

Federal Court



Cour fédérale

Date: 20100621

Docket: T-1236-01

Citation: 2010 FC 667

Ottawa, Ontario, June 21, 2010

PRESENT: The Honourable Mr. Justice Phelan

BETWEEN:

**WEATHERFORD CANADA LTD.,
WEATHERFORD CANADA PARTNERSHIP,
EDWARD GRENKE AND GRENCO INDUSTRIES LTD.**

**Plaintiffs
(Defendants by Counterclaim)**

and

**CORLAC INC., NATIONAL-OILWELL CANADA LTD.
AND NATIONAL OILWELL INCORPORATED**

**Defendants
(Plaintiffs by Counterclaim)**

REASONS FOR ORDER AND ORDER

I. MOTION

[1] The Defendants brought a motion, on an urgent basis, for an Order amending paragraph 2 of the Court's Order to limit the scope of the injunction to the Defendants' Enviro Stuffing Box Products.

The impetus for the amendment is that it is the Defendants' concern that another product line, SAI Style Stuffing Boxes, might be subject to the injunction although the products were not in evidence in the trial.

[2] The Defendants argue that the SAI Stuffing Boxes, even if they infringe the Patent, ought not to be caught by the restraining provisions of the Court's Order.

II. BACKGROUND

[3] Following a lengthy trial preceded by multi-year, multi-party pre-trial steps, the Court found the Defendants to have infringed the Plaintiffs' valid patent for "stuffing boxes" and ordered that (a) they are restrained from infringing, and (b) that they are restrained from further making, selling, delivering, and inducing the sale or delivery which infringes. The Court intentionally did not name specific products but restrained specific conduct.

The precise terms of paragraph 2(b) reads:

further making, selling, delivering and inducing the sale or delivery in Canada of a sealing assembly or a rotary oilwell pump drive system containing a sealing assembly in infringement of the Canadian Patent No. 2,095,937, in particular claims 1, 6, 9, 11 and 14-17 (referred to as the Infringing Items) except for delivery of any Infringing Items presently contracted to be delivered within thirty (30) days of this Order but without prejudice to the Plaintiffs' right to damages;

[4] Although the Defendants say that the SAI Stuffing Boxes do not infringe Canadian Patent No. 2,059,937 (Patent), they nevertheless seek this amendment. The Plaintiffs have not, at least to

date, claimed that the SAI Stuffing Boxes infringe or suggested that in any other manner it breaches the Court's Order.

[5] In effect, the Defendants are seeking a ruling of non-infringement and non-contempt in respect of their SAI product. The prospect that the Court should give such rulings on a product by product basis is novel and daunting. It is even more so when, in terms of this product itself, the Court has been provided with some drawings, sketches and pictures of the SAI product and nothing more.

[6] The history of this matter is that in May 2008 (the action having commenced in 2001) the Defendants attempted to amend their Statement of Defence and Counterclaim to seek a declaration that the SAI Stuffing Boxes did not infringe the Patent.

[7] The motion to amend was filed three weeks after Justice Hugessen (the case management judge) had set the action down for trial for five weeks commencing in the spring of 2009.

[8] The Plaintiffs, as one would expect, objected to this amendment because including the SAI Stuffing Boxes would introduce new, complicating technical issues and potentially new parties. The Plaintiffs suspected that the amendment was a tactical move. They outlined that they claimed infringement based on manufacture and construction but the SAI Stuffing Boxes were not made by the Defendants. On this motion the Defendants did not file their submissions in support of the amendment but did file on the Plaintiffs.

[9] In an endorsement order Prothonotary Lafrenière, in dismissing the motion to amend, noted that the Plaintiffs said that the SAI Stuffing Boxes were not part of the action and no relief was sought relating to that product as part of the upcoming trial.

[10] Justice Mandamin dismissed the appeal of Prothonotary Lafrenière's decision holding that it was a discretionary matter and that there was no error in principle or misapprehension of facts.

[11] The Defendants in their motion contend that Justice Mandamin, in his reasons, effectively limited the Plaintiffs' claim to infringement by Enviro products and that SAI products were excluded from the litigation.

