

Date: 20100908

Docket: A-220-10

Citation: 2010 FCA 223

Present: NADON J.A.

BETWEEN:

DYWIDAG SYSTEMS INTERNATIONAL, CANADA, LTD.

Appellant

and

GARFORD PTY LTD.

Respondent

Dealt with in writing without appearance of parties.

Order delivered at Ottawa, Ontario, on September 8, 2010.

REASONS FOR ORDER BY:

NADON J.A.

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REASONS FOR ORDER

NADON J.A.

[1] This is a motion by the appellant, pursuant to Rules 369 and 343(3) of the *Federal Courts Rules*, for an Order determining the contents of the Appeal Book.

The parties are in agreement with respect to what documents should be included in the Appeal Book, except for the Affidavit and Cross-Examination Transcript of Mr. Neil Belmore, a prominent lawyer in the area of intellectual property litigation. Mr. Belmore was asked by the respondent to provide his opinion as to whether the Court should bifurcate the underlying proceedings still pending before the Federal Court, i.e. an action by the respondent alleging infringement of Canadian Patent No. 2,002,806

[2] The appeal before this Court is one from an Order of Zinn J. dated May 28, 2010, which allowed the respondent's appeal of an Order made by Prothonotary Milczynski (the "Prothonotary") on February 5, 2010. In her Order, the Prothonotary disposed of two motions, one brought by the respondent and the other brought by the appellant.

[3] The respondent brought a motion for an Order granting it leave to admit into the record the Affidavits of three deponents, Messrs. Welford, Ott and Belmore. The Prothonotary granted leave to the respondent to file the Affidavits of Messrs. Welford and Ott, but denied leave in respect of Mr. Belmore's Affidavit.

[4] The Prothonotary also disposed of a motion brought by the appellant, namely, a motion to bifurcate the Federal Court proceedings. The Prothonotary concluded that "bifurcation is not only appropriate, but it is necessary" (page 8 of her Reasons). Hence, paragraph 1 of her Order is as follows:

1. The matter may proceed to trial without the parties making production, conducting discoveries or adducing evidence at trial on any issue of fact where such production, discovery or evidence relates solely to the following:
 - (a) the quantum of damages claimed by Garford Pty Ltd. ("Garford"); or
 - (b) the quantum of profits earned by the defendant, DSI, and claimed by the plaintiff.

[5] On February 15, 2010, the respondent, by way of a Notice of Motion, appealed the Prothonotary's Order. The motion sought the following remedies:

1. An Order pursuant to Rules 3 and 51 of the *Federal Courts Rules*, 1998, to appeal and reverse in part an Order of Prothonotary Milczynski dated February 5, 2010.

2. Specifically, the Plaintiff seeks to reverse that part of the Order which bifurcates the proceedings.

[6] Thus, the respondent did not appeal the Prothonotary's Order refusing it leave to file the Affidavit and Cross-Examination Transcript of Mr. Belmore.

[7] In taking the position that the Belmore Affidavit and Cross-Examination Transcript should not be included in the Appeal Book, the appellant says that the Appeal Book should only contain those documents that are relevant to the appeal, i.e. those documents that are required to dispose of the appeal. The appellant further says that the inclusion of the Belmore Affidavit and Cross-Examination Transcript in the Appeal Book "is apt to divert the attention of the appellate court from its essential function – determining whether or not the judge below erred on the basis of material adduced by the parties". (paragraph 22 of the appellant's Written Submissions).

[8] The appellant also says, relying on the decision of my colleague Sharlow J.A. in *Entral Group International Inc. v. MCUE Enterprises Corp.*, [2006] F.C.J. No. 1304 (QL) (F.C.A.), and more particularly on paragraph 7 thereof, that because the Belmore Affidavit and Cross-Examination Transcript were excluded from the record by the Prothonotary, they are not relevant for the purpose of the appeal.

[9] The respondent disagrees with the appellant's position. It says that the Belmore documents should be included in the Appeal Book because that evidence was in the record before Zinn J. Thus, they say that the record on appeal should be the same as that which was before the learned Judge.

