

Court File No. A- 186 -22  
(T-921-17)

**FEDERAL COURT OF APPEAL**

**B E T W E E N:**

**ROVI GUIDES, INC.**

<b>FEDERAL COURT OF APPEAL</b>	
<b>COUR D'APPEL FÉDÉRALE</b>	
F I L E D	12-SEP-2022
D	E P O S E
<b>TORONTO, ON</b>	1

Appellant

(Plaintiff/Defendant by Counterclaim)

- and -

**VIDEOTRON LTD.**

Respondent

(Defendant/Plaintiff by Counterclaim)

**NOTICE OF APPEAL**

**TO THE RESPONDENT:**

**A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU** by the appellant. The relief claimed by the appellant appears on the following page.

**THIS APPEAL** will be heard by the Court at a time and place to be fixed by the Judicial Administrator. Unless the Court directs otherwise, the place of hearing will be as requested by the appellant. The appellant requests that this appeal be heard at Toronto, Ontario.

**IF YOU WISH TO OPPOSE THIS APPEAL**, to receive notice of any step in the appeal or to be served with any documents in the appeal, you or a solicitor acting for you must prepare a notice of appearance in Form 341 prescribed by the Federal Courts Rules and serve it on the appellant's solicitor, or where the appellant is self-represented, on the appellant, **WITHIN 10 DAYS** of being served with this notice of appeal.

**IF YOU INTEND TO SEEK A DIFFERENT DISPOSITION** of the order appealed from, you must serve and file a notice of cross-appeal in Form 341 prescribed by the Federal Courts Rules instead of serving and filing a notice of appearance.

Copies of the Federal Courts Rules information concerning the local offices of the Court and other necessary information may be obtained on request to the Administrator of this Court at Ottawa (telephone 613-992-4238) or at any local office.

**IF YOU FAIL TO OPPOSE THIS APPEAL, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.**

September 12, 2022

Issued by: Beatriz Winter

(Registry Officer)

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Videotron Ltd.

## **APPEAL**

**THE APPELLANT APPEALS** to the Federal Court of Appeal from the Judgment of Justice Lafrenière dated June 10, 2022 in Federal Court File No. T-921-17 (the “Judgment”).

**THE APPELLANT ASKS THAT** this Court:

1. Allow this appeal and reverse and/or set aside paragraphs 1 to 6 of the Judgment;
2. Grant the Appellant’s action in T-921-17 and declare that the asserted claims (defined below) are valid and infringed;
3. Grant Judgment: (a) awarding the Appellant the amount sought below against the Respondent by way of an accounting of the Respondent’s profits from infringing the Appellant’s patents (as defined below); (b) in the alternative, awarding the Appellant damages by way of royalties in the amount sought below against the Respondent; (c) in the further alternative, in the form and quantum that this Court deems just; and (d) pre-judgment interest;
4. Grant the Appellant its costs both in this Court and in the Court below;
5. To the extent the Appellant has paid any funds to the Respondent in respect of costs in the Court below, order the Respondent to pay back to the Appellant any such funds, with interest; and
6. Grant such further and other relief as this Honourable Court may find just.

**THE GROUNDS FOR THIS APPEAL** are as follows:

**A. Background Regarding the Below Action**

1. The Appellant, Rovi Guides, Inc. (“Rovi”), supplies digital entertainment technology, including interactive program guide (“IPG”) technology, to consumers.

2. Rovi's predecessors were at the forefront of program guide technology. Rovi's corporate lineage starts with the paper TV Guide Magazine launched in 1953 and continues to today's modern IPG technology. Rovi's predecessors have been recognized by the industry for their long history of innovation and have received awards and accolades for their contributions to the IPG technology.

3. Investments were made by Rovi in research and development over the years (in the order of magnitude of USD\$1 billion) to develop new products and services.

4. An aspect of Rovi's historical and current business is licensing patented innovations to third-party companies who create or use their own digital entertainment solutions using Rovi's patented technology. Rovi's largest market for licensing has been subscription-based television broadcasting.

5. Rovi has licensed its technologies and related patents to many of the leading subscription-based television broadcasting providers around the world, including most of the largest providers in Canada. Within Canada, leading content providers have taken licences to the Rovi patent portfolio covering its IPG technologies.

6. The Respondent, Videotron Ltd. ("Videotron"), is a telecommunications company and subscription-based television broadcasting provider. Videotron provides services primarily in Quebec. The business of Videotron includes supplying terminals and services to subscribers to permit access to television and other content.

7. Videotron entered into an IPG Patent Licence Agreement with Rovi, effective as of April 1, 2010. In 2012, Videotron launched an interactive service known as "illico New Generation" ("illico 2"). At the end of 2016, Videotron refused to renew its licence arrangement with Rovi.

