

Federal Court



Cour fédérale

Date: 20240207

Docket: T-1471-21

Citation: 2024 FC 187

Ottawa, Ontario, February 7, 2024

PRESENT: Mr. Justice McHaffie

BETWEEN:

GE RENEWABLE ENERGY CANADA INC.

Plaintiff

and

CANMEC INDUSTRIAL INC.

Defendant

and

RIO TINTO ALCAN INC.

Third Party

ORDER AND REASONS

I. Overview

[1] The plaintiff, GE Renewable Energy Canada Inc [GEREC], seeks to make further amendments to its Amended Statement of Claim in this copyright infringement action. The defendant, Canmec Industrial Inc, and the third party, Rio Tinto Alcan Inc, consent to some of GEREC's amendments, but oppose amendments falling in two disputed categories.

[2] The first category relates to the definition of the “GEREC Designs.” GEREK’s claim alleges it owns copyright in the GEREK Designs and that Canmec has infringed that copyright. As confirmed at the hearing of this motion, GEREK seeks to effectively expand the term “GEREC Designs” from covering 33 manufacturing drawings (or “at least” 33 drawings, a qualifier discussed further below) to add language that would cover an unspecified number of unidentified drawings and plans, believed to be in the range of about 2,000 or 2,400 works.

[3] The second category relates to the actions of Canmec that are asserted to infringe. In particular, GEREK seeks to amend the claim to include an allegation that Canmec’s manufacture of equipment (certain “butterfly valves”) infringed the GEREK Designs.

[4] For the following reasons, GEREK is not granted leave to make the amendments in the first category. These amendments as drafted are inadequately particularized to meet the threshold requirement of a sustainable pleading. Should GEREK choose to reapply for leave to amend in accordance with these reasons, the Court and the responding parties will be better able to address and assess whether such amendments are in the interests of justice.

[5] Leave is granted to make the amendments in the second category. These amendments yield a sustainable pleading, it is in the interests of justice to allow them, and they would not work an injustice to Canmec or Rio Tinto. Leave is also granted to make those amendments that are unopposed by Canmec and Rio Tinto.

[6] The motion is therefore granted in part and dismissed in part, with costs to the respondents in the amount of \$2,500 each.

II. Issue and Legal Principles

[7] The sole issue on this motion is whether the Court should grant GEREK leave to amend its Amended Statement of Claim. Rule 75(1) of the *Federal Courts Rules*, SOR/98-106, provides that the Court may allow a party to amend a document, including a pleading, “on such terms as will protect the rights of all parties”:

Amendments with leave

75 (1) Subject to subsection (2) and rule 76, the Court may, on motion, at any time, allow a party to amend a document, on such terms as will protect the rights of all parties.

Modifications avec autorisation

75 (1) Sous réserve du paragraphe (2) et de la règle 76, la Cour peut à tout moment, sur requête, autoriser une partie à modifier un document, aux conditions qui permettent de protéger les droits de toutes les parties.

[8] The general rule is that an amendment should be allowed at any stage of an action for the purpose of determining the “real questions in controversy,” provided that allowing the amendments (i) would not result in an injustice to other parties not capable of being compensated by an award of costs; and (ii) would serve the interests of justice: *Enercorp Sand Solutions Inc v Specialized Desanders Inc*, 2018 FCA 215 at para 19, quoting *Canderel Ltd v Canada*, 1993 CanLII 2990 (FCA) at p 10; *McCain Foods Ltd v JR Simplot Company*, 2021 FCA 4 at para 20; *Janssen Inc v Abbvie Corporation*, 2014 FCA 242 at para 9. The onus lies on the amending party to show the amendments should be allowed: *Merck & Co, Inc v Apotex Inc*, 2003 FCA 488 at paras 29, 35–36.

[9] In assessing whether an amendment would serve the interests of justice, the Court may consider factors such as (i) the timeliness of the motion to amend; (ii) whether the proposed amendments would delay trial; (iii) whether the amending party's prior position has led another party to follow a course of action in the litigation that it would be difficult to alter; and (iv) whether the amendments will facilitate the Court's consideration of the substance of the dispute on its merits: *Enercorp* at paras 20–21, quoting *Continental Bank Leasing Corp v R*, [1993] TCJ No 18; *Federal Courts Rules*, Rule 3. These factors are considered together without any single factor being determinative.

