Federal Court Cour fédérale

Date: 20190924

Docket: T-921-17

Citation: 2019 FC 1220

Ottawa, Ontario, September 24, 2019

PRESENT: The Honourable Mr. Justice Lafrenière

BETWEEN:

**ROVI GUIDES, INC. AND
TIVO SOLUTIONS INC.**

**Plaintiffs/
Defendants by Counterclaim**

and

VIDEOTRON G.P. AND VIDEOTRON LTD.

**Defendants/
Plaintiffs by Counterclaim**

ORDER AND REASONS

[1] By the present motion, the Plaintiffs/Defendants by Counterclaim, Rovi Guides, Inc. [Rovi] and TiVo Solutions Inc. [TiVo] [collectively, Rovi/TiVo], seek orders for documentary production from non-parties to this proceeding, Broadcom Canada Ltd. [Broadcom Canada], Samsung Electronics Canada Inc. [Samsung Canada] and Technicolor Canada Inc. [Technicolor

Canada]. Rovi/TiVo also seeks leave to examine the three non-parties and the issuance of letters of request with respect to foreign entities allegedly related to them, Broadcom Inc. [Broadcom US], Technicolour Connected Home [Technicolor US], Samsung Electronics America Inc. [Samsung US], and Samsung Electronics Co. Ltd. in the Republic of Korea [Samsung Korea].

[2] The first six of these entities were named in an earlier motion for non-party discovery brought by Rovi/TiVo, while Samsung Korea is being pursued for the first time on this motion. I will say more about this motion later.

[3] The present motion is opposed by the Defendants/Plaintiffs by Counterclaim, Videotron G.P. and Videotron Ltd. [collectively, Videotron] and all seven non-parties on various grounds, including:

a) Rovi/TiVo has not established that the particular non-parties named in the motion actually possess the information it seeks;

b) the scope of discovery of the non-parties sought by Rovi/TiVo is overly broad and imprecise and not permitted under the *Federal Courts Rules*, SOR/98-106 [the *Rules*];

c) Rovi/TiVo has not shown that it has taken the prerequisite steps required to pursue non-party discovery under Rules 233 and 238 of the *Rules*;

d) Rovi/TiVo has no ability to use any of the proposed non-party discovery as evidence at trial, and so the utility of its request is limited; and

e) the issuance of letters of request for foreign non-party discovery is not appropriate in the circumstances.

[4] Videotron also objects to the proposed discovery of the non-parties on the grounds that it will cause actual prejudice, undue delay, inconvenience, and expense to Videotron, including with respect to the October 25, 2019 deadline for the exchange of expert reports in chief, as well as the trial date set for March 2020.

[5] Videotron countered with a separate motion seeking to strike all pleadings related to the TiVo asserted patents on the grounds that Rovi/TiVo remains unable to assess at this late stage of the proceeding whether the trick play and time warp functionalities of its set top boxes [STBs] are implemented in the manner claimed in the asserted claims of the TiVo patents. Videotron contends that the present motion is simply a fishing expedition whereby Rovi/TiVo is hoping to find evidence to substantiate its entire infringement claim.

[6] For the following reasons, I conclude that Rovi/TiVo's motion should be dismissed in its entirety. Videotron's motion was also dismissed for reasons provided orally at the hearing.

I. Procedural History

[7] It is important to briefly review the issues raised in the pleadings and the various steps the parties went through before ultimately appearing before me on September 17, 2019.

[8] On June 23, 2017, Rovi/TiVo commenced the underlying action by way of Statement of Claim. Videotron is alleged, among other things, to have infringed certain claims [Asserted Claims] of two patents owned by TiVo.

[9] Canadian Letters Patent No. 2,323,539 [539 Patent] relates generally to the apparatus and methods that provide for the pass through or capture of continuous linear streams of digital information while providing the appearance of a locally stored stream, and to certain functionalities commonly referred to as "trick play", including the ability to pause, fast-forward and rewind live TV.

[10] Canadian Letters Patent No. 2,333,460 [460 Patent] relates generally to the apparatus and methods that provide for the simultaneous storage and playback of multimedia data, or what is commonly referred to as "time warp" functionality (*i.e.*, the ability to record a TV program while watching the same or another program). The Asserted Claims of the 460 Patent, including claim 26, describe the methods and apparatus for the simultaneous storage and playback of multimedia data (time warping) comprising a physical data source that receives and stores data, a number of inter-relating "objects", such as source object, transform object and sink object, and a decoder that converts data into TV signals and sends them to a TV receiver.