8. Given Videotron's refusal to renew its licence, Rovi commenced the underlying action, asserting that certain claims of the following four patents (the "asserted claims" and the "patents") were infringed by Videotron and its illico 2 service:

- a. Canadian Letters Patent No. 2,337,061 (the “061 Patent”), which generally relates to the use of a remote device with an IPG (outside the user’s home), such as a phone, to record programs on a local device with an IPG (inside the user’s home) (with claims 2, 7 and 8 being asserted);
  - b. Canadian Letters Patent No. 2,336,870 (the “870 Patent”), which generally relates to a multi-room personal video recorder (“PVR”) system, wherein a program recorded on one device can be played back on a second device (with claims 456, 459, 720 and 721 being asserted);
  - c. Canadian Letters Patent No. 2,730,344 (the “344 Patent”), which generally relates to a method for coordinating IPGs, such that actions taken on one IPG are displayed on the other IPG (and vice versa) (with claims 113, 116, 119, 120 and 123 being asserted); and
  - d. Canadian Letters Patent No. 2,339,629 (the “629 Patent”), which generally relates to an IPG with a directory of programs recorded on a digital storage device (with claims 79 and 80 being asserted).
9. The action went to trial in March 2020. Through Confidential Judgment and Reasons dated June 10, 2022, the trial judge dismissed Rovi’s action.

**B. Summary of the Trial Judge’s Relevant Conclusions**

**i. The 061 Patent – Remote Recording (paras. 223-338)**

10. **Construction:** The trial judge interpreted the phrase “remote program guide access device” to mean “almost any type of electronic device, such as a personal computer, laptop or mobile phone, located outside of the user’s home, that can connect over a remote access link to other equipment, and on which a remote access interactive television program guide is implemented” (para. 233).

11. The trial judge interpreted the phrase “remote access interactive television

program guide” to mean “an IPG implemented on a Remote Device that generates a user interface, which may be similar to a local interactive television program guide...or which may be different depending on its implementation” and that “may provide a user with program listings organized by type or theme, as illustrated...in Figure 8 of the 061 Patent” (para. 236).

12. The trial judge interpreted the phrases “recording by the local interactive television program guide” and “the local interactive television program guide is configured to record the television program” to refer to “software running on hardware, and not to hardware by itself” (para. 242), where the functionality of the Local IPG is “not limited to only providing program listings” (para. 245) and would “include applications and/or programs on the STB [*i.e.*, set top box] that facilitate other user features, such as the ability to record” (para. 246).

13. In addition, the trial judge determined that the phrases “recording by” and “configured to record” mean that “the ‘Local IPG’ must itself be configured to effect the local recording of a program” (para. 259).

14. **Validity:** The trial judge determined that the asserted claims of the 061 Patent were anticipated by Blake (paras. 266-293).

15. The trial judge determined that the asserted claims of the 061 Patent were rendered obvious by DAVIC plus Blake and the skilled person’s common general knowledge and/or by Blake plus the skilled person’s common general knowledge (paras. 294-319).

16. **Infringement:** The trial judge determined that Videotron did not infringe the claim element “recording by the local interactive television program guide” (paras. 331-338) on the basis that the illico 2 system does not contain a “Local IPG configured to record” (para. 337). Hence, the trial judge concluded that the asserted claims of the 061 Patent were not infringed by Videotron.

**ii. The 870 Patent – Multi-room PVR (paras. 339-414)**

17. **Construction:** The trial judge interpreted the phrase “another user’s equipment” to mean either another user in the same household or elsewhere (paras. 374-378).

18. The trial judge interpreted the phrase “receiving/transmitting the program from or to the second user equipment” to mean that “transmitting and receiving could be accomplished either by streaming the program or file transfer” (paras. 379-387).

19. **Validity:** The trial judge determined that the asserted claims of the 870 Patent were rendered obvious by DAVIC plus the skilled person’s common general knowledge (paras. 388-411).

20. **Infringement:** The trial judge determined that, if the asserted claims of the 870 Patent were valid, then they were all infringed by Videotron (paras. 412-414).

**iii. The 344 Patent – IPG Coordination (paras. 415-475)**

21. **Construction:** The trial judge interpreted the phrase “coordinating” in claim 113 of the 344 Patent to mean “to coordinate operation of guides with similar settings” (paras. 422-435).

22. **Validity:** The trial judge determined that the asserted claims of the 344 Patent were rendered obvious by DAVIC plus the skilled person’s common general knowledge (paras. 450-464 and 471).