[10] An amendment must also yield a sustainable pleading, and an amendment that is liable to be struck out under Rule 221 should not be permitted: *Enercorp* at para 22; *McCain* at paras 20–22; *Teva Canada Limited v Gilead Sciences Inc*, 2016 FCA 176 at paras 28–32. Thus, where it is plain and obvious that proposed amendments do not disclose a reasonable cause of action, or the amendments represent a “radical departure” from the party's prior positions, they should not be permitted: Rule 221(1)(a),(e); *Enercorp* at paras 22–28; *McCain* at paras 20–23; *Hospira Healthcare Corporation v The Kenny Trust for Rheumatology Research*, 2020 FCA 191 at para 5, citing *Merck* at para 47; *Atlantic Container Lines AB v Cerescorp Company*, 2017 FC 465 at para 8; *Proslide Technology, Inc v Whitewater West Industries, Ltd*, 2023 FC 1591 at paras 15–16; but see *J2 Global Communications Inc v Protus IP Solutions Inc*, 2009 FCA 41 at paras 8–10. This has been described as a “threshold issue,” to be addressed before turning to other questions of justice and injustice: *Teva* at para 31.

[11] Pleadings that are inadequately particularized to allow the opposing party to plead in response are also subject to being struck under Rule 221 for failure to comply with the

requirement in Rule 174 that they contain “a concise statement of the material facts on which the party relies”: *Mancuso v Canada (National Health and Welfare)*, 2015 FCA 227 at paras 16–20; *Fox Restaurant Concepts LLC v 43 North Restaurant Group Inc*, 2022 FC 1149 at paras 4, 20–32. Amendments may similarly be refused on this ground, whether considered as a threshold issue or as a matter of the interests of justice: *McCain* at paras 22–23; *Enercorp* at paras 34–37. However, where appropriate, a lack of particulars in a proposed amendment may be addressed by granting leave to reapply or by imposing an obligation of particulars as a condition of the amendment: *Enercorp* at paras 26–30, 34–38; *Atlantic* at para 15.

III. Applying the Principles

A. *Nature of the action and steps to date*

[12] This action stems from the refurbishment of Rio Tinto’s hydroelectric power plant in Alma, Québec, known as the Isle-Maligne Plant. In 2016, GEREC entered into an agreement with Rio Tinto for the refurbishment of two hydropower units. GEREC alleges it contacted Canmec as a potential subcontractor for equipment called a “butterfly valve” on one of the units, and forwarded to Canmec 33 manufacturing drawings related to the butterfly valve. Canmec was ultimately not selected as a subcontractor and GEREC completed the refurbishment of the two units in 2018.

[13] In 2019, Rio Tinto issued a request for quotation related to the refurbishment of the ten remaining units at the Isle-Maligne Plant. GEREC and Canmec submitted bids in response to this

quotation. Canmec's bid was accepted by Rio Tinto. GEREC's allegations of copyright infringement arise from Canmec's successful bid on the Rio Tinto project.

[14] GEREC commenced this action on September 24, 2021. The issues on this motion pertain, in essence, to proposed amendments to paragraphs 12 and 28 of the Statement of Claim, with consequential and related amendments in other paragraphs. In the original Statement of Claim, paragraphs 12 and 28 read as follows:

12. All of the IP in respect of the power generation equipment that was created according to the GEREC-RT Contract is owned by GEREC. In particular, as part of the GEREC-RT Contract, GEREC created numerous designs for mechanical hydro gates to be used in the refurbishment of the Isle-Maligne Plant. The designs that were created are proprietary, original designs and were embodied in a series of at least thirty-three (33) manufacturing drawings (the "**GEREC Designs**").

[...]

28. Without GEREC's authorization or consent, Canmec improperly copied, produced or reproduced, and/or distributed or possessed for the purposes of such distribution, the GEREC Designs, or substantial parts thereof, in preparing and submitting the Canmec Bid, as well as in the refurbishment of Units 3 to 12 of the Isle-Maligne Plant ("**Canmec's Infringing Activities**").

[15] To avoid confusion in the context of a motion to amend pleadings, I have not underlined the pertinent passages in these paragraphs, but the central issues on this motion relate to (i) the definition of "GEREC Designs" in paragraph 12, particularly the reference to "numerous designs" and to designs being "embodied in" a series of at least 33 manufacturing drawings; and (ii) the definition of "Canmec's Infringing Activities" in paragraph 28, particularly the reference to "as well as in the refurbishment of Units 3 to 12".

[16] The defined term “GEREC Designs” appears on numerous occasions throughout the remainder of the claim. These references include paragraphs 18, 19, and 20 of the original Statement of Claim, which refer to “the thirty-three (33) GERE Designs,” “each of the 33 GERE Designs,” and “all of the 33 GERE Designs” respectively.

[17] In October 2021, Canmec sought copies of documents in the Statement of Claim, including the GERE Designs referred to in paragraph 12, and particulars of the “Infringing Activities” referred to in paragraph 28.

