



Canadian International  
Trade Tribunal

Tribunal canadien du  
commerce extérieur

CANADIAN  
INTERNATIONAL  
TRADE TRIBUNAL

# Procurement

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## DETERMINATION 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

*Determination issued  
Friday, February 5, 2021*

*Reasons issued  
Friday, March 5, 2021*

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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 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**

**DETERMINATION**

Pursuant to subsection 30.14(2) of the *Canadian International Trade Tribunal Act (CITT Act)*, the Canadian International Trade Tribunal determines that the complaint is not valid.

Pursuant to section 30.16 of the *CITT Act*, the Tribunal awards the Department of Public Works and Government Services its reasonable costs incurred in responding to the complaint, which costs are to be paid by Weir-Jones Engineering Ltd. and Weir-Jones Engineering Consultants Ltd. In accordance with the *Procurement Costs Guideline*, the Tribunal's preliminary indication of the level of complexity for this complaint case is Level 3. The Tribunal's preliminary indication of the amount of the cost award is \$4,700. If any party disagrees with the preliminary level of complexity or indication of the amount of the cost award, it may make submissions to the Tribunal, as contemplated in Article 4.2 of the *Procurement Costs Guideline*. The Tribunal reserves jurisdiction to establish the final amount of the cost award.

Susan D. Beaubien

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Susan D. Beaubien

Presiding Member

The statement of reasons will be issued at a later date.

Tribunal Panel: Susan D. Beaubien, Presiding Member

Support Staff: Heidi Lee, Counsel

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

Counsel for the Complainant: Rebecca M. Morse  
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## STATEMENT OF REASONS

### OVERVIEW

[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 the provision of an earthquake early warning system (RFP).<sup>1</sup>

[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 by PWGSC on September 11, 2020, with a closing date of September 25, 2020.<sup>2</sup>

### FACTUAL BACKGROUND

[3] On August 11, 2019, a representative of NRCan contacted Weir-Jones to inquire about a visit to Weir-Jones’s facility in order to discuss NRCan’s earthquake early warning (EEW) program.<sup>3</sup> Weir-Jones agreed to the visit, and the meeting took place on December 6, 2019. At the meeting, NRCan gave a presentation with respect to the EEW program. By way of follow-up correspondence, Weir-Jones expressed interest in the project and indicated that it would be providing NRCan with additional literature.<sup>4</sup>

[4] In late January or February 2020, Weir-Jones wrote to NRCan to inquire about the status of the EEW system project. On April 23, 2020, NRCan advised that preparation of this Request for Information (RFI) was progressing much more slowly than expected. The following day, Weir-Jones provided NRCan with further information concerning its EEW technology, including a description of the “ShakeAlarm hardware/software platform,” together with the capabilities, development, and ongoing uses of that platform. Weir-Jones also confirmed that it had a system capable of interacting with the United States Geological Survey (USGS) ShakeAlert™ system but identified some of the limitations and perceived drawbacks of the USGS system.<sup>5</sup>

[5] On June 3, 2020, PWGSC issued the RFI by way of Letter of Interest with respect to a Seismic Equipment and Supply System. The RFI had a closing date of July 7, 2020.<sup>6</sup> An amendment was issued on June 15, 2020, but the closing date remained unaffected.<sup>7</sup>

[6] The RFI contained the following overview:

NRCan intends to develop and operate an Earthquake Early Warning System (EEW) for Canada. The system is expected to consist of a large number of sensor stations (seismic instruments and supporting electronics and infrastructure) installed in locations that are close to areas at risk from a major earthquake and contain significant populations or protectable critical infrastructure. The network is expected to be supplemented by additional sensor

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<sup>1</sup> Exhibit PR-2020-042-08 at 3.

<sup>2</sup> *Ibid.*

<sup>3</sup> Exhibit PR-2020-042-01A at 246.

<sup>4</sup> *Ibid.* at 247.

<sup>5</sup> Exhibit PR-2020-042-01 at 248-258.

<sup>6</sup> Exhibit PR-2020-042-01A at 128.

<sup>7</sup> *Ibid.* at 242.

stations installed and maintained by partners and partially funded through a Grants and Contributions (G&C) scheme. In addition to the sensor stations, the system will also comprise fast communications links, data centres and software systems. Data from the stations will be rapidly processed in the data centres through specialized software, and alerts will be generated for significant earthquakes. Finally, the system will also include alert dissemination systems to inform Canadians, government entities, and other designated recipients.<sup>8</sup>

[7] The objects of the RFI were described as follows:

The intent of this request for information (RFI) is to explore options for procurement of sensor equipment, data acquisition software, station infrastructure (including power systems, management, and communications hardware) and installation services for the EEW system. It may assist in the development of a formal request for procurement of relevant products/services (called in this document the follow-on procurement). The RFI consists of a set of annotated . . . provisional specifications where the annotations provide guidance or ask questions to industry as well as a separate section containing direct Questions to Industry. Two general areas are being explored through this document:

- The first is the clarification of some of the requirements for the EEW system. For this purpose the documents include set of draft specifications for the market to comment on and a set of questions whose answers will assist in refining the specifications.  
**Note that suppliers are not required to answer all of the questions.**
- The second purpose is to help ascertain if there are potential suppliers in the market who are able to deal with all three aspects of the project: instrument (and data centre) procurement, infrastructure procurement and installation services.<sup>9</sup>

[8] The RFI also specified that NRCan would be using the USGS ShakeAlert™ software system for data processing and alert generation, and acknowledged Weir-Jones's rights in Canada to the trademark SHAKEALERT.<sup>10</sup>

[9] Weir-Jones replied to the RFI on July 4, 2020,<sup>11</sup> and submitted follow-up correspondence where it expressed some frustration that the draft specifications appeared to be tailored towards the hardware of a competitor ("X"), leaving the impression of sole sourcing in favour of X. Weir-Jones also indicated surprise that the RFI made no mention of its EEW intellectual property (aside from a reference to its SHAKEALERT trademark in Canada), notwithstanding Weir-Jones's extensive expertise in relation to EEW systems.<sup>12</sup>

[10] NRCan replied that there was no intention to favour any particular supplier (i.e. X) and that NRCan's objective was a process that was as "open and fair as possible."<sup>13</sup>

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<sup>8</sup> *Ibid.* at 130.

<sup>9</sup> *Ibid.*

<sup>10</sup> *Ibid.* at 131.

<sup>11</sup> *Ibid.* at 259; Exhibit PR-2020-042-01B.

<sup>12</sup> *Ibid.* at 260.

<sup>13</sup> *Ibid.* at 261.

[11] The RFP was issued on September 11, 2020. An amendment to the RFP was issued on September 14, 2020.<sup>14</sup> Additional amendments were later issued on October 6, 2020,<sup>15</sup> and October 21, 2020.<sup>16</sup>

[12] Weir-Jones's complaint was filed with the Tribunal on September 15, 2020,<sup>17</sup> and supplemented at the Tribunal's request,<sup>18</sup> by way of an amended complaint filed on September 25, 2020.<sup>19</sup>

[13] Weir-Jones objects to the content of the RFP because it views it as an invitation to competitors to infringe Weir-Jones's intellectual property rights, both in Canada and the United States.

[14] More particularly, Weir-Jones alleges that the specifications prescribed by the RFP will infringe, or will induce or cause prospective bidders to infringe, on certain intellectual property rights owned by Weir-Jones, including Canadian Patent 3,027,717 ('717 Patent) and registrations for the trademarks SHAKEALERT and SHAKEALARM. This concern was expressed to be underpinned, at least in part, by RFP specifications requiring processing of seismic data on servers in the United States operated by the USGS.<sup>20</sup> As a result, Weir-Jones claims that the tender process is thus fundamentally flawed.

[15] Weir-Jones asserts that licencing of Weir-Jones's intellectual property rights in relation to EEW was apparently discussed with NRCan at the December 6, 2019, meeting, but this is not mentioned in the follow-up correspondence to the meeting.<sup>21</sup> Weir-Jones apparently believes that NRCan had committed to use Weir-Jones's EEW intellectual property, and its complaint expresses the concern that NRCan has made ". . . little to no effort to finalize the licencing agreement with us. . . ." <sup>22</sup>

[16] In its amended complaint, Weir-Jones identified and provided copies of its EEW intellectual property registrations, namely Canadian Patent No. 3,027,717,<sup>23</sup> U.S. Patent 10,755,548 B<sup>24</sup> ('548 Patent), Canadian Trademark Registration No. TMA853230-SHAKEALARM,<sup>25</sup> U.S. Trademark Registration 4910392-SHAKEALARM,<sup>26</sup> U.S. Trademark Registration 5281799-SHAKEALARM

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<sup>14</sup> *Ibid.* at 244; Exhibit PR-2020-042-08 at 156.

<sup>15</sup> Exhibit PR-2020-042-9B at 42.

<sup>16</sup> *Ibid.* at 45.

<sup>17</sup> Exhibit PR-2020-042-01.

<sup>18</sup> Exhibit PR-2020-042-02.

<sup>19</sup> Exhibit PR-2020-042-01A.

<sup>20</sup> Exhibit PR-2020-042-01 at 7.

<sup>21</sup> *Ibid.* at 7, 247.

<sup>22</sup> *Ibid.* at 7.

<sup>23</sup> Exhibit PR-2020-042-01A at 15.

<sup>24</sup> *Ibid.* at 81.

<sup>25</sup> *Ibid.* at 106.

<sup>26</sup> *Ibid.* at 108.

Design,<sup>27</sup> Canadian Trademark Registration TMA1036004-SHAKEALERT,<sup>28</sup> and U.S. Trademark Application No. S.N. 8735879-SHAKEALERT.<sup>29</sup>

[17] Also included was a copy of a coexistence agreement between Weir-Jones and the USGS, executed in June 2018, wherein the parties agreed that their respective trademarks SHAKEALARM and SHAKEALERT could co-exist in the United States.<sup>30</sup>

[18] Weir-Jones initially sought as a remedy that its EEW technology be purchased or licenced by NRCan.<sup>31</sup> In its amended complaint, Weir-Jones asks that the RFP be re-issued, with the successful bidder being required to licence Weir-Jones's intellectual property. Weir-Jones also seeks reimbursement of its complaint costs.<sup>32</sup>

[19] The Tribunal accepted the complaint for inquiry on October 2, 2020, and notified the parties accordingly.<sup>33</sup>

[20] On October 5, 2020, the Tribunal issued an Order pursuant to subsection 30.13(3) of the *Canadian International Trade Tribunal Act (CITT Act)* postponing issuance of any contract pursuant to the RFP until disposition of these proceedings.<sup>34</sup>

[21] PWGSC filed the Government Institution Report (GIR) on November 2, 2020.<sup>35</sup>

[22] In addition to the written submissions of PWGSC,<sup>36</sup> the GIR included, as a confidential exhibit, a copy of a Memorandum of Collaboration (Memorandum) between NRCan and the USGS.<sup>37</sup>

[23] The GIR also included a short affidavit from David McCormack, the Director for the Canadian Hazards Information Service Directorate at NRCan. Mr. McCormack stated that he had met with Weir-Jones on December 6, 2019, to discuss NRCan's EEW program and that other members of his team had conducted similar meetings with other stakeholders in March 2020.<sup>38</sup>

[24] Mr. McCormack provided a brief description of NRCan's working relationship with the USGS, explaining that NRCan agreed to adopt the USGS EEW software<sup>39</sup> in 2018 in order to participate in a unified Canada-U.S. EEW system project. According to Mr. McCormack, the USGS EEW software is open source and uses open protocols for communication.<sup>40</sup>

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<sup>27</sup> *Ibid.* at 110.

<sup>28</sup> *Ibid.* at 112.

<sup>29</sup> *Ibid.* at 113.

<sup>30</sup> *Ibid.* at 115.

<sup>31</sup> Exhibit PR-2020-042-01 at 7.

<sup>32</sup> Exhibit PR-2020-042-01A at 10.

<sup>33</sup> Exhibit PR-2020-042-04; Exhibit PR-2020-042-05.

<sup>34</sup> Exhibit PR-2020-042-07.

<sup>35</sup> Exhibit PR-2020-042-09A; Exhibit PR-2020-042-09B.

<sup>36</sup> Exhibit PR-2020-042-09B at 4.

<sup>37</sup> Exhibit PR-2020-042-09A.

<sup>38</sup> Exhibit PR-2020-042-09B at 29.

<sup>39</sup> Presumably the USGS SHAKEALARM software.

<sup>40</sup> Exhibit PR-2020-042-09B at 29.



[25] PWGSC also provided, as confidential exhibits in the GIR, copies of replies to the RFI that had been submitted by several third parties.<sup>41</sup>

[26] The GIR further included copies of the U.S. trademark registrations owned by the USGS for the trademark SHAKEALERT,<sup>42</sup> together with a case status report concerning Weir-Jones's pending application to register the trademark SHAKEALERT in the United States.<sup>43</sup>

[27] In addition, the GIR included a copy of trademark usage guidelines for the trademark SHAKEALARM, as published by the USGS<sup>44</sup> and information pertaining to SeisCode, an open source repository for software used in seismological fields.<sup>45</sup>

[28] Weir-Jones provided extensive comments in reply to the GIR on November 12, 2020, and requested that the Tribunal conduct an oral hearing.<sup>46</sup>

[29] PWGSC complained that Weir-Jones was raising new issues and splitting its case. According to PWGSC, Weir-Jones was, for the first time in the context of its reply, characterizing its patent rights as extending to "situational awareness" while further claiming that the RFP operates to signal prospective bidders that "situational awareness" capability is required in order for a functional EEW system to achieve the objectives stated in the RFP. PWGSC sought leave to file a sur-reply.<sup>47</sup>

[30] In view of the multiplicity of issues raised by the parties, the nature of those issues and their complexity, the Tribunal issued a timetable for next steps by way of Order and Reasons dated November 26, 2020 (Order). Weir-Jones was directed to further particularize its infringement allegations in order to narrow the issues. PWGSC was granted leave to file a sur-reply. Both parties were granted leave to file further evidence and submissions, including leave to call witnesses at a two-day oral hearing. The Tribunal also extended the date for determination of the inquiry to 135 days, pursuant to paragraph 12(1)(c) of the *Canadian International Trade Tribunal Procurement Inquiry Regulations (Regulations)*.<sup>48</sup>

[31] In setting this timetable and granting leave for further evidence and argument, the Tribunal sought to provide both parties with the maximum latitude and opportunity to fully present their respective cases within the confines of the statutory timelines governing procurement inquiries. A slight variance to the timetable was subsequently effected on consent of the parties.<sup>49</sup>

[32] Weir-Jones provided the particulars as directed by the Order on December 14, 2020.<sup>50</sup> PWGSC filed a sur-reply<sup>51</sup> and both parties subsequently filed additional written representations.<sup>52</sup>

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<sup>41</sup> Exhibit PR-2020-042-09A at 93 *et seq.*

<sup>42</sup> *Ibid.* at 54-58.

<sup>43</sup> *Ibid.* at 63.

<sup>44</sup> *Ibid.* at 65-87.

<sup>45</sup> *Ibid.* at 48-51.

<sup>46</sup> Exhibit PR-2020-042-11.

<sup>47</sup> Exhibit PR-2020-042-12A.

<sup>48</sup> Exhibit PR-2020-042-13.

<sup>49</sup> Exhibit PR-2020-042-17.

<sup>50</sup> Exhibit PR-2020-042-19.

<sup>51</sup> Exhibit PR-2020-042-18A.

<sup>52</sup> Exhibit PR-2020-042-34; Exhibit PR-2020-042-35A.

[33] Weir-Jones filed an affirmed declaration of Mr. Vireindra Christopher Sellathamby dated January 8, 2021.

[34] Mr. Sellathamby is employed by Weir-Jones as a senior development engineer and is named as an inventor of the '717 Patent and '548 Patent. He asserts some prior experience working with the USGS SHAKEALARM platform. His declaration discusses examples of "situational awareness" and how Weir-Jones uses the trademark SHAKEALARM, some of which is premised on information and belief.<sup>53</sup>

[35] Both parties advised the Tribunal that they would not be calling any witnesses, preferring instead to use the entire two-day allotted hearing time for the purposes of argument.

[36] An oral hearing was held online on January 13 and 14, 2021, using the WebEx platform. Both parties were represented throughout.

## ANALYSIS

### Interlocutory Matters

[37] The copy of the Memorandum filed as Confidential Exhibit 1 to the GIR pertains to NRCan's operational use of the USGS's SHAKEALARM software.

[38] Weir-Jones objected to the confidentiality designation on the basis that PWGSC had failed to submit an explanation for this designation when the GIR was filed, as required by subsection 46(1) of the *CITT Act*, which reads as follows:

**46** (1) Where a person who provides information to the Tribunal for the purposes of proceedings before the Tribunal wishes some or all of the information to be kept confidential, the person shall submit to the Tribunal, at the time the information is provided,

(a) a statement designating as confidential the information that the person wishes to be kept confidential, together with an explanation as to why that information is designated as confidential; and

(b) a non-confidential edited version or non-confidential summary of the information designated as confidential pursuant to paragraph (a) in sufficient detail to convey a reasonable understanding of the substance of the information or a statement

(i) that such a non-confidential edited version or non-confidential summary cannot be made, or

(ii) that such a non-confidential edited version or non-confidential summary would disclose facts that the person has a proper reason for wishing to keep confidential,

together with an explanation that justifies the making of the statement.

[39] Weir-Jones also contended that there was no basis for PWGSC to assert confidentiality in the entire document and requested a pre-hearing determination from the Tribunal on this issue.

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<sup>53</sup> Exhibit PR-2020-042-35A at 11.

[40] While PWGSC did not initially provide an explanation for the confidentiality designation applied to the Memorandum, as required by subsection 46(1), it did so shortly thereafter.<sup>54</sup> Contrary to the submissions urged by Weir-Jones, a failure to provide an explanation for confidentiality at the time of filing, as prescribed by paragraph 46(1)(a), does not automatically strip commercially sensitive information from the protection contemplated by the *CITT Act*.

