniak*], resulted in a culture shift and opened the door for a more reasoned approach to the use of summary judgment motions. The Supreme Court held that "summary judgment rules must be interpreted broadly, favouring proportionality and fair access to the affordable, timely and just adjudication of claims" (*Hryniak*, above at para 5).

[47] In *Manitoba v Canada*, 2015 FCA 57 at paragraphs 14-15, Justice Stratas commented on the impact of *Hryniak* on summary judgment in the Federal Court:

[14] The summary judgment rules in the Federal Courts Rules were amended just six years ago to take into account the sorts of considerations discussed in *Hryniak* and the challenges posed by modern litigation: see SOR/2009-331, section 3. Foremost among these amendments was the introduction of an elaborate and aggressive summary trial procedure in Rule 216, available in accordance with the specific wording of the Federal Courts Rules. I turn now to the specific wording of Rules 215 and 216.

[15] Under Rule 215(1) of the *Federal Courts Rules*, where there is "no genuine issue for trial" the Court "shall" grant summary judgment. The cases concerning "no genuine issue for

trial” in the Federal Courts system, informed as they are by the objectives of fairness, expeditiousness and cost-effectiveness in Rule 3, are consistent with the values and principles expressed in *Hryniak*. In the words of *Burns Bog Conservation Society v. Canada*, 2014 FCA 170, there is “no genuine issue” if there is “no legal basis” to the claim based on the law or the evidence brought forward (at paragraphs 35-36). In the words of *Hryniak*, there is “no genuine issue” if there is no legal basis to the claim or if the judge has “the evidence required to fairly and justly adjudicate the dispute” (at paragraph 66). *Hryniak* also speaks of using “new powers” to assist in that determination (at paragraph 44). But under the text of the *Federal Courts Rules* those powers come to bear only later in the analysis, in Rule 216.

[48] There is no determinative test for summary judgment. One articulation is that the test is not whether the Plaintiff cannot possibly succeed at trial, but whether the case is so doubtful that it does not deserve consideration by the trier of fact at a future trial (*Garford Pty Ltd v Dywidag Systems International Canada Ltd*, 2010 FC 996 at para 2, *aff’d* 2012 FCA 48 [*Garford Pty*]).

[49] The summary judgment provisions ought to be liberally construed, in order to secure the just, most expeditious, and least expensive determination of every proceeding (*Hryniak* at para 5; *Federal Courts Rules*, r 3; *Garford Pty*, above at para 5).

[50] Parties are required to put their best foot forward. The responding party cannot rely on what might be adduced as evidence at a later stage, but must set out specific facts and adduce evidence showing that there is a genuine issue for trial (*Federal Courts Rules*, r 213; *Sterling Lumber Co v Harrison*, 2010 FCA 21 at para 8).

[51] The Defendant submitted that the construction of the ‘376 Patent claims is appropriate for a motion for summary judgment. Given that claim construction is a question of law, the

Defendant asks the Court to construe the claims of the '376 Patent and find there is no genuine issue of infringement (*Whirlpool Corp v Camco Inc*, 2000 SCC 67 at para 76 [*Whirlpool*]).

[52] Claim 1 is the only independent claim of the '376 Patent. The remainder of the claims are either directly or indirectly dependent on Claim 1. If Claim 1 is not infringed, none of the dependent claims are infringed. Accordingly, if it is determined that Claim 1 is not infringed, the Court need only deal with Claim 1 on the Summary Judgment Motion. Claim 1 reads as follows:

1. A method for roasting oil seed, the method consisting of the following steps:

- (a) heating the oil seed in a stream of air for less than 2 minutes, wherein the stream of air has a temperature from 146 °C to 205 °C, thereby to provide heated oil seed;
- (b) transferring the heated oil seed into an insulated or partially insulated roasting chamber or tower;
- (c) maintaining the heated oil seed in said roasting chamber or tower without addition of further heat until the roasting process is complete, wherein the temperature of the heated oil seed falls during a maintaining period; thereby to produce a roasted oil seed in the roasting chamber or tower;
- (d) removing the roasted oil seed from the chamber or tower, for cooling.