[18] GERE responded that copies of the GERE Designs would be provided after issuance of a Protective Order, but noted that paragraph 18 alleged that Canmec was already in possession of the GERE Designs. It followed this up in later correspondence with an itemized list of the drawing numbers for the “33 ‘GERE Designs’.” With respect to the Infringing Activities, GERE responded that the alleged Infringing Activities “include copies, productions, reproductions and/or distributions (or possession for the purpose of such distributions) of all designs submitted by the Defendant as part of the ‘Canmec Bid’, and *any work product generated* by Canmec related to the refurbishment of Units 3 to 12 of the Isle-Maligne Plant that corresponds to and/or uses the GERE Designs, the designs submitted by the Defendant as part of the ‘Canmec Bid’ or any substantial part(s) thereof” [emphasis added].

[19] Not satisfied with this response, Canmec brought a motion that included a request for particulars of (i) the GERE Designs; and (ii) the Infringing Activities. The motion was heard and decided by Justice Grammond on April 5, 2022.

[20] GEREK submitted on the motion that further particulars of the “GEREK Designs” were unnecessary since (i) they were described in the Statement of Claim, including in paragraphs 12 and 18; (ii) GEREK had provided Canmec with a list of the “thirty-three (33) GEREK Design drawing numbers”; and (iii) Canmec had “the thirty-three (33) GEREK Designs” in its possession. Justice Grammond agreed, concluding the following, presented with my English translation:

[10] [...] Canmec demande que GEREK précise les parties des GEREK Designs qui ont été contrefaites. Une telle précision n'est pas nécessaire. Canmec est en possession des GEREK Designs. Bien qu'il s'agisse d'œuvres d'envergure, tant sur le plan du format que sur celui du niveau de détail, Canmec sera certainement en mesure d'identifier les parties des GEREK Designs dont la contrefaçon est alléguée.

[Je souligne.]

[10] [...] Canmec asks that GEREK particularize the parts of the GEREK Designs that were infringed. Such particulars are not necessary. Canmec is in possession of the GEREK Designs. Although they are sizeable works, both in terms of format and level of detail, Canmec will certainly be able to identify the parts of the GEREK Designs of which infringement is alleged.

[Emphasis added.]

[21] However, Justice Grammond accepted that further particulars of the Infringing Activities were necessary. Referring to a concession made during argument, he concluded as follows, again with my translation:

[9] Dans sa réponse à la demande de précisions de Canmec, GEREK a affirmé que les violations alléguées avaient trait à « *any work product generated by Canmec* » relativement au projet. J'estime que l'expression « *work product* » est ambiguë. À l'audience, GEREK a concédé qu'il s'agissait en réalité de dessins ou de plans produits par Canmec en vue de la réalisation du projet. Un tel degré de précision serait suffisant. J'ordonnerai donc à GEREK de préciser sa déclaration en conséquence.

[Je souligne.]

[9] In its response to Canmec's demand for particulars, GEREK stated that the alleged infringements related to "any work product generated by Canmec" related to the project. I find that the expression "work product" is ambiguous. At the hearing, GEREK conceded that in reality, it pertained to drawings or plans produced by Canmec for the realization of the project. Such a degree of particularization would be sufficient. I will therefore order GEREK to particularize its claim accordingly.

[Emphasis added.]

[22] In accordance with Justice Grammond's order, GEREK amended paragraph 28 to read as follows:

28. Without GEREK's authorization or consent, Canmec improperly copied, produced or reproduced, and/or distributed or possessed for the purposes of such distribution, the GEREK Designs, or substantial parts thereof, in preparing and submitting the Canmec Bid, as well as in relation to drawings and plans, including but not limited to drawings and plans in electronic, paper and any other format, including 2D CAD files, 3D CAD files, other electronic files, printouts of any of the foregoing and hand-written documents or sketches, and including all electronic and hand-written amendments to any and all of the foregoing, that Canmec prepared and/or used for the refurbishment of Units 3 to 12 of the Isle-Maligne Plant ("Canmec's Infringing Activities").

[Underlining shows amendments.]

[23] As can be seen, the amendments made by GEREK to paragraph 28 particularized and narrowed the allegation of infringement from "preparing and submitting the Canmec Bid, *as well as the refurbishment of Units 3 to 12*" [emphasis added] to "preparing and submitting the

Canmec Bid, *as well as in relation to drawings and plans* [...] that Canmec prepared and/or *used for the refurbishment* of Units 3 to 12” [emphasis added]. The amendments thereby had the effect of removing from paragraph 28 the allegation that the refurbishment itself was an infringement of copyright.

[24] The remainder of 2022 involved the exchange and close of pleadings, as well as a motion for bifurcation brought by Canmec and Rio Tinto, which was dismissed by Associate Judge Tabib in December 2022. In March 2023, trial of the action was set down for ten days in May 2024. The parties conducted examinations for discovery in 2023, resulting in a discovery motion that was heard and decided by Justice Tsimberis in September 2023. Among other things, Justice Tsimberis ordered GEREK to produce documents related to the preparation of the GEREK Designs.