[41] Whether it be caused by oversight or otherwise, a failure to comply with section 46(1) may be remedied. PWGSC apologized for its oversight and advised the Tribunal that the existence of the agreement between NRCan and the USGS, and the title of the agreement were not confidential. However, the terms and conditions of that agreement are considered to be confidential as between the governments of Canada and the United States.<sup>55</sup>

[42] Weir-Jones was not satisfied with PWGSC's explanation for the designation of confidentiality with respect to the Memorandum. Although counsel for Weir-Jones, having filed an undertaking with the Tribunal, has access to the full content of the document, Weir-Jones notes that counsel is nonetheless restricted in being able to discuss and advise Weir-Jones in relation to the content of the Memorandum.<sup>56</sup>

[43] Weir-Jones made extensive written and oral submissions contending that the designation of confidentiality is unjustified, arguing that the Memorandum was not confidential. Moreover, it asserted that the public has a right to know the details concerning government programs made for the protection of the public, such as early earthquake warning systems and the legitimacy of government procurement processes. It claims that public debate and freedom of expression cannot be exercised if PWGSC is permitted to maintain secrecy concerning these issues.

[44] Weir-Jones goes on to argue that PWGSC has failed to satisfy the "Dagenais/Mentuck" test by providing "convincing evidence" that the Memorandum should be treated as confidential information. As the CITT is a quasi-judicial tribunal which is deemed, by section 17 of the *CITT Act*, to have the same powers, rights and privileges as a superior court of record with respect to witnesses, documents and enforcement of orders, Weir-Jones asserts that the CITT is thus subject to the open courts principle.

[45] As a general rule, the open courts principle requires that the proceedings, record and decision of a court or quasi-judicial tribunal be open and available for public scrutiny. The open courts principle forms part of the common law right to freedom of expression as protected by section 2(b) of the *Canadian Charter of Rights and Freedoms*.

[46] Weir-Jones thus argues that PWGSC's designation of confidentiality with respect to the Memorandum is an infringement of the open courts principle. Accordingly, Weir-Jones contends that the Tribunal is legally obliged to apply the "Dagenais/Mentuck" test and that PWGSC's designation of confidentiality fails that test.<sup>57</sup>

[47] The "Dagenais/Mentuck" test derives from two cases where publication bans were sought in the context of criminal proceedings.

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<sup>54</sup> Exhibit PR-2020-042-09C.

<sup>55</sup> Exhibit PR-2020-042-12A at 2.

<sup>56</sup> Exhibit PR-2020-042-11.

<sup>57</sup> Exhibit PR-2020-042-14A.

[48] In *Dagenais v. Canadian Broadcasting Corp.*,<sup>58</sup> four members of a religious order known as the Christian Brothers stood accused of physical and sexual abuse of young boys in their care. The abuse allegedly occurred in Catholic training schools where the accused were teachers. The Canadian Broadcasting Corporation (CBC) intended to broadcast a mini-series called *The Boys of St-Vincent*, co-produced by the National Film Board of Canada. The storyline of the mini-series, although fictional, was considered to be very similar to the facts at issue in the trial of Dagenais and his co-defendants. The criminal trial of each defendant was imminent or underway. The defendants sought an injunction (publication ban) to prevent the CBC from broadcasting the mini-series until the trials were complete. Although a publication ban was granted, it was later set aside by the Supreme Court of Canada (Supreme Court).

[49] At issue in *Dagenais* was the exercise of the court's discretion under the common law to order a publication ban. A majority of the Supreme Court concluded that the application of those principles requires a contextual balancing of the interests involved, namely the rights of third parties to freedom of expression rights versus the right of an accused to a fair trial.

[50] In *R. v. Mentuck*,<sup>59</sup> the Crown sought a publication ban to prevent the publication of facts that were to be placed in evidence during a trial for second-degree murder. The defendant, Mentuck, had been acquitted of murder in a first trial. Following that trial, he was targeted by the Royal Canadian Mounted Police (RCMP) in an undercover operation. As a result of evidence gathered by the RCMP in the undercover operation, the indictment for second-degree murder was reinstated.

[51] The Crown sought a ban on the publication of evidence to be tendered during the trial, namely:

- (a) the names and identities of the undercover police officers [involved] in the investigation of the accused, including any likeness of the officers, appearance of their attire and physical descriptions;
- (b) the conversations of the undercover operators in the investigation of the accused to the extent that they disclose the matters in paragraphs (a) and (c);
- (c) the specific undercover operation scenarios used in investigation. . . .<sup>60</sup>

[52] During its opening statement outlining its case, the Crown had discussed some of the information that was later subject of the Crown's motion for a publication ban. Reporters from *The Winnipeg Free Press* and *The Brandon Sun* were in attendance, reporting on Mentuck's trial.

[53] The trial judge declined a publication ban concerning the operational details of police undercover operations but granted the ban with respect to the information that could personally identify the officers involved. The decision was appealed to the Supreme Court, who upheld the trial judge's decision.

[54] The Supreme Court began its analysis with consideration of the principles set forth in its previous *Dagenais* decision. It observed that the test for a publication ban in *Dagenais* involved

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<sup>58</sup> *Dagenais v. Canadian Broadcasting Corp.*, [1994] 3 SCR 835 [*Dagenais*].

<sup>59</sup> *R. v. Mentuck*, 2001 SCC 76, [*Mentuck*].

<sup>60</sup> *Ibid.* at para. 6.

weighing the right of an accused to a fair trial with society's interests in freedom of expression, as opposed to enshrining one at the expense of the other. However, the Supreme Court concluded that different interests and considerations arose from the publication ban sought by the Crown in *Mentuck's* case, as compared to the interests engaged in *Dagenais*.

[55] In *Dagenais*, the accused sought to prevent the CBC from broadcasting a programme which could compromise the right of the accused to a fair and impartial trial by jury. *Mentuck* differed in that right to a fair trial was not at risk. Rather, it was the Crown who sought a publication ban to protect the efficacy of undercover police operations and to protect the personal safety of the officers doing that work. *Mentuck* did not oppose the publication of that information and indeed took the position that publication would advance his fair trial interests.

[56] Accordingly, the Supreme Court in *Mentuck* concluded that the test in *Dagenais* required reformulation to ensure that all relevant interests could be considered when deciding whether a common law publication ban should be granted. It reframed the *Dagenais* test as follows:

[A] publication ban should only be ordered when:

(a) such an order is necessary in order to prevent a serious risk to the proper administration of justice because reasonably alternative measures will not prevent the risk; and

(b) the salutary effects of the publication ban outweigh the deleterious effects on the rights and interests of the parties and the public, including the effects on the right to free expression, the right of the accused to a fair and public trial, and the efficacy of the administration of justice.<sup>61</sup>

[57] The Supreme Court further observed that the party seeking a publication ban has the onus of displacing the presumption of openness and must provide a convincing evidentiary basis before a publication ban will be granted.<sup>62</sup>

[58] Weir-Jones acknowledges that the *CITT Act* provides a statutory scheme governing the filing of confidential information. It characterizes those provisions as "exceptional" and argues that the provisions must be narrowly construed in view of *Dagenais* and *Mentuck*. Moreover, it contends that sections 45 to 47 of the *CITT Act* do not operate to displace the open courts principle or the necessity of applying the "Dagenais/Mentuck" test with respect to confidential materials filed with the Tribunal.

[59] The Tribunal adheres to the open courts principle. The Tribunal's records are presumptively open to the public, with exceptions made for confidential information governed by subsection 46(1). Notice of the Tribunal's proceedings are published in the *Canada Gazette*, thus inviting observation by the public. Members of the press and public may attend those hearings and the Tribunal's decisions are published on its website.

[60] The filing of confidential information with the Tribunal is the exception, rather than the general rule. As noted in *Carbon Steel Welded Pipe*,<sup>63</sup> the Tribunal seeks to place as much

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<sup>61</sup> *Ibid.* at paras. 32-33.

<sup>62</sup> *Ibid.* at para. 39.

<sup>63</sup> 2018 CanLII 14667.

information on the public record as possible, and materials designated confidential by one party are accessible to counsel for any other party who has filed an undertaking.

However, the Tribunal also notes that under the *Canadian International Trade Tribunal Act* and the *Canadian International Trade Tribunal Rules*, confidential information may be disclosed in its entirety to counsel who have provided a declaration and undertaking. Providing access to confidential information in this way allows the Tribunal to obtain maximum voluntary participation from interested parties, ensure transparency and, at the same time, protect confidential information.

[61] The submissions filed by Weir-Jones omit discussion of the decision of the Supreme Court in *Sierra Club v. Canada (Minister of Finance)*.<sup>64</sup> At issue in *Sierra Club* was the threshold for protection of confidential commercial information in *civil litigation*, as opposed to the criminal proceedings underpinning both *Dagenais* and *Mentuck*.

[62] *Sierra Club* pertained to an application for judicial review brought by the environmental rights organization, Sierra Club of Canada, against a decision of the Minister of Finance to provide a \$1.5 billion guaranteed loan for the construction and sale of two CANDU nuclear reactors in China by Atomic Energy of Canada Limited (AECL).

[63] In the course of seeking to stop the project funding, Sierra Club (the party) sought production of scientific, technical and commercial documents referred to in an affidavit of a senior manager at AECL. Some of the documents were the property of the Chinese government who would only agree to their production if a confidentiality order was in place. The motion for a confidentiality order reached the Supreme Court.

[64] The Supreme Court began its analysis by noting that a confidentiality order would restrict access to the documents and public scrutiny of the documents and thus would infringe the right to freedom of expression guaranteed by the *Canadian Charter of Rights and Freedoms*. The Court defined the issue as whether, given the circumstances, the right to freedom of expression should be compromised. The Court began its analysis with *Dagenais* stating that:

38 Although in each case freedom of expression will be engaged in a different context, the *Dagenais* framework utilizes overarching *Canadian Charter of Rights and Freedoms* principles in order to balance freedom of expression with other rights and interests, and thus can be adapted and applied to various circumstances. As a result, the analytical approach to the exercise of discretion under Rule 151 should echo the underlying principles laid out in *Dagenais*, although it must be tailored to the specific rights and interests engaged in this case.<sup>65</sup>

[65] *Mentuck* was also considered as illustrating the flexibility of the approach discussed by the Court in *Dagenais*. The Court underscored the importance of weighing the competing interests involved with issuance of a confidentiality order.

[66] In *Sierra Club*, the Court observed that two fundamental and competing interests were at play: AECL's right to make a full defence to the case brought against it versus the fundamental

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<sup>64</sup> *Sierra Club of Canada v. Canada (Minister of Finance)*, 2002 SCC 41, [*Sierra Club*].

<sup>65</sup> *Ibid.* at para. 38

principle of open and accessible court proceedings. AECL was being placed in the position of choosing between breaching its contractual obligations or withholding the documents, thus potentially undermining its ability to answer the case brought by Sierra Club.

49 The immediate purpose for AECL's confidentiality request relates to its commercial interests. The information in question is the property of the Chinese authorities. If the appellant were to disclose the Confidential Documents, it would be in breach of its contractual obligations and suffer a risk of harm to its competitive position. This is clear from the findings of fact of the motions judge that AECL was bound by its commercial interests and its customer's property rights not to disclose the information (para. 27), and that such disclosure could harm the appellant's commercial interests (para. 23).

50 Aside from this direct commercial interest, if the confidentiality order is denied, then in order to protect its commercial interests, the appellant will have to withhold the documents. This raises the important matter of the litigation context in which the order is sought. As both the motions judge and the Federal Court of Appeal found that the information contained in the Confidential Documents was relevant to defences available under the *CEAA*, the inability to present this information hinders the appellant's capacity to make full answer and defence, or, expressed more generally, the appellant's right, as a civil litigant, to present its case. In that sense, preventing the appellant from disclosing these documents on a confidential basis infringes its right to a fair trial. Although in the context of a civil proceeding this does not engage a *Charter* right, the right to a fair trial generally can be viewed as a fundamental principle of justice: *M. (A.) v. Ryan*, [1997] 1 S.C.R. 157, at para. 84, *per* L'Heureux-Dubé J. (dissenting, but not on that point). Although this fair trial right is directly relevant to the appellant, there is also a general public interest in protecting the right to a fair trial. Indeed, as a general proposition, all disputes in the courts should be decided under a fair trial standard. The legitimacy of the judicial process alone demands as much. Similarly, courts have an interest in having all relevant evidence before them in order to ensure that justice is done.

51 Thus, the interests which would be promoted by a confidentiality order are the preservation of commercial and contractual relations, as well as the right of civil litigants to a fair trial. Related to the latter are the public and judicial interests in seeking the truth and achieving a just result in civil proceedings.<sup>66</sup>

[67] Emphasizing the importance of balancing relevant factors, the Court arrived at the following test:

A confidentiality order under Rule 151 should only be granted when:

- (a) such an order is necessary in order to prevent a serious risk to an important interest, including a commercial interest, in the context of litigation because reasonably alternative measures will not prevent the risk; and
- (b) the salutary effects of the confidentiality order, including the effects on the right of civil litigants to a fair trial, outweigh its deleterious effects, including the effects on

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<sup>66</sup> *Ibid.* at paras. 49, 50-51.

the right to free expression, which in this context includes the public interest in open and accessible court proceedings.<sup>67</sup>

[68] It should also be kept in mind that *Sierra Club* was decided in the framework of Rule 151 of the *Federal Court Rules*, which provides as follows:

**151 (1)** On motion, the Court may order that material to be filed shall be treated as confidential.

...

**(2)** Before making an order under subsection (1), the Court must be satisfied that the material should be treated as confidential, notwithstanding the public interest in open and accessible court proceedings.

[69] Federal Court Rule 151 confers *discretionary* authority to issue a confidentiality order, upon motion. The onus rests on the moving party to demonstrate that the relief should be granted. Federal Court Rule 363 requires motions to be supported by way of affidavit.<sup>68</sup>

[70] The test in *Sierra Club* serves as a guideline for the exercise of discretion when a motion is brought under Federal Courts Rule 151. In exercising that discretion, it is generally recognized that the interest in protecting commercially sensitive information that characterizes some types of litigation (i.e. patent litigation, in particular) is the prevailing interest upon assessment and weighing of the relevant factors.<sup>69</sup>

[71] As such, publication bans (as in *Dagenais* and *Mentuck*) and the seeking of a confidentiality order (as in *Sierra Club*) must be obtained from a court by way of motion which will be decided having regard to common law principles.

[72] Parliament has the power and prerogative to displace or modify the common law by way of legislation. It has done so by enacting sections 45 to 48 of the *CITT Act* to explicitly regulate the filing and use of confidential information before the Tribunal. Weir-Jones urges that these provisions should be narrowly construed so as to require the Tribunal to undertake a balancing of interests analysis to determine whether there is “convincing evidence” to support the protection of confidential information.

[73] The principles of statutory interpretation are well established. The words of a statute “. . . are to be read in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament.”<sup>70</sup>

[74] Sections 45 to 48 form part of a statutory scheme creating a highly specialized administrative tribunal whose mandate pertains to adjudicative and investigatory work in economic, trade and commercial matters. More particularly, the Tribunal’s jurisdiction pertains to five core areas: anti-

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<sup>67</sup> *Ibid.* at para. 53.

<sup>68</sup> At least to the extent that the relevant facts do not otherwise appear from the Court’s record.

<sup>69</sup> For example, *Canadian National Railway Company v. BNSF Railway Company*, 2020 FCA 45; *Lundbeck Canada Inc. v. Canada (Health)*, 2007 FC 412; *Paid Search Engine Tools, LLC v. Google Canada Corporation*, 2019 FC 559. Such orders may include “Counsel’s Eyes Only” provisions.

<sup>70</sup> *Bell ExpressVu Limited Partnership v. Rex*, 2002 SCC 42 at para. 26.



dumping injury inquiries; procurement inquiries; customs and excise appeals; economic and tariff inquiries; and safeguard inquiries.

[75] The subject matter of the cases heard by the Tribunal involves the review and assessment of financial, commercial and technical evidence received from both foreign and domestic industry. Some of this material is commercially sensitive to the parties who disclose the information to the Tribunal, either voluntarily or by way of Tribunal requisition.<sup>71</sup> This information is essential for the Tribunal to carry out its statutory mandate, especially in relation to trade remedy and procurement matters where proceedings are subject to fixed deadlines. It is thus critical for participants and stakeholders to have a high degree of confidence that commercially sensitive material entrusted to the Tribunal will be safeguarded.<sup>72</sup>

[76] This objective would be seriously undermined if the protection of confidential information was subjected to the uncertainty of being litigated *ad hoc*, before the Tribunal, all the more so where statutory deadlines are involved and the clock is running.

[77] Within this statutory context, Parliament has crafted provisions in the *CITT Act* that are designed to protect the confidentiality of commercially sensitive information without undercutting the summary timelines applicable to the Tribunal's proceedings or consequently impairing the Tribunal's ability to do its work. In this regard, Parliament has decided that an explanation for the reason underpinning confidentiality of information will suffice and that no motion supported by evidence is required.

[78] The contextual balancing of interests contemplated by *Sierra Club* is accommodated in the statutory scheme provided by sections 45 to 48 of the *CITT Act*. The party making a designation of confidentiality must also file a public, redacted version of the confidential document.<sup>73</sup>

[79] However, the presumption of confidentiality is a rebuttable one. If a person designates information as confidential and the Tribunal considers that the designation is unwarranted by reason of the nature, extent or availability of the information from other sources, or because the person failed to provide any explanation as to why the information was designated as confidential, the Tribunal shall notify the person accordingly. If the person does not take remedial action, the information is effectively struck from the record as the Tribunal will not take it into account.<sup>74</sup>

[80] Weir-Jones complains of procedural unfairness because its counsel is unable to provide it with an unredacted copy of the Memorandum. It suggests that a "reasonable alternative measure" *per Dagenais/Mentuck* would be to maintain the Memorandum's confidentiality with respect to the Tribunal's record that is publicly accessible while granting access to corporate representatives of Weir-Jones.

