



Canadian International
Trade Tribunal

Tribunal canadien du
commerce extérieur

CANADIAN
INTERNATIONAL
TRADE TRIBUNAL

Procurement

ORDER AND REASONS

File No. PR-2020-042

Weir-Jones Engineering Ltd.
and Weir-Jones Engineering
Consultants Ltd.

v.

Department of Public Works and
Government Services

*Order and reasons issued
Thursday, November 26, 2020*

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IN THE MATTER OF a complaint filed by Weir-Jones Engineering Ltd. and Weir-Jones Engineering Consultants Ltd. pursuant to subsection 30.11(1) of the *Canadian International Trade Tribunal Act*, R.S.C., 1985, c. 47 (4th Supp.);

AND FURTHER TO a decision of the Canadian International Trade Tribunal to conduct an inquiry into the complaint pursuant to subsection 30.13(1) of the *Canadian International Trade Tribunal Act*.

BETWEEN

**WEIR-JONES ENGINEERING LTD. AND WEIR-JONES
ENGINEERING CONSULTANTS LTD.**

Complainants

AND

**THE DEPARTMENT OF PUBLIC WORKS AND GOVERNMENT
SERVICES**

**Government
Institution**

ORDER

Having regard to the complexity of the issues raised by the parties, as disclosed by the materials filed to date with the Tribunal, and the statutory requirements governing the Tribunal's disposition of procurement matters, the Tribunal is fixing the following timetable for next steps:

1. The complainants shall serve and file, by no later than December 4, 2020, a statement identifying:
 - (a) the specific claims of the asserted patents which the complainants allege would be infringed by the content of the Request for Proposal Solicitation No. 23240-200912/B (RFP);
 - (b) the specific claims of the asserted patents which the complainants allege would be infringed by the content of a bid tendered by a bidder who adheres to the prescribed requirements of the RFP;
 - (c) the goods, services, or methods, including the particular aspects, elements or performance characteristics thereof, as prescribed by the RFP which fall within the scope of the patent claims referred to in (a) and (b) above;
 - (d) the specific acts defined or prescribed by the RFP which constitute use, and alleged consequential infringement, of the trademarks owned and asserted by the complainants.
2. PWGSC may submit a sur-reply confined to the issues identified in its letter of November 23, 2020. Any such sur-reply must be served and filed by December 4, 2020.
3. The parties may, by no later than December 30, 2020, serve and file additional evidence and written submissions to address any issues that may arise from the information to be provided pursuant to items 1 and 2 above.
4. Should any party wish to present evidence at the hearing by way of testimony of expert and/or fact witnesses, a statement or affidavit setting forth the proposed testimony of each such witness shall be served and filed by no later than December 30, 2020.

5. A public hearing on the merits of the complaint will be held by way of videoconference on January 4 and 5, 2021, commencing at 11:00 a.m. EST (8:00 a.m. PST).

6. The date for the issuance of the Tribunal's findings and recommendations is hereby extended to 135 days, pursuant to paragraph 12(1)(c) of the *Canadian International Trade Tribunal Procurement Inquiry Regulations*.

7. Should the parties wish to vary this timetable for next steps prescribed by items 1-4 above, they are encouraged to do so by way of joint submission. In the alternative, either party may seek leave of the Tribunal to vary the timetable, upon showing good reason.

Susan D. Beaubien

Susan D. Beaubien
Presiding Member

STATEMENT OF REASONS

[1] Weir-Jones Engineering Ltd. and Weir-Jones Engineering Consultants Ltd. (collectively referred to herein as “Weir-Jones”) has filed a complaint with the Canadian International Trade Tribunal concerning a Request for Proposal (Solicitation No. 23240-200912/B) pertaining to provision of an earthquake early warning system (RFP).

[2] The tender process is being administered by the Department of Public Works and Government Services (PWGSC) on behalf of Natural Resources Canada (NRCan). The RFP was issued on September 11, 2020, with a closing date of September 25, 2020.

[3] Weir-Jones’ complaint was filed on September 15, 2020, and supplemented such that it was deemed complete and filed as of September 25, 2020. The Tribunal accepted the complaint for inquiry on October 2, 2020, and notified the parties accordingly.

[4] On October 5, 2020, the Tribunal issued an Order pursuant to subsection 30.13(3) of the *Canadian International Trade Tribunal Act*, postponing issuance of any contract pursuant to the RFP, until disposition of these proceedings.

[5] The Government Institution filed its report (GIR) on November 2, 2020. Weir-Jones provided extensive comments in reply on November 12, 2020.

[6] The materials filed by the parties so far define several complex issues for decision. Some, but not all, are summarized below.

[7] Weir-Jones alleges that the requirements and statement of work as prescribed by the RFP infringe, or will induce or cause prospective bidders to infringe, certain intellectual property rights owned by Weir-Jones, including Canadian Patent 3,027,717 and registrations for the trademarks SHAKEALERT and SHAKEALARM.

[8] According to Weir-Jones, NRCan was well aware of Weir-Jones’ intellectual property rights and yet still prepared the RFP with its eyes open and knowing that the RFP content misappropriated, or would cause third-party bidders to misappropriate intellectual property owned by Weir-Jones. Such actions are alleged to contravene the government’s obligation to conduct procurement in a fair, open and transparent manner. As such, Weir-Jones contends that NRCan has acted in a manner that contravenes the government’s obligations under trade agreements to which Canada is a party, thus giving rise to this complaint.