[25] GEREK produced more than 23,000 additional documents in compliance with Justice Tsimberis’ order. In October 2023, in light of the extent of the new productions, the parties consented to the adjournment of the May 2024 trial dates and the trial was set down for ten days commencing October 21, 2024.

B. *The proposed amendments*

[26] GEREK seeks to amend paragraph 12 of the Amended Statement of Claim to read as follows:

12. All of the IP in respect of the ~~power generation equipment~~ Butterfly Valves that was created according to the GEREK-RT Contract and all subsequent equipment purchase forms is owned

by GEREK. In particular, as part of the GEREK-RT Contract, GEREK created numerous designs for ~~mechanical hydro gates~~ the Butterfly Valves to be used in the refurbishment of the Isle-Maligne Plant. The designs that were created are proprietary, original designs and were embodied in a series of at least thirty-three (33) manufacturing drawings and other drawings and plans related thereto, including but not limited to manufacturing drawings and plans of the Butterfly Valves in electronic, paper and any other format, including 2D and 3D CAD file drawings, and including all versions of or amendments to any and all of the foregoing (the “**GEREK Designs**”).

[Double underline and strikeout show amendments.]

[27] Canmec and Rio Tinto do not oppose the first three changes (substituting “Butterfly Valves” for the equipment/hydro gates and adding reference to the purchase forms). At issue is the addition of the “other drawings and plans” language at the end of the paragraph, amending the definition of the GEREK Designs. Canmec and Rio Tinto similarly oppose related amendments to paragraphs 18, 19, 20, 27, and 32. These amendments represent the first category of opposed amendments.

[28] GEREK also seeks to amend paragraph 28 of the Amended Statement of Claim as follows:

28. Without GEREK’s authorization or consent, Canmec improperly copied, produced or reproduced, and/or authorized others to carry out such acts, and/or distributed or possessed for the purposes of such distribution, the GEREK Designs, or substantial parts thereof, in preparing and submitting the Canmec Bid, as well as in relation to drawings and plans, including but not limited to drawings and plans in electronic, paper and any other format, including 2D CAD files, 3D CAD files, other electronic files, printouts of any of the foregoing and hand-written documents or sketches, and including all electronic and hand-written amendments to any and all of the foregoing, that Canmec prepared and/or used for the refurbishment of Units 3 to 12 of the Isle-Maligne Plant, and the production of, or authorization to produce,

Canmec's butterfly valves and related embedded components
(**"Canmec's Infringing Activities"**).

[Double underlining shows amendments; single underline shows earlier amendments.]

[29] Canmec and Rio Tinto oppose the proposed amendments at the end of the paragraph referring to Canmec's production of butterfly valves and components as an allegedly infringing activity. These amendments, together with a consequential amendment to paragraph 34 adding reference to the construction of the butterfly valves, represent the second category of opposed amendments.

C. *The first category of proposed amendments will not be allowed*

(1) The nature of these amendments

[30] GEREK contends that all of its proposed amendments are "simple clarifying and particularizing amendments" that add no new cause of action but only serve to clarify and particularize its current pleading. With respect to the first category of amendments, it underscores that paragraph 12 of the Statement of Claim has always referred to "a series of *at least* thirty-three (33) manufacturing drawings" [emphasis added] and alleges that its proposed amendments just add specificity to this allegation.

[31] I agree with Canmec and Rio Tinto that this is a wholly inadequate characterization of the proposed amendments in the first category. I say this for two reasons: (a) GEREK's reliance on the words "at least" in paragraph 12 is misplaced and inappropriate in the circumstances; and (b) the true nature of GEREK's proposed amendments, as counsel confirmed at the hearing, is to

add an unspecified number (in the range of 2,000 or more) of unspecified works to the list of 33 works GEREK claims Canmec has infringed.

(a) *GEREC's reliance on the words "at least" is misplaced and inappropriate*

[32] Contrary to GEREK's submission, the presence of the words "at least" in paragraph 12 does not make the current definition of the GEREK Designs an open-ended category to which more documents can be added by way of clarification or particularization.