23. **Infringement:** On the basis of his construction of “coordinating” as being rooted in the operation of “like guides”, the trial judge determined that Videotron did not infringe the asserted claims of the 344 Patent on the basis that “the illico 2 system does not provide for coordination between the operation of IPGs” (paras. 472-475).



**iv. The 629 Patent – Recording Directory (paras. 476-542)**

24. **Construction:** The trial judge interpreted the phrase “interactive television program guide” in claim 77 of the 629 Patent to “include other software on the STB that facilitates other use features such as the ability to record and manage a directory of recordings” (paras. 482-486).

25. The trial judge interpreted the phrase “means for providing a user with an opportunity to select directory entry information” in claim 79 of the 629 Patent to mean that “a user must actually take a second step, by press[ing] another button or tak[ing] some further action (‘entering an appropriate command’), to receive (‘access’) the additional information as such information is provided by way of a ‘full entry information screen’” (paras. 487-491).

26. The trial judge interpreted the phrase “full entry information screen” in claim 79 of the 629 Patent to mean “another screen, such as a completely separate full screen or overlaying screen, but in any case a screen that is distinct from the directory screen” that “fully paints over the display” (paras. 492-499).

27. **Validity:** The trial judge determined that the asserted claims of the 629 Patent were anticipated by Florin (paras. 501-518).

28. The trial judge determined that the asserted claims of the 629 Patent were rendered obvious by Florin plus the skilled person’s common general knowledge (paras. 525-528), Girard plus the skilled person’s common general knowledge (paras. 529-531) and/or Florin plus Girard (para. 534).

29. **Infringement:** The trial judge determined that Videotron did not infringe the asserted claims of the 629 Patent on the basis that the EPG Application in the illico 2 system “has no responsibility over recording or storing programs” and on the basis that “a user cannot click on a program in the directory and be provided with a ‘full entry information screen’, either as a full screen or as an overlay screen, where the user must then hit ‘exit’ to leave that screen” and “[i]nstead, as a user scrolls through

the directory of recorded programs using the arrows on their remote control program, information is automatically populated in a region of the screen” (paras. 535-537).

**v. Remedies (paras. 543-623)**

30. **Accounting of profits:** Even if one or more of the asserted patents was valid and infringed, the trial judge determined that Rovi was not entitled to elect the remedy of an accounting of Videotron’s profits (paras. 579-608).

31. **Damages (in the form of a royalty):** The trial judge determined that the appropriate “reasonable royalty rate” was Videotron’s design-around cost of \$150,000 per feature (paras. 609-623).

**C. The Appeal**

**i. Over-arching reviewable errors regarding liability**

32. Patent law is built upon certain bedrock principles that exist to coax inventive solutions to practical problems into the public domain and to encourage innovation and advances in science and technology. These principles, which include the following, serve to protect objective assessments of patent infringement and validity and to guard against results-oriented advocacy and decision-making:

- a. A patent that has been examined and issued by the Canadian Intellectual Property Office is presumed to be valid pursuant to subsection 43(2) of the *Patent Act*;
- b. Before anything else in a patent suit, construction of the claims is to be done once, for all purposes, through the eyes of a skilled person, imbued only with their common general knowledge (*i.e.*, knowledge that is generally known and accepted without question by the bulk of those who are engaged in the particular art) and not with any extrinsic evidence or any evidence of the subjective intentions of the inventor(s), and without casting an eye to issues of

patent infringement and validity;

- c. It is very difficult to invalidate a patent for lack of novelty or lack of inventiveness pursuant to sections 28.2 or 28.3 of the *Patent Act*, and the party seeking to do so carries a heavy burden to tender clear, cogent and compelling evidence establishing lack of novelty or lack of inventiveness on the typical civil standard of a balance of probabilities;
- d. The skilled person, for purposes of the assessment of construction and validity, by definition, possesses no scintilla of inventiveness or imagination and is wholly devoid of intuition;
- e. The assessment of anticipation, pursuant to section 28.3 of the *Patent Act*, requires that, for purposes of disclosure, the matter relied upon as prior art must disclose subject matter which, if performed, would necessarily result in an infringement of the patent, with no room for trial and error or experimentation by the skilled person; and
- f. The assessment of obviousness, pursuant to section 28.3 of the *Patent Act*, must be conducted without hindsight, such that the operative question is whether, “viewed without any knowledge of the alleged invention as claimed, do the differences between the state of the art and the inventive concept of the claim constitute steps which would have been obvious to the person skilled in the art or do they require any degree of invention?”.

33. The trial judge violated each of these bedrock principles and engaged in an analysis of patent validity and infringement that was tainted with all of the hallmarks of a results-oriented, hindsight analysis.

