

Federal Court



Cour fédérale

**Date: 20240118**

**Docket: T-1288-18**

**Citation: 2024 FC 82**

**Toronto, Ontario, January 18, 2024**

**PRESENT: Case Management Judge John C. Cotter**

**BETWEEN:**

**GEMAK TRUST BY ITS TRUSTEES  
GERALD THOMAS HINTON AND  
ELIZABETH JANE HINTON**

**Plaintiff /  
Defendant by Counterclaim**

**and**

**JEMPAK CORPORATION AND  
JEMPAK GK INC.**

**Defendants /  
Plaintiffs by Counterclaim**

**ORDER AND REASONS**

[1] This is a motion within a motion. The present motion is by the defendants, Jempak Corporation and Jempak GK Inc. (collectively, “**Jempak**”), for an order granting leave to file a further affidavit and what Jempak describes as supplemental written representations in connection with its pending motion for a bifurcation order that was filed in 2018.

## I. Background

[2] This is a patent infringement action commenced on July 3, 2018, by the plaintiff, Gemak Trust by its Trustees Gerald Thomas Hinton and Elizabeth Jane Hinton (“**GEMAK**”).

[3] By notice of motion dated December 4, 2018, Jempak brought a motion for a bifurcation order seeking the severance of issues of liability from issues involving the quantification of remedies and the extent of damages and/or the accounting of Jempak’s profits (“**Bifurcation Motion**”). Jempak’s motion record filed in support of the Bifurcation Motion (“**Original Bifurcation Motion Record**”) included an affidavit from a lawyer at the law firm representing Jempak at that time and sworn December 4, 2018 (“**Original Affidavit**”). As the Bifurcation Motion was filed approximately 5 years ago, the events that have transpired since are important context for the present motion. That chronology is not in dispute – see paragraphs 12 to 27 of Jempak’s written representations dated September 22, 2023; and paragraph 22 of GEMAK’s written representations dated October 6, 2023, which state that “GEMAK generally agrees with the factual summary of this action set out in Jempak’s Written Representations at paragraphs 12-27”. In addition, at the hearing of the motion counsel for GEMAK indicated that the general agreement with that factual summary also applied for the purposes of the Bifurcation Motion.

[4] As noted above, this is action is for patent infringement. GEMAK alleges that the Jempak infringes certain claims of two Canadian patents, numbers 2,337,069 and 2,276,428, which relate to detergent compositions comprising encapsulated percarbonate. The alleged infringement concerns Jempak’s activities in the manufacture and sale in Canada of monodose detergent products. In January 2019, shortly after Jempak brought its Bifurcation Motion, it filed a notice of

motion for summary judgment seeking to dismiss the action in its entirety on the basis of non-infringement. Although the hearing of the bifurcation motion was scheduled for January 22, 2019, it was adjourned *sine die* to follow the hearing of the motion for summary judgment.

[5] After the Bifurcation Motion was adjourned, the parties agreed to proceed with discovery on all issues other than remedies while the summary judgment motion progressed. In March 2019, the parties exchanged affidavits of documents on liability, and subsequently conducted examinations for discovery on these documents and the liability issues in May 2019.

[6] The hearing of the summary judgement motion took place in June 2019. The judgement and reasons on that motion issued in May 2020 (*Gemak Trust v Jempak Corporation*, 2020 FC 644 (Public Amended Judgment And Reasons)), which allowed the motion and dismissed the action. Jempak appealed, and the appeal was heard in May 2022. The Federal Court of Appeal delivered its judgement and reasons (*Gemak Trust V Jempak Corporation*, 2022 FCA 141 (Public Reasons for Judgment)) on August 4, 2022 allowing the appeal, setting aside the decision granting summary judgement, and directing that the action proceed to trial.

[7] In December 2022, the parties exchanged correspondence relating to the schedule for the proceeding. In the course of this correspondence, Jempak advised of their intention to amend the statement of defence and counterclaim and to request a hearing date for the Bifurcation Motion. In April 2023, the parties exchanged written answers to undertakings from the examinations for discovery conducted in May 2019, and pending refusals were resolved.