[53] The essence of the Defendant's argument is that its oil seed roasting or cooking process falls outside the claims of the '376 Patent, when properly construed. Specifically, the Defendant's oil seed cooking process does not heat oil seed in a "stream of air" (Claim 1 step (a)) and does not maintain the oil seed in an insulated "roasting chamber or tower" (Claim 1 steps (b) and (c)). As such, the Defendant's cooking process cannot infringe Claim 1, and

because all other claims are dependent on Claim 1, the Defendant does not infringe the '376 Patent.

(1) Prosecution History as an Aid in Claim Construction

[54] The principles of claim construction in Canadian patent law were laid out by the Supreme Court of Canada in *Whirlpool*, above, at paragraphs 49-55 and *Free World Trust v Électro Santé Inc*, 2000 SCC 66 at paragraphs 44-54 [*Free World Trust*].

[55] These principles are as follows:

- i. Claims are to be read in an informed and purposive way, with a mind willing to understand and viewed through the eyes of a POSITA, as of the date of publication, having regard to the common general knowledge;
- ii. Adherence to the language of the claims allows them to be read in the manner in which the inventor is presumed to have intended, and in a way that is sympathetic to accomplishing the inventor's purpose, which promotes both fairness and predictability; and
- iii. The whole of the specification should be considered, in order to ascertain the nature of the invention, and the construction of the claims must be neither benevolent nor harsh, but instead should be reasonable and fair to both the patentee and the public.

[56] The Defendant submits that in addition to applying a purposive construction to any claim of a patent based on a reading of the claim and the specification as a whole, the Court must also take into account representations made during prosecution of the '376 patent (*Free World Trust*, above at para 31; *Whirlpool* at paras 48-89; *Patent Act*, subsection 53.1(1)). Here, the Defendant relies on both the Canadian prosecution history and American jurisprudence and the prosecution

history of the corresponding US Application 11/576,405 filed before the United States Patent and Trademark Office [USPTO].

[57] The Defendant's view is that the prosecution history of the '405 Application establishes that the "stream of air" and "insulated roasting chamber or tower" limitations were added to overcome prior art cited by the USPTO. The '376 Canadian prosecution history adopts those limitations by incorporating by reference the US prosecution history and substantially the same claims as were amended in the United States in an attempt to overcome novelty and obviousness objections.

(a) *Use of Prosecution History in Canadian Patent Law*

[58] Until section 53.1 came into force, statements made during prosecution of Canadian patent applications or corresponding foreign patent applications were neither relevant nor admissible with respect to construing terms used in issued Canadian patents (*Meda AB v Canada (Health)*, 2016 FC 1362 at para 115, citing *Whirlpool* and *Free World Trust*).

[59] In *Free World Trust*, Justice Binnie firmly rejected the use of prosecution history in construing patent claims. In his view, "purposive construction, which keeps the focus on the language of the claims, seems also to be inconsistent with opening the Pandora's box of file wrapper estoppel" (*Free World Trust* at para 66).

[60] Any change from this position must be found in legislative amendments. The new section 53.1 creates an exception to this general rule by allowing written communications made between

the patentee and the Patent Office during the prosecution of the Canadian patent application to be admitted into evidence, to rebut representations made by the patentee in the action as to the construction of a claim in the patent.

[61] The parties made submissions on the application of the section 53.1. The Defendant's position appears to be this: because the Plaintiff amended its method claims in its Canadian patent application to substantially mirror the method claims that were filed in the USPTO to overcome certain objections, the prosecution history of the '405 Application should be admitted into evidence.

[62] Section 53.1 makes no reference to prosecution histories from other jurisdictions. Representations made by the patentee during prosecution of a foreign patent application should, absent extraordinary circumstances as discussed below, remain inadmissible for the purposes of construing terms used in Canadian patents. To open up foreign prosecution file histories for purposes of Canadian claim construction is to invite an opening of the proverbial "pandora's box." Proof of foreign law, applicability to Canadian law and distinguishing differences in those laws and doctrines were never intended in the limited changes introduced under section 53.1. This new provision is specific to using Canadian prosecution file histories to rebut any position taken on claim construction.

[63] To the extent that the Defendant wishes to introduce communications made in the course of prosecution of the '376 Patent, these communications are only admissible for the limited

purpose of rebutting a representation made by the patentee as to the construction of a claim in that patent.