[11] Rovi/TiVo pleads that Videotron supplies, among other services, TV programming, video on demand and personal video recording capabilities to subscribers via STBs, and that these STBs provide subscribers with various features such as trick play and time warp functionalities. Rovi/TiVo further pleads that these STBs are or contain the apparatus, and effect methods, for

implementing trick play and time warp, all as described and claimed in the Asserted Claims of the TiVo Patents.

[12] The terminals originally identified by Rovi/TiVo to infringe its Asserted Claims in its Statement of Claim were Illico 4K Ultra HD PVR Samsung VD940CJ and Terminal PVR Samsung 8340 HD. Rovi/TiVo amended its pleading on June 17, 2019 to add 4K Ultra HD Technicolor 10455 HD.

[13] Videotron denies the allegations of infringement. By way of counterclaim, it alleges that the Asserted Claims are invalid for anticipation, obviousness and double patenting.

[14] On September 22, 2017, Prothonotary Mandy Aylen was assigned as Case Management Judge. Prothonotary Aylen was required to intervene and adjudicate numerous procedural matters raised by the parties over the past two years.

[15] On October 11, 2017, Rovi/TiVo filed an Amended Statement of Claim. The parties subsequently agreed on a timetable for the proceeding, including deadlines for service and filing of their respective pleadings and service of a discovery plan by November 20, 2017.

[16] Videotron filed its Statement of Defence and Counterclaim on October 30, 2017.

[17] Rovi/TiVo filed a Second Amended Statement of Claim on November 13, 2017.

[18] By Order dated February 7, 2018, Prothonotary Aylen fixed a timetable for the delivery of the remaining pleadings in the action. She ordered that productions be exchanged by July 16, 2018 and examinations for discovery be completed by October 31, 2018. Schedule "A" to the Order sets out a detailed schedule for prosecution of the action with the goal of proceeding to trial before the end of December 2019.

[19] The pleadings were finally closed after Videotron filed its Reply to Defence to Counterclaim on February 26, 2018.

[20] By letter to the Registry dated September 28, 2018, counsel for Rovi/TiVo advised that the parties had exchanged productions and that examinations for discovery were scheduled to be concluded by November 9, 2018. Counsel also requested that trial dates be fixed at soon as possible.

[21] Counsel for the parties subsequently submitted letters to the Registry outlining the number of witnesses they intended to call and their estimate of the duration of the trial. Of note, there is no mention in the letter from counsel for Rovi/TiVo dated October 9, 2018 of any non-party witnesses or any anticipated motion to compel production from a non-party.

[22] By Order dated November 7, 2018, the trial was fixed to take place in Toronto, Ontario on February 3, 2020 for a duration of twenty days.

[23] On November 22, 2018, counsel for Videotron submitted a letter setting out a proposed agenda for the case management conference that was scheduled to take place later that day. Counsel gave notice of his clients' intention to bring two motions, including a motion to strike the allegations relating to the two TiVo patents on the grounds that there was no basis to them. He pointed out that after four days of examining Videotron's representative, Rovi/TiVo was unable to point to any facts or evidence to buttress the allegations of infringement of its two patents.

[24] The ink was barely dry on the letter from Videotron's counsel when counsel for Rovi/TiVo fired off a letter in response. Relevant extracts of the letter are reproduced below.

> • We have advised counsel for Videotron that third party information/discovery will be necessary since Videotron has advised through the discovery process that technical information (and in particular source code) relating to the following was not available to it: (1) the program guide software employed by Videotron (much of which is proprietary Alticast code); (2) the set top box manufacturer software (from Cisco/Technicolor and Samsung); and (3) the chip software (from Brodacom [*sic*]).
>
> […]
>
> *Plaintiffs' motion for third party information*: The Plaintiffs have based their infringement allegations on facts from publicly available sources of information, as well as observed functionality of the set top boxes employed by Videotron to deliver services to its customers. Those allegations have been detailed in over 80 pages of particulars on the TiVo patents alone.
>
> It was contemplated early on in letters and particulars exchanged between the parties that third party information was relevant to the allegations of infringement and, if not obtained by the Defendants from their suppliers, would need to be obtained from those third parties. In line with the jurisprudence of this Court, the Plaintiffs attempted to obtain the necessary evidence from the Defendants prior to asking the Court for assistance with the third parties.