[8] Jepak brought a motion to amend the statement of defence and counterclaim which was heard on May 24, 2023. By Order dated July 18, 2023 the proposed amendments that GEMAK agreed to were allowed, with the disputed amendments being refused. Jepak then filed a fresh as amended statement of defence and counterclaim on August 4, 2023.

[9] On August 4, 2023, GEMAK delivered responses to certain refusals from the examination for discovery of its discovery witness, and updated responses to certain answers from the same examination.

[10] At the joint request of the parties, the trial of this action has been fixed for 18 days commencing April 28, 2025. At the hearing of the present motion, counsel explained that the estimated number of days required for trial was based on a trial of all issues.

[11] As noted above, Jepak wishes to bring the Bifurcation Motion back on for hearing and has brought the present motion seeking leave to file a further affidavit and what Jepak describes as supplemental written representations. Jepak seeks leave to file an affidavit of a legal assistant, Elysia Panaroni, sworn August 31, 2023 (“**New Affidavit**”). The substance of the New Affidavit is found in its Exhibits. GEMAK does not oppose Exhibits A, B, J, K and L of the New Affidavit, which are items already in the Court file. The other Exhibits, which are opposed, include:

- affidavits of documents of the parties and related correspondence (Exhibits C and D);
- transcripts of examinations for discovery, and answers to undertakings (Exhibits E to I);

- affidavit of Nihat “Nat” Elbi sworn March 15, 2019 and certain exhibits to that affidavit, which were filed on Jempak’s motion for summary judgment (Exhibits M, N1, N2 and N3); and
- certain of Jempak’s documentary productions (Exhibit O).

[12] The New Affidavit deals with three topics:

1. the history of this action since the Bifurcation Motion was filed in December 2018 (“**Action History**”);
2. the existence of multiple Jempak products that are in issue in this action (“**Multiple Products Topic**”); and
3. whether GEMAK is a non-practising entity (“**Non-Practicing Entity Topic**”).

## II. Applicable Test

[13] The parties advanced different positions on what rule, if any, applied to Jempak’s request for leave to file further affidavit evidence. As explained below, regardless of which approach is used, the considerations that apply are the same.

[14] Jempak argues that the applicable rule is Rule 84(2) of the *Federal Courts Rules*, SOR/98-106 (“**Rules**”) which provides that:

A party who has cross-examined the deponent of an affidavit filed in a motion or application may not subsequently file an affidavit in that motion or application, except with the consent of all

La partie qui a contre-interrogé l’auteur d’un affidavit déposé dans le cadre d’une requête ou d’une demande ne peut par la suite déposer un affidavit dans le cadre de celle-ci, sauf avec le

other parties or with leave of the Court.	consentement des autres parties ou l'autorisation de la Cour.
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[15] The case law under Rule 84(2) identifies the following factors to be considered and weighed in determining whether to grant leave (*Pfizer Canada Inc v Rhoxalparma Inc*, 2004 FC 1685 (“*Pfizer*”) at para 16; *Janssen-Ortho Inc v Canada (Health)*, 2009 FC 1179 (“*Janssen*”) at para 9; *Havi Global Solutions LLC v IS Container PTE Ltd*, 2020 FC 803 (“*Havi*”), at paras 6 and 33, 39 to 44; *Noco Company, Inc v Guangzhou Unique Electronics Co, Ltd*, 2023 FC 208 (“*Noco*”), at para 59):

1. the relevancy of the proposed evidence;
  2. whether the proposed evidence was available and/or could be anticipated as being relevant prior to the cross-examinations;
  3. absence of prejudice to the opposing party;
  4. whether the proposed evidence assists the Court in making its final determination;
- and
5. whether the proposed evidence serves the interests of justice.

[16] As stated by Justice Pallotta in *Noco* (para 59): “The factors are not a list of criteria to be met nor are they discrete, mandatory requirements of a conjunctive test; rather, they are factors to be considered and weighed in the Court’s discretion ... The failure to establish any one factor is not necessarily fatal”.