(b) *Prosecution History Estoppel in United States Patent Law*

[64] When interpreting section 53.1, case law that has evolved on use of prosecution history in United States patent law may be instructive in casting an empirical light on how prosecution history may be properly used in Canada. That said, caution must be exercised given the differences in our respective approaches to claim construction.

[65] In *Free World Trust*, Justice Binnie discussed the doctrine of prosecution history estoppel in United States patent law (*Free World Trust* at para 63):

In its recent decision in *Warner-Jenkinson Co., supra*, the United States Supreme Court affirmed that a patent owner is precluded from claiming the benefit of the doctrine of equivalents to recapture ground conceded by limiting argument or amendment during negotiations with the Patent Office. The availability of file wrapper estoppel was affirmed, but it was narrowed in the interest of placing “reasonable limits on the doctrine of equivalents”, *per* Thomas J., at p. 34. ... [T]he court will now presume that the Patent Office had a substantial reason related to patentability for including the limiting element added by amendment. In those circumstances, prosecution history estoppel bars the application of the doctrine of equivalents as to that element.

[66] In 2002, the United States Supreme Court again considered the doctrine of prosecution history estoppel and its interplay with the doctrine of equivalents in *Festo Corp v Shoketsu Kinzoku Kogyo Kabushiki Co Ltd*, 535 US 722 (2002) [*Festo*]. The Court discussed the relationship between amendments to patent claims and the construction of the final claims as issued (*Festo*, above at 734):

A rejection indicates that the patent examiner does not believe the original claim could be patented. While the patentee has the right to appeal, his decision to forgo an appeal and submit an amended claim is taken as a concession that the invention as patented does not reach as far as the original claim. [...] Were it otherwise, the inventor might avoid the PTO's gatekeeping role and seek to recapture in an infringement action the very subject matter surrendered as a condition of receiving the patent.

[67] The Court went on to state that the purpose of applying the estoppel is “to hold the inventor to the representations made during the application process and to inferences that may reasonably be drawn from the amendment. By amending the application, the inventor is deemed to concede that the patent does not extend as far as the original claim” (*Festo* at 737-738).

(c) *Interpreting section 53.1 of the Patent Act*

[68] With the introduction of section 53.1, purposive construction of patent claims in Canada now includes three prongs: (1) the claims themselves; (2) the disclosure; and (3) the prosecution history in Canada, when used to rebut a representation made by the patentee as to the construction of a claim in the patent.

[69] The issue in this case is to define the scope of admissibility under section 53.1. The Defendant encourages the Court to find that on the facts in this case, the patentee incorporated the prosecution history of US Application 11/576,405 into the Canadian prosecution history by reference.

[70] The language of section 53.1 is limited to communications between the patentee and the Canadian Patent Office, and generally should be applied in that context. However, in this case, I

find that the patentee specifically referred to the corresponding US Application prosecution history and acknowledged that the amendments to the claims in the '376 file history were made to overcome novelty and obviousness concerns as raised in the US Application prosecution history. Accordingly, the Court may look at the US Application prosecution history as part of a purposive construction of the claims of the '376 Patent.

[71] Asking the Court to ignore the patentee's reference to the United States prosecution and claims in these circumstances amounts to inviting the Court to refrain from purposively construing the claims in the '376 Patent. Since the introduction of section 53.1, purposive construction requires consideration of not only the claims and the disclosure, but also the substance behind intentional amendments to the claims issued in Canadian patents. Ignoring the reference to the United States prosecution history and the restrictions made to claims to overcome novelty and obviousness objections that were then incorporated into the Canadian claims during prosecution would emasculate the intent and effect of section 53.1.

[72] Further, if the Court were to ignore consideration of the prosecution history of the corresponding US Application in circumstances such as are present here, patent applicants in Canada would be incentivized to intentionally refrain from being transparent with the Canadian Patent Office as to why amendments were made to limit claims during prosecution. If section 53.1 were interpreted to never allow consideration of foreign prosecution histories where limitations were specifically added to overcome novelty and obviousness objections and those limitations were subsequently adopted in the prosecution of the corresponding Canadian claims,

applicants could rely on co-pending foreign applications to effectively avoid any application of section 53.1.