> As set out above, during discovery it became clear that the Defendants had limited information about various parts of the accused technology, including limited or no code pertaining to the program guide software, the set top box software and the chip software. Thus, the Plaintiffs will require evidence from third parties to prove the facts outlined in the pleadings and particulars.
>
> The Plaintiffs are working up this motion now and intend to file it in late January or early February once we have had an opportunity to consult with our experts on which evidence is required i.e., all or a subset of the information set our above.
>
> *Defendants' motion to strike the allegations of infringement of the two "Tivo* [sic] *Patents":* The Defendants have advised that they intend to bring a motion to strike on the grounds that there is no basis to the allegations of infringement of the two TiVo patents. Any such motion should only be heard at the conclusion of discovery. It is premature to address the issues raised by the Plaintiffs when detailed pre-discovery infringement particulars have been provided; corporate discovery is not complete; and third party discovery has not been completed and has always been contemplated.

[25] Following a case management conference with counsel for the parties on November 22, 2018, Prothonotary Aylen directed that Videotron's proposed motions be heard after the hearing of Rovi/TiVo's refusals motion and its motion for third party production and/or examination.

[26] Further Directions were issued to the parties on December 5, 2018. Prothonotary Aylen advised that she would hold off on establishing the entire timetable leading to trial. She directed that the proposed third party discovery motion by Rovi/TiVo be heard on March 14, 2019 and that the parties continue in the interim to adhere to the previously agreed timelines.

[27] On January 7, 2019, Prothonotary Aylen held a case management conference to consider a request to schedule a new trial date in this proceeding, T-921-17, as well as a joint trial in two

other proceedings brought by Rovi/TiVo against Bell and Telus entities, T-113-18 and T-206-18 respectively. The parties requested that both trials be held in tandem, that the same judge preside over both trials, and that the assigned judge be bilingual. The parties also asked that the trial judge hold off on releasing a decision in the first case until the second trial was completed.

[28] The parties' proposal was forwarded to the Judicial Administrator and accepted by the Chief Justice. I was assigned to hear both matters on January 10, 2019 on the basis of the parties' understanding.

[29] By Orders dated February 3, 2019, Prothonotary Aylen rescheduled the trial in the present case to commence on March 9, 2020 and the joint trial in T-113-18 and T-206-18 to start on May 25, 2020.

II. Rovi/TiVo's First Motion for Non-Party Discovery

[30] On February 8, 2019, Rovi/TiVo brought its motion seeking the production of various categories of documents and, if necessary, examination for discovery of Broadcom Canada, Samsung Canada and Technicolor Canada, and the issuance of letters of request seeking the assistance of the United States courts to obtain documents and discovery from Broadcom US, Samsung US and Technicolor US.

[31] By Order of Prothonotary Aylen dated March 29, 2019, Broadcom Canada and Broadcom US [collectively, Broadcom] were required to produce certain categories of the information sought by Rovi/TiVo, other than source code, and to answer written interrogatories

from each of Rovi/TiVo and Videotron about the productions. The motion was otherwise dismissed without prejudice to Rovi/TiVo bringing a motion for the production of source code from Broadcom following its review of Broadcom's documents and answers to written interrogatories. The Order was also made without prejudice to Rovi/TiVo's ability to re-apply for relief against "Technicolor" following any amendment to its pleading that would render the Technicolor STBs and/or Technicolor Chips relevant.

[32] Broadcom produced documents on April 8, 2019 and May 3, 2019, and delivered answers to Rovi/TiVo's written interrogatory on July 22, 2019. Videotron also delivered a written interrogatory to Broadcom pursuant to the March 29 Order. Broadcom's answers were due to be delivered by September 20, 2019.

III. Rovi/TiVo's Present Motion for Non-Party Discovery

[33] Rovi/TiVo now moves a second time for non-party discovery. In support of its motion, Rovi/TiVo relies on the evidence filed in support of its motion dated February 8, 2019 and four new affidavits, including an updated affidavit of its expert, Dr. Charles Poynton sworn August 9, 2019.

[34] According to Dr. Poynton, the documents and answers delivered by Broadcom "are not sufficient to assess whether the Technicolor and Samsung STBs implement trick play and time warp functionalities in the manner claims in the Claims of the TiVo Patents". Dr. Poynton states at paragraph 15 of his affidavit that he requires source code from Broadcom, Technicolor and Samsung relating to trick play and time warp implementation to conduct this assessment.

[35] As noted earlier in these reasons, the motion is opposed by Videotron and the non-parties.