[81] This course of action, if followed, would contravene an explicit statutory prohibition. Section 45 of the *CITT Act* provides as follows:

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<sup>71</sup> The Tribunal may enforce such requisitions by way of subpoena.

<sup>72</sup> Weir-Jones would appear to appreciate the importance of protecting confidential commercial information as it has designated the entirety of its reply to the RFI as confidential information. Exhibit PR-2020-042-01B.

<sup>73</sup> PWGSC has done so with respect to the Memorandum. Exhibit PR-2020-042-09C.

<sup>74</sup> *CITT Act*, sections 47-48.

45 (1) Where a person designates information as confidential pursuant to paragraph 46(1)(a) and that designation is not withdrawn by that person, no member and no person employed in the federal public administration who comes into possession of that information while holding that office or being so employed shall, either before or after ceasing to hold that office or being so employed, knowingly disclose that information, or knowingly allow it to be disclosed, to any other person in any manner that is calculated or likely to make it available for the use of any business competitor or rival of any person to whose business or affairs the information relates.

[82] Limited exceptions are created, within the scope of section 45, for counsel and independent experts.

[83] The Tribunal has no discretion to override the prohibition imposed by section 45. Once so designated, confidential information filed with the Tribunal may only be disclosed in limited circumstances, namely to an opposing party's counsel or to an independent expert, or where the disclosing party has provided written consent.

[84] On the reasoning adopted by Weir-Jones, any party before the Tribunal could demand access to the confidential information that another party has filed with the Tribunal, notwithstanding that the information has already been provided to the recipient party through its counsel.

[85] The rationale for protecting confidential information is to prevent a party from obtaining access to sensitive information that is proprietary to another party, would be unjustly beneficial to a commercial rival or would be injurious to that other (disclosing) party's rights.<sup>75</sup> As such, the "reasonable alternative measure" suggested by Weir-Jones would thus recreate, within the framework of the Tribunal's mandate, the dilemma identified in *Sierra Club*. This would disrupt the balance of the scheme established by sections 45 to 48 which were enacted to enable the Tribunal to discharge its statutory mandate.

[86] During oral argument, Weir-Jones made a further argument that was narrower in scope. It submitted that application of the "Dagenais/Mentuck" test, and the need for "convincing evidence" to support a claim to confidentiality should not apply to all designations of confidential material filed with the Tribunal. Instead, it should only apply to unusual situations where the document designated as confidential is "outside the norm" for such a designation.

[87] The difficulty with this argument is that it would impose a threshold issue as to whether the document at issue falls inside or outside of an undefined "norm" that would enable the safeguarding of its confidentiality. An assertion of confidentiality is necessarily subjective as it originates with the disclosing party, having regard to its interests and contractual obligations to third parties, as was the situation in *Sierra Club*. Those considerations played no role in either *Dagenais* or *Mentuck* which dealt with publication bans directed to the media. As discussed above, the statutory scheme does not contemplate a preliminary vetting of confidentiality by way of motion before the Tribunal, although the scheme does reflect a balancing of interests as contemplated by *Sierra Club*.

[88] In this case, Weir-Jones simply disagrees with the reason advanced by PWGSC for designating the Memorandum as confidential. There is a distinction between the existence of an agreement (which may be publicly known) and the terms and conditions of that agreement. By way

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<sup>75</sup> Whether at common law or pursuant to sections 45 to 48 of the *CITT Act*.

of analogy, it may be public knowledge that a hockey player is under contract to a particular NHL team, but this does not mean that the player's salary and employment contract are also known or otherwise deemed to be subject to public disclosure.

[89] The Tribunal is satisfied with the explanation provided by PWGSC, namely that the terms and conditions of an agreement for a "unified Canada-US Earthquake Early Warning system project"<sup>76</sup> are confidential as between the governments of Canada and the United States. The terms and condition of an intergovernmental, international agreement are the type of confidential information that should be protected from public disclosure, as contemplated by *Sierra Club*.

[90] Weir-Jones has provided no evidence demonstrating that the terms and conditions of the Memorandum have been publicly disclosed elsewhere. If the content of a document is otherwise public information, it is no longer confidential. In the absence of evidence showing that the terms and conditions of the Memorandum are public, there are no reasonable grounds for the Tribunal to conclude that the Memorandum should not be treated as confidential information, within the framework of sections 45 to 48 of the *CITT Act*.

[91] For the above reasons, the Tribunal dismisses Weir-Jones's argument in relation to the designation of confidentiality in relation to the Memorandum.

### Timeliness

[92] PWGSC argues that Weir-Jones's complaint should be dismissed because it is time-barred.

[93] The *Regulations* impose stringent deadlines with respect to the filing of procurement complaints. According to subsection 6(1), a complaint must be filed within 10 working days of the date when the complainant knew or should have reasonably known about the basis for a complaint, as set forth below:

**6** (1) Subject to subsections (2) and (3), a potential supplier who files a complaint with the Tribunal in accordance with section 30.11 of the Act shall do so not later than 10 working days after the day on which the basis of the complaint became known or reasonably should have become known to the potential supplier.

[94] PWGSC says that Weir-Jones's complaint is rooted in the RFI. As Weir-Jones did not file a complaint concerning NRCan's proposed requirements for the EEW system as set forth in the RFI, it is now too late for Weir-Jones to complain about those requirements, as embodied within the RFP. The 10-day period for lodging a complaint with respect to the RFI has long expired.

[95] Weir-Jones states that it made its concerns known to NRCan after issuance of the RFI. Notwithstanding, NRCan and PWGSC still went ahead with issuing the RFP with specifications that were essentially unchanged. Moreover, Weir-Jones asserts that NRCan and PWGSC issued the RFP with their eyes open to the fact that the RFP's content was relevant to Weir-Jones's intellectual property rights.

[96] The Tribunal finds that the RFI was a consultative document that was issued to obtain feedback from stakeholders before issuance of an RFP. The RFI is worded provisionally, stating that

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<sup>76</sup> Exhibit PR-2020-042-09B at 29.

the intent is to “. . . *explore options* for procurement of sensor equipment, data acquisition software, station infrastructure (including power systems, management, and communications hardware), and installation services for the EEW system. It *may assist in the development of a formal request for procurement* of relevant products/services (called in this document the *follow-on procurement*)”<sup>77</sup> [emphasis added].

[97] NRCan thus retained the discretion to retain or amend the technical specifications for the purposes of the RFP, as it saw fit, based on any information it obtained from interested stakeholders who replied to the RFI. For that matter, NRCan was under no compulsion to issue a tender at all. It retained the discretion to defer or even cancel the procurement without the issuance of an RFP.

[98] There is some evidence that Weir-Jones did communicate its concerns to NRCan with respect to the technical specifications of the RFI.<sup>78</sup> However, in the absence of a categorical rejection, the Tribunal finds that it was reasonable for Weir-Jones to presume that its submissions were under consideration. It was only upon issuance of the RFP that Weir-Jones became aware that the suggestions it had conveyed to NRCan concerning specifications for the RFP had not been adopted.

[99] As the terms of the RFI were clearly provisional and contingent on issuance of an RFP at some future time, the RFI carried no obligation to issue a contract. As such, it is arguable that the RFI would not have pertained to a “designated contract” within the meaning of section 30.1 of the *CITT Act*. The Tribunal can only deal with complaints relating to designated contracts.

[100] As it remained open to PWGSC, following the consultative process of the RFI, to amend the specifications before issuing the RFP, the Tribunal finds that Weir-Jones is not time-barred from pursuing a complaint in relation to the RFP.

[101] There is no dispute that the RFP pertains to a “designated contract,” or that Weir-Jones’s complaint was timely filed in relation to the RFP.

## **Jurisdiction**

[102] PWGSC urged the Tribunal to dismiss Weir-Jones’s complaint for lack of jurisdiction. This argument appeared to rest on a two-fold premise: (1) that the allegations asserted by Weir-Jones, if made out, would not constitute a breach of any trade agreement and (2) that adjudication of the complaints on the merits would require the Tribunal to deal with substantive issues of patent infringement, including claim construction.

[103] The Tribunal’s jurisdiction with respect to procurement disputes arises from section 30.14 of the *CITT Act*:

**30.14 (1)** In conducting an inquiry, the Tribunal shall limit its considerations to the subject-matter of the complaint.

**(2)** At the conclusion of an inquiry, the Tribunal shall determine whether the complaint is valid on the basis of whether the procedures and other requirements prescribed in respect of the designated contract, or the class of contracts to which it belongs, have been or are being observed.

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<sup>77</sup> Exhibit PR-2020-042-01A at 130.

<sup>78</sup> *Ibid.* at 260.

[104] Section 11 of the *Regulations* prescribes as follows:

If the Tribunal conducts an inquiry into a complaint, it shall determine whether the procurement was conducted in accordance with the requirements set out in whichever of the Agreement on Government Procurement, the CCFTA, the CPFTA, the CCOFTA, the CPAFTA, the CHFTA, the CKFTA, CETA,<sup>[79]</sup> the CFTA, CUFTA or the TPP applies.

[105] It is beyond dispute that various trade agreements to which Canada is a party include provisions governing intellectual property rights<sup>80</sup>. Indeed, to ensure compliance with Canada's trade agreement obligations with respect to intellectual property rights, Parliament has effected, at various times, consequential amendments to several federal statutes, notably the *Patent Act*,<sup>81</sup> *Trademarks Act*<sup>82</sup> and *Copyright Act*.<sup>83</sup> The enactment of new legislative provisions to align Canadian domestic law with Canada's international obligations signals Parliament's intent and awareness that trade agreement obligations in relation to intellectual property rights are to be respected.<sup>84</sup>

[106] In arguing that the Tribunal lacks jurisdiction to hear Weir-Jones's complaint, PWGSC is saying, in essence, that the Tribunal should adopt a very narrow interpretation of section 30.14 of the *CITT Act* and section 11 of the *Regulations*. On this argument, any inquiry conducted by the Tribunal must always be limited to matters falling squarely within the four corners of the procurement chapter of the relevant trade agreement relied upon by a complainant.

[107] The difficulty with such an argument is that it would require the Tribunal to adopt a blinkered view of federal procurement processes that may otherwise contravene or undercut other aspects of Canada's international obligations as set forth in the trade agreements.

[108] In *Canada (Minister of Citizenship and Immigration) v. Vavilov*,<sup>85</sup> the Supreme Court recently reviewed the approach to statutory interpretation that should be adopted by administrative decision makers. The following passages are relevant here:

[120] But whatever form the interpretive exercise takes, the merits of an administrative decision maker's interpretation of a statutory provision must be consistent with the text, context and purpose of the provision. In this sense, the usual principles of statutory interpretation apply equally when an administrative decision maker interprets a provision. Where, for example, the words used are "precise and unequivocal", their ordinary meaning

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<sup>79</sup> Canada-European Union Comprehensive Economic and Trade Agreement [CETA].

<sup>80</sup> Notably CETA and the Canada-United States-Mexico Agreement and its predecessor, the North American Free Trade Agreement (NAFTA).

<sup>81</sup> R.S.C. 1985, c. P-4.

<sup>82</sup> R.S.C. 1985, c. T-13.

<sup>83</sup> R.S.C. 1985, c. C-42.

<sup>84</sup> For example, see *Certificate of Supplementary Protection Regulations*, SOR/2017-165, enacted for compliance with CETA, as more particularly discussed in *Glaxosmithkline Biologicals S.A. v. Canada (Health)*, 2020 FC 397 [*Glaxosmithkline*] at paras. 18-29; *Canada-European Union Comprehensive Economic and Trade Agreement Implementation Act*, SC 2017, c. 6, sections 32-79; *Canada-United States-Mexico Agreement Implementation Act*, SC 2020, c. 1, sections 23-34.

<sup>85</sup> *Canada (Minister of Citizenship and Immigration) v. Vavilov*, 2019 SCC 65, [*Vavilov*]. Also see *Glaxosmithkline* where judicial review was granted because the administrative decision maker adopted an unduly narrow interpretation of a statute by not taking into account Canada's commitments under the CETA, in accordance with the reasoning in *Vavilov*.

will usually play a more significant role in the interpretive exercise: *Canada Trustco Mortgage Co. v. Canada*, 2005 SCC 54, [2005] 2 S.C.R. 601, at para. 10. Where the meaning of a statutory provision is disputed in administrative proceedings, the decision maker must demonstrate in its reasons that it was alive to these essential elements.

[121] The administrative decision maker’s task is to interpret the contested provision in a manner consistent with the text, context and purpose, applying its particular insight into the statutory scheme at issue. It cannot adopt an interpretation it knows to be inferior — albeit plausible — merely because the interpretation in question appears to be available and is expedient. The decision maker’s responsibility is to discern meaning and legislative intent, not to “reverse-engineer” a desired outcome.<sup>86</sup>

[109] Where context requires, *Vavilov* instructs that principles of international law, and Canada’s international obligations are relevant factors to be taken into account, especially having regard to the practical outcome that will flow from the interpretative exercise:

[114] We would also note that in some administrative decision making contexts, international law will operate as an important constraint on an administrative decision maker. It is well established that legislation is presumed to operate in conformity with Canada’s international obligations, and the legislature is “presumed to comply with . . . the values and principles of customary and conventional international law”: *R. v. Hape*, 2007 SCC 26, [2007] 2 S.C.R. 292, at para. 53; *R. v. Appulonappa*, 2015 SCC 59, [2015] 3 S.C.R. 754, at para. 40. Since *Baker*, it has also been clear that international treaties and conventions, even where they have not been implemented domestically by statute, can help to inform whether a decision was a reasonable exercise of administrative power: *Baker*, at paras. 69-71.

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[182] It is well established that domestic legislation is presumed to comply with Canada’s international obligations, and that it must be interpreted in a manner that reflects the principles of customary and conventional international law: *Appulonappa*, at para. 40; see also *Pushpanathan*, at para. 51; *Baker*, at para. 70; *GreCon Dimter inc. v. J.R. Normand inc.*, 2005 SCC 46, [2005] 2 S.C.R. 401, at para. 39; *Hape*, at paras. 53-54; *B010 v. Canada (Citizenship and Immigration)*, 2015 SCC 58, [2015] 3 S.C.R. 704, at para. 48; *India v. Badesha*, 2017 SCC 44, [2017] 2 S.C.R. 127, at para. 38; *Office of the Children’s Lawyer v. Balev*, 2018 SCC 16, [2018] 1 S.C.R. 398, at paras. 31-32. Yet the analyst did not refer to the relevant international law, did not inquire into Parliament’s purpose in enacting s. 3(2) and did not respond to Mr. Vavilov’s submissions on this issue. Nor did she advance any alternate explanation for why Parliament would craft such a provision in the first place. In the face of compelling submissions that the underlying rationale of s. 3(2) was to implement a narrow exception to a general rule in a manner that was consistent with established principles of international law, the analyst and the Registrar chose a different interpretation without offering any reasoned explanation for doing so.<sup>87</sup>

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<sup>86</sup> *Vavilov* at paras. 120-121.

<sup>87</sup> *Ibid.* at paras 114, 182.

[110] In *Canada (Attorney General) v. Almon Equipment Limited*,<sup>88</sup> the Federal Court of Appeal considered the purpose of the regulatory regime for oversight of federal procurement matters:

[22] The purposes of this regulatory regime can be deduced from the substantive content of the provisions set out above. Under this regime, in a federal government procurement, the government must announce its requirements, criteria and evaluation methods in its request for proposals and associated documents (subject to possible appropriate amendment later) and must adhere to those requirements, criteria and evaluation methods when it receives and evaluates proposals submitted to it. Overseeing this is the Tribunal, with its statutory jurisdiction: if the Tribunal conducts an inquiry, it must examine the government's adherence to the requirements, criteria and evaluation methods the government announced and the overall "integrity and efficiency of the competitive procurement system." As section 11 of the Regulations, above, makes clear, this all takes place under the umbrella of the Agreement on Internal Trade which, in article 100, aims at "establish[ing] an open, efficient and stable domestic market."

[23] The purposes of this regulatory regime, deduced from the above provisions, are as follows:

- (1) *Fairness to competitors in the procurement system.* A fair procurement system that applies one set of transparent rules to all bidders increases confidence in the system, and encourages increased participation in competitions. This maximizes the probability that the government will get good quality goods and services that meet its needs, at minimum expense to the taxpayer. In short, fairness gives taxpayers value for the taxes they pay.
- (2) *Ensuring competition among bidders.* When bidders are placed on a level playing field and compete, it is more likely that government will get good quality goods and services that meet its needs, at minimum expense to the taxpayer. Competition also gives taxpayers value for the taxes they pay.
- (3) *Efficiency.* This speaks directly to the government getting good quality goods and services at minimum expense. This also speaks to the need for a procurement system to run in a timely, practical manner without causing unnecessary expense.
- (4) *Integrity.* A procurement process with integrity increases participants' confidence in the procurement system and enhance their participation in it. This increases the probability that government will get good quality goods and services that meet its needs, at minimum expense to the taxpayer. A procurement process with integrity also gives taxpayers value for the taxes they pay.

These four purposes, and the overarching concept of value for taxpayers, are essential aspects of good governance. Important as they are, they must be at the front of the Tribunal's mind

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<sup>88</sup> *Canada (Attorney General) v. Almon Equipment Limited*, 2010 FCA 193 [*Almon*].

when it finds facts, evaluates their significance, interprets its legislation, applies that legislation to the facts, and grants remedies.<sup>89</sup>

[111] Having regard to the principles set forth above in *Vavilov* and *Almon*, the Tribunal finds that the jurisdictional arguments advanced by PWGSC would lead to an unreasonable, if not absurd, result.