[73] This cannot be the intended effect of section 53.1. An interpretation that allows for consideration of foreign prosecution histories in extraordinary circumstances is consistent with the realities of patent prosecution in Canada. Prosecution of Canadian patents often follows prosecution of corresponding patent applications in other jurisdictions. To this end, Canadian applications may be entitled to expedited examination via the “Patent Prosecution Highway” where corresponding applications have claims that are granted or determined to be allowable in other jurisdictions, such as the United States (Canadian Intellectual Property Office, “Manual of Patent Office Practice” (April 2018 update to 1998 edition) section 13.03.03).

[74] Extraordinary circumstances arise where, as in this case, the patentee acknowledges that the claims have been amended to be substantially the same as claims submitted in another jurisdiction, *and* the patentee admits that the amendments have limited the scope of the claims in order to make the claims novel and non-obvious. In these circumstances, the Court should be able to refer to the foreign prosecution history for the limited purpose of purposively construing the Canadian claims.

[75] This approach is consistent with the US position on this issue. In *Abbott Labs v Sandoz*, 566 F.3d 1282 (Fed Cir 2009) at 1288 [*Abbott Labs*], the United States Court of Appeals for the Federal Circuit commented on the use of prosecution history in claim construction:

Thus this court may reach a narrower construction, limited to the embodiment(s) disclosed in the specification, when the claims

themselves, the specification, or the prosecution history clearly indicate that the invention encompasses no more than that confined structure or method.

[76] The Court went on to discuss the role of a Japanese patent application in the context of construing the claims of the US Patent (*Abbott Labs*, above at 1290):

Initially, the Eastern District of Virginia properly considered the JP '199 application as relevant objective evidence of the inventor's knowledge at the filing of the '507 patent. While statements made during prosecution of a foreign counterpart to a U.S. patent application have a narrow application to U.S. claim construction. . . in this case the JP '199 application is part of the prosecution history of the '507 patent itself.

(emphasis added)

[77] I find that to give section 53.1 its intended effect, a similar approach to admissibility of prosecution history from foreign applications should be applicable in Canada. In the extraordinary circumstance that prosecution of the foreign application *is made part of the prosecution history of the Canadian patent*, that foreign prosecution history, where relevant to limitations made to Canadian claims, should be admissible to aid in a purposive construction of the claims of the Canadian patent.

[78] Such is the case here. The Plaintiff refers to claims submitted to the USPTO, and admits that the amendments to claims in the Canadian patent have limited the scope of the claims in order to make the claims novel and non-obvious.

[79] That said, the Court may in any event construe Claim 1 of the '376 Patent and find no infringement, based on the evidence of the process used by the Defendant as described in the

Popowich Affidavit and the cross-examination on that affidavit. Regardless of the US Application prosecution history, I do not see how the process described in the Popowich Affidavit could possibly constitute heating the oil seed “in a stream of air” as that term is used in Claim 1 of the ‘376 Patent. As this is the only process used by the Defendant to roast its oil seed, for the reasons that follow the Defendant does not infringe the claims of the ‘376 Patent.

(2) Motion for Summary Judgment

[80] As a starting point, claim construction is a matter of law for the judge (*Whirlpool* at para 61). Where the judge can construe the patent as it would be understood by a POSITA, expert evidence is not required (*Pfizer Canada Inc v Canada (Minister of Health)*, 2007 FC 446 at paras 25, 35-36; *Excalibre Oil Tools Ltd v Advantage Products Inc*, 2016 FC 1279 at para 119).

[81] The Plaintiff argued that expert evidence is required to construe Claim 1. Based on the claim, the disclosure, and the prosecution history of the ‘376 Patent, I find that expert evidence is not required for me to be able to purposively construe the two elements of Claim 1 that are at issue.

[82] Various parts of the disclosure of the ‘376 Patent acknowledge that roasting oil seed is a known system or method and thus there is an acknowledgement in the patent itself that the roasting of flax seed and other oil seed is known (‘376 Patent p 2, lines 14, 15, 24-30; p 3, lines 22-28). This acknowledgement is evidence that roasted flax seed per se is not patentable.

[83] The two elements of Claim 1 at issue are:

- a. heating oil seed “in a stream of air”; and
- b. transferring the heated oil seed into an “insulated or partially insulated roasting chamber or tower” and maintaining the oil seed therein.