34. **Results-oriented claims construction:** The trial judge acknowledged that Videotron’s only expert regarding construction, validity and infringement, Mr. Sandoval, did not understand that he was not to shift his construction of a claim term with an eye to issues of validity or infringement (para. 110). In addition, the trial

judge acknowledged that, on several issues of construction, Mr. Sandoval did shift his construction in a manner that favoured Videotron after being made aware of the specifics of Videotron's illico 2 system (or the opinions of Rovi's expert, Dr. Balakrishnan) in a manner that "may bring into question the reliability of his evidence on this point" (para. 116).

35. Nevertheless, the trial judge absolved Mr. Sandoval, applauded his shifting constructions (paras. 118-119) and relied upon those shifts to invalidate the asserted claims or to find them not infringed, even though, each and every time there was a shift, it assisted Videotron's case to the detriment of Rovi's case.

36. The trial judge's wholesale endorsement and adoption of a results-oriented, shifting claims construction was a clear legal error that tainted the entirety of his assessment of the issues of claims construction, infringement and validity.

37. **The "innovative" skilled person:** The trial judge acknowledged that Videotron's only expert regarding construction, validity and infringement, Mr. Sandoval, offered "inconsistent, even incoherent" evidence as to the identity of the skilled person of the asserted patents (para. 101).

38. In addition, the trial judge acknowledged that Mr. Sandoval gave his opinions from the perspective of a skilled person "focused primarily on new technology for the cable industry" (emphasis added) who "can innovate without being inventive" (emphasis added) but nevertheless absolved Mr. Sandoval of having elevated the inventiveness of the skilled person (from possessing no scintilla of inventiveness or imagination and being wholly devoid of intuition, as required by law, to being innovative and focused on new technology).

39. The trial judge's reliance on Mr. Sandoval's opinions regarding construction, invalidity and infringement, notwithstanding his adoption of a skilled person with an incoherent identity (or evidence based upon the perspective of such a person) who is innovative and focused on new technology, was a legal error that tainted the entirety

of his assessment of the issues of claims construction, infringement and validity.

40. **The elevated common general knowledge:** In assessing what constituted the common general knowledge of the skilled person, a key concept that permeates the analysis of claims construction and validity, the trial judge never asked or answered whether the information in question was generally known and accepted without question by the bulk of those who were engaged in the particular art.

41. This was a legal error that tainted the entirety of the trial judge's assessment of the common general knowledge, claims construction and validity.

42. When analyzing the contested issue of "convergence" (paras. 189-205), the trial judge never asked or answered whether, in the late 1990s, it was generally known and accepted without question by the bulk of those in the field that home computing technology could be transferred to STB technology. That some in the field of STB technology borrowed from home computing technology is insufficient to conclude that doing so was common general knowledge.

43. When analyzing the contested issue of "countervailing factors" (paras. 206-214), the trial judge also erred in law by determining that "economic constraints" and "cost barriers" to innovating in the space of STB technology were irrelevant to assessing the skilled person's motivation to innovate in the space of STB technology.

44. This too was a legal error that tainted the entirety of the trial judge's assessment of the common general knowledge, claims construction and validity.

45. **The "read-in" approach to anticipation:** As indicated above, the assessment of anticipation requires that, for purposes of disclosure, the matter relied upon as prior art must disclose subject matter which, if performed, would necessarily result in an infringement of the patent, with no room for trial and error or experimentation by the skilled person. The trial judge fell into legal error by taking an alternative approach whereby clear gaps in the disclosure of the allegedly anticipatory reference could simply be filled in by the innovative skilled person

focused on new technology.

46. In respect of both the 061 Patent and the 629 Patent, the trial judge did not even ask, let alone answer, whether performing the allegedly anticipatory reference would inevitably result in infringement. Given the murky disclosures of each of Blake and Florin, and the trial judge's need to "read in" information, it is clear that, in both cases, performing the allegedly anticipatory references would not result in infringement of the 061 Patent and the 629 Patent, respectively.

47. **The hindsight approach to obviousness:** The asserted patents all had priority dates in 1998 or 1999. Standing in 2022, with the proliferation of television/internet technology over more than twenty years, there is grave danger in applying hindsight to the asserted patents in the assessment of obviousness.

48. This hindsight bias was greatly exacerbated by Videotron's Mr. Sandoval, who, as acknowledged by the trial judge, "had no cable television experience, no mobile device experience, no telecommunication industry experience and no experience with STBs or IPGs" prior to 2001 (para. 85). As acknowledged by the trial judge, "Mr. Sandoval could not speak from personal knowledge acquired at the time as to the [common general knowledge] at the dates relevant to the Patents (1998 and 1999). His view of the [common general knowledge], and other related issues in relation to this matter, had to be reconstructed from other information" (para. 89).