[33] Assessing the meaning of open-ended terms such as "at least" in a pleading requires reading the term in the context of the claim as a whole: *Wi-LAN Inc v Apple Canada Inc*, 2022 FC 974 at paras 36–39, citing *Reliance Comfort Limited Partnership v Commissioner of Competition*, 2013 FCA 129 at paras 6–8. In the present case, the use of "at least" in paragraph 12 must be read in the context of paragraphs 18 to 20, which confirm that the allegations in the claim relate to "*the 33 GEREK Designs*" [emphasis added], *i.e.*, the 33 manufacturing drawings only, and not some undefined, open-ended list of other drawings or plans. Were it otherwise, the use of "at least" in paragraph 12 might not satisfy the requirements of Rule 174, particularly since any additional items would be within the knowledge of GEREK, rather than Canmec or Rio Tinto: *Reliance* at para 8; *Stryker Corporation v Umamo Medical Inc*, 2016 FC 378 at para 38; *Throttle Control Tech Inc v Precision Drilling Corporation*, 2010 FC 1085 at paras 24–27, citing *Cremco Supply Ltd v Canada Pipe Company*, 1998 CanLII 7616 (FC) [at para 23]; *Johnney Enterprises Co v Rui Royal International Corp*, 1998 CarswellNat 327 at paras 26–30.

[34] In any event, GEREK's reliance on the term "at least" conflicts with its clear submissions to Justice Grammond on the earlier particulars motion. Those included the assertion that GEREK had provided a list of the drawing numbers "corresponding to the thirty-three (33) GEREK Designs at issue, to be used by Canmec to verify and identify the GEREK Designs based on the documentation already in Canmec's possession," as well as several other references to "each of the 33 GEREK Designs" and "all of the 33 GEREK Designs." These assertions were made in support of GEREK's submission that the GEREK Designs had been "clearly identified" and that Canmec was "fully aware of which copyright-protected works are the subject of GEREK's claim." These submissions clearly assert that despite the open-ended term in paragraph 12, GEREK's Statement of Claim asserted infringement of copyright in the 33 manufacturing drawings and only the 33 manufacturing drawings. Justice Grammond's order was issued in the context of these submissions.

[35] Having made these clear submissions to the Court, GEREK's attempt to now rely on the continued presence of the words "at least" in paragraph 12 is, at best, misguided. As the Court of Appeal has noted, the explanations of counsel as to the meaning of pleadings are part of the context to be taken into account in the construction of pleadings, and permitting parties to resile from such representations "would bode extremely ill for the due administration of justice": *Sawridge Band v Canada*, 2006 FCA 228 at paras 34–38.

(b) *The true nature of GEREK's proposed amendments*

[36] Second, and more significantly, GEREK's efforts to rely on the distinction between the designs at issue and the documents that embody those designs simply confuse the nature of its claim. Questions put to counsel for GEREK at the hearing of the motion made this clear.

[37] Part I of the *Copyright Act*, RSC, 1985, c C-42, on which GEREK's claim is founded, protects copyright in "works," which are expressions of ideas, and not in the underlying ideas themselves: *IMS Incorporated v Toronto Regional Real Estate Board*, 2023 FCA 70 at paras 34–35; *CCH Canadian Ltd v Law Society of Upper Canada*, 2004 SCC 13 at para 8. The relevant question, and the question that Canmec and Rio Tinto understandably and necessarily need the answer to, is: What works does GEREK claim are the subject of copyright that it owns and that Canmec has infringed?

[38] As set out above, the answer to this question on the pleadings as they currently stand was established early in the litigation: the GEREK Designs in which copyright was claimed are the 33 manufacturing drawings. Drawings, like plans and other types of works, fall within the definition of "artistic works" in section 2 of the *Copyright Act*.

[39] However, in its written submissions on this motion, GEREK asserted that its claim alleges copyright in and infringement of "various engineering designs," defining them as the "GEREK Designs," and stated that the GEREK Designs are "embodied in" at least the 33 drawings. It also claimed to be simply adding clarifying facts about "where the GEREK

Designs are embodied.” Further, GEREK’s motion seeks to amend paragraphs 19, 20, and 27 of the Amended Statement of Claim to refer to “the thirty-three (33) manufacturing drawings depicting the GEREK Designs” [emphasis added], suggesting that the 33 manufacturing drawings are not themselves the GEREK Designs.

[40] These statements and proposed amendments left both the responding parties and the Court with considerable uncertainty about what the Amended Statement of Claim, and the proposed amendments to it, purported to claim.

[41] At the hearing, counsel for GEREK confirmed clearly that (i) despite the reference to “numerous designs for mechanical hydro gates [the Butterfly Valves]” in paragraph 12, there was effectively only one single design of the butterfly valve; (ii) this single design, which has multiple components, is embodied or shown in various drawings; and (iii) despite its written submissions, GEREK does not assert copyright in the design itself, but only in the drawings. As the Amended Statement of Claim currently stands, therefore, the 33 artistic works that are the mechanical drawings are the “GEREK Designs.” This is consistent with GEREK’s submissions to Justice Grammond and with Justice Grammond’s resulting order, as noted above.