(a) *Heating oil seed “in a stream of air”*

[84] The Plaintiff argued that section 53.1 is not engaged, as the Plaintiff did not make any representation as to the construction of Claim 1. Further, the Plaintiff argued that the Court is not in a position to determine whether the disputed claim elements are essential or not. However, as submitted by the Defendant, the Plaintiff made multiple representations in its written submissions to the effect that the language of Claim 1 is not limited to a particular type or source of heating.

[85] In my view, section 53.1 is engaged, and the prosecution history of the ‘376 Patent is admissible. The prosecution history aids in the purposive construction of the disputed elements of Claim 1. During prosecution, the Plaintiff introduced both the “stream of air” and “insulated or partially insulated roasting chamber or tower” limitations to Claim 1.

[86] In a letter to the Canadian Patent Office dated August 24, 2012, the Plaintiff admitted that the “newly submitted claims are much narrower in scope than the previously examined claims in view of the introduction of significant limitations derived from the description and previous dependent claims.” Further, the new claims were submitted “to encompass both novel and non-obvious subject matter.”

[87] This communication to the Patent Office is clear evidence of the inventor's express intention that these two elements, introduced to advance novel and non-obvious subject matter, are essential (*Free World Trust* at para 31).

[88] Heating in a "stream of air" is an essential element of Claim 1 on a clear reading of the claim itself, the disclosure of the '376 Patent, and having regard to the prosecution history. The disclosure states that ('376 Patent p 6, lines 29-31):

Any heating system may be used to heat the flax seed to a desired temperature, providing this can be done fairly rapidly in accordance with the methods of the exemplary embodiments.

(emphasis added)

[89] The exemplary embodiments described in the disclosure operate by ('376 Patent p 6, lines 22-27):

[A]llowing heated air to circulate around and intersperse between the flax seed, effectively to cause the flax seed to achieve a "suspended in air" state. In this way, the entire surface area of each flax seed will be substantially uniformly exposed to the heating temperatures.

[90] Hence, on a purposive construction, heating oil seed in a "stream of air," means that the oil seed is subjected to a stream of air to effectively achieve a suspended in air state such that the entire surface area of each flax seed is substantially uniformly exposed to the heating temperatures.

[91] The evidence from the Popowich Affidavit is that the only process the Defendant uses to roast its flax seed uses the Micronizer. The flax seed is subjected to infrared radiation as it travels

along a vibratory steel plate under a series of heated ceramic tiles. The flax seed is *not* subjected to a stream of air.

[92] The Plaintiff argued that the scope of Claim 1 is not limited to any particular type or source of heating, and that use of infrared radiation could potentially infringe Claim 1. However, “stream of air” is an essential element of Claim 1, when purposively construed. This limitation was introduced during prosecution to specify a type of heating. This limitation to the scope of Claim 1 excludes heating by infrared radiation in the absence of a stream of air. Asking the Court for a broadened construction of Claim 1 is not supported by the specific language of Claim 1, the ‘376 disclosure, or the prosecution history.

[93] The Plaintiff also focused on the distinction between roasting, cooking, and pasteurizing flax seed, and argued that the Defendant must use different processes for roasting, cooking, and pasteurizing flax seed. The evidence from Mr. Popowich’s cross-examination was that the Defendant used these words interchangeably, and in any event, the only process the Defendant uses involves the Micronizer. Regardless of whether the Defendant’s process is considered roasting, cooking, or pasteurizing, the focus must remain on the language of Claim 1.

[94] The only process used by the Defendant, as described in the Popowich Affidavit, does not heat oil seed in a stream of air, and therefore does not include an essential element of Claim 1.

- (b) *Transferring the heated oil seed into an “insulated or partially insulated roasting chamber or tower” and maintaining the oil seed therein*

[95] As described above, the oil seed exits the Micronizer down a slide into a triangular shaped hopper. The hopper is made of steel plating, and is uninsulated. From the bottom of the hopper, the seed travels up an uninsulated auger trough to an uninsulated cooling tower made of steel sheeting.

[96] The seed falls to the bottom of the cooling tower, and is immediately transported from the cooling tower to other uninsulated hoppers made of steel sheeting for long-term storage or packaging. The retention time in the cooling tower is less than 5 seconds.