49. In the trial judge's words, "[t]here is therefore reason to be concerned about the reliability of this type of look-back evidence and the risk of hindsight bias" (para. 89). This hindsight bias was exacerbated by the fact that Mr. Sandoval did not even conduct his own prior art search or assemble the dossier of prior art that he relied upon as the "state of the art" as of 1998/1999, instead simply taking the art supplied by Videotron's counsel (para. 94).

50. The trial judge fell into legal error by not only relying on Mr. Sandoval's hindsight evidence but also by articulating and applying a hindsight test for

obviousness. Rather than asking, as is required by law, “whether, viewed without any knowledge of the alleged invention as claimed, do the differences between the state of the art and the inventive concept of the claim constitute steps which would have been obvious to the person skilled in the art or do they require any degree of invention?” (emphasis added), the trial judge instead asked the question backwards, providing the skilled person with the patented solution and then asking if the solution was obvious in view of the prior art, with complete hindsight: “the skilled Person would consider that there is no inventiveness in the idea of using IPGs in the ways described in the 061 Claims in light of Blake and the CGK” (para. 318).

51. The trial judge’s hindsight bias was a legal error that tainted the entirety of his assessment of obviousness.

52. **The absolution of Videotron’s expert:** The trial judge acknowledged a litany of serious concerns regarding Mr. Sandoval’s evidence, including, as noted above, his shifting claims construction, incoherent evidence as to the identity of the skilled person, his treatment of the skilled person as innovative and focused on new technology, his lack of contemporaneous knowledge of the field in 1998/1999 and his use of prior art supplied by counsel (rather than independently gathered).

53. The trial judge acknowledged additional serious concerns regarding Mr. Sandoval’s evidence, including the fact that he did not conduct his anticipation/obviousness analyses on a claim-by-claim basis (para. 120), his analysis was carried out with a “lack of rigour” (para. 120), it was “at times difficult to appreciate what he considered in reaching his conclusions” (para. 120) and the “brevity of his analyses” (para. 120). In the latter regard, Mr. Sandoval’s entire anticipation analysis for the 061 Patent was found in a single paragraph of his report (para. 271) and his analyses of anticipation and obviousness for all of the asserted patents were similarly very brief and conclusory.

54. It was an error of law and/or a palpable and overriding error for the trial judge to rely on expert evidence riddled with the hallmarks of unreliability. To rebut the

presumption of validity, Videotron was required to tender clear and cogent expert evidence establishing, on a balance of probabilities that the asserted patents were invalid for anticipation and/or obviousness.

55. **The mistaken criticisms of Rovi's expert:** In contrast to the forgiving approach the trial judge applied to the deeply flawed evidence of Videotron's Mr. Sandoval, the trial judge instead characterized even the most innocuous "flaws" in the evidence of Rovi's Dr. Balakrishnan as being sufficient to disregard his evidence.

56. The trial judge's most serious criticisms of Dr. Balakrishnan related to his approach to reading and understanding the prior art through the eyes of the skilled person. As is apparent from the face of the trial judge's reasons (paras. 72-73), these criticisms are baseless and flow from the trial judge's misunderstanding of the relevant technology.

57. It was an error of law and/or a palpable and overriding error for the trial judge to discount the expert evidence of Dr. Balakrishnan.

**ii. Reviewable errors regarding the 061 Patent (Remote Recording)**

58. In addition to the over-arching errors described above, the trial judge committed additional specific reviewable errors regarding the 061 Patent.

59. **Construction:** The trial judge committed reviewable errors of law and/or palpable and overriding errors in arriving at his construction of the asserted claims of the 061 Patent by, among other things, relying upon the disclosure of the 061 Patent to narrow the scope of the asserted claims of the 061 Patent.

60. The trial judge committed reviewable errors in construing the phrase "remote access interactive television program guide" to include something that "may provide a user with program listings organized by type or theme, as illustrated...in Figure 8 of the 061 Patent" (para. 236). The trial judge appears to have interpreted the phrase to include something that merely provides program listings organized by type or theme,



with nothing more.

61. The trial judge also committed reviewable errors in construing the phrases “recording by” and “configured to record” to mean that “the ‘Local IPG’ must itself be configured to effect the local recording of a program” (para. 259). The 061 Patent does not restrict the way in which the software is architected, be it as a single monolithic piece of software, in modules, or in multiple applications.

62. In arriving at his construction, the trial judge committed reviewable errors by, among other things: (a) relying upon dictionary definitions rather than the 061 Patent and the skilled person’s common general knowledge; (b) relying upon the interpretation of “configured to” in an entirely different decision of the Federal Court regarding an entirely different patent; (c) relying upon the inventor’s supposed subjective intentions as reflected in an article authored by the inventor; and/or (d) relying upon the evidence of Mr. Armaly.