[42] As a result, and contrary to GEREK’s written submissions, its proposed amendments to paragraph 12 of the Amended Statement of Claim do not just add “clarifying facts about where the GEREK Designs are embodied.” They seek to add other “drawings and plans,” *i.e.*, other artistic works, to the definition of the GEREK Designs and thus to the list of works that GEREK alleges have been infringed. Counsel for GEREK again confirmed this to be the case at the

hearing. The amendments propose to do so in broad and open-ended language, without specifying the particular works at issue or even their number, simply giving a non-limiting description of them.

[43] The additional works in question are among the documents ordered produced by Justice Tsimberis. Counsel for Rio Tinto estimated, based on a review of the drawings contained in GEREK's productions, that the description in the proposed amendment would cover about 2,400 documents. Counsel for GEREK at the hearing of the motion stated that GEREK had not itself counted the number of works it was proposing to add to the claim, but conceded that Rio Tinto's estimate was reasonable and that the proposed amendment therefore entail the assertion of copyright in, and infringement of, about 2,000 works.

[44] Although the intended nature of the amendments in paragraph 12 was clarified at the hearing, the result is that the proposed amendments to paragraphs 19, 20, 27, and 32 are inconsistent with those in paragraph 12. Those amendments would add reference to "the thirty-three (33) manufacturing drawings depicting the GEREK Designs" [emphasis added]. The term "GEREK Designs," as amended, would refer to about 2,000 or more artistic works that embody or depict GEREK's design of the butterfly valve, including the 33 manufacturing drawings. This being so, it is incomprehensible to refer to the 33 manufacturing drawings as "depicting the GEREK Designs," as those drawings neither depict themselves nor any other drawings. More consistent is the proposed amendment to paragraph 18, which refers to the 33 manufacturing drawings "that form part of" the GEREK Designs.

[45] Having determined the true nature of the proposed amendments in the first category, I turn to whether those amendments should be allowed.

(2) Threshold issue

(a) *Failure to meet the requirements of Rule 174*

[46] As Canmec points out, this Court recently addressed the requirements of an adequate pleading in a copyright infringement action in the *Fox Restaurant* case cited above. There, the claim asserted infringement of copyright in five literary or artistic works defined as the “Fox Works,” but referred to a schedule showing about 11 logos, images, and website excerpts. Case Management Judge Horne concluded the claim did not meet the requirements of Rule 174, since it was unclear what works were included in the definition of Fox Works. He held that “[u]nless there is a closed and specific list of the works that the plaintiff includes in its definition of ‘Fox Works’, the issues are not adequately framed for discovery and trial”: *Fox Restaurant* at paras 22–23. He therefore struck the claim with leave to amend.

[47] The approach in *Fox Restaurant* is consistent with that in *Netbored*, where Justice Hughes noted that a copyright infringement pleading should state the identity of the work, the nationality of the author, and the place of first publication: *Netbored Inc v Avery Holdings Inc*, 2005 FC 1405 at para 45; see also John S McKeown, *Fox on Canadian Law of Copyright and Industrial Designs*, 4th ed (Toronto: Thomson Reuters Canada, looseleaf) at §24:22, citing *Netbored*.

[48] GEREK points to this Court's earlier decision in *Diamant Toys*, where the plaintiff sought to amend its claim in a copyright infringement action at the outset of trial: *Diamant Toys Ltd v Jouets Bo-Jeux Toys Inc*, 2006 FC 457. The amendments sought to expand the works at issue from a list set out in a Schedule to the claim, to a broader set of works defined through a description of the works and reference to a "representative sample" in an amended Schedule: *Diamant Toys* at para 7. Justice Martineau accepted the amendments, concluding that the new allegations did not raise new causes of action, when read in conjunction with the remainder of the claim and in the context of the defendants' knowledge of the case through earlier motions and a joint statement of issues: *Diamant Toys* at paras 13–17.

[49] What is clear from *Diamant Toys* and *Fox Restaurant* is that assessing the adequacy of a pleading or proposed amendment is context-dependent. It involves reading the particular allegations at issue in the context of the pleading as a whole, the claims at issue, and the broader context of the litigation to assess whether the pleading defines the issues with sufficient precision to make the pre-trial and trial proceedings manageable and fair, and puts the opposing party on notice of the case it has to meet: *Mancuso* at paras 16–20; *McCain* at para 23. As the Court of Appeal put it in *Enercorp*, "the question of whether the pleadings are sufficient is to be assessed in light of all the circumstances including the respective means of knowledge of the parties": *Enercorp* at paras 36–37.

[50] In the present case, I conclude that GEREK's proposed amendments, as drafted, are inadequate to meet the requirements of a sustainable pleading. I agree with Canmec's characterization that GEREK's proposed amendment to paragraph 12 seeks to expand its list of

allegedly copyrighted and infringed works at issue in the case “from one involving 33 identified manufacturing drawings to one encompassing an unknown number of unidentified and unspecified works.” The remainder of the claim provides no greater specificity that would allow Canmec, or Rio Tinto as third party, to know what the case is about. Rather, as noted above, some of GEREK’s other proposed amendments simply confuse the matter further.