[112] The trade agreements contain provisions requiring that procurements be conducted in a manner that is fair, open and transparent. The Tribunal's mandate should be purposively, not restrictively, construed to enable the Tribunal's oversight of procurement processes so as to ensure fairness, openness and transparency. The Tribunal has jurisdiction to consider any aspect of a procurement process that relates to a designated contract.<sup>90</sup>

[113] Weir-Jones alleges that its intellectual property is, or will be, misappropriated as a result of the tender process designed by NRCan and PWGSC. On PWGSC's argument, the Tribunal must turn a blind eye to the merits of such a complaint, and any flawed federal procurement process underpinning it, by reason of a narrow reading of the broadly worded provisions found in section 30.14 of the *CITT Act* and section 11 of the *Regulations*.

[114] As a practical matter, such an interpretation leads to an outcome where the regulatory oversight of federal procurement, as enacted by Parliament, cannot inquire into, much less provide any remedy for a flawed procurement process entailing the misappropriation of private property.

[115] This cannot be reconciled with the objective of ensuring that the procurement system operates fairly and with integrity. Nor does it promote public or bidder confidence in the procurement system or synchronize with the systemic values identified by *Almon*.

[116] Such an outcome would also contradict or undermine other trade agreement obligations, namely those with respect to intellectual property. In effect, Canada would, on the one hand, be complying with those obligations by acting to harmonize its domestic law, all while undercutting the regulatory scheme enacted for oversight of procurement by excluding intellectual property rights applicable to goods and services that Canada may seek to procure.

[117] In addition, this would operate to artificially restrict the grounds for complaint that may otherwise be available to bidders dissatisfied with the overall fairness of the tender process.

[118] The interface between intellectual property rights and procurement law was previously considered by the Tribunal in *Re Noël Import/Export (Noël)*.<sup>91</sup>

[119] In *Noël*, an unsuccessful bidder complained to the Tribunal that PWGSC had awarded a contract to another bidder (AirSolid) who would be supplying a product (rescue craft) alleged to infringe a patent owned by a third party (Oceanid). Noël was the Canadian distributor of Oceanid's products. Oceanid was not a party to the proceedings. The Tribunal concluded that it lacked

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<sup>89</sup> *Almon* at paras. 22-23; see also *CGI Information Systems and Management Consultants Inc. v. Canada Post Corporation*, 2015 FCA 272 at 28.

<sup>90</sup> *Cougar Aviation Ltd. v. Canada (Minister of Public Works and Government Services)*, 2000 CanLII 16572 at paras. 18-23; *Novell Canada Ltd. v. Canada (Minister of Public Works and Government Services)*, 2000 CanLII 15324 at para. 5.

<sup>91</sup> *Noël Import/Export*, PR-2002-036, 2003 CanLII 54771 (CA CITT) [*Noël*].



jurisdiction to determine whether rescue craft supplied by AirSolid would infringe Oceanid's patent. However, the Tribunal left open the possibility that it could examine issues of patent infringement in a situation where allegations of patent infringement occurred in the context of the procurement process itself:

With respect to the first ground of complaint, the Tribunal agrees with PWGSC that it does not have jurisdiction to adjudicate a dispute concerning whether a patent has been infringed. However, the Tribunal notes that, should there be a complaint of a violation of the procurement provisions of the trade agreements in a situation where there is an alleged patent infringement, such a complaint would be within the Tribunal's jurisdiction. The evidence does not indicate that such a situation has arisen in this case. Therefore, the Tribunal does not have jurisdiction to inquire into this ground of complaint.<sup>92</sup>

[120] PWGSC argued that this passage in *Noël* was *obiter* or alternatively should be taken as a previous finding by the Tribunal that it conclusively lacks the jurisdiction to consider infringement issues. If the Tribunal cannot consider infringement post-procurement, PWGSC contends that the Tribunal cannot likewise determine infringement when it is incorporated within the procurement process. This circular argument is without foundation.

[121] The Tribunal's finding in *Noël* is consistent with well-established jurisprudence that the Tribunal's oversight role ends once a winning bid is selected and a contract is awarded. The Tribunal does not deal with matters of contract administration. If the winning bidder is unable to supply in accordance with the terms of its bid, the procuring entity must look to contract law for a remedy – such a scenario does not enable a losing bidder to reopen the procurement by filing a complaint with the Tribunal.

[122] Similarly, in *Noël*, the issue of patent infringement arose once AirSolid was selected as the winning bidder and PWGSC had decided, following a successful product test, to award a contract to AirSolid. The allegation that AirSolid would be supplying a product that would infringe Oceanid's patent is, for practical purposes, no different than if AirSolid had instead supplied a product that was defective or otherwise non-conforming with its bid content. In neither scenario is the Tribunal able to provide a remedy to Oceanid.

[123] As noted by *Noël*, this is distinguishable from a situation where possible infringement is rooted in the procurement process itself. This is the allegation made by Weir-Jones.

[124] At this juncture, the second aspect of PWGSC's jurisdictional argument comes into play. It contends that a determination of Weir-Jones's complaint would require the Tribunal to overreach by dealing with substantive issues of patent infringement, and that the Tribunal is not the appropriate forum for determination of such issues.

[125] In addressing these issues, a brief overview of relevant principles is the starting point for the analysis.

[126] Patent rights are entirely statutory.<sup>93</sup> The patentee is granted a monopoly defined by section 42 of the *Patent Act*, namely “. . . the exclusive right, privilege and liberty of making, constructing

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<sup>92</sup> *Ibid.*

<sup>93</sup> *Commissioner of Patents v. Farbwerke Hoechst Aktiengesellschaft Vormals Meister Lucius & Bruning*, [1964], S.C.R. 19.

and using the invention and selling it to others to be used . . .”,<sup>94</sup> which is sometimes abbreviated and referred to as the “exclusive right to make, use and sell.”

[127] The scope of the patentee’s monopoly, by law, is defined by the claims of the patent. In *Free World Trust v. Électro Santé Inc.*,<sup>95</sup> the Supreme Court explained the function of the claims and analogized them to fences:

14 Patent claims are frequently analogized to “fences” and “boundaries”, giving the “fields” of the monopoly a comfortable pretence of bright line demarcation. Thus, in *Minerals Separation North American Corp. v. Noranda Mines, Ltd.*, [1947] Ex. C.R. 306, Thorson P. put the matter as follows, at p. 352:

By his claims the inventor puts fences around the fields of his monopoly and warns the public against trespassing on his property. His fences must be clearly placed in order to give the necessary warning and he must not fence in any property that is not his own. The terms of a claim must be free from avoidable ambiguity or obscurity and must not be flexible; they must be clear and precise so that the public will be able to know not only where it must not trespass but also where it may safely go.<sup>96</sup>

[128] A patent may contain multiple claims. Each claim defines a separate monopoly. In addition to its claims, the patent also comprises a description or specification, as explained in *Whirlpool v. Camco Inc.*:<sup>97</sup>

42 The content of a patent specification is regulated by s. 34 of the *Patent Act*. The first part is a “disclosure” in which the patentee must describe the invention “with sufficiently complete and accurate details as will enable a workman, skilled in the art to which the invention relates, to construct or use that invention when the period of the monopoly has expired”: *Consolboard Inc. v. MacMillan Bloedel (Sask.) Ltd.*, , [1981] 1 S.C.R. 504, at p. 517. The disclosure is the *quid* provided by the inventor in exchange for the *quo* of a 17-year (now 20-year) monopoly on the exploitation of the invention . . . .<sup>98</sup>

[129] Subject matter that is disclosed or discussed in the patent, but not explicitly claimed, enjoys no monopoly, as explained in *Whirlpool* and in *Burton Parsons, Inc. v. Hewlett-Packard (Canada) Ltd.*:<sup>99</sup>

An inventor is not obliged to claim a monopoly on everything new, ingenious and useful disclosed in the specification. The usual rule is that what is not claimed is considered disclaimed.<sup>100</sup>

It is stressed in many cases that an inventor is free to make his claims as narrow as he sees fit in order to protect himself from the invalidity which will ensue if he makes them too broad.

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<sup>94</sup> *Patent Act*, section 42.

<sup>95</sup> *Free World Trust v. Électro Santé Inc.*, 2000 SCC 66, [*Free World Trust*].

<sup>96</sup> *Ibid.* at para. 14.

<sup>97</sup> *Whirlpool v. Camco Inc.*, 2000 SCC 67, [*Whirlpool*].

<sup>98</sup> *Ibid.* at para. 42.

<sup>99</sup> *Burton Parsons Chemicals, Inc. v. Hewlett-Packard (Canada) Ltd.*, [1976] 1 SCR 555, [*Burton Parsons*] at 565.

<sup>100</sup> *Ibid.*

From a practical point of view, this freedom is really quite limited because if, in order to guard against possible invalidity, some area is left open between what is the invention as disclosed and what is covered by the claims, the patent may be just as worthless as if it was invalid. Everybody will be free to use the invention in the unfenced area. . . .

[130] In order to determine whether a patent has been infringed, the claims of the patent must first be interpreted (or “construed”) to ascertain the scope and boundaries of the monopoly. Claim construction is a question of law, analogous to the interpretation of a regulation.<sup>101</sup>

[131] Once the claims are construed, the acts or activities which are alleged to infringe are then considered, as a question of fact, in order to ascertain whether they fall inside or outside the boundary of the claim. In some situations, this may be self-evident and claim construction may be determinative of infringement.<sup>102</sup>

[132] There is no provision of the *Patent Act* which places claim construction within the exclusive purview of any Court. Indeed, consideration and interpretation of patent claims are undertaken in several contexts by administrative decision-makers, including Health Canada<sup>103</sup> and the Patent Re-Examination Board.<sup>104</sup> Counsel for PWGSC sought to distinguish these scenarios by asserting that patent claim construction is contemplated by the statutory mandates accorded to those particular decision-makers. This argument is not tenable, upon a purposive and contextual consideration of the Tribunal’s role in relation to oversight of federal procurement processes, as discussed above.

[133] In the course of deciding procurement complaints, it may sometimes become necessary for the Tribunal to consider questions of law pertaining to federal statutes other than its home statute, or to apply principles of common law. This is context-dependent. There is no principled basis for intellectual property law and statutes to be treated any differently, especially where a complainant alleges, as is the case here, that the procurement process has been tainted by a flawed tender document.

[134] In urging the Tribunal to dismiss the complaint for lack of jurisdiction, PWGSC is really asserting that the Tribunal should not examine, or should decline to answer, the question of whether PWGSC has enacted a flawed tender process<sup>105</sup> because doing so would require the Tribunal to assess and decide other issues of law, namely (in this case) those pertaining to patent infringement. As a practical matter, this would entail declining to exercise jurisdiction, not exceeding it.

[135] In alleging that NRCan’s procurement process is fatally flawed, Weir-Jones asserts that its patent protects the invention of an EEW system with “situational awareness,” namely a system that will generate a customized earthquake warning with information and instructions tailored to the situation and surrounding environment of the recipient.<sup>106</sup>

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<sup>101</sup> *Whirlpool* at para. 49.

<sup>102</sup> For example, *Pfizer Canada Inc. v. Canada*, 2007 FC 446.

<sup>103</sup> For example, *G.D. Searle & Co. v. Canada (Health)*, 2008 FC 437; *Glaxosmithkline*.

<sup>104</sup> For example, *Genencor International, Inc. v. Canada (Commissioner of Patents)*, 2008 FC 608; *Choueifaty v. Canada (Attorney General)*, 2020 FC 837.

<sup>105</sup> With respect to the procurement of an EEW system.

<sup>106</sup> Exhibit PR-2020-042-11 at 18.

[136] Indeed, the disclosure of the ‘717 Patent refers to “situational awareness.”<sup>107</sup> However, unless some analysis is carried out referable to the claims of the ‘717 Patent, it would be an error of law to find that Weir-Jones has a valid complaint concerning the alleged deficiency of the procurement on the face of its mere assertion that bidders will ultimately infringe the ‘717 Patent by proposing to supply an EEW system with “situational awareness,” without any finding of a nexus between “situational awareness” and the subject matter of at least one claim.”<sup>108</sup> This is all the more so, given that such a finding would not be merely academic, but would require the Tribunal to provide a remedy.

[137] Conversely, an outright dismissal of the complaint as not valid creates a similar problem. Unless the Tribunal examines whether the RFP clearly leads a bidder to trespass the boundaries of at least one claim in the complainant’s patent, it cannot conclude that the allegations of an unfair or defective procurement process are unfounded.

[138] In support of its argument that the Tribunal should not consider legal issues pertaining to infringement, PWGSC submits that the remedies for patent infringement are markedly different from those which may be granted by the Tribunal in the context of a procurement dispute, particularly those remedies being sought by Weir-Jones.

[139] Conventional remedies for patent infringement include injunction<sup>109</sup> and damages,<sup>110</sup> together with equitable remedies including accounting of profits,<sup>111</sup> delivery up, interest and costs.<sup>112</sup>

[140] The remedies which may be awarded by the Tribunal are prescribed by subsections 30.15(2), 30.15(3) and section 30.16 of the *CITT Act*:

### **Remedies**

**30.15 (2)** Subject to the regulations, where the Tribunal determines that a complaint is valid, it may recommend such remedy as it considers appropriate, including any one or more of the following remedies:

- (a) that a new solicitation for the designated contract be issued;
- (b) that the bids be re-evaluated;
- (c) that the designated contract be terminated;
- (d) that the designated contract be awarded to the complainant; or
- (e) that the complainant be compensated by an amount specified by the Tribunal.

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<sup>107</sup> Exhibit PR-2020-042-01A at 33.

<sup>108</sup> The second step of the analysis would require an assessment of whether the RFP is framed such that a bid complying with the mandatory technical requirements of the RFP also consequentially places the bidder within the ambit of at least one claim of the ‘717 Patent.

<sup>109</sup> *Patent Act*, subsection 57(1).

<sup>110</sup> *Patent Act*, section 55.

<sup>111</sup> Elected in lieu of damages if so awarded by the Court so orders. For example, see *Merck & Co., Inc. v. Apotex Inc.*, 2006 FCA 323, [*Merck*] at paras. 127-130.

<sup>112</sup> For example, see *Janssen-Ortho Inc. v. Novopharm Ltd.*, 2006 FC 1234 at paras. 128-136; *Merck*.

**Criteria to be applied**

(3) The Tribunal shall, in recommending an appropriate remedy under subsection (2), consider all the circumstances relevant to the procurement of the goods or services to which the designated contract relates, including

- (a) the seriousness of any deficiency in the procurement process found by the Tribunal;
- (b) the degree to which the complainant and all other interested parties were prejudiced;
- (c) the degree to which the integrity and efficiency of the competitive procurement system was prejudiced;
- (d) whether the parties acted in good faith; and
- (e) the extent to which the contract was performed.

**Cost of preparing response**

**30.15(4)** Subject to the regulations, the Tribunal may award to the complainant the reasonable costs incurred by the complainant in preparing a response to the solicitation for the designated contract.

**Costs**

**30.16 (1)** Subject to the regulations, the Tribunal may award costs of, and incidental to, any proceedings before it in relation to a complaint on a final or interim basis and the costs may be fixed at a sum certain or may be taxed.

[141] Although different in scope, both sets of remedies have some common features, including the provision of monetary relief to an aggrieved party and issuance of directions concerning remedial action. It should be noted that Weir-Jones obtained an order from the Tribunal pursuant to subsection 30.13(3) of the *CITT Act* ordering PWGSC to postpone the awarding of the contract arising from the RFP until the Tribunal determined the validity of Weir-Jones's complaint.<sup>113</sup> For practical purposes, this is equivalent to the relief provided by an interlocutory injunction.

[142] Weir-Jones asserts that it does not seek an award of damages for patent infringement. However, as noted by PWGSC, Weir-Jones does ask the Tribunal to direct that PWGSC acquire or licence Weir-Jones's intellectual property rights, at least directly or indirectly.<sup>114</sup> While the Tribunal cannot make such an order, it is given wide ambit to recommend remedies to a successful complainant, including financial compensation. Subsection 30.15(2) of the *CITT Act* uses open-ended language and states that the Tribunal ". . . may recommend such remedy as it considers appropriate . . ." including, but not limited to compensation in an amount specified by the Tribunal.

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<sup>113</sup> Exhibit PR-2020-042-13.

<sup>114</sup> By retendering the RFP with specifications that would require the winning bidder to obtain a license from Weir-Jones. Exhibit PR-2020-042-01 at 7.

[143] Section 30.18 of the *CITT Act* directs the procuring entity to implement the Tribunal's remedy "to the greatest extent possible."

**30.18 (1)** Where the Tribunal makes recommendations to a government institution under section 30.15, the government institution shall, subject to the regulations, implement the recommendations to the greatest extent possible.

**(2)** Within the prescribed period, the government institution shall advise the Tribunal in writing of the extent to which it intends to implement the recommendations and, if it does not intend to implement them fully, the reasons for not doing so.

**(3)** Where the government institution has advised the Tribunal that it intends to implement the recommendations in whole or in part, it shall further advise the Tribunal in writing, within the prescribed period, of the extent to which it has then implemented the recommendations.

[144] As such, PWGSC's argument is unpersuasive and places "the cart before the horse." The issue before the Tribunal is whether the procurement run by PWGSC is flawed by reason of requiring bidders to propose the supply of goods and services that would infringe Weir-Jones's intellectual property rights. If that question is answered in the affirmative, the remedy is found in subsection 30.15(2) and section 301.16 of the *CITT Act*. It is thus irrelevant that the Tribunal cannot award the identical remedies that would be available from a court.

[145] PWGSC advances the further argument that the Tribunal should not deal with the complaint because allegations of *quia timet* patent infringement are being advanced for decision by the Tribunal.