63. **Validity:** Regarding anticipation by Blake, as described above, the trial judge applied a “read in” approach to the disclosure analysis, which was a clear legal error.

64. The trial judge committed additional reviewable errors in concluding that Blake discloses a “Remote IPG” and a “Local IPG” configured to record the television program selected by the user.

65. Regarding obviousness by DAVIC plus Blake and the skilled person’s common general knowledge and/or by Blake plus the skilled person’s common general knowledge, as described above, the trial judge applied incorrect approaches to the identity and attributes of the skilled person, elevated the common general knowledge of the skilled person, read claim features into the prior art which were not contained therein, construed the inventive concept(s) of the asserted claims using the prior art and adopted a hindsight perspective, which were all reviewable errors.

66. **Infringement:** As described above, the trial judge relied upon Mr. Sandoval’s results-oriented, shifting construction of claim terms, which resulted in clear legal

error in his construction and infringement analyses.

67. The trial judge committed additional reviewable errors in concluding that Videotron did not infringe the claim element “recording by the local interactive television program guide” (paras. 331-338) on the basis that the illico 2 system does not contain a “Local IPG configured to record” (para. 337).

**iii. Reviewable errors regarding the 870 Patent (Multi-room PVR)**

68. **Validity:** Regarding obviousness by DAVIC plus the skilled person’s common general knowledge, as described above, the trial judge applied incorrect approaches to the identity and attributes of the skilled person, elevated the common general knowledge of the skilled person and adopted a hindsight perspective, read claim features into DAVIC which were not contained therein, construed the inventive concept(s) of the asserted claims using the prior art and determined that gaps that existed between the prior art and the inventive concept(s) of the asserted claims would be bridged without inventive ingenuity without any explanation or evidence to support such a conclusion, all of which were reviewable errors.

**iv. Reviewable errors regarding the 344 Patent (IPG Coordination)**

69. **Construction:** The trial judge committed reviewable errors of law and/or palpable and overriding errors in arriving at his construction of the asserted claims of the 344 Patent by, among other things, disregarding the expert evidence as to the appropriate construction and arriving at his own unsupported construction.

70. The trial judge committed reviewable errors in construing the phrase “coordinating” in claim 113 of the 344 Patent to mean “to coordinate operation of guides with similar settings” (paras. 422-435). Among other reviewable errors, the trial judge utilized the disclosure of the 344 Patent (including Figures 2 and 4a of the 344 Patent) to narrow the scope of the claims and tainted his analysis of construction by incorporating a view to the issue of infringement.

71. **Validity:** Regarding obviousness by DAVIC plus the skilled person's common general knowledge, as described above, the trial judge applied incorrect approaches to the identity and attributes of the skilled person, elevated the common general knowledge of the skilled person, read claim features into DAVIC which were not contained therein, adopted a hindsight perspective, including in respect of the prominence of DAVIC and the motivations which it had created at the relevant time, and concluded, without evidentiary basis, that the gaps that existed between DAVIC and the asserted claims of the 344 Patent could be bridged without inventive ingenuity, all of which were reviewable errors.

72. **Infringement:** As described above, the trial judge relied upon Mr. Sandoval's results-oriented, shifting construction of claim terms, which resulted in clear legal error in his construction and infringement analyses.

73. The trial judge committed additional reviewable errors in concluding that Videotron did not infringe the asserted claims of the 344 Patent on the basis that "the illico 2 system does not provide for coordination between the operation of IPGs" (paras. 472-475).

**v. Reviewable errors regarding the 629 Patent (Recording Directory)**

74. **Construction:** The trial judge committed reviewable errors of law and/or palpable and overriding errors in arriving at his construction of the asserted claims of the 629 Patent by, among other things, construing the asserted claims of the 629 Patent with a view to the issue of infringement and relying upon the disclosure of the 629 Patent to narrow the scope of the asserted claims of the 629 Patent.

75. The trial judge committed reviewable errors in construing the phrase "means for providing a user with an opportunity to select directory entry information" in claim 79 of the 629 Patent to mean that "a user must actually take a second step, by press[ing] another button or tak[ing] some further action ('entering an appropriate command'), to receive ('access') the additional information as such information is

provided by way of a ‘full entry information screen’” (paras. 487-491).

76. The trial judge committed reviewable errors in construing the phrase “full entry information screen” in claim 79 of the 629 Patent to mean “another screen, such as a completely separate full screen or overlaying screen, but in any case a screen that is distinct from the directory screen” that “fully paints over the display” (paras. 492-499).