[9] PWGSC argues that Weir-Jones’ complaint was filed too late. It says that the RFP content now complained of was included within a prior Request for Information to which Weir-Jones did not object. Accordingly, PWGSC contends that it is now too late for Weir-Jones to complain to the Tribunal. This argument is contested by Weir-Jones on several grounds.

[10] Additionally, PWGSC claims that the Tribunal is not the appropriate forum to decide the infringement issues raised by Weir-Jones. It cites the Tribunal’s decision in *Noël Import/Export*¹ in support of this argument.

¹ *Noël Import/Export* (21 May 2003), PR-2002-036 (CITT).

[11] In reply, Weir-Jones asserts that the facts in *Noël Import/Export* are distinguishable from those in this case. Indeed, Weir-Jones points to certain passages in *Noël Import/Export* which it says support its view that the Tribunal has jurisdiction to decide infringement issues where the alleged infringement arises from the procurement process itself, as opposed to a contract awarded at the conclusion of the tender. Weir-Jones contends that those facts exist here and that *Noël Import/Export* reinforces its position.

[12] At this stage, the Tribunal has not made any substantive findings concerning these issues, or any other issues, that have been raised by the parties. However, the Tribunal must render its findings within the statutory time frame prescribed by section 12 of the *Canadian International Trade Tribunal Procurement Inquiry Regulations*. As such, the proceedings should be structured to facilitate disposition of cases on their merits as informally, inexpensively, and expeditiously as the circumstances and considerations of fairness permit.²

[13] Any findings concerning the merits of Weir-Jones' complaint that the RFP and procurement process are fatally flawed³ are likely to be contingent on at least a *prima facie* finding that Weir-Jones' infringement allegations have a solid foundation. The test to be applied by the Tribunal in this regard should be argued by the parties, with reference to relevant law and jurisprudence, including *Noël Import/Export*.

[14] At this stage, the Tribunal finds that the parties have not submitted sufficient evidence or argument to enable the Tribunal to assess the substantive merits of the infringement allegations made by Weir-Jones.⁴ Those allegations have been broadly made⁵ and denied,⁶ but without sufficient particularity.⁷

[15] In order to consider such issues, including whether the RFP constitutes inducement⁸ or invitation to infringe,⁹ evidence and argument directed to identifying the scope of the monopoly rights claimed by Weir-Jones should be provided,¹⁰ together with facts and evidence that would tend to show whether or not PWGSC has used¹¹ Weir-Jones' patented invention and/or its trademarks,¹² such that the RFP or any bids in response thereto would consequentially fall within the scope of statutory monopoly rights afforded to Weir-Jones.

² See section 35, *Canadian International Trade Tribunal Act*, RSC 1985, c. 47 (4th Supp.); section 3 of the *Canadian International Trade Tribunal Rules*, SOR/91-499.

³ Thus giving rise to a breach of the trade agreements.

⁴ For example, Revised Complaint, Exhibit PR-2020-042-01A at 11-13; Reply to GIR, Exhibit PR-2020-042-11 at 11-12, 20-22.

⁵ *Ibid.*

⁶ For example, GIR, Exhibit PR-2020-042-09 at 19-25; McCormack Affidavit at para. 10, Exhibit PR-2020-042-09 at 29.

⁷ For example, see *Free World Trust v. Électro Santé Inc.*, 2000 SCC 66 at para. 32 *et seq.*; *Dow Chemical Co. v. Kayson Plastics & Chemicals Ltd.* (1966), 47 C.P.R. 1 (Ex.Ct.) at 11; *Ferstay v. Dywidag Systems International*, 2008 BCSC 793 at paras. 24-30; *Northern Telecom Ltd. v. Reliance Electric Co. et al.* (1986), 8 C.P.R. (3d) 224.

⁸ See e.g. *MacLennan v. Produits Gilbert Inc.*, 2008 FCA 35 at paras. 13-15, 33-46.

⁹ For example, Reply to GIR, Exhibit PR-2020-042-11 at 11.

¹⁰ With respect to the allegations of patent infringement made by Weir-Jones, construction of the relevant claims should be addressed.

¹¹ For example, see *Monsanto Canada Inc. v. Schmeiser*, 2004 SCC 34 at paras. 58, 28-38, 45-49.

¹² For example, see section 4, *Trademarks Act*, R.S.C., 1985, c. T-13.

[16] Weir-Jones has requested that the Tribunal conduct an oral hearing, by way of videoconference or teleconference.¹³

[17] PWGSC alleges that Weir-Jones' comments with respect to the GIR has raised new issues and allegations. It asks for the right to address these matters by way of further reply.¹⁴

[18] In view of the foregoing, the Tribunal has decided that both parties shall have the opportunity to file additional evidence and submissions and that an oral hearing is warranted. The additional evidence and submissions should address the issues and gaps discussed above in paragraphs 13-15 of these Reasons, but may be used to supplement or rebut argument with respect to other issues that have already been put in play by the materials already filed with the Tribunal.

[19] PWGSC is granted leave to file a sur-reply, confined to the matters raised in its letter of November 23, 2020.

[20] Having regard to the complexity of the issues raised by the parties, as disclosed by the materials filed to date with the Tribunal, and the statutory requirements governing the Tribunal's disposition of procurement matters, the Tribunal is fixing the following timetable for next steps:

1. The complainants shall serve and file, by no later than December 4, 2020, a statement identifying:
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¹³ Reply to GIR, Exhibit PR-2020-042-11 at 2.

¹⁴ Letter dated November 23, 2020.

5. A public hearing on the merits of the complaint will be held by way of videoconference on January 4 and 5, 2021, commencing at 11:00 a.m. EST (8:00 a.m. PST).
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