[146] Issues concerning *quia timet* infringement typically arise, on interlocutory motion in an action, where the sufficiency of pleadings is being challenged. *Quia timet* allegations are usually sought to be struck out because they project infringing activities that are anticipated to occur at some *indefinite point in the future*.<sup>115</sup>

[147] The nature of *quia timet* infringement and the requirements for pleading were discussed in *AstraZeneca v. Novopharm Limited*:<sup>116</sup>

[19] An action taken on the basis of anticipation has been called a *quia timet* (because one fears) action. A thorough review of the jurisprudence in respect of such an action was undertaken by Gibson J. of this Court in *Connaught Laboratories Ltd. v. SmithKline Beecham Pharma Ltd.* (1998), 1998 CanLII 8917 (FC), 86 C.P.R. (3d) 36. Counsel for the parties in the present matter do not disagree with the summary of law which he presented at paragraph 20 of his Reasons:

From the foregoing authorities, I derive the following criteria for allegations that must be evident on the face of a statement of claim initiating a *quia timet* proceedings alleging *patent infringement*: the

<sup>115</sup> *AstraZeneca Canada Inc. v. Novopharm Limited*, 2009 FC 1209 [AstraZeneca]; *Connaught Laboratories Ltd. v. Smithkline Beecham Pharma Inc.*, 1998 CanLII 8917 (FC); *Glaxosmithkline Biologicals S.A. v. Novartis Vaccines and Diagnostics, Inc.*, 2007 FC 833; *Merck & Co., Inc. v. Apotex Inc.*, 2000 CanLII 27157 (FCA).

<sup>116</sup> 2009 FC 1209.

statement of claim must allege a deliberate expressed intention to engage in activity the result of which would raise a strong possibility of *infringement*; the activity to be engaged in must be alleged to be imminent and the resulting damage to the plaintiff must be alleged to be very substantial if not irreparable; and, finally, the facts pleaded must be cogent, precise and material. It is not sufficient that they be indefinite or speak only of intention or amount to mere speculation.

[148] Where these criteria are not met, the pleading is struck,<sup>117</sup> thus ending the action unless there are unrelated, surviving causes of action that will sustain it.

[149] Although a complaint filed with the Tribunal is not a statement of claim, Weir-Jones has maintained, from the outset, that the RFP defines a procurement process that would cause infringement and *de facto* misappropriation of Weir-Jones's intellectual property rights. The complaint identified those rights by registration number and attached copies. Further, Weir-Jones has alleged consequential harm to its business.

[150] More importantly, the alleged infringing acts will occur during an imminent and ascertainable timeframe. Weir-Jones's complaint is rooted in its reading of the RFP and the requirements prescribed therein. The procurement process has defined dates of opening and closing.<sup>118</sup> As asserted by Weir-Jones, the act of infringement (with consequent harm to Weir-Jones) materializes where a bidder responds to the RFP proposing to supply good and services which trench upon the intellectual property rights asserted by Weir-Jones.

[151] The procuring entity and participating bidders engage in the tender process with the expectation that a contract will be awarded to the winning bidder in accordance with its bid, upon conclusion of the tender. This is not akin to allegations of activities that are to occur at some indefinite future date.

[152] As noted above, the issue for decision is whether the RFP prescribes mandatory technical requirements which limit compliant bids to those which infringe Weir-Jones's intellectual property rights. Those events occur within a specific timeframe.<sup>119</sup>

[153] For these reasons, PWGSC's characterization that the issue before the Tribunal is one of *quia timet* infringement, is misplaced.

[154] PWGSC further asserts that a complainant in the position of Weir-Jones should simply pursue an action for patent infringement before the courts. However, this is no more than an argument that the scope of procurement recourse should be restricted, ostensibly for no other reason than an apparent reticence<sup>120</sup> to narrow issues and marshal evidence in a summary proceeding on an expedited basis with respect to a question of law, i.e. claim construction.<sup>121</sup>

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<sup>117</sup> *Supra* 109.

<sup>118</sup> Even though the Tribunal has issued an Order pursuant to subsection 30.13(3) of the *CITT Act*, the date of disposition is also readily ascertainable, having regard to section 12 of the *Regulations*.

<sup>119</sup> As noted below, the act of offering to supply goods and services which would infringe Weir-Jones's patent, in and of itself, could be deemed an act of infringement. The Tribunal need not decide that issue.

<sup>120</sup> By one or both parties (or their counsel).

<sup>121</sup> Such a strategic position is neither novel nor unique to this case.

[155] It also ignores the benefits of providing a relatively inexpensive and quick process that enables prospective suppliers (many of whom are small- to medium-sized businesses) to pursue complaints and concerns arising from the federal procurement process. This has access to justice implications. The cost of fully contested patent litigation can quickly overwhelm the resources of a small- or medium-sized business.<sup>122</sup>

[156] Moreover, patent infringement is not contingent on prior knowledge or intent – all that is relevant is whether there has been trespass upon the boundaries of the patent claims.<sup>123</sup> Neither the procuring entity nor the bidders who participate in a tender process need be aware of the complainant’s patent. As such, if there were a situation where an RFP did contain mandatory criteria placing a bidder, inadvertently or otherwise, within the scope of a third party’s patent, it would be advantageous for all parties to learn of the issue sooner rather than later. Early remediation, if possible, is typically more cost-efficient for all parties and aligns with the procurement objectives discussed in *Almon*.

[157] Having regard to all of the foregoing, the Tribunal concludes that it has jurisdiction to decide Weir-Jones’s complaint on its merits.

[158] This being said, the Tribunal considers that the issue for determination is whether the procurement process used by PWGSC and NRCan creates a situation where a bid that complies with the RFP will necessarily result in the infringement of the intellectual property rights asserted by Weir-Jones and conversely, making a non-infringing bid into a non-compliant one, thus disqualifying the bidder from the tender competition. In order to decide that issue, the Tribunal must first consider other threshold issues of both fact and law.

### Patent Infringement

[159] Patent infringement has been characterized as a statutory tort. Although liability for that tort is created by subsection 55(1) of the *Patent Act*,<sup>124</sup> the parameters of the tort are undefined by the *Patent Act*.

[160] In *Monsanto v. Schmeiser*,<sup>125</sup> the Supreme Court defined infringement as any act which interferes with the scope of the monopoly conferred upon the patentee:

140 “Infringement” is not defined in the *Patent Act*. To determine what constitutes infringement, recourse must be had to the common law, the statutory provisions that define the grant of rights to the inventor and the recourse to remedies, and, most importantly, the scope of the exclusive rights claimed in the patent: Fox, *supra*, at p. 349. Infringement, in

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<sup>122</sup> The cost of such litigation can easily run well into six or seven figures, as reflected by awards of party-and-party costs to the successful party which are borne over and above a party’s own legal costs. See for example *Camso Inc. v. Soucy International Inc.*, 2019 FC 816 (party and party costs fixed at \$570,000); *Seedlings Life Science Ventures, LLC v. Pfizer Canada ULC*, 2020 FC 505 (party and party costs fixed at \$2,629,062); *Dimplex North America Limited v. CFM Corporation.*, 2006 FC 1403 (party and party costs fixed at \$480, 000); *Dow Chemical Company v. Nova Chemicals Corporation*, 2016 FC 91 (party and party costs fixed at \$6,500,000).

<sup>123</sup> *Illinois Tool Works Inc. v. Cobra Fixations Cie / Cobra Anchors Co.*, 20 C.P.R. (4th) 402; affd 2003 FCA 358.

<sup>124</sup> *Eli Lilly and Company v. Apotex Inc.*, 2014 FC 1254 at paras. 10-11.

<sup>125</sup> *Monsanto v Schmeiser*, 2004 SCC 34, [*Monsanto*].



short, is “any act that interferes with the full enjoyment of the monopoly granted to the patentee”, if done without the consent of the patentee: Fox, *supra*, at p. 349.<sup>126</sup>

[161] *Monsanto* was a landmark decision because it considered the scope of activities that might constitute an infringing “use” of a patented invention in circumstances where the alleged infringer was not either “making” or “selling” a product falling within the scope of the patent claims. The question for determination was framed as follows:

34 The purpose of s.42 is to define the exclusive rights granted to the patent holder. These rights are the rights to full enjoyment of the monopoly granted by the patent. Therefore, what is prohibited is “any act that interferes with the full enjoyment of the monopoly granted to the patentee”: H. G. Fox, *The Canadian Law and Practice Relating to Letters Patent for Inventions* (4th ed. 1969), at p. 349; see also *Lishman v. Erom Roche Inc.* (1996), 68 C.P.R. (3d) 72 (F.C.T.D.), at p. 77.

35 The guiding principle is that patent law ought to provide the inventor with “protection for that which he has actually in good faith invented”: *Free World Trust, supra*, at para. 43. Applied to “use”, the question becomes: did the defendant’s activity deprive the inventor in whole or in part, directly or indirectly, of full enjoyment of the monopoly conferred by law?<sup>127</sup>

[162] The Court went on to summarize relevant factors for consideration in determining whether a patented invention has been misappropriated by way of infringing “use”:

1. “Use” or “*exploiter*”, in their ordinary dictionary meaning, denote utilization with a view to production or advantage.
2. The basic principle in determining whether the defendant has “used” a patented invention is whether the inventor has been deprived, in whole or in part, directly or indirectly, of the full enjoyment of the monopoly conferred by the patent.
3. If there is a commercial benefit to be derived from the invention, it belongs to the patent holder.
4. It is no bar to a finding of infringement that the patented object or process is a part of or composes a broader unpatented structure or process, provided the patented invention is significant or important to the defendant’s activities that involve the unpatented structure.
5. Possession of a patented object or an object incorporating a patented feature may constitute “use” of the object’s stand-by or insurance utility and thus constitute infringement.
6. Possession, at least in commercial circumstances, raises a rebuttable presumption of “use”.

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<sup>126</sup> *Ibid.* at para. 140.

<sup>127</sup> *Ibid.* at paras. 34-35.

7. While intention is generally irrelevant to determining whether there has been “use” and hence infringement, the absence of intention to employ or gain any advantage from the invention may be relevant to rebutting the presumption of use raised by possession.<sup>128</sup>

[163] In light of the allegations made by Weir-Jones’s in its complaint concerning the actions of NRCan, the Tribunal provided Weir-Jones with an opportunity<sup>129</sup> to clarify and particularize any allegations of infringement that it was making in its complaint, e.g. whether it viewed preparation of the RFP *per se* as comprising actions amounting to “use” of the invention claimed by the ‘717 Patent, especially having regard to the principles set forth in *Monsanto*.

[164] Weir-Jones declined to do so and stated that it was not alleging that either NRCan (or PWGSC) had committed an act of infringement by “using” the invention claimed by the ‘717 Patent. Notwithstanding, Weir-Jones maintained its allegations that the RFP content amounted to an inducement or invitation for prospective bidders to infringe the ‘717 Patent. As such, the allegation of possible infringement within the framework of the procurement process remained alive, at least in relation to the actions of bidders responsive to the RFP.

[165] To answer the question of whether the RFP creates a situation where a compliant bid would cause infringement and a non-infringing bid would be non-compliant (and thus disqualified from the tender) the Tribunal must first construe the claims of the ‘717 Patent that are in issue.

### **Claim Construction**

#### The ‘717 Patent

[166] The ‘717 Patent is entitled “Systems and Methods for Early Warning of Seismic Events.” It was issued on May 28, 2019, from an application with a deemed filing date<sup>130</sup> of October 19, 2017, claiming priority from U.S. Patent Application No. US62/410,358. The application was published on April 26, 2018. There are 54 claims.

[167] Pursuant to Tribunal’s Order of November 26, 2020, Weir-Jones identified the claims relevant to its complaint as being claims 1 and 28. Both of those claims are independent claims.

[168] It is well settled in Canadian law that a patent must first be construed before issues of infringement are considered.

[169] A patent is addressed to a person of skill in the art (skilled person). The skilled person is a hypothetical or fictional person who reads the patent objectively. In some instances, and depending on the technical field of the patent, the skilled person may be a composite or team of people with educational or practical experience in the area of technology to which the patent relates.<sup>131</sup> As the claims of the patent define the monopoly, they must be construed through the eyes of such a person, read with a “mind willing to understand, not by a mind desirous of misunderstanding”.<sup>132</sup>

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<sup>128</sup> *Ibid.* at para. 58.

<sup>129</sup> Exhibit PR-2020-042-13.

<sup>130</sup> As the National Phase Entry of Patent Cooperation Treaty Application No. CA2017/051251.

<sup>131</sup> *Flatwork Technologies, LLC (Powerblanket) v. Brierley*, 2020 FC 997 at para. 53.

<sup>132</sup> *Whirlpool* at para. 49.

[170] Claim construction is a question of law. Although evidence may be received from experts to assist in understanding the technical subject matter of the patent as it would be read by the skilled person, claim construction may not be delegated to expert witnesses.<sup>133</sup> While experts may provide assistance in construing terms or elements of the claims, expert evidence is not required if the meaning of terms used in the claims is evident from the patent specification or is otherwise understandable.”<sup>134</sup>

[171] Neither party submitted an expert report which might assist the Tribunal in construing the claims of the ‘717 Patent. As noted above, the Tribunal provided both parties with the opportunity to supplement the materials already filed with additional evidence, up to and including convening an oral hearing with leave to call witnesses. The Tribunal typically renders decisions in procurement disputes based on a written record alone. As such, an oral hearing, much less a two-day hearing, is out of the ordinary.

[172] Both Mr. McCormack and Mr. Sellathamby expressed opinions concerning the content of the ‘717 Patent and the underlying technology. Neither was put forward as an expert witness and the parties elected not to call their respective witnesses to testify at the hearing or to make them available for cross-examination by the opposing party. For that reason, the Tribunal accords very little weight to this evidence.

[173] The principles of claim construction are well established and described by the Supreme Court in *Whirlpool* and *Free World Trust*.

[174] The starting point of construction is the claim language. The claims must be read in the overall context of the specification. The disclosure may be referred to for the purpose of understanding the meaning of words or expressions found in the claim. In doing so, context is paramount. The meaning of claim language is not determined by way of reference to “stray phrases” found in the disclosure. The scope of the claim, as written and understood, cannot be contracted or enlarged by reference to the disclosure.

[175] Claims must be given a purposive construction, and not a purely literal one.<sup>140</sup> The objective is to construe the claims in a manner that will distinguish the essential elements from the inessential elements in a purposive way, so as to give the patentee the benefit of his invention. In *Whirlpool*, the Supreme Court stated the following:

The key to purposive construction is therefore the identification by the court, with the assistance of the skilled reader, of the particular words or phrases in the claims that describe what the inventor considered to be the “essential” elements of his invention.<sup>135</sup>

[176] The specification of the ‘717 patent is directed to EEW systems. Its subject matter pertains to systems and methods for the early detection of seismic events (such as earthquakes), measurement of characteristics of seismic events, taking action to minimize damage and injury caused by earthquakes and providing warnings or alarms to those at risk of suffering injury or damage as a result of a seismic event. As such, the ‘717 Patent is directed to a composite skilled person with education and expertise in the fields of seismology, geology, systems engineering and software engineering.

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<sup>133</sup> *Pfizer Canada Inc. v. Canada (Minister of Health)*, 2005 FC 1725 at para. 34.

<sup>134</sup> *Eli Lilly Canada Inc. v. Apotex Inc.*, 2018 FC 736 at para. 63.

<sup>135</sup> *Whirlpool* at para. 45.

[177] The '717 Patent concedes that EEW systems are known. The specification discusses the features, functional characteristics, limitations and disadvantages of prior art EEW systems.<sup>136</sup>

[178] Claim 1 of the '717 Patent reads as follows:

1. A seismic warning system comprising:

a plurality of sensors, each sensor sensitive to a physical phenomenon associated with seismic events and operative to output an electronic signal representative of the sensed physical phenomenon;

a data acquisition unit communicatively coupled to receive the electronic signal from each of the plurality of sensors, the data acquisition unit comprising a processor configured to determine that the received electronic signals are indicative of a P-wave associated with a seismic event and to estimate characteristics of the seismic event based on the received electronic signals; and

a local device embodied separately from the data acquisition unit and communicatively coupled to the data acquisition unit;

wherein the plurality of sensors, the data acquisition unit and the local device are local to one another;

wherein at least one of the processor and the local device are configured to determine local situational emergency measures to be implemented by the local device based on the estimated characteristics of the seismic event and specific conditions in existence at a specific location of the local device; and

wherein the local device is configured to determine the specific conditions in existence at the specific location of the local device by performing an interrogation operation.<sup>137</sup>

[179] As such, claim 1 comprises six elements. Three of these are physical components, namely a (1) a plurality of sensors (2) a data acquisition unit and (3) a local device. These components are described with reference to their functional characteristics. The other three claim elements pertain to the spatial and operational configuration of the three physical components relative to one another.

[180] The term "sensor" as described in claim 1, reads on the description of "sensor" as used in prior art systems. At pages 1 and 4 of the specification,<sup>138</sup> sensors are functionally described as being used to detect earthquakes and for use in EEW systems to determine or estimate essential characteristics of earthquakes such as the epicentre or hypocenter of the earthquake, the magnitude of its surface wave, the time of arrival of the second surface wave, together with physical qualities such as velocity, acceleration strain, temperature, crack and pressure. This information is converted into signals using a suitable reading instrument.

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<sup>136</sup> Exhibit PR-2020-042-01A at 28-34.

<sup>137</sup> *Ibid.* at 66.

<sup>138</sup> *Ibid.* at 28, 31.

[181] The specification also concedes that data acquisition equipment is known and used in prior art systems to log detected data.<sup>139</sup>

[182] The third physical component of claim 1 is a “local device.” The meaning of this term is not readily apparent from the context of the claim alone. At pages 12 to 13 of the disclosure,<sup>140</sup> a local device is described in terms of its function, and appears to extend to a computing device including an embedded controller or processor that may be configured to take or execute emergency measures such as shutting down buildings or equipment, other types of equipment such as audible alarms, optical warning indicators and public address systems.