IV. Issues to be Determined

[36] Rovi/TiVo has identified three issues for determination on this motion:

a) Should this Court exercise its discretion to grant leave to Rovi/TiVo to obtain software and related information from the non-parties and/or examine them in respect thereof?

b) If so, should the non-parties be required to produce (or make best efforts to produce) their non-party information without the need for letters of request?

c) If not, should this Court exercise its discretion to issue letters of request in aid of discovery to the competent judicial authorities in the United States and Republic of Korea?

[37] For the reasons below, I am not satisfied that the Court should exercise its discretion in favour of Rovi/TiVo and grant leave for further non-party discovery. The reasons are threefold. First, the motion constitutes an abuse of process as Rovi/TiVo is asking this Court to revisit essentially the same issues that were the subject of an earlier motion. Second, Rovi/TiVo has in any event failed to satisfy the requirements of Rules 233 and 238. Third, Rovi/TiVo has unnecessarily and unreasonably delayed in seeking non-party discovery, to the great prejudice of Videotron.

A. *Abuse of Process*

[38] In the motion before Prothonotary Aylen, Rovi/TiVo initially pursued broad non-party production from and discovery of six of the seven entities named in the present motion. After the parties exchanged motion materials, Rovi/TiVo submitted to the Court a narrower and carefully-drafted proposed order that reserved rights for a second motion, but only "for the production of source code" from Broadcom and to seek relief against the Technicolor entities once its pleading was amended. No appeal was taken from Prothonotary Aylen's Order.

[39] Rovi/TiVo now brings a second motion against the same non-parties as well as Samsung Korea for essentially the same relief it earlier abandoned. No explanation is provided as to why Rovi/TiVo would be entitled to raise these matters anew in light of the information and answers it received from Broadcom. I consider it an abuse of process to request the Court revisit matters that were abandoned or withdrawn with full knowledge and intent.

[40] The Order of Prothonotary Aylen allowed for the possibility of a further motion by Rovi/TiVo, however the Court's authority to revisit matters raised in the earlier motion was significantly constrained to only two matters: whether Broadcom's source code should be produced and whether relief should be granted against Technicolor Canada and Technicolor US.

[41] In terms of Broadcom's source code, Dr. Poynton admits in his most recent affidavit that he does not know what portion(s) of the requested source code or software architecture documentation, if any, are actually implemented by the alleged infringing models of the

Technicolor and Samsung STBs relating to the alleged trick play and time warp functionalities as claimed by the TiVo patents. He opines that “the STB manufacture customizes and does not use certain aspects of Broadcom’s reference source code” and that “the aspect or functions of Broadcom’s software are customized by Technicolor and Samsung and the extent of any such customization, as well as the aspects or functions of Broadcom’s software that are not used, are unknown”. In the circumstances, I conclude that Rovi/TiVo has failed to meet the fundamental relevance requirement under Rule 233.

[42] As for relief against the Technicolor entities, Rovi/TiVo has not adduced any evidence that Technicolor Canada is responsible for the programming, design, manufacture and distribution of the Technicolor STB or has the information they seek in the notice of motion. Nor has it been established that Technicolor Canada holds any relevant information in trust for or as agent of Technicolor US.

[43] Dr. Poynton identifies three scenarios with regard to whether an entity he describes as “Technicolor” changes the code run on the Broadcom Chips in the Technicolor STBs. First, it is “possible (although unlikely)” that “Technicolor” completely replaces the Broadcom code on the Broadcom Chips. Second, it is “possible (but also unlikely)” that “Technicolor” does not customize any element of Broadcom’s code and uses the Broadcom Chips “off the shelf.” Third, it is “possible (and most probable)” that “Technicolor” customizes certain aspects of Broadcom’s code. Mr. Poynton does not state to which Technicolor entity he is referring.

[44] Despite these possibilities, Dr. Poynton admits that he does not know which aspects or functions of Broadcom's software are customized by "Technicolor". This remains the case despite Rovi/Tivo's opportunity to examine Broadcom and make inquiries of others through Videotron.

[45] I therefore conclude that the relief being sought against Technicolor Canada and Technicolor US is based entirely on speculation and conjecture.

B. *The Requirements of Rules 233 and 238*

[46] Even if Rovi/TiVo was allowed to re-apply for the relief it is seeking on this motion, I would not be inclined to grant it.

[47] The Court possesses discretion under Rule 233 to grant what has been characterized as an exceptional remedy to require that a stranger to the litigation produce documents to a party involved in a proceeding before the Court. The rule contemplates that requests for documents are to be made in relation to specific documents.