[17] GEMAK argues that Rule 84(2) only applies when a new matter arises during cross-examination that could not have been foreseen with reasonable diligence and that new matter gives

rise to the need to tender additional evidence to address that specific new matter. In Support of this, GEMAK relies on *Salton Appliances (1985) Corp v Salton Inc*, 2000 CanLII 14828 (FC) at para 16: “I am satisfied Rule 84(2), read in its context and against the history of the former Rules, is designed to deal with matters that arise during cross-examination for which there is a need to address by way of further affidavit with leave of the Court.”; and *Blank v Canada (Justice)*, 2015 FC 956 at para 33: “It is clear, however, that Rule 84(2) is intended to deal with matters that arise during cross-examination and could not have been foreseen with reasonable diligence.”

[18] Leaving aside the argument advanced by GEMAK that Rule 84(2) only applies when a new matter arises during cross-examination in the circumstances noted above, on a plain reading of Rule 84(2) it is inapplicable in the present case since Jempak had not conducted any cross-examinations. However, even if Rule 84(2) does not apply, the parties have already served and filed their respective motion records on the Bifurcation Motion. As per Rule 384(2)(c), Jempak’s Original Bifurcation Motion Record was to contain “all affidavits and other material served by the moving party for use on the motion”.

[19] GEMAK argues that the principles that apply on this motion are those set out by Justice Stratas in *Amgen Canada Inc v Apotex Inc*, 2016 FCA 121 (“**Amgen**”). That case involved a motion brought in writing pursuant to Rule 369. After the responding party’s motion record had been filed, the moving party brought a motion, within the motion, seeking leave to file reply evidence. Justice Stratas stated that:

[7] Rule 369(3) provides that a moving party may reply to a responding motion record by filing written representations in reply. The Rule does not allow for reply evidence to be filed.

Therefore, on a motion in writing, a party must seek leave of the Court in order to file reply evidence.

[8] Although Rule 369(3) is silent on the matter, the Federal Courts do have the jurisdiction to allow the filing of reply evidence ...

[20] Justice Stratas noted (at para 13) that much guidance “can also be found in the case law that has developed under Rule 312 concerning the admission of additional affidavits in applications” and concluded that:

Additional affidavits are permitted only where it is “in the interests of justice”: *Atlantic Engraving Ltd. v. LaPointe Rosenstein*, 2002 FCA 503, 299 N.R. 244 at paras. 8-9. That means that the Court must have regard to whether:

- the evidence will assist the court (in particular, its relevance and sufficient probative value);
- admitting the evidence will cause substantial or serious prejudice to the other side;
- the evidence was available when the party filed its affidavits or it could have been discovered with the exercise of due diligence.

[21] He also noted that the Federal Court of Appeal “has applied these same factors in deciding whether a reply affidavit should be permitted to be filed in an application for leave to appeal under Rule 355, a rule that, like Rule 369(3), does not explicitly allow reply affidavits: *Quarmby v. National Energy Board of Canada*, 2015 FCA 19.”

[22] The debate between the parties as to whether the applicable test is that under Rule 84(2) or that set out in *Amgen* is of no consequence. It is important to note that the factors considered under each approach are essentially the same. Notably, like Justice Stratas in *Amgen*, many cases decided

under Rule 84(2) look to cases decided under Rule 312 for guidance (*Pfizer* at paras 13, 14 and 17; *Janssen* at para 9; *Havi* at para 33).

[23] It is apparent from:

- the cases noted above that were decided under Rule 84(2);
- the decision in *Amgen*; and
- the decision of Justice Strikland in *Black & White Merchandising Co Ltd v Deltrans International Shipping Corporation*, 2019 FC 379, at paras 28 and 29,

that the factors identified in *Amgen* by Justice Stratas apply in the following circumstances in deciding whether leave should be granted to permit an affidavit to be filed:

- when leave is sought under Rule 84(2) to file an affidavit on a motion or application after having cross-examined the deponent of affidavit filed on that motion or application;
- when leave is sought under Rule 312 to file additional affidavits in an application;
- when leave is sought to file reply evidence on a motion brought in writing under Rule 369;
- when leave is sought to file reply evidence on a motion brought to be heard orally (i.e., a motion not brought under Rule 369); and
- “whether a reply affidavit should be permitted to be filed in an application for leave to appeal under Rule 355, a rule that, like Rule 369(3), does not explicitly allow reply affidavits” (*Amgen* at para 13).