[97] The Plaintiff argued that summary judgment is not appropriate in this case because further investigation is needed to determine whether the auger trough or cooling tower could constitute an “insulated or partially insulated roasting chamber or tower.”

[98] This argument must fail. The claim language of “insulated or partially insulated” requires the roasting tower to be insulated. The disclosure states that during the maintaining step the flax seed is retained at a suitable temperature for completing or at least substantially completing the roasting of the flax seed.

[99] The evidence in the Popowich Affidavit is that the hoppers and cooling tower used are made of thin gauge steel sheeting and are *uninsulated*. This evidence was confirmed on cross-examination. As noted above, an “insulated or partially insulated roasting chamber or tower” is

an essential element of Claim 1. The Defendant's process does not include a second essential element of Claim 1.

[100] As an aside, the Plaintiff argued that the temperature measurements taken by the Defendant during the demonstration run of the Micronizer constituted "experimental testing" and that the Plaintiff and its counsel should have been invited to attend to watch the experiments (*Halford v Seed Hawk Inc*, 2001 FCT 1154; Federal Court Notice to the Profession re: Experimental Testing (May 12, 2016)).

[101] The demonstration run was not conducted as an experimental test. Rather, the evidence of Mr. Popowich, as established on cross-examination, is that the video, photos, and temperature measurements were taken in the normal course of commercial production.

[102] In any event, the decision does not turn on this issue, as the Defendant does not rely on the measurements to prove non-infringement. The Defendant restricted its position on non-infringement to the two essential elements of heating oil seed "in a stream of air" and an "insulated or partially insulated roasting chamber or tower," both of which are not present in the Defendant's process.

[103] Because two essential elements of Claim 1, namely heating oil seed "in a stream of air" and an "insulated or partially insulated roasting chamber or tower," are not included in the Defendant's flax roasting process, the Defendant does not infringe Claim 1 the '376 Patent.

Because all other claims are dependent on Claim 1, the Defendant does not infringe any claim of the '376 Patent.

(3) Motion to Strike the Statement of Claim in its Entirety

[104] In the alternative, the Defendant asks that the Court strike the Statement of Claim in its entirety without leave to amend on the basis that it is speculative, and therefore frivolous, vexatious or otherwise an abuse of process (*Federal Courts Rules*, r 221). The Defendant's motion relies on the grounds laid out in Rules 221(1)(c) and 221(1)(f).

[105] In the Plaintiff's submission, once the Defendant filed its Statement of Defence, it was no longer entitled to bring a motion to strike under Rules 221(1)(b) – (f) (*Dene Tsaa First Nation v Canada*, 2001 FCT 820 at para 3 [*Dene Tsaa*], citing *Nabisco Brands Ltd/Nabisco Brands Ltée v Proctor & Gamble Co*, 1985 CarswellNat 98 (FCA)).

[106] The Defendant relies on Justice Hugessen's words in *Dene Tsaa* that if a motion to strike is brought after pleading over, "the plea itself must have contained a reservation with regard to the impugned paragraphs." In this case, the Defendant specifically pleaded at paragraph 11 of the Statement of Defence that the Statement of Claim should be struck in its entirety. The Defendant then went on to file the Notice of Motion for the Summary Judgment Motion eight days after pleading over.

[107] The Court has some sympathy for the Defendant's argument on this point. Bringing the motion to strike concurrently with the motion for summary judgment is consistent with securing

the just, most expeditious and least expensive determination of the proceeding. I would not preclude the Defendant from preserving its right to bring a motion to strike under Rules 221(b) – (f) after pleading over. In any event, this is a moot point because of the Court’s finding on the summary judgment issue.

B. *The Particulars Motion*

[108] Because the Defendant has succeeded on the Summary Judgment Motion, the Particulars Motion is moot. However, a few comments with respect to the parties’ submissions are in order. First, the Plaintiff argued that the allegations contained in paragraphs 5, 12, 13, 14 and 17 of the Statement of Defence relate to an affirmative pleading that the Defendant uses a non-infringing method to cook oil seed, but no particulars of the non-infringing method were provided.

[109] The Defendant argued that all particulars requested by the Plaintiff were provided already, either in the Response to Demand to Particulars, the Popowich Affidavit, or in the Defendant’s Memorandum for the Summary Judgment Motion. In addition to these documents, the Plaintiff had the opportunity to cross-examine Mr. Popowich on his affidavit. The Defendant reiterated the process it uses to cook flax seed in its Written Representations for the Particulars Motion.