77. **Validity:** Regarding anticipation by Florin, as described above, the trial judge applied a “read in” approach to the disclosure analysis, which was a clear legal error. Essential elements of the asserted claims that were plainly absent in Florin were simply and repeatedly “read-in” to enable a finding of anticipation.

78. Regarding obviousness by Florin plus the skilled person’s common general knowledge, Girard plus the skilled person’s common general knowledge and/or Florin plus Girard, as described above, the trial judge applied incorrect approaches to the identity and attributes of the skilled person, elevated the common general knowledge of the skilled person, adopted a hindsight perspective and concluded, without evidentiary basis, that the gaps that existed between the cited prior art, coupled with the common general knowledge, and the asserted claims of the 629 Patent could be bridged without inventive ingenuity, all of which were reviewable errors.

79. **Infringement:** As described above, the trial judge relied upon Mr. Sandoval’s results-oriented, shifting construction of claim terms, which resulted in clear legal error in his construction and infringement analyses.

80. The trial judge committed additional reviewable errors in concluding that Videotron did not infringe the asserted claims of the 629 Patent on the basis that the EPG Application in the illico 2 system “has no responsibility over recording or storing programs” and on the basis that “a user cannot click on a program in the directory and be provided with a ‘full entry information screen’, either as a full screen or as an overlay screen, where the user must then hit ‘exit’ to leave that screen” and

“[i]nstead, as a user scrolls through the directory of recorded programs using the arrows on their remote control program, information is automatically populated in a region of the screen” (paras. 535-537).

**vi. Reviewable errors regarding Remedies**

81. **Accounting of Profits:** The trial judge’s decision not to permit Rovi to elect an accounting of Videotron’s profits is nearly unprecedented and rests on clear legal error and/or palpable and overriding error.

82. **Undue delay:** Regarding the factor of “undue delay”, the trial judge found that there “has been no delay by Rovi” (para. 583) but incorrectly concluded that this “factor is neutral” rather than favourable to granting Rovi’s election.

83. **Rovi’s conduct:** Regarding the factor of “Rovi’s conduct”, the trial judge erred in law by essentially finding that being a tough negotiator is sufficient to disentitle a patentee from an accounting of profits. If this were so, then none of the numerous historical awards of an accounting of profits made by the Federal Court and this Court ought to have been made.

84. While Rovi disputes the entirety of the trial judge’s characterizations of its negotiating and business practices, which rest on palpable and overriding error, there is also no basis in law for “hard-ball” business tactics to deny a patentee the right to elect an accounting of profits. Indeed, Canadian law recognizes and endorses the right of businesses to act in their economic self-interest.

85. The trial judge’s description of Rovi’s business practices as being “questionable” and as colouring his view of the “value of the features that it claims in the Patents” (para. 594) evidences a clear misunderstanding of the law as to permitted business practices, the law of equity and the law as to the assessment of remedies for patent infringement.

86. In summary, the trial judge’s finding that this “factor weighs heavily against

Rovi” rests on clear legal error and/or palpable and overriding error.

87. ***Videotron’s conduct:*** Despite the fact that Videotron was previously licensed under the asserted patents and chose to cease to be licensed and to instead take a gamble that it could succeed in arguing that the patents were invalid and/or not infringed, the trial judge absolved Videotron of any wrongdoing, finding that its refusal to renew the licence was “well-founded” and “based on a reasonable assessment of the necessity of the patents” (para. 598). These findings rest on palpable and overriding error, including because there was no evidence of Videotron’s assessment of the patents.

88. The trial judge’s finding that this factor “is neutral” rests on clear legal error and/or palpable and overriding error.

89. ***Whether Rovi practised the invention:*** Despite finding that Rovi does practise the asserted patents in Canada, the trial judge incorrectly concluded that this is a “neutral factor” rather than favourable to granting Rovi’s election.

90. ***Complexity:*** Despite finding that the “complexity of the evidence [relating to an accounting of profits] could be overcome” (para. 607), the trial judge concluded that he was “not satisfied that using any methods proposed by Rovi’s expert to calculate profits, which would be fraught with insufficient, speculative, and contradicted evidence would allow me to arrive to [*sic*] reliable and appropriate amount reflecting Videotron’s profits” (para. 607).

91. This finding of the trial judge cannot be reconciled with his finding that “the expert witnesses who opined on the issues of remedy were well qualified in their area of expertise and I do not doubt their impartiality. They were fair and balanced in their opinions – the epitome of what an expert witness should be” (para. 546).

92. The Federal Court and this Court have been called upon numerous times to engage in complex, contested assessments of remedies and there was nothing peculiar about Rovi’s claim or the expert evidence that ought to have disintitled Rovi from the

right to elect.