[183] Claim 1 thus defines a combination of elements (sensors, data acquisition unit and a local device) that are operationally configured to define a seismic warning system.

[184] Sensors are sensitive to physical phenomena associated with seismic events and are operationally capable of generating an electronic output signal that is reflective of the sensed physical phenomena. The electronic output signal of the sensors is received by the data acquisition unit which is equipped with a processor configured to make determinations concerning the nature of the seismic event derived from information provided by the electronic signals.

[185] A local device that may be programmed to determine take situational emergency measures is communicatively coupled to the data acquisition unit and becomes operational in response to transmitted information from the data acquisition unit that is indicative of a seismic event.

[186] The claim requires that these elements be “local to one another.” The specification discusses the limitations of prior art EEW systems where the sensors are physically spaced “tens of kilometres or several hundreds of kilometres” apart. Closer spacing of the sensors is impractical and compromises the ability of the EEW to detect the epicenter of the earthquake. Although EEW systems<sup>141</sup> with sensors spaced less than 500 meters apart are known, this type of system is said to have other limitations. Having regard to the limitation of prior art devices, the phrase “local to one another” means a spacing of approximately 10 kilometres or less.

[187] Accordingly, the relative placement and spacing of the sensors, data acquisition unit and local device are essential because they will have a bearing on the configuration of the processor and local device which operate to determine local situational emergency measures and specific conditions in existence at the local device. In turn, these measures and conditions are contingent on the seismic information that is detected and conveyed by the sensors to the data acquisition unit.

[188] Weir-Jones concedes that the claim elements “wherein at least one of the processor and the local device are configured to determine local situational emergency measures to be implemented by the local device based on the estimated characteristics of the seismic event and specific conditions in existence at a specific location of the local device” and “wherein the local device is configured to determine the specific conditions in existence at the specific location of the local device by performing an interrogation operation”<sup>142</sup> are both essential to the claim.

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<sup>139</sup> *Ibid.* at 28.

<sup>140</sup> *Ibid.* at 39-40.

<sup>141</sup> U.S. Patent 9372272 (Price et al.) – 5 of ‘717 patent; Exhibit PR-2020-042-01A at 32.

<sup>142</sup> Claim 1 of the ‘717 Patent (Exhibit PR-2020-042-01A at 66); *Transcript of Public Hearing* at 122-123.

[189] Accordingly, all elements of the claim are essential – the individual physical components, together with their relative placement and configuration relative to each other.

[190] Having construed claim 1, the Tribunal now turns to a consideration of whether the RFP requires the taking of all essential elements by a bidder who responds to the RFP and tenders a compliant with the RFP’s requirements.

[191] In order for a patent claim to be infringed, all of its essential elements must be taken. If an essential element is varied or omitted, there is no infringement.<sup>143</sup>

[192] The RFP describes the objective of the procurement as follows:

The objective of this process is to procure seismic instruments, acquisition software, and installation services for indoor seismic monitoring stations as part of the development of the national earthquake system for Canada. . . .<sup>144</sup>

[193] The national earthquake system will comprise “a) a large number of sensor stations (seismic instruments and supporting equipment) installed in locations that are close to areas at risk from a major earthquake and contain significant populations or protectable critical infrastructure b) software systems running in data centres processing waveform data acquired from the sensor stations to generate EEW messages and c) alert distribution systems to the Canadian public and other stakeholders.”<sup>145</sup>

[194] Bidders are called upon to provide three categories of deliverables:

- (a) Seismic Instruments;
- (b) Data Centre Acquisition Software; and
- (c) Installation Services for Indoor Stations.<sup>146</sup>

[195] There is no suggestion that Weir-Jones asserts patent rights in relation to any of the individual items prescribed as deliverables. Its complaint rests solely on the seismic warning system as claimed by the ‘717 Patent.

[196] For each deliverable, the RFP prescribes certain requirements. With respect to seismic instruments, bidders are required to provide “strong motion accelerometers, digitizers, and accessories to measure the ground motion associated with an earthquake.”<sup>147</sup> As noted above, the ‘717 Patent concedes that sensors for detection of earthquakes are already known.

[197] The second category of deliverable is data acquisition software. With respect to this deliverable as prescribed by the RFP, the Tribunal notes that computer software *per se* is not

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<sup>143</sup> *Free World Trust* at para. 31.

<sup>144</sup> Exhibit PR-2020-042-08 at 31.

<sup>145</sup> *Ibid.*

<sup>146</sup> *Ibid.* at 31-32.

<sup>147</sup> *Ibid.* at 29.

patentable subject matter.<sup>148</sup> As such, it necessarily falls outside the scope of the patent rights asserted by Weir-Jones in this proceeding.

[198] The RFP prescribes that data from the sensors “are received in Government of Canada data centres by matching data acquisition software. Data centre software transfers data to EEW processing software (outside the scope of this contract) using Earthworm protocol. Data centre acquisition software performs other support functions for the system. Data centre acquisition software must be supplied as per the statement of work and mandatory requirements.”<sup>149</sup>

[199] The RFP also notifies bidders of NRCan’s intention to use the USGS SHAKEALERT software as part of the EEW:

NRCan intends to use the USGS ShakeAlert system for processing seismic data for EEW purposes and for generating alerts. USGS ShakeAlert is not part of this proposed procurement. USGS ShakeAlert is not part of this proposed procurement. USGS ShakeAlert does not perform the task of transferring waveform and other data from seismic instruments to data centres (data acquisition) or into USGS ShakeAlert software itself; nor does it perform supporting tasks like data archiving, monitoring, or metadata management. USGS ShakeAlert uses Earthworm rings as a component for managing waveform data in its processing functions.<sup>150</sup>

[Footnote omitted]

[200] This passage of the RFP is also footnoted to acknowledge ShakeAlert as a trademark of Weir-Jones and to clarify that reference to SHAKEALERT in the RFP is intended to refer only to the different ShakeAlert software developed by the USGS.<sup>151</sup>

[201] With respect to the third category of deliverable (installation services of indoor stations), the RFP prescribes that the contractor must install seismic and other equipment to be supplied by Canada at locations to be selected by Canada. Installation work includes planning carried out in conjunction with Canada, equipment preparation and configuration, travel to installation sites, on-site testing, and post-installation verification of equipment performance.<sup>152</sup>

[202] Claim 1 of the ‘717 Patent defines an operable combination of components that work together to produce a unitary result, namely a seismic warning system. The resultant combination is greater than the sum of its parts.<sup>153</sup> In contrast, the RFP prescribes an aggregation of deliverables that perform independent stand-alone functions<sup>154</sup> unless and until they are combined or configured as co-acting parts of a larger system. Although such a result is contemplated, the means by which the

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<sup>148</sup> *Schlumberger v. Commissioner of Patents*, [1982] 1 F.C. 845.

<sup>149</sup> Exhibit PR-2020-042-08 at 32.

<sup>150</sup> Exhibit PR-2020-042-08 at 34.

<sup>151</sup> The Tribunal observes that the notice is somewhat inaccurate in that it overstates the scope of Weir-Jones’s rights in relation to the trademark “ShakeAlert,” having regard to other evidence that is before the Tribunal. However, nothing particularly significant turns on this fact for the purpose of these reasons.

<sup>152</sup> Exhibit PR-2020-042-08 at 32, 35.

<sup>153</sup> For example, see *R. v. Uhlemann Optical Co.*, [1952] 1 S.C.R. 143; *Eli Lilly Canada Inc. v. Apotex Inc.*, 2018 FC 736.

<sup>154</sup> For example, see *Crila Plastic Industries Ltd. v. Ninety-Eight Plastic Trim Ltd.*, 18 C.P.R. (3d) 1.

combination is created or configured is not defined or prescribed by the RFP. This is left for the bidders to describe as part of their bid submission.

[203] Indeed, the RFP requires bidders to “demonstrate their understanding of the requirements contained in the bid solicitation and explain how they will meet these requirements.”<sup>155</sup> The mandatory bid evaluation criteria include metrics to score bids based on the methodology that the bidder proposes to use in order to meet the objectives of the EEW system that Canada seeks to procure. For example, one such evaluation factor is whether the bidder has provided “a description of the work including a clear description of the service provided, the *methodology, software, hardware, and other equipment and products used in the delivery of the service/product* that is clear and fully describes the scope of the service/project”<sup>156</sup> [emphasis added].

[204] The operable configuration of the sensors, data acquisition unit and local device is an essential element of claim 1. The placement and spacing of these components is also essential. Claim 1 requires that the plurality of sensors, data acquisition unit and the local device be “local to one another.”

[205] However, the sensors of the procured EEW system will be installed by the winning bidder at site locations to be selected by Canada during the contract period. Geographically, those locations are planned to be within a 200 km radius of major urban centres. The location of individual seismic stations, the spacing of the installed sensors and the location of the sensors relative to any data acquisition unit or local device is thus dependent on site location.<sup>157</sup>

[206] The RFP also notes that the logistics of installation will be site-dependent in terms of the facilities, including communications infrastructure (i.e. Internet, Broadband, cable, cellular, modem, radio) that may be available at the site.<sup>158</sup> Accordingly, the features of the seismic stations are all variables that are dependent upon the site locations to be selected by Canada, which in turn will affect how and where the equipment can and will be installed.

[207] The RFP indicates Canada’s estimation that the communications infrastructure for the seismic stations will consist of station-host-provided Internet (40 percent) and a cellular modem (30 percent). The disclosure of the ‘717 Patent indicates that components requiring larger communications networks such as the Internet or a cellular network may not be considered to be “local.”<sup>159</sup>

[208] The winning bidder will need to accommodate, in terms of installation, whatever locations that Canada may select for the seismic stations. That decision is wholly within Canada’s discretion and consequently includes the option of selecting installation sites where the system components may not need not be local to one another, as required by claim 1. As that decision has not been made, there is no basis for the Tribunal to find that the RFP requires bidders to propose a system whose methodology requires the installation of sensors, a data acquisition unit and a local device in a configuration where those components are local to each other and thus within the scope of claim 1.

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<sup>155</sup> Exhibit PR-2020-042-08 at 8.

<sup>156</sup> *Ibid.* at 61.

<sup>157</sup> Components of the system defined by claim 1.

<sup>158</sup> Exhibit PR-2020-042-08 at 36.

<sup>159</sup> Exhibit PR-2020-042-01A at 40.



[209] Further essential elements of claim 1 are: (1) the configuration of the data acquisition unit (processor) or the local device to determine local situational emergency measures to be implemented and (2) the configuration of the local device to determine specific conditions in existence at the specific location by performing an interrogation operation.

[210] In this regard, the Tribunal notes that use of an algorithm or software would appear to be required or otherwise needed to underpin the determination of local situational emergency measures and performing the interrogation operation to determine specific local conditions.

[211] Algorithms are unpatentable subject matter.<sup>160</sup> Intellectual property rights may, however, exist in relation to computer software. Computer programs are literary works that are protected by copyright.<sup>161</sup> There is evidence of Weir-Jones describing its SHAKEALERT EEW technology as a hardware/software platform.<sup>162</sup>

[212] As such, to the extent that algorithms or software are required to perform the functions of determining local situational emergency measures and performing the interrogation operation to determine specific local conditions as prescribed in claim 1, the Tribunal can only conclude, in the absence of evidence to the contrary, that the selection and use of those aspects of the seismic warning system are contingent on the hardware aspects of the system, including how and where those components are installed.

[213] Accordingly, the taking of those essential elements is not required by the RFP.

[214] Weir-Jones argued strongly that an effective seismic warning system must provide meaningful warning to the public and enable autonomous decision-making for the shutting down of equipment or processes, in light of imminent damage from an earthquake.

[215] However, the disclosure of the '717 Patent concedes that EEW system with means to generate warnings to the public are known, including those providing some type of warning directed to the public using sensor technologies built into smartphones and tablet devices.<sup>163</sup> Similarly, the '717 Patent acknowledges the existence of some EEW systems incorporating autonomous decision-making of equipment. These systems are said to have various technical or operational disadvantages or limitations which are discussed in the '717 Patent at pages 5 to 8.

[216] Weir-Jones stresses that the '717 Patent is directed to an EEW system with "situational awareness." A passage at page 6 of the disclosure refers to "situational awareness:"

When existing EEWS systems issue warnings, these warnings are blanket warnings to all within the warning area. It is up to the individuals or organizations within the warning area to interpret the warning, assess the danger and take any desired actions. Some choose to do nothing simply because they do not know what to do or do not think they are in danger. Prior art EEWS systems have no knowledge an individual's or organization's situation or location or least do not incorporate an such knowledge into any applicable recommended courses of action. For instance, if an individual is driving on the freeway, the recommendation should be

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<sup>160</sup> *Patent Act*, subsection 27(8).

<sup>161</sup> *Copyright Act*, sections 2, 3.1.

<sup>162</sup> Exhibit PR-2020-042-01A at 249.

<sup>163</sup> U.S. Patent Application No. US2015/0195693 (Hoorianin et al.) discussed at page 3 of the '717 Patent. Exhibit PR-2020-042-01A at 30.

to pull over safely and stop. However, if the individual is driving in a tunnel, pulling over and stopping inside the tunnel is not the correct action. The preferred action would be to drive through the tunnel and then pull over and stop. As another example, because the generic warnings issued by prior art EEWS systems lack situational awareness within the warning area, such generic warnings can result in an organization unnecessarily shutting down equipment or processes, which can cause unnecessary losses and create more harm than good. Still further, generic warnings (without situational awareness) issued by prior art EEWS systems can cause unnecessary panic.<sup>164</sup>

[217] Even if the Tribunal were to assume that claim 1 defines a seismic warning system with “situational awareness” as discussed above, the claim would only be infringed<sup>165</sup> if all of its essential elements are taken. As claim 1 defines components that co-operate to achieve an operational result, any such a seismic warning system with situational awareness would still be dependent on the relative physical and geographic spacing of the system components and their consequent installation and configuration.

[218] The Tribunal finds that the RFP does not make a compliant bid contingent on the taking of all essential elements of claim 1. At least one essential element (relative location of system components and their installation) is contingent upon a decision that is yet to be made by Canada.

[219] The specifications for deliverables prescribed by the RFP are thus framed sufficiently broadly so as to provide bidders with a multiplicity of options. These include the option of supplying a system with component parts that would be prior art to the claimed invention, or a non-infringing system that would be otherwise outside the scope of the system claimed by the ‘717 Patent, such as a bidder’s own proprietary technology. While it is certainly possible that a prospective bidder could propose an EEW that would infringe the ‘717 Patent, this remains entirely speculative.

[220] Moreover, patent rights do not provide exclusivity in relation to a mere concept or idea. Invention requires the reduction of an idea to some definite and practical shape,<sup>166</sup> and a patent monopoly is granted for things that are tangible and practical.<sup>167</sup> The patent monopoly is granted for new, useful and inventive subject matter<sup>168</sup> which provides solutions to practical problems. The scope of that monopoly is defined and limited by the claims of the patent. The patentee is tied to the wording of its claims.<sup>169</sup> As noted in *Free World Trust*:

32 . . . As stated, the ingenuity of the patent lies not in the identification of a desirable result but in teaching one particular means to achieve it. The claims cannot be stretched to allow the patentee to monopolize anything that achieves the desirable result. It is not legitimate, for example, to obtain a patent for a particular method that grows hair on bald men and thereafter claim that *anything* that grows hair on bald men infringes.<sup>170</sup>

[221] Weir-Jones clearly believes that its EEW system with situational awareness is both unique and very valuable. Even if no other means to achieve “situational awareness” is known to

<sup>164</sup> Exhibit PR-2020-042-01A at 33.

<sup>165</sup> In the context of the RFP which is at issue in this proceeding.

<sup>166</sup> *Christiani v. Rice*, [1930] S.C.R. 443, at 454; *Apotex Inc. v. Wellcome Foundation Ltd.*, 2002 SCC 77 [Apotex].

<sup>167</sup> *Apotex* at para. 37.

<sup>168</sup> See the definition of “invention” in *Patent Act*, section 2.

<sup>169</sup> *Free World Trust* at para. 43.

<sup>170</sup> *Ibid.* at para. 32.

Weir-Jones, there is no monopoly in the idea of an EEW system with situational awareness, only in the specific means to achieve it.

[222] At least in theory, a competitor may be able to “design around” the ‘717 Patent and provide a non-infringing EEW system featuring situational awareness. If so, this would be undoubtedly frustrating to Weir-Jones<sup>171</sup> but such a scenario<sup>172</sup> does not infringe its patent rights. Nor does it lead to the conclusion that a procurement process presenting that hypothetical opportunity is consequentially flawed.

[223] Alternatively, if an infringing EEW system is provided by a competitor or is acquired by PWGSC and used by NRCan, Weir-Jones will be able to take steps to enforce the ‘717 Patent if and when that situation arises. As matters now stand, the scenario is both premature and entirely speculative.

[224] Weir-Jones also relies upon claim 28, which reads as follows:

28. A method for effecting situational emergency measures in response to detected seismic events, the method comprising:

at each of a plurality of seismic sensors, detecting a physical phenomenon associated with seismic events and generating a corresponding electronic signal representative of the detected physical phenomenon;

receiving, from each seismic sensor, the corresponding electronic signal at a data acquisition unit;

determining, at the data acquisition unit, that the received electronic signals are indicative of a P-wave associated with a seismic event and computing, at the data acquisition unit, one or more estimated seismic event characteristics based on the received electronic signals;

communicating the one or more estimated seismic event characteristics from the data processing unit to a local device and embodied separately from the data acquisition unit;

wherein the plurality of seismic sensors, the data acquisition unit and the local device are local to one another;

determining, by at least one of the data acquisition unit and the local device, local situational emergency measures to be implemented by the local device based on the estimated characteristics of the seismic event and specific conditions in existence at a specific location of the local device; and

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<sup>171</sup> See *Tensar Technologies, Limited v. Enviro-Pro Geosynthetics, Ltd.*, 2021 FCA 3, at para. 48.

