Federal Court of Appeal | Cour d'appel fédérale

Date: 20100120

Dockets: A-270-09
A-271-09

Citation: 2010 FCA 21

CORAM: **NADON J.A.**
EVANS J.A.
TRUDEL J.A.

BETWEEN:

STERLING LUMBER COMPANY

Appellant

and

RONALD HARRISON and
CAROLINA MAT CO. INC.

Respondents

AND BETWEEN:

SWAMP MATS INC.

Appellant

and

RONALD HARRISON and
CAROLINA MAT CO. INC.

Respondents

Heard at Toronto, Ontario, on January 20, 2010.

Judgment delivered from the Bench at Toronto, Ontario, on January 20, 2010.

REASONS FOR JUDGMENT OF THE COURT BY: EVANS J.A.

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REASONS FOR JUDGMENT OF THE COURT
(Delivered from the Bench at Toronto, Ontario, on January 20, 2010)

EVANS J.A.

[1] This is an appeal by Sterling Lumber Company (“Sterling Lumber”) from an order of the Federal Court, dated June 17, 2009, in which Justice Campbell dismissed its motion for summary judgment against the respondents, Roland Harrison and Caroline Mat Co. Inc. There is also an appeal (Court File No. A-271-09) by Swamp Mats Inc. against an identical order with respect to the same respondents. The appeals were heard together and these reasons apply to both.

[2] The motion arises from a patent infringement action by the respondents who have brought an action against Sterling Lumber for infringing Canadian Patent No. 2,462,302 (“the 302 Patent”) which relates to a bolted three ply temporary wooden road mat, which is used to provide a surface for heavy vehicles in the absence of a permanent road. Sterling Lumber’s motion alleges that the patent is invalid on several grounds, including anticipation based on a sale of the mats by Mr Harrison, the inventor and owner of the patent, more than a year before the filing date of the 302 Patent, March 29, 2004.

[3] The Motions Judge dismissed the motion on the ground that the construction of claim 14 of the 302 Patent was a serious issue for trial and that he was “unable to make the critical factual finding of the meaning of the words, ‘an array of vertically aligned intersecting surfaces’ from the perspective of a person skilled in the art.” Consequently, he held, he was unable to determine the issue of anticipation.

[4] The Motions Judge’s order commenced with the words, “As expressed in the transcript of the Summary Judgment Motion.” This suggests that the Judge gave additional reasons for his order.

However, we do not know what other reasons, if any, the Judge gave orally because only a few pages of the transcript from the cross-examination are included in the appeal book. In an order dated August 25, 2009, Sexton J.A. ordered that the entire transcript of the hearing of the motion not be included in the appeal book.

[5] The bases of Sterling Lumber's appeal are that Mr Harrison admitted in cross-examination on his affidavit that he had put in stock and sold some of the mats described in claim 14 before 2003, and that a purchaser could have made a mat simply by examining it.

[6] The plaintiffs say, however, that Mr Harrison's answers with respect to the sale of the mats are not admissions and are insufficiently clear to establish that the Motions Judge erred in dismissing the motion for summary judgment. In particular, counsel submits, it is unclear whether Mr Harrison meant that the mats were put into stock before 2003, sold before 2003, or both. Evidence was also required, he said, on whether a sale of a mat would have enabled the purchaser to make the mat, because Mr Harrison had stated in paragraph 8 of his affidavit that he had kept its design confidential.

[7] Since we do not know whether, or how, Justice Campbell dealt with this issue, counsel agreed that we must decide it *de novo*. In our view, Mr Harrison's answer to the question put to him when he was cross-examined on his affidavit was clear: prior to 2003 he had sold manually made wooden road mats as described in claim 14. At any rate, his answer was sufficiently clear as to require his counsel to ask a clarifying question, and he did not.

[8] Further, the principle that parties to a motion for summary judgment must put their best foot forward precludes the respondents from saying that other evidence may be adduced at trial that contradicts Mr Harrison's statement against interest and under oath that he had sold the mats in question before 2003.

[9] The only issue remaining, in our opinion, is whether the prior sales of the mats constituted an "enabling disclosure" of claim 14. The prior sale of a product will normally make information available as to its contents and method of manufacture: *Baker Petrolite Corp. v. Canwell Enviro-Industries Ltd.*, 2002 FCA 158 at para. 42. In the absence of evidence to the contrary, we agree that any purchaser of a mat would have known how to make it simply by examining it.

[10] Counsel for the respondents says that Mr Harrison should also have been asked on cross-examination if the sales were unrestricted, especially since in paragraph 8 of his affidavit he had stated: "Each of my designs and machine constructions have been with complete confidentiality to ensure patentability." We do not agree.

[11] When paragraph 8 is read together with paragraph 7 of the affidavit, the reference to confidentiality seems to be limited to the designs and construction of the machines which enabled Mr Harrison to manufacture the mats in an economically viable manner. The machines are the subject of other claims in the 302 Patent and are not in issue in this proceeding.

[12] Given our reading of the affidavit, the fact that sales of products are not normally subject to confidentiality restrictions, and that it was within Mr Harrison's knowledge whether he had imposed a duty on the purchasers to keep the information confidential, we are all of the view that it was for counsel for the respondents to ask a clarifying question or, possibly, to have sought to file an additional affidavit. Since he did neither, we have concluded on the evidence before us that the sales constituted enabling disclosures.

[13] Accordingly, we find that the respondents' case is so doubtful as not to deserve consideration by a trier of fact: see *AMR Technology Inc. v. Novopharm Limited*, 2008 FC 970 at paras. 6-8.

[14] For these reasons, the appeal will be allowed with one set of costs in this Court and below, the order of the Federal Court, dated June 17, 2009, set aside, the appellant's motion for summary judgment allowed, and the respondents' action against the appellant for the infringement of claim 14 of the 302 Patent dismissed with one set of costs.

"John M. Evans"

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKETS:	A-270-09
(AN APPEAL FROM THE FEDERAL COURT, FROM THE ORDER OF CAMPBELL J. DATED JUNE 17, 2009, IN FEDERAL COURT FILE NO. T-2058-05)	
STYLE OF CAUSE:	STERLING LUMBER COMPANY v. RONALD HARRISON AND CAROLINA MAT CO. INC
PLACE OF HEARING:	TORONTO, ONTARIO
DATE OF HEARING:	JANUARY 20, 2010
REASONS FOR JUDGMENT OF THE COURT BY:	(NADON, EVANS & TRUDEL JJ.A.)
DELIVERED FROM THE BENCH BY:	EVANS J.A.

APPEARANCES:

Arthur B. Renaud Christopher D. Heer	FOR THE APPELLANT
Kenneth D. Hanna Mala Joshi	FOR THE RESPONDENT

SOLICITORS OF RECORD:

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Ridout & Maybee LLP Toronto, Ontario	FOR THE RESPONDENT

FEDERAL COURT OF APPEAL

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DOCKET:	A-271-09

(AN APPEAL FROM THE FEDERAL COURT, FROM THE ORDER OF CAMPBELL J. DATED JUNE 17, 2009, IN FEDERAL COURT FILE NO. T-2099-05)

STYLE OF CAUSE:	SWAMP MATS INC. v. RONALD HARRISON AND CAROLINA MAT CO. INC.
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