93. The trial judge's finding that this factor "militates against granting an accounting of profits" rests on clear legal error and/or palpable and overriding error.

94. **Damages (in the form of a royalty):** In his assessment of damages, the trial judge misapprehended the correct legal construct and did not apply any of the governing jurisprudence of this Court, resulting in clear legal error and/or palpable and overriding error.

95. The trial judge was required to create a hypothetical but-for infringement world and to compare Rovi's position in that but-for world (in terms of revenues and profits) to Rovi's position in the real world (in terms of revenues and profits) and to award the difference to Rovi as damages.

96. Rovi argued that, in the absence of infringing the asserted patents, it was more likely than not that Videotron would have taken a licence from Rovi (as it did before) at the portfolio rate, resulting in Rovi earning royalty revenues in the but-for world that it did not earn in the real world. Hence, the appropriate damages award to Rovi was the amount sought at the below trial.

97. Videotron argued that, in the absence of infringing the asserted patents, it was more likely than not that Videotron would have designed around the asserted patents and implemented a design change (which it never did in the real world despite being sued for patent infringement) or would have at least threatened to do so with sufficient credibility to Rovi so as to pay no more than the cost of the design change (\$150,000 per feature) as a one-time royalty.

98. As a matter of law, given its position, Videotron ought to have been required to prove that it "could have" and "would have" deployed its non-infringing alternative design change, with all of the evidentiary rigour demanded by the governing jurisprudence of this Court. Given that conduct in the real world is very important to what would have happened in the but-for world and given that brazen infringement in

the real world (*e.g.*, in the face of a lawsuit) makes it very difficult to prove that a defendant would have deployed a non-infringing alternative in the but-for world, the evidentiary burden on Videotron ought to have been a very heavy one.

99. The trial judge did not place any burden on Videotron and did not consider or apply any of the governing jurisprudence of this Court regarding non-infringing alternatives, resulting in clear legal error.

100. The trial judge instead engaged in an analysis of the appropriate “reasonable royalty rate” (para. 609), which is a fictional legal construct (derived from the “user principle”) that only becomes legally relevant when a patentee is unable to prove that it suffered any direct financial losses as a result of the infringement. This fictional legal construct would only become legally relevant if Videotron proved that, in the but-for infringement world, it could have and would have actually deployed a design change (*i.e.*, a non-infringing alternative) and taken no licence at all from Rovi. In that event, Rovi would not have suffered any direct financial losses as a result of the infringement and would nevertheless be entitled to claim a “reasonable royalty” based upon the fictional legal construct of a hypothetical negotiation conducted on the eve of first infringement by Videotron (*i.e.*, January 1, 2017).

101. Given the trial judge misapprehended the law and applied the incorrect legal framework and test, his entire analysis is based upon clear legal error.

102. In addition, the trial judge made additional subordinate legal errors, including relying upon the opinion evidence of fact witnesses (Ms. Paquet and Mr. Lessard) as to what Videotron’s customers would have done had Videotron deployed a design change and the value of the patented features to Videotron’s customers (paras. 612-618). The trial judge acknowledged that fact witnesses “cannot testify on matters beyond their own conduct and that of their businesses in the ‘but for’ world” (para. 618) and then permitted Ms. Paquet and Mr. Lessard to do precisely that. The trial judge also did so in the face of opinion evidence from duly qualified experts that completely contradicted the evidence of Ms. Paquet and Mr. Lessard.



103. The trial judge committed additional reviewable errors in arriving at his “reasonable royalty” of \$150,000 per feature including by: (a) ignoring factors set out in the governing jurisprudence regarding setting an appropriate royalty; (b) relying upon “tracking surveys” as reflecting the limited impact of system features on consumer choice; and/or (c) finding that Rovi “simply led no independent evidence of the value of its own patented features” when Rovi in fact led clear and compelling evidence from duly qualified experts regarding its damages (in the form of a royalty), whose evidence the trial judge lauded and then ignored or rejected, without any explanation.

104. Rovi relies on such further and other grounds as counsel may advise and this Honourable Court may permit.

105. Rovi proposes that the Appeal be heard in Toronto, Ontario.

**DATED: September 12, 2022**




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Court File No. A-\_\_\_\_\_-\_\_\_\_\_  
(T-921-17)

**FEDERAL COURT OF APPEAL**

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**B E T W E E N:**

**ROVI GUIDES, INC.**

Appellant  
(Plaintiff/Defendant by Counterclaim)

-and-

**VIDEOTRON LTD.**

Respondent  
(Defendant/Plaintiff by Counterclaim)

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**NOTICE OF APPEAL**

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