<sup>172</sup> A scenario wherein PWGSC elects to acquire, within the context of the procurement at issue, an EEW system *without* situational awareness may likewise be frustrating to Weir-Jones, but this does not lead to the conclusion that the underlying procurement process was flawed.

determining, by the local device, the specific conditions in existence at the specific location of the local device by performing an Interrogation operation.<sup>173</sup>

[225] Claim 28 reformulates the claim to a seismic early warning system (claim 1) into a method claim. The same essential elements found in claim 1 are thus likewise present in claim 28.

[226] The RFP requires bidders to provide installation services as a deliverable and to describe their proposed methodology for the project, which would include at least one method for the placement of sensors and other equipment at locations for seismic stations to be chosen by Canada.

[227] As is the case for claim 1, the placement and relative spacing (location) of the system components is contingent on-site locations that are not yet selected and thus unknown. The geographic location, site communications infrastructure and other variables will have a bearing on the installation and subsequent configuration of the system components. The Tribunal considers that the number of possible permutations and combinations would be substantial.

[228] Accordingly, for the same reasons given above in relation to claim 1, the Tribunal concludes that any infringement arising from, or that is contingent upon, the RFP is speculative and premature.

[229] For the above reasons, the Tribunal finds that the RFP does not prescribe the taking of the essential elements of claims 1 and 28 of the '717 Patent. Consequently, infringement of the '717 Patent is not a prerequisite to a compliant bid, and the procurement process at issue is not fundamentally flawed as alleged.

### Inducing or Procuring Infringement

[230] It is not an act of infringement to sell or supply a non-infringing article that may be put to an infringing use.<sup>174</sup> This remains the case even if the article has no other known use.<sup>175</sup>

[231] Weir-Jones contends that infringement of the '717 Patent is being "induced" by the RFP. The test for inducement<sup>176</sup> of patent infringement has the following three requirements, all of which must be met:

- (1) An act of infringement is completed by the direct infringer (i.e. a purchaser)
- (2) The completed act of infringement was **influenced** by the seller/supplier, to the point where the infringement would not otherwise have occurred, but for the influence exerted by the seller/supplier
- (3) The seller/supplier must have exercised influence knowing that its influence would result in completion of the act of (direct) infringement, such as suggesting or implying an end use.<sup>177</sup>

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<sup>173</sup> Exhibit PR-2020-042-01A at 71.

<sup>174</sup> *Slater Steel Industries Ltd. v. R. Payer Co.*, 55 C.P.R. 61.

<sup>175</sup> *Hatton v. Copeland-Chatterson Co.*, 10 Ex. C.R. 224; *MacLennan v. Produits Gilbert Inc.*, 2008 FCA 35 [*MacLennan*].

<sup>176</sup> Sometimes referred to as "procuring infringement."

<sup>177</sup> *Corlac v. Weatherford Canada Inc.*, 2011 FCA 228 at para. 162; *MacLennan* at paras. 33-44.

[232] The first requirement is not met. There is no evidence upon which the Tribunal can reasonably conclude that an act of infringement *will* be committed.

[233] A tender could theoretically prescribe mandatory technical criteria which would place any compliant bids within the scope of a patent claim. However, the act of infringement would not be committed until the goods were actually manufactured, sold or used within Canada, i.e. upon actual installation of the EEW system.<sup>178</sup> However, for the purposes of assessing whether an RFP is deficient on the grounds alleged by Weir-Jones, the Tribunal can nonetheless assume that the holder of a winning, compliant bid will supply in accordance with its bid.

[234] Where a complainant alleges, as Weir-Jones does here, that a procurement process is flawed because an RFP will induce bidders to infringe the complainant's patent, the second element of the inducement test is critical. That factor requires the exercise of influence that will cause another person to infringe the patent. Such influence may take the form of by instructions or directions conveyed either directly or even indirectly. Mere suggestion will not suffice. Those instructions must extend to all of the essential elements of the claim.<sup>179</sup>

[235] In the context of a procurement, the requisite influence could arise if the RFP, and its mandatory technical requirements, operate to require bidders to propose a system falling within the ambit of the patent claims, whether they realize this or not.<sup>180</sup> The bid would otherwise be non-compliant, and thus subject to disqualification, leaving the bidder with no option if they wish to remain in the competition.

[236] For the reasons given above, the Tribunal concludes that the RFP content does not prescribe, or make a compliant bid contingent upon, the supply of subject matter within the scope of either claim 1 or 28 of the '717 Patent. As all other claims of the '717 Patent are dependent, either directly or indirectly on either claim 1 or 28, the RFP does not serve to direct the infringement of the dependent claims.

[237] Nor does it assist Weir-Jones that the RFP requires supply of individual components which *might* be combined into a system that *might* infringe the '717 Patent. Unless the RFP *directs or instructs* that those components be combined, there is no inducement to infringe.<sup>181</sup>

[238] Accordingly, the second requirement of the test for inducing infringement cannot be met and is also dispositive of the first requirement. The third requirement of the test is consequentially moot.

[239] Notwithstanding, a bid for an EEW system that would infringe the '717 Patent, if received in the course of the procurement process, could be construed as an offer to sell or otherwise constitute an infringing "use" of the patented invention, having regard to *Monsanto*. However, such a scenario would define a possible cause of action as against that particular bidder. If such a bid were to be assessed as successful and a contract were to be awarded by PWGSC, Weir-Jones might again have a cause of action for patent infringement with respect to the sale, supply and use of such a system. This might potentially also ensnare NRCAN or PWGSC, in addition to the bidder.

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<sup>178</sup> For example, *Dole Refrigerating Products Ltd. v Canadian Ice Machine Co. et al.*, 28 C.P.R. 32; *Domco Industries Ltd. v. Mannington Mills Inc.*, 29 C.P.R. (3d) 481.

<sup>179</sup> *Janssen Inc et al. v. Teva Canada Limited*, 2020 FC 593.

<sup>180</sup> Intention to infringe, whether present or absent, is not a relevant consideration. See *Bauer Hockey Corp. v. Easton Sports Canada Inc.*, 2010 FC 361 at para. 200; *Monsanto* at para. 58.

<sup>181</sup> *MacLennan* at paras. 33-44.

[240] However, neither of these speculative scenarios, were they to occur, would be sufficient to presently impugn the procurement process *per se*, which is the issue before the Tribunal. As per *Noël*, such scenarios would also be outside the Tribunal's jurisdiction.

[241] Weir-Jones has also contended that the RFP operates as an "invitation" for prospective bidders to infringe the '717 Patent. However, the jurisprudence is clear that actions falling short<sup>182</sup> of the test for inducement to infringe (discussed above) do not amount to interference with the rights of the patentee.

[242] Accordingly, Weir-Jones's allegation that the RFP induces infringement of the '717 Patent must be dismissed.

### **U.S. Patent 10,755,548**

[243] Weir-Jones asserts ownership of U.S. Patent 10,755,548 ('548 Patent)<sup>183</sup> which is presumed to be<sup>184</sup> the United States counterpart to the '717 Patent.

[244] In its complaint, Weir-Jones submits that its rights arising from the '548 Patent are among those that would be infringed or misappropriated by the actions of NRCan.

[245] Patent protection is national in scope. The rights afforded by the '548 Patent arise from U.S. law. In order for the Tribunal to consider the scope or relevance of any rights held by Weir-Jones under the '548 Patent referable to the procurement process, the relevant U.S. law becomes a matter of evidence. Foreign law must be proved by way of expert evidence.<sup>185</sup>

[246] To the extent that there is any nexus between the RFP and the '548 Patent, this has not been proved, established or argued by Weir-Jones. Accordingly, any rights that Weir-Jones wishes to advance in relation to the '548 Patent are limited to the United States and fall to be enforced, if applicable, in that jurisdiction.

[247] In view of the foregoing, the Tribunal declines to consider this issue.

### **Trademark Infringement**

#### Canadian Trademark Registration – TMA1036004 – SHAKEALERT

[248] Weir-Jones owns Canadian Trademark Registration No. TMA1036004 for the trademark SHAKEALERT, which is registered in association with the following goods and services ('004 Registration):

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<sup>182</sup> For example, there is no cause of action for "contributory infringement," i.e. partial responsibility for infringement that falls short of inducement, for example, see *Apotex Inc. v. Nycomed Canada Inc.*, 2011 FC 1441; affd 2012 FCA 195.

<sup>183</sup> Exhibit PR-2020-042-01A at 81.

<sup>184</sup> The '717 Patent claims priority from U.S. Provisional Application No. 62/410,358, from which the '548 Patent ultimately issued.

<sup>185</sup> *Giesbrecht v. Lo*, 2020 ONSC 3285, at 19-22; *Peng v. Zhu*, 97 O.R. (3d) 277 at paras. 35-38.

## Goods

(1) Alarms systems for detecting, recording and warning against seismic activity, and consisting of seismic sensors, computers, control panels and readout monitors; printed and electronic publications, namely, brochures, pamphlets, reports, signs, directories, and instruction manuals for seismic alarm systems; promotional items, namely, hats, casual clothing, key chains, banners, notepads, pencils, pens, sport water bottles, coffee mugs, and fridge magnets

## Services

(1) Design and manufacture of alarm systems for detecting, recording, and warning against seismic activity; wholesale and retail sale of alarm systems for detecting, recording, and warning against seismic activity; operating a website providing information in the fields of seismic activity and alarm systems for detecting, recording, and warning against seismic activity<sup>186</sup>

[249] Weir-Jones places great emphasis on the fact that the RFP refers to software provided by the USGS in association with the trademark SHAKEALERT. The RFP requires that the EEW system to be procured must be able to operationally integrate with the USGS SHAKEALERT software.

[250] The rights afforded by a trademark registration are defined by section 19 of the *Trademarks Act*:

**19** Subject to sections 21, 32 and 67, the registration of a trademark in respect of any goods or services, unless shown to be invalid, gives to the owner of the trademark the exclusive right to the use throughout Canada of the trademark in respect of those goods or services.

[251] The monopoly rights afforded by registration are infringed by the use of the identical trademark for the same wares and services or by the use of a trademark that is confusing with the trademark as registered.<sup>187</sup>

[252] A trademark serves as an indicator of product source; it creates a nexus between the goods and services and the entity that is responsible for providing those goods and services. This principle has been clearly explained by the Supreme Court in several decisions:

[1] Trade-marks in Canada are an important tool to assist consumers and businesses. In the marketplace, a business marks its wares or services as an indication of provenance. This allows consumers to know, when they are considering a purchase, who stands behind those goods or services. In this way, trade-marks provide a “shortcut to get consumers to where they want to go”, *per* Binnie J. in *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22, [2006] 1 S.C.R. 772, at para. 21. Where the trade-marks of different businesses are similar, a consumer may be unable to discern which company stands behind the wares or services. Confusion between trade-marks impairs the objective of providing consumers with a reliable indication of the expected source of wares or services. . . .<sup>188</sup>

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<sup>186</sup> Exhibit PR-2020-042-01A at 112.

<sup>187</sup> *Trademarks Act*, section 20; *Sandhu Singh Hamdard Trust v. Navsun Holdings Ltd.*, 2019 FCA 295 at para. 20.

<sup>188</sup> *Masterpiece Inc. v. Alavida Lifestyles Inc.*, 2011 SCC 27.

[23] The purpose of trade-marks is to create and symbolize linkages. As mentioned, s. 2 of the *Trade-marks Act* defines “trade-mark” to mean

(a) a mark that is used by a person for the purpose of distinguishing or so as to distinguish wares or services manufactured, sold, leased, hired or performed by him from those manufactured, sold, leased, hired or performed by others . . . .

To the same effect is art. 15 of the World Trade Organization’s *Agreement on Trade-Related Aspects of Intellectual Property Rights*, 1869 U.N.T.S. 299, which defines “trade-mark” in part as

[a]ny sign, or any combination of signs, capable of distinguishing the goods or services of one undertaking from those of other undertakings . . . .

[24] As the Court put it in *Kirkbi AG v. Ritvik Holdings Inc.*, [2005] 3 S.C.R. 302, 2005 SCC 65, a trade-mark is “a symbol of a connection between a source of a product and the product itself” (*per* LeBel J. at para. 39). If, as the Board found, it is not likely that even casual consumers will make a connection between the source of BARBIE dolls and the respondent’s restaurants, then the appellant’s marks have received the protection to which the law entitles them”.<sup>189</sup>

[253] The acquisition, maintenance and infringement of trademark rights are all contingent on “use” of the trademark. The concept of “use”, in relation to trademarks, is *not* the vernacular or everyday meaning of that word. Rather, “use” of a trademark is defined by section 4 of the *Trademarks Act* as follows:

4 (1) A trademark is deemed to be used in association with goods if, at the time of the transfer of the property in or possession of the goods, in the normal course of trade, it is marked on the goods themselves or on the packages in which they are distributed or it is in any other manner so associated with the goods that notice of the association is then given to the person to whom the property or possession is transferred.

(2) A trademark is deemed to be used in association with services if it is used or displayed in the performance or advertising of those services.

(3) A trademark that is marked in Canada on goods or on the packages in which they are contained is, when the goods are exported from Canada, deemed to be used in Canada in association with those goods.

[254] Accordingly, a trademark is “used” within the meaning of section 4 where it is associated, in a commercial context, with wares or services so as designate and distinguish the goods and services of one trader from those of another trader.<sup>190</sup>

[255] The crux of Weir-Jones’s argument is that NRCan’s use of the USGS SHAKEALERT *software* infringes, or will cause bidders to infringe, Canadian Trademark Registration No.

<sup>189</sup> *Mattel, Inc. v. 3894207 Canada Inc.*, 2006 SCC 22.

<sup>190</sup> For example, *Sim & Mcburney v. Gesco Industries, Inc.*, 2000 CanLII 16369.



TMA853230 ('230 Registration) by requiring provision of equipment that is compatible with that software. On this argument, the RFP is accordingly defective.

[256] PWGSC points to the fact that Weir-Jones and the USGS have reached an agreement that their respective SHAKEALERT trademarks are able to co-exist in the United States without confusion. The Tribunal gives that evidence little weight – coexistence in a foreign jurisdiction is not determinative as to whether those same trademarks are able to co-exist in Canada.<sup>191</sup>

[257] Rather, the Tribunal concludes that this ground of Weir-Jones's complaint cannot succeed because there is no evidence that the trademark SHAKEALERT has been, or will be used in Canada in association with any of the goods or services as prescribed by the RFP for procurement.

[258] Use of a trademark within the meaning of section 4 of the *Trademarks Act* is a prerequisite to a finding that the rights afforded by a trademark registration have been infringed.<sup>192</sup> In the case of goods, this requires evidence of commercial transactions made in the normal course of trade, at arm's length.<sup>193</sup> With respect to services, this requires that the trademark be displayed in the performance or advertising of the associated services which must be available in Canada.<sup>194</sup>

[259] The test for infringement of a trademark was recently outlined in *United Airlines, Inc. v Cooperstock*.<sup>195</sup> At issue was the defendant's use of "Untied" in association with services provided on a website (www.untied.com) which was critical of United Airlines, Inc. and alleged to constitute infringement of various trademark registrations owned by the plaintiff, including the trademark UNITED for the services of "air transportation services for passengers":

[36] To constitute use as a trademark, a mark must be used to indicate the origin of goods or services; that is, to distinguish goods or services of an individual from those of others. If, as in *Clairol International Corp v Thomas Supply & Equipment Co*, [1968] 2 Ex CR 552, 1968 CarswellNat 32 (WL Can) [*Clairol*], the trademark of another is merely being used to compare one's own goods or services to those of others, then this will not constitute trademark use. In *Cie générale des établissements Michelin-Michelin & Cie v CAW-Canada* (1996), [1997] 2 FC 306, 71 CPR (3d) 348, 1996 CarswellNat 2297 (WL Can) (TD) [*Michelin* cited to CarswellNat], Justice Teitelbaum stated:

[26] I am satisfied that the classic *Clairol* analysis of use under Section 20 is still good law. The test for "use" in Section 20 requires two separate elements of proof from both Section 2 and Section 4. In effect, the first element taken from Section 4 is: (1) did the Defendants associate their services with the Plaintiff's trademarks? The second element from Section 2 is: (2) did the Defendants use the mark as a trademark for the

<sup>191</sup> *Interstate Brands Company - Licensing Co. v. Becker Milk Co.*, 1998 CanLII 7989; *Holding Benjamin et Edmond de Rothschild v. Canada (Attorney General)*, 2018 FC 258.

<sup>192</sup> *Red Label Vacations Inc. (Redtag.ca) v. 411 Travel Buys Limited (411 Travel Buys Limited)*, 2015 FCA 290 at paras. 18-23.

<sup>193</sup> *The Clorox Company of Canada, Ltd. v. Chloretec S.E.C.*, 2020 FCA at para. 30; *Fasken Martineau Dumoulin S.E.N.C.R.L., S.R.L. v. Les Laboratoires Bio-Santé Inc.*, 2011 FC 802 at para. 26; *Molson Cos. v. Halter*, (1977) 28 C.P.R. (2d) 158.

<sup>194</sup> *Miller Thomson LLP v. Hilton Worldwide Holding LLP*, 2020 FCA 134 at para. 7.

<sup>195</sup> *United Airlines, Inc. v. Cooperstock*, 2017 FC 616.

*purpose* of distinguishing or identifying the Defendants' services in connection with the Plaintiff's wares or services?

[37] Although s 20(1) does not explicitly specify that there must be trademark "use", this requirement is implied by the wording of the provision (*Michelin* at paras. 19, 29). The Defendant submits that any "use" of the United Marks on UNTIED.com does not constitute use within the purview of the *Trade-marks Act* and that the Untied Marks displayed on UNTIED.com are not being used to distinguish the goods or services of the Defendant from those of others.