[24] Like the situation in *Amgen*, the *Rules* are silent on the matter of the filing of further evidence in the present situation, where one party seeks leave to file additional affidavit evidence on a motion after both sides have served the affidavit evidence they wish to rely on; cross-examinations have been conducted; and both sides have filed their respective motion records. The rationale and principles articulated by Justice Stratas in *Amgen* also apply in the present context. It is therefore appropriate to consider those same factors in the present case.

### III. Application of the Test

[25] Before considering the New Evidence in light of the factors set out in *Amgen*, it is useful to comment on the issues and evidence in the Original Bifurcation Motion Record. As noted above, Jempak relied on the evidence in the Original Affidavit, an affidavit from one of the lawyers at the law firm representing Jempak at that time. That affidavit attempted to address the benefits of bifurcation. There was no evidence put forward by Jempak on the underlying factual issues in the action, although the Multiple Products Topic and the Non-Practicing Entity Topic were live issues in the action at the time (see paragraphs 6, 13, 14 and 62 of the statement of defence and counterclaim dated October 12, 2018), and of significance for present purposes, on the Bifurcation Motion. This can be seen in Jempak's written representations in the Original Bifurcation Motion Record including, for example, the following statements by Jempak:

10. ... Documents and discovery relating to an accounting of the defendants' profits will thus involve multiple products and jurisdictions and private label retailers...

29. In this action there are several product formulations at issue, all of which are manufactured in Canada ... the profits associated with each of these products will need to be addressed if bifurcation is not awarded.

31. The plaintiff in this case is a trust and there are real questions as to entitlement to an award of profits, particularly if it is not practicing the proposed invention and/or has not licensed another to practice the invention ...

33. ... In this case, the plaintiff is a trust established under the laws of New Zealand. There is no evidence that it is practising the invention in Canada or elsewhere in the world.

[see GEMAK's responding motion record dated October 6, 2023, pages 192, 199 and 200]

[26] Dealing first with the Action History, this is evidence that will assist the Court on the bifurcation motion and it has been addressed through the following concessions by GEMAK which are noted above. As a result, this topic need not be considered further:

- (a) GEMAK's general agreement for the purposes of the Bifurcation Motion with the factual summary of the action set out in Jempak's written representations dated September 22, 2023 at paragraphs 12 to 27; and
- (b) GEMAK not opposing Exhibits A, B, J, K and L of the New Affidavit.

[27] Turning to the Multiple Products Topic and the Non-Practicing Entity Topic, they raise similar issues and will be dealt with together. Considering the factors outlined in *Amgen*, it is not in the interests of justice to grant leave to file the New Affidavit to the extent that it relates to the Multiple Products Topic and the Non-Practicing Entity Topic. The three *Amgen* factors are discussed below.

A. *Does the evidence assist the court (in particular, its relevance and sufficient probative value)?*

[28] Evidence relating to the issues in the action, specifically the Multiple Products Topic and the Non-Practicing Entity Topic, is of some relevance and of some probative value on the issue of bifurcation. Jempak argues that this evidence will assist the Court. However, it was open to Jempak to put evidence in on these topics back in 2018. It chose not to. This leads into the third factor discussed below, which is the most important factor in this case, namely whether the evidence was available when Jempak filed its affidavits in the Original Bifurcation Motion Record or it could have been discovered with the exercise of due diligence.

B. *Does admitting the evidence cause substantial or serious prejudice to the other side?*

[29] GEMAK argues that it had successfully cross-examined on the Original Affidavit, obtaining admissions that supported GEMAK's position in opposing bifurcation, and if Jempak is now permitted to pivot and file the New Affidavit, GEMAK will be prejudiced. However, even if the New Affidavit did not cause substantial or serious prejudice to GEMAK that could not be remedied through an award of costs, or by adding conditions to the order or making directions, the question of prejudice is not the most significant factor in this case.