[110] The proper approach would have been for the Defendant to include its process in its pleadings, rather than responding to the Demand for Particulars by making reference to various other documents, including affidavit evidence. If this action were to proceed, the Defendant’s

pleadings would be contained in multiple documents. Pleading in this way runs counter to securing the most expeditious determination of the proceeding.

[111] Further, several of the particulars provided by the Defendant are incorporated into the Response to Demand for Particulars by way of reference to the Popowich Affidavit. Documents may be incorporated by reference into the pleadings, and particulars form a part of the pleadings (*McLarty v R*, 2002 FCA 206 at para 4; *Bosum v Canada*, 2004 FC 842 at para 7). However, where those documents amount to evidence, they ought to be struck as pleading evidence (*McCreight v Canada (Attorney General)*, 2013 ONCA 483 at paras 32 and 35).

[112] Incorporating the Popowich Affidavit into the pleadings via the Response to Demand for Particulars was an improper pleading of evidence. Pleading evidence and attempting to bootstrap a pleading by reference to evidence that provides the necessary particulars to support a proper plea are not the appropriate way to proceed. The Defendant should have included the process it uses to roast flax seed at the outset, or amended its Statement of Defence.

[113] The Plaintiff moved to strike paragraphs 16, 19, and 20 of the Statement of Defence as pleadings of evidence. These paragraphs allege that the subject matter of the '376 Patent is disclosed in the prior art, but provide no details or particulars other than a reference to publications listed in Schedule 1.

[114] In the alternative, the Plaintiff sought further and better particulars as to how and where the subject matter of the '376 Patent is disclosed in the listed references, or how the subject matter was obvious to a person skilled in the art at the claim date.

[115] The Defendant argued that particulars of pleaded prior art are not needed in responding pleas (*Elkay Manufacturing Co v Produits Thermo-Concepts Inc*, 1999 CanLII 8058 (FCTD) at paras 12-13). Parties are not prevented from relying on documents in their entirety in schedules attached to their pleadings (*Throttle Control Tech Inc v Precision Drilling Corp*, 2010 FC 1085 at paras 35-36).

[116] Again, the Defendant's arguments run counter to securing the most expeditious determination of the proceeding. Had this action proceeded, I would have ordered the Defendant to provide particulars of the specific portions of the prior art references that it relied on, or, where the Defendant relied on the prior art reference in its entirety, a statement to that effect.

[117] As a final comment, the Plaintiff requested that the Court strike paragraphs 7 and 8 of the Statement of Defence to the extent that they rely on the US Application '405 prosecution history. While I have found that prosecution history from foreign jurisdictions may be admissible in extraordinary circumstances, it amounts to evidence and should not be included in pleadings. Had this action proceeded, I would have struck portions of paragraphs 7 and 8 to the extent that they rely on the US Application '405 prosecution history.

VII. Conclusion

[118] In conclusion, two essential elements of Claim 1, namely heating oil seed “in a stream of air” and an “insulated or partially insulated roasting chamber or tower,” are not included in the Defendant’s flax roasting process. Accordingly, the Defendant does not infringe Claim 1 of the ‘376 Patent. Because all other claims are dependent on Claim 1, the Defendant does not infringe any claim of the ‘376 Patent.

[119] Based on this finding, there is no genuine issue for trial, and the Defendant’s motion for summary judgment is granted.

[120] Because of my finding on the summary judgment issue, the remaining issues are moot.

VIII. Costs

[121] The Defendant seeks elevated costs on the Summary Judgment Motion and for the entirety of the action. In the event that the parties are unable to come to an agreement on costs, they are invited to make submissions to the Court within 10 days.

JUDGMENT in T-2138-18

THIS COURT'S JUDGMENT is that

1. The Defendant's motion for summary judgment is granted, with costs.
2. The Plaintiff's and Defendant's motions to strike, and the Plaintiff's motion for further and better particulars are moot.
3. If the parties are unable to come to an agreement on costs, they are invited to make submissions to the Court within 10 days.

"Michael D. Manson"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-2138-18

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DATED: SEPTEMBER 25, 2019

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