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[41] The Untied Logo and the Frowning Globe Design are displayed prominently on UNTIED.com. In addition, a mark similar to the UNITED AIRLINES Mark is displayed on UNTIED.com – for example, during the relevant time period the bottom left-hand corner of UNTIED.com stated "Copyright © Untied Air Lines, Inc.".

[42] The marks are therefore being used or displayed in the advertising or performance of services pursuant to s 4(2) of the *Trade-marks Act*. I find the Defendant's display of the Untied Marks constitutes use under s 20(1) (a) of the *Trade-marks Act*.<sup>196</sup>

[260] Weir-Jones was invited to provide evidence<sup>197</sup> that would demonstrate that PWGSC has used the trademark SHAKEALERT or that compliance with the RFP would require any bidder to use that trademark when submitting bids in response to the RFP, or as applied to the goods and services proposed to be supplied by that bidder.<sup>198</sup> No such evidence has been provided to the Tribunal.

[261] Although there is a nexus between a trademark and the goods and services to which it is applied, use (in the vernacular sense) of a *product* marked with a trademark is not "use" of that trademark within the meaning of section 4. The converse is also true. Reference to a trademark in the abstract is not "use" of that trademark in the absence of an association with specific wares or services and the commercial sale or provision of those wares and services.

[262] The rights afforded by a trademark registration are limited to the trademark when used as such, namely as a symbol which creates a nexus between a product and a source that is commercially responsible for that product. The registration does not confer an unrestricted monopoly on the word or symbol *per se*, nor does it confer the exclusive right to sell the goods or services to which the trademark is applied. The latter type of monopoly falls within the realm of patent rights.

[263] Weir-Jones thus conflates NRCan's internal and operational use of the USGS SHAKEALERT software with use (in the trademark sense) of the trademark SHAKEALERT for which Weir-Jones owns a Canadian trademark registration.

[264] NRCan's internal use of a software product that it has acquired from the USGS is *use of that product, not of the trademark applied to and associated with that product*. If Weir-Jones considers that the sale or provision of the SHAKEALERT software product by the USGS to NRCan

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<sup>196</sup> *Ibid.*

<sup>197</sup> Exhibit PR-2020-042-13.

<sup>198</sup> The use of a different mark, which might cause confusion with the trademark, within the meaning of subsection 6(5) and section 20 of the *Trademarks Act* is not an issue.

contravenes the coexistence agreement between Weir-Jones and the USGS,<sup>199</sup> then that is a contractual dispute to be resolved in another forum.

[265] Unless or until NRCan provides goods or services in Canada in association with the trademark SHAKEALERT, there is no “trademark use” and thus no infringement of Weir-Jones’s trademark rights. This is the case whether Weir-Jones asserts infringement on the basis of sections 19, 20 or 22 of the *Trademarks Act*.<sup>200</sup>

[266] As noted above, the RFP calls for the supply of certain components for an EEW system. However, nothing in the RFP requires bidders to supply wares, namely system components for the EEW system, that are to be marked with the trademark SHAKEALERT or that the mark SHAKEALERT will otherwise be associated<sup>201</sup> with the wares prescribed by the RFP that are to be supplied by the bidders.

[267] The RFP refers to the trademark SHAKEALERT but includes the informational disclaimer that the associated product originates with the USGS. That printed reference is not a “use” of the trademark SHAKEALERT by NRCan (much less any bidder) because NRCan is not selling, or offering to provide to others, any wares marked with the trademark SHAKEALERT, or otherwise associated with that trademark.

[268] The RFP thus does not use the trademark SHAKEALERT within the meaning of section 4. Moreover, the disclaimer serves to dispel possibility of confusion<sup>202</sup> because it clearly identifies the source of the software as being the USGS, not NRCan. There is no “holding out” that NRCan is providing a product in association with the trademark SHAKEALERT.

[269] Weir-Jones also argued that the incorporation of the USGS SHAKEALERT software as an aspect of the EEW system being procured by NRCan actually infringes, or will infringe, Weir-Jones’s SHAKEALERT trademark. The underlying premise is that the USGS SHAKEALERT product provides, or can provide, the services of early earthquake warning messages to a recipient. However, the RFP does not prescribe or disclose that such services will be provided or advertised in Canada using the USGS’ trademark.

[270] This appears to be an allegation that use of the USGS SHAKEALERT software presupposes, indicates, or is contingent upon procurement of a situational awareness EEW system that will infringe the ‘717 Patent.

[271] The Tribunal observes that the existence of the USGS SHAKEALERT software predates the filing of the ‘717 Patent. As such, that software and its associated technology must be distinguishable from the inventive concept of situational awareness as may be claimed by the ‘717 Patent. Weir-Jones would obviously not wish to assert otherwise and the Tribunal makes no such finding.

[272] Weir-Jones appears to be concerned that the EEW system to be procured by NRCan will ultimately provide “situational awareness” in the form of services comprising conveyed messages or information that will be generated or powered by the USGS SHAKEALERT software.

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<sup>199</sup> Exhibit PR-2020-042-01A at 115.

<sup>200</sup> *Veuve Clicquot Ponsardin v. Boutiques Cliquot Ltée*, [2006] SCC 23.

<sup>201</sup> Within the meaning of section 4 of the *Trademarks Act*.

<sup>202</sup> Within the meaning of section 6 of the *Trademarks Act*.

[273] On the record before the Tribunal, there is no evidence that the RFP prescribes any of these things or will cause those actions to occur. Should NRCan procure an EEW system that generates earthquake warning messages to members of the public using the trademark SHAKEALERT, or otherwise advertises and provides such a service using the trademark SHAKEALERT, Weir-Jones may, at that time, have a cause of action for trademark infringement. At present, that scenario is speculation premised on supposition. There is nothing in the RFP that can be reasonably construed as prescribing that scenario with respect to the EEW system that PWGSC seeks to procure.

[274] Weir-Jones appears to argue that the RFP, by instructing bidders to propose equipment that will integrate with the USGS SHAKEALERT software, thereby suggests or will inspire bidders to propose the supply of an EEW system that will go the full distance in providing a system with situational awareness that will infringe the '717 Patent.

[275] For the reasons given above, this is both speculative and overreaching. If a competitor is able to design an EEW system with situational awareness that does not infringe the '717 Patent, then Weir-Jones has no basis to complain. If an infringing system is made, sold or used by a third party (or potentially NRCan), then Weir-Jones can enforce its patent rights at that time.

[276] The Tribunal has further considered the Memorandum in light of the arguments made by Weir-Jones concerning possible patent and trademark infringement arising from NRCan's adoption of the USGS SHAKEALERT software, as described by the RFP. The terms and conditions of the Memorandum do not provide a reasonable basis to underpin allegations of infringement. Such allegations are speculative at best, consistent with the rationales provided by these reasons.

#### Canadian Trademark Registration – TMA 853230 – SHAKEALARM

[277] Weir-Jones also owns Canadian Trademark Registration No. TMA 853230 for the trademark SHAKEALARM which has been registered in association with the following goods and services ('230 Registration):

##### **Goods**

- (1) Alarms systems for detecting, recording and warning against seismic activity, and consisting of seismic sensors, computers, control panels and readout monitors
- (2) Printed and electronic publications, namely, brochures, pamphlets, reports, signs, directories, and instruction manuals for seismic alarm systems
- (3) Promotional items, namely, hats, casual clothing, key chains, banners, notepads, pencils, pens, sport water bottles, coffee mugs, and fridge magnets

##### **Services**

- (1) Design and manufacture of alarm systems for detecting, recording, and warning against seismic activity
- (2) Wholesale and retail sale of alarm systems for detecting, recording, and warning against seismic activity
- (3) Operating a website providing information in the fields of seismic activity and alarm systems for detecting, recording, and warning against seismic activity<sup>203</sup>

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<sup>203</sup> Exhibit PR-2020-042-01A at 106.

[278] The Tribunal's comments and conclusions with respect to '004 Registration likewise apply to the '230 Registration.

### **U.S. Trademark Registrations of Weir-Jones**

[279] For the same reasons as given above with respect to the U.S. '548 Patent, the trademark registrations obtained by Weir-Jones in the United States<sup>204</sup> only confer rights in the United States under U.S. law.

[280] The Tribunal finds that there is no evidence that could reasonably support a finding that the RFP, issued in Canada, contains directions that would cause infringement of a trademark monopoly that is granted for the territorial United States.

[281] To the extent that Weir-Jones has any basis for such a claim, it may exercise its rights in the United States.

### **Induced Breach of Contract**

[282] Weir-Jones also submits that the terms of the RFP induce the USGS to breach the terms of the coexistence agreement that it has signed with Weir-Jones.

[283] On the Tribunal's reading of that document, the underlying purpose of the agreement is to define terms by which the respective SHAKEALERT marks of the parties are able to co-exist both in the United States marketplace and on the United States Trademarks Register.<sup>205</sup>

[284] This is underpinned by the parties' agreement that their wares, services, channels of trade and end users are different and readily distinguishable:

19. The Parties acknowledge that USGS and Weir-Jones are not competitors. The Parties acknowledge that USGS's earthquake data acquisition and archiving is distinguishable from Weir-Jones' Earthquake Early Warning Systems that use such data and that USGS Trade Channel is distinguishable from Weir-Jones Trade Channel. USGS as part of its mission provides reliable scientific information and assess hazards and their causes and effects as delegated by the Secretary of the Interior. USGS Goods & Services involve sharing earthquake early warning data and collaboration with universities, non-profit and private sector partners, and municipal and local governments. On the other hand, Weir-Jones has public end users or consumers who rely on the Weir-Jones Goods & Services to protect items or themselves. Given the complexity of the USGS Goods & Services and the Weir-Jones Goods & Services, the Parties acknowledge that the partners of USGS Goods & Services and the consumers of Weir-Jones Goods & Services are highly sophisticated and unlikely to be confused. The Parties acknowledge that, being a Government Agency, USGS's methods of promotion differ significantly from the methods of advertising and promotion used by commercial entities, including Weir-Jones.<sup>206</sup>

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<sup>204</sup> *Ibid.* at 108, 110.

<sup>205</sup> The Co-existence Agreement appends a signed consent for filing with the U.S. Trademarks Office. Exhibit 01A at 127.

<sup>206</sup> Exhibit PR-2020-042-01A.

[285] Weir-Jones points to clause 6 of the coexistence agreement wherein:

6. USGS agrees that it will not at any time use, licence any third party to use, or otherwise permit any third party to use, any Weir-Jones Marks in Canada in association with Weir-Jones Goods & Services. With the exception of its website at <https://www.shakealert.org/>, USGS agrees that it will not at any time display, licence any third party to display, or otherwise permit any third party to display, any Weir-Jones Marks in Canada in association with the Weir-Jones Goods and Services.<sup>207</sup>

[286] The coexistence agreement defines “Weir-Jones Goods & Services” by the incorporation by reference of the goods and services listed in Weir-Jones’s Canadian and U.S. trademark registrations and its pending U.S. trademark application.

[287] For the reasons given above in relation to trademark infringement, there is no “use” of the trademark SHAKEALERT by the USGS in Canada, much less by NRCan, within the meaning of section 4 of the *Trademarks Act*. Nor does the RFP require a prospective bidder to “use” the trademark as part of a compliant bid that is responsive to the RFP.

[288] The coexistence agreement is governed by U.S. law. To the extent, if any, that “use” of a trademark under U.S. law differs from Canadian law, the U.S. law must be proved in evidence. No such evidence has been filed with the Tribunal.

[289] Clause 6 of the coexistence agreement says that the USGS has agreed not to “display . . . or otherwise permit any third party to display, any Weir-Jones Marks in Canada in association with Weir-Jones Goods & Services.” This raises the issue concerning what, if any, difference underpins “using” a trademark in association with goods or services as opposed to “displaying” it.

[290] There may be instances where a trademark appears in association with goods or services so as to create a perceivable nexus between the product manufacturer (or source) and the goods and services to which the trademark is applied, but which fall short of the statutory definition of trademark “use.” For example, product advertising is not “use” of a trademark in association with wares,<sup>208</sup> and advertising services in association with a trademark is not “use” of the trademark if the services are not available in Canada.<sup>209</sup>

[291] In any event, none of this is of assistance to Weir-Jones. There is no evidence that the USGS has carried out any actions in Canada at all in association with the trademark SHAKEALERT, much less to “display” it in association with the goods and services of Weir-Jones’s trademark registration. Nor is there any evidence or reasonable grounds for the Tribunal to conclude that the trademark SHAKEALERT is displayed at all in the course of NRCan’s use of the USGS SHAKEALERT software, or that the USGS is any position to regulate NRCan’s use of software that NRCan has acquired.

[292] In summary, there are no grounds for the Tribunal to conclude that the coexistence has been breached, much less that the RFP induces such a breach.

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<sup>207</sup> *Ibid.*

<sup>208</sup> *Nissan Canada Inc. v. BMW Canada Inc.*, 2007 FCA 255.

<sup>209</sup> *Porter v. Don the Beachcomber (1966)*, 48 CPR 280 (Ex Ct); *Miller Thomson LLP v. Hilton Worldwide Holding LLP*, 2020 FCA 134.

[293] The test for inducing breach of contract requires evidence that the party alleged to be inducing a breach had knowledge of a valid and binding contract and acted intentionally and successfully to breach the contract, causing resultant damages.<sup>210</sup>

[294] Weir-Jones has not proved any of these things. There is no evidence whatsoever that in preparing and issuing the RFP, NRCan had any knowledge of the coexistence agreement between the USGS and NRCan, or that it had any interest, much less intent, to induce any breach of that agreement.

### **Specification of Exclusive Technology**

[295] Weir-Jones's complaint also alleges that the procurement process breaches the trade agreements because it specifies use of one particular technology (USGS SHAKEALERT software) without permitting the use of alternative technologies,<sup>211</sup> presumably other software or equipment that would be more compatible with Weir-Jones's technology.

[296] PWGSC asserts that prospective suppliers are not required to use the USGS SHAKEALERT software but that any equipment proposed to be supplied in response to the RFP must be able to transmit data for processing by the USGS SHAKEALERT software.

[297] The Tribunal has previously found that a procuring entity has the discretion to define tender specifications as it sees fit in order to satisfy its legitimate operational requirements.<sup>212</sup> So long as that discretion is reasonably exercised, the procuring entity can define tender specifications to meet its requirements, even where this may create an advantage for one supplier over another.<sup>213</sup>

[298] As NRCan has already acquired the USGS software, a decision to procure an EEW system that is complementary with existing technology that it already owns is not unreasonable.

### **Alleged Agreement to Licence**

[299] In its complaint, Weir-Jones asserts its belief that NRCan had agreed to licence Weir-Jones's intellectual property rights. There was no persuasive evidence filed with the Tribunal that any such agreement was being negotiated, much less that any agreement has been reached.

[300] Clearly, Weir-Jones was attempting to convince NRCan that the specifications of the RFP should incorporate Weir-Jones's proprietary technology. Those submissions may have been taken under advisement, but NRCan was under no obligation, contractual or otherwise, to draft or tailor the RFP specification to accommodate the desires or commercial objectives of Weir-Jones or for that matter, any other prospective bidder.

[301] For all of the above reasons, Weir-Jones's complaint must be dismissed in its entirety.

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<sup>210</sup> *Drouillard v. Cogeco Cable Inc.*, 2007 ONCA 322.

<sup>211</sup> Exhibit PR-2020-042-1A at 12.

<sup>212</sup> *723186 Alberta Ltd.* (12 September 2011), PR-2011-028 (CITT) at paras. 19-21; *Daigen Communications* (23 August 2011), PR-2011-021 (CITT) at paras. 16-17.

<sup>213</sup> *Daigen Communications* (23 August 2011), PR-2011-021 (CITT) at paras. 16-17.

## Costs

[302] In procurement matters, the general principle is that costs usually follow the event, unless there are special reasons to depart from this rule.<sup>214</sup>

[303] As the Tribunal has determined that Weir-Jones's complaint is not valid, PWGSC is awarded its reasonable costs incurred in responding to the complaint. The case raised some novel issues and there was a high degree of complexity. In addition to several interlocutory matters, both parties raised a multiplicity of issues. Although Weir-Jones was ultimately unsuccessful, it should be noted that PWGSC raised numerous arguments that were dismissed.

[304] The Tribunal typically decides procurement disputes on the basis of a written record. This case is unusual in that a hearing was requested and took place online over a two-day period.

[305] In view of these considerations, the Tribunal finds, at least provisionally, that costs should be awarded to PWGSC at Level 3, having regard to the overall complexity of the case.

[306] The parties are encouraged to discuss and reach an agreement on the payment of costs, having regard to these reasons. If no agreement can be reached, the parties may make submissions on costs within 15 days of the date of this Statement of Reasons.

## DETERMINATION

[307] Pursuant to subsection 30.14(2) of the *CITT Act*, the Tribunal determines that the complaint is not valid.

[308] Pursuant to section 30.16 of the *CITT Act*, the Tribunal awards PWGSC its reasonable costs incurred in responding to the complaint, which costs are to be paid by Weir-Jones. In accordance with the *Procurement Costs Guideline (Guideline)*, the Tribunal's preliminary indication of the level of complexity for this complaint case is Level 3. The Tribunal's preliminary indication of the amount of the cost award is \$4,700. If any party disagrees with the preliminary level of complexity or indication of the amount of the cost award, it may make submissions to the Tribunal, as contemplated in Article 4.2 of the *Guideline*. The Tribunal reserves jurisdiction to establish the final amount of the cost award.

Susan D. Beaubien

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Susan D. Beaubien

Presiding Member

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<sup>214</sup> *Canada (Attorney General) v. Georgian College of Applied Arts and Technology*, 2003 FCA 199.