III. ANALYSIS

[12] I have grave doubts that the Court has jurisdiction to give the kind of ruling that the Defendants seek. Although the Court has retained jurisdiction over this matter and the Order gave the parties the right to seek further order or amendments "consistent with the Reasons", it is not an open-ended invitation to challenge the Order by other means.

[13] While the SAI matter was not raised at trial and the Court was unaware of the subject matter until this motion, the absence of reference to SAI was not an error or omission to which Rule 391 applies. It was not a slip-up or typographical error.

[14] The Defendants' motion is a challenge to the breadth of the Order and as such, may be more properly a matter of appeal. As held in *Halford v. Seed Hawk Inc.* (2004), 31 C.P.R. (4th) 569 (FCTD), a court is generally *functus* once it issues its order.

[15] Even if the Court has jurisdiction, I would not grant the amendment.

[16] The terms of the Order are consistent with the prayer for relief in the Statement of Claim and the Defendants made no argument that the relief sought was too broad.

[17] The specific term of the Order is consistent with other orders of this Court, as affirmed by the Court of Appeal, restraining sale and distribution of infringing products generally.

[18] It is instructive that the Defendants cited to Justice Mandamin *Merck & Co. v. Apotex Inc.* (2000), 5 C.P.R. (4th) 363 for the principle that the general language of infringement in a statement of claim does not limit the claim to enumerated products.

Paragraph 35 of the Plaintiffs' Statement of Claim contained the same type of general language referred to in the *Merck/Apotex* case, above.

[19] The Defendants take too much from both Prothonotary Lafrenière's and Justice Mandamin's decisions. Neither held that SAI products or any other unnamed but infringing products would be outside the Court's injunctive reach. Both were faced with an attempt by the Defendants at a very late date in the litigation to add a new product and a new party to the action and thereby derail the

trial. The Plaintiffs took the position that they did not need to prove infringement through the SAI products, they could do so through the Enviro products. In that sense SAI products were not necessary for the case.

[20] The Defendants liken the present injunction to an order which restrains “illegal persuading or attempting to persuade”, which was held in *Sonoco Ltd. v. Local 433, Vancouver Converters of the International Brotherhood of Pulp, Sulphite and Paper Mill Workers et al* (1970), 13 D.L.R. (3d) 617, to be unclear. I do not see that the Order is unclear because it prohibits “infringing”. If it had restrained illegal infringing, then *Sonoco*, above, might be applicable. The Court has provided a claims construction for the relevant claims; the injunction is directed at the Defendants’ conduct in infringing the claims as interpreted whether it uses the named products or not.

[21] The Defendants are in the best position to know their products and whether they infringe. Certainly this Court is not in a position to make that determination now.

[22] The Court suggested to the parties the use of other techniques to resolve the issue such as a reference to a third party to advise the Court. This is a procedure sometimes used in U.S. litigation. Neither party expressed any interest in alternate methods of resolution. Each was prepared to rely on their rights as they are.

[23] As such, each accepts the risk of doing so. The Defendants must form the opinion as to infringement by means of the SAI products. They do have the remedy of seeking a declaration in another proceeding.

[24] Furthermore, the Plaintiffs have not alleged that the SAI product infringes or that the Defendants are in breach of the Court's Order. The Defendants may be premature in their motion and may have defences by way of estoppel and other defences if the Plaintiffs take action against them. That is for another day, if ever.

IV. CONCLUSION

[25] Therefore, this Court concludes that it has no jurisdiction to grant the type of relief sought or alternatively, it would not grant the relief.

[26] The motion will be dismissed with costs to the Plaintiffs forthwith.

ORDER

THIS COURT ORDERS that the motion is dismissed with costs to the Plaintiffs
forthwith.

“Michael L. Phelan”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1236-01

STYLE OF CAUSE: WEATHERFORD CANADA LTD., WEATHERFORD CANADA PARTNERSHIP, EDWARD GRENKE and GRENCO INDUSTRIES LTD.

and

CORLAC INC., NATIONAL-OILWELL CANADA LTD. and NATIONAL OILWELL INCORPORATED

PLACE OF HEARING: Ottawa and Toronto, Ontario (by video-conference)

DATE OF HEARING: June 18, 2010

REASONS FOR ORDER AND ORDER: Phelan J.

DATED: June 21, 2010

APPEARANCES:

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