[51] Reviewing the amendments in light of the surrounding circumstances of the case does not improve the situation. Unlike the earlier motions in *Diamant Toys*, there is no other context to provide “useful clarification with respect to the several claims made by the plaintiffs”: *Diamant Toys* at para 15. To the contrary, the prior motions in this case were all premised on the claim involving the 33 GEREK Designs, *i.e.*, the 33 manufacturing drawings. Indeed, even Rio Tinto’s knowledge of the scope and nature of the productions to date only allowed it to estimate that the new definition could encompass about 2,400 documents.

[52] Not only has GEREK not particularized its claim by providing a “closed and specific list” of the works it alleges are infringed, it submits that it would be unfair for it to have to do so. It argues that since all of the documents relate to the same design of its butterfly valve, it should not have to specify the documents that refer to it. I disagree. It is incumbent on a plaintiff alleging copyright infringement to identify the works it alleges are infringed with adequate specificity to allow the defendant to know the nature of the allegations and respond to them. GEREK has not done so. To the extent that it would be burdensome to GEREK to identify the works it claims are infringed, this is a burden that arises from its own request to increase the number of works it relies on by a factor of over 60. It would also impose an even greater burden

on Canmec and Rio Tinto to try to guess which works are claimed to be infringed in order to assess defences they may have and address relevant issues such as authorship, originality, and substantial reproduction.

[53] I therefore conclude that the proposed amendments in the first category cannot be sustained as they are currently drafted.

(b) *Radical departure*

[54] Canmec also argues the proposed amendments should not be permitted, and would be subject to striking under Rule 221, since they represent a “radical departure” from GEREK’s earlier pleading and its representations to the Court in the context of the motion before Justice Grammond. I disagree.

[55] I take the term “radical departure” as used in *Merck* and *Hospira* [or “departure from a previous pleading” in Rule 221(1)(e)] to signify an allegation that is materially contrary to or inconsistent with positions previously taken. In *Merck*, it referred to the defendant’s attempted withdrawal of a long-standing admission that the compound in its drug fell within the scope of the asserted patent: *Merck* at paras 27, 46–47. In *Hospira*, it referred to the defendant’s attempted reversal in the damages phase of a position taken during the liability phase that two drugs were the same in all material respects: *Hospira* at paras 2, 4–5.

[56] GEREK’s proposed amendments would clearly involve a significant, even radical, expansion of the number of works claimed to be infringed. However, I conclude they do not

represent a “radical departure” from GEREK’s original claim as that term is used in the cases above. The allegation that Canmec infringed copyright in a large number of artistic works is not inherently inconsistent with its earlier allegation that Canmec infringed copyright in a much smaller number of artistic works to the extent that it amounts to an impermissible pleading. The Rules and principles regarding amendments recognize that an action may change and expand over time. The scope and timing of such an expansion may go to issues of justice and injustice, but they do not in this case represent a “radical departure” from the claim as first drafted and as represented before Justice Grammond.

(3) Remedy and considerations of justice and injustice

[57] As I have concluded that the proposed amendments cannot stand as drafted, I must consider whether it is appropriate to simply disallow them, with or without leave to reapply, or whether they might be allowed on the condition that adequate particulars are provided: *Enercorp* at paras 26–30, 34–38; *Atlantic* at para 15.

[58] I find it is not appropriate in the circumstances to allow the amendments with an obligation to particularize the additional works GEREK seeks to add to the definition of GEREK Designs, as I am unable to conclude on the record on this motion whether even such a particularized amendment would serve the interests of justice.

[59] Important considerations in such an assessment are whether the proposed amendments would delay trial, and whether the amendments will facilitate the Court’s consideration of the substance of the dispute on its merits: *Enercorp* at paras 20–21.

[60] With respect to the former, counsel for Canmec and Rio Tinto helpfully estimated at the hearing that if the works were particularized, they expected they would need approximately a combined further five days of examinations for discovery of GEREK to address the new allegations. I accept this best estimate, although it was necessarily given without certainty as to which additional works are alleged to be at issue. Conversely, I reject GEREK's contention that Canmec and Rio Tinto require no further discovery, or perhaps discovery limited to a single day, to address the addition of 2,000 allegedly infringed works to the scope of the action. I also reject GEREK's contention that Canmec and Rio Tinto should be precluded from conducting such discovery because they could have asked questions about the documents during the most recent round of discoveries, at a time when GEREK's proposed amendments were not part of the pleadings and were as yet unparticularized.