[10] In my view, the Belmore Affidavit and Cross-Examination Transcript should not be included in the Appeal Book. As I indicated earlier, the purpose of Mr. Belmore's Affidavit was to allow him to state his opinion as to whether the Court should bifurcate the underlying proceedings. After setting out, at paragraph 1(c) and (d) of his Affidavit, his qualifications in the relevant area of the law, Mr. Belmore concludes, *inter alia*, at paragraph 16 of his Affidavit, that bifurcation does not generally save time and costs and that, more often than not, it results in more protracted and expensive proceedings.

[11] In my view, the subject on which Mr. Belmore was asked to provide his opinion is clearly a matter which falls within the domain of the judiciary. Although Mr. Belmore's opinion is based on his experience as an intellectual property lawyer and on a review of the relevant cases, it is irrelevant since it was up to the Prothonotary and to the learned Judge to determine, on the factual evidence before them and on their understanding of the applicable law, whether bifurcation should be ordered or not. In *Sopinka, Lederman & Bryant: The Law of Evidence in Canada*, Alan W. Bryant, Sidney N. Lederman, Michelle K. Fuerst, 3d ed., (Toronto: Lexis Nexis, 2009), the learned authors, at pages 832-833, paragraphs 12.155 and 12.156, make the following remarks

12.155. Questions of domestic law as opposed to foreign law are not matters upon which a court will receive opinion evidence. In *R. v. Century 21 Ramos Realty Inc.*, the sole principal of a real estate company was charged with income tax evasion as a result of appropriation of property belonging to the company. An issue at trial was the taxation year when the

appropriation took place. The Crown called an employee of Revenue Canada to give expert evidence as to when the accused had appropriated the property. The Ontario Court of appeal held that such evidence was inadmissible.

It was a question of law for the judge as to what constitutes an appropriation. It was for the judge to determine, in compliance with the legal definition, if and when an appropriation took place. This was not something on which an expert witness could give evidence.

12.156 The case law illustrates that there are certain subject matters which go to the very heart of judicial decision-making and courts remain wary of expert witnesses providing advice as to how they should decide [such] issues. [...]

[12] In my view, the question before the Prothonotary and the Judge, i.e. whether the underlying proceedings should be bifurcated, is one in regard to which expert evidence should not be allowed.

This appears to be the reason why the Prothonotary denied leave to the respondent to file the Belmore Affidavit and Cross-Examination Transcript. At page 2 of her Order, the Prothonotary wrote as follows:

With respect to the affidavit of Mr. Neil Belmore, leave is not granted. Mr. Belmore's opinion and comments upon his experience in cases where bifurcation has or has not been ordered is not helpful, as he himself acknowledges that each case turns on its facts, and that the Court is familiar with the law and appropriate factors to be applied and considered.

[13] Another reason for excluding from the Appeal Book the Belmore Affidavit and Cross-Examination Affidavit is that the Prothonotary's Order, insofar as it refused leave to the respondent to file these documents, was not appealed. As a result, the documents are not relevant for the purpose of the appeal.

[14] The appellant's motion will therefore be allowed with costs.

“M. Nadon”

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET: A-220-10

STYLE OF CAUSE: DYWIDAG SYSTEMS
INTERNATIONAL, CANADA,
LTD. v. GARFORD PTY LTD

MOTION DEALT WITH IN WRITING WITHOUT APPEARANCE OF PARTIES

REASONS FOR ORDER BY: NADON J.A.

DATED: September 8, 2010

WRITTEN REPRESENTATIONS BY:

Heather E.A. Watts
Jennifer L. Jannuska

FOR THE APPELLANT

Brad Limpert
Yuri Chumak

FOR THE RESPONDENT

SOLICITORS OF RECORD:

Deeth Williams Wall LLP
Toronto, Ontario

FOR THE APPELLANT

Cameron MacKendrick LLP
Toronto, Ontario

FOR THE RESPONDENT