[48] The Court also has the discretion to order examinations of non-parties under Rule 238, however, such relief should not be routinely ordered "and should not become common place": *BMG Canada Inc v Doe*, 2005 FCA 193 at para 26. To be granted leave to examine a non-party for discovery under Rule 238(3), a party to the action must show that:

a) the non-party may have information on an issue in the action;

b) the party has been unable to obtain the information informally from the non-party or from another source by any other reasonable means;

c) it would be unfair not to allow the party an opportunity to question the non-party before trial; and

d) the questioning will not cause undue delay, inconvenience or expense to the non-party or to the other parties.

[49] Given the limited evidence before the Court, it is speculative as to whether any of the specifically named non-parties have the information sought by the Plaintiffs, or that any information they do have would be probative of the actual functionality of the particular versions of the software running on the particular STBs over the time period of issue, 2011 to 2019.

[50] Rovi/TiVo appears to be attempting to compel production from and discovery of a first non-party to obtain information about a second non-party in order to conduct further non-party discovery. This should not be allowed.

[51] A court proceeding is not a speculative exercise that entitles a party to simply make broad and speculative allegations in their pleadings in the hope that facts supporting the conclusion they seek may surface during discoveries. Rovi/TiVo cannot now request a blanket authorization to examine one Samsung or Technicolor entity after another in the hopes that a representative may at some point identify a more appropriate witness to go after. The requirements under Rule 238 must be satisfied for each non-party.

C. *Delay by Rovi/TiVo and Prejudice to Videotron*

[52] The delay by Rovi/TiVo in seeking non-party production and discovery is in itself a sufficient reason to dismiss the motion. Rovi/TiVo knew or ought to have known before instituting the action in June 2017 that the STBs at issue originated with Samsung and Technicolor and contained Broadcom chips. By its own admission, Rovi/TiVo was aware "early on" that non-party discovery would be required. And yet, this crucial information was not shared with Prothonotary Aylen until November 22, 2018, well after discoveries were meant to have been completed and just a few weeks after the trial dates were originally fixed.

[53] The deadline for the exchange of expert reports in chief is October 25, 2019, and the trial is scheduled to begin on March 9, 2020. Nowhere in its written representations does Rovi/TiVo address the repercussions of the inevitable delay that will ensue should the motion for non-party discovery be granted. At the hearing, counsel for Rovi/TiVo acknowledged that should the motion be granted, even in part, the trial would necessarily have to be adjourned to complete discoveries.

[54] Any delay would work a prejudice on Videotron, which has been focussing on preparing its expert reports. An adjournment of the trial would also work a great prejudice on Videotron and the parties in T-113-18 and T-206-18 who have been complying with strict deadlines fixed by the Court and have structured their affairs to be ready for two back-to-back twenty day trials. Further, the Court has set aside substantial blocks of time to accommodate the wishes of the parties. As noted in the Notice to the Profession dated May 8, 2018 relating to adjournments, the

Federal Court operates on a guaranteed, fix-date system. When the Court has fixed a date for trial, parties are expected to proceed on that date. While the Court can always adjourn a hearing, it will only do so in exceptional and unforeseen circumstances. No such circumstances have been established in this case.

V. Conclusion

[55] For the above reasons, I conclude that Rovi/Tivo’s motion should be dismissed.

[56] I see no reason to deviate from the general rule that costs should follow the event. I trust that the parties and non-parties will be able to resolve the issue of costs between themselves. In the event they cannot, they may request that a teleconference be convened to hear their oral submissions on the subject.

[57] Given the above findings, I need not address the arguments raised by Samsung US and Technicolor US that they have not attorned to this Court’s jurisdiction by appearing on the motion or that this Court does not have the jurisdiction to issue letters of request to a foreign court.

ORDER IN T-921-17

THIS COURT ORDERS that:

1. The Defendants’ motion to strike is dismissed, with costs in the event of the cause.

2. The Plaintiffs’ motion is dismissed with costs to be fixed by the Court in the event the parties cannot agree.

“Roger R. Lafrenière”
Judge

FEDERAL COURT

SOLICITORS OF RECORD

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STYLE OF CAUSE:	ROVI GUIDES, INC. AND TIVO SOLUTIONS INC. v VIDEOTRON G.P. AND VIDEOTRON LTD.
PLACE OF HEARING:	TORONTO, ONTARIO
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DATED:	SEPTEMBER 24, 2019

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