C. *Was the evidence available when the party filed its affidavits or could it have been discovered with the exercise of due diligence?*

[30] This is the most important factor in this case. The Multiple Products Topic and the Non-Practicing Entity Topic were live issues in the action in 2018 and were raised by Jempak in the Original Bifurcation Motion Record. Jempak could have put in evidence at that time on those

issues and chose not to. Instead, it relied on the Original Affidavit. It turns out that GEMAK was able to obtain helpful admissions during the cross-examination on Jempak's Original Affidavit.

[31] It is also clear from the New Affidavit that the documents concerning the Multiple Products Topic are Jepak's documents, many of which predate the Original Bifurcation Motion Record and/or deal with factual matters that pre-date it. This is also illustrated in the supplemental written representations that Jempak seeks leave to file which shows that the start dates for the various products in issue were all prior to the filing of the Original Bifurcation Motion Record (see paragraph 34 at page 798 of the defendants' confidential motion record dated September 22, 2023).

[32] Jempak argues that the exhibits to the New Affidavit that are transcripts, written answers, documentary productions and exhibits from affidavits on the summary judgment motion are all documents that were created after the cross-examination on the Original Affidavit and as such, were not available prior to that time.

[33] However, that ignores the reality that many of those documents deal with factual matters that pre-date the Original Affidavit, or are documents that pre-date it. One example will serve to illustrate the point. Exhibit N1 of the New Affidavit is a collection of documents that were Exhibit H1 to an affidavit sworn March 15, 2019 and filed on the summary judgment motion. While that affidavit was not in existence at the time of the Original Bifurcation Motion Record, many of the documents that make up that exhibit were, such as the first document, a Jempak Inc. document, which indicates that it was printed on August 20, 2018 (see page 305 of the defendants' confidential motion record dated September 22, 2023).

#### IV. Conclusion

[34] It is not in the interests of justice to grant leave to file the New Affidavit other than: the exhibits to the New Affidavit dealing with the Action History that GEMAK did not oppose, namely Exhibits A, B, J, K and L; and, paragraph 1 introducing the affiant, and paragraphs 2, 3, 11, 12 and 13 identifying those exhibits.

#### V. Costs

[35] GEMAK was the predominantly successful party on this motion. Considering Rule 400 of the *Federal Courts Rules*, including the factors listed in Rule 400(3), and in particular that GEMAK was the predominantly successful party, which I consider to be the most important factor in the context of this motion, costs are awarded to GEMAK. Given the nature of issues, I consider it appropriate to fix the costs of the motion at \$3,500 to be paid by Jempak to GEMAK by February 29, 2024.

**ORDER in T-1288-18**

**THIS COURT ORDERS that:**

1. Except as set out in paragraph 2 below, the motion by Jempak set out in the notice of motion dated September 22, 2023, is dismissed.
2. Jempak is granted leave to file a fresh affidavit of Elysia Panaroni consisting of the content found in paragraphs 1 to 3 and 11 to 13, and Exhibits A, B, J, K and L of the affidavit of Elysia Panaroni sworn August 31, 2023, found at Tab 1 of the notice of motion dated September 22, 2023.
3. The parties may, if they wish, serve and file supplementary written representations not to exceed 5 pages dealing with the history of the action subsequent to December 4, 2018. The timing for serving and filing the supplementary written representations will be addressed at a case management conference.
4. Costs of the motion, fixed in the amount of \$3,500, are to be paid by Jempak to GEMAK by February 29, 2024.
5. By January 26, 2024, the parties shall submit a letter to the Court setting out dates of mutual availability for a case management conference to address the scheduling of the Bifurcation Motion.

"John C. Cotter"  
\_\_\_\_\_  
Case Management Judge

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-1288-18

**STYLE OF CAUSE:** GEMAK TRUST BY ITS TRUSTEES GERALD  
THOMAS HINTON AND ELIZABETH JANE HINTON  
v JEMPAK CORPORATION AND JEMPAK GK INC.

**PLACE OF HEARING:** TORONTO, ONTARIO

**DATE OF HEARING:** NOVEMBER 8, 2023

**ORDER AND REASONS:** CASE MANAGEMENT JUDGE JOHN C. COTTER

**DATED:** JANUARY 18, 2024

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