[61] An additional five days of discovery might be made to fit within a pre-trial schedule that still meets the current trial dates in October 2024. However, it is less clear whether the addition of 2,000 allegedly infringed artistic works would require changes to the current schedule for expert reports or to the ten days currently set aside for trial. It is also unclear whether the proposed addition will facilitate the Court's consideration of the substance of the dispute. It is difficult for the Court to assess such matters on the current state of the record, which does not include material information about the additional works in question.

[62] In this regard, GEREK asserts that the number of works it seeks to add to the definition of GEREK Designs should not be confused with the scope of the action, which it contends has not significantly changed. It argues that many of the artistic works relate to the same components or

aspects of the underlying design, which is itself not novel, so there is no change to the nature of the dispute between the parties or the scope of the action. I cannot accept this submission for two reasons.

[63] First, it is difficult to reconcile this submission with GEREK's submissions about the importance to its case of being able to add a claim for infringement of more than 2,000 additional artistic works. In essence, GEREK appears to be arguing that the additional documents are significant and different enough that it is important that they be added, while not being significant and different enough to warrant additional pre-trial or trial time. Second, there is no material on this motion, either in the proposed amendments or in evidence, that would allow the Court to assess the assertion that the various works would not add materially to the scope of the claim and thus to the amount of time necessary to prepare expert reports or conduct trial. While the original 33 manufacturing drawings are found in Rio Tinto's confidential motion record, none of the proposed additional drawings, plans, or other works are in evidence, even in the form of a representative sample.

[64] I am further concerned that Canmec and Rio Tinto's ability to make submissions with respect to issues of pre-trial and trial scheduling, the "substance of the dispute on its merits," and the potential injustice or prejudice that they would face, was limited by not knowing the actual number and identity of the works GEREK seeks to add to its claim. To simply allow the amendments while requiring GEREK to particularize the claim by specifying the works at issue would preclude Canmec and Rio Tinto from making fully informed submissions on these relevant issues.

[65] I will therefore not grant leave to GEREK to make the amendments in the first category and will dismiss GEREK's motion with respect to these amendments, namely the contested amendments in paragraphs 12, 18, 19, 20, 27, and 32.

[66] Given the manner in which GEREK presented this motion, which included a mischaracterization of the nature of the amendments and submissions that were inconsistent with prior submissions to the Court, I am inclined to refuse the amendments without leave to reapply. However, given the importance of having pleadings that reflect the true nature of the claim between the parties, and the general principle that amendments to the pleadings should be allowed if they are in the interests of justice and do not cause an injustice, I will grant GEREK leave to reapply to amend its claim in respect of the works constituting the GEREK Designs. Should GEREK choose to do so, it should seek from the Court at the earliest opportunity a case management conference to address the modalities and timing of such a motion.

D. *The second category of proposed amendments*

(1) The nature of these amendments

[67] The nature of the second category of amendments is easier to define. Through its proposed amendments to paragraphs 28 and 34, GEREK seeks to assert that Canmec's production of butterfly valves and related embedded components as part of the refurbishment of the Units 3 to 12 of the Isle-Maligne Plant infringed its copyright in the GEREK Designs.

[68] Again, contrary to GEREK's submission, these are not "simple clarifying and particularizing amendments." Rather they seek to add a material new allegation regarding the conduct of Canmec that is said to infringe and, in particular, one that was expressly removed from the Statement of Claim by virtue of the amendments made after Justice Grammond's order.

(2) Threshold issue

(a) *Reasonable cause of action*

[69] Canmec argues it is plain and obvious that GEREK's proposed amendment does not disclose a reasonable cause of action. It argues that even if GEREK has copyright in its engineering drawings, those drawings simply contain a set of instructions for the manufacturing and assembly of butterfly valves and related parts. Canmec argues that even if it followed the instructions in those drawings in making its butterfly valve, the construction of a machine using the drawings does not infringe copyright in the artistic works.

[70] In support of this proposition, Canmec cites the Supreme Court of Canada's 1969 decision in *Cuisenaire*, as well as several more recent cases that have applied it: *Cuisenaire v South West Imports Ltd*, [1969] SCR 208, 1968 CanLII 122 (SCC) at p 212; *Tri-tex Co inc v Ghaly*, 1999 CanLII 13314, 1 CPR (4th) 160 (QC CA) at pp 171-172; *Harmony Consulting Ltd v GA Foss Transport Ltd*, 2012 FCA 226 at paras 88-89; *Proline Pipe Equipment Inc v Provincial Rentals Ltd*, 2019 ABQB 983 at paras 17-22.

[71] For its part, GEREK asserts that copyright can be extended to cover the physical object made from a copyrighted design, citing *Rucker Co v Gavel's Vulcanizing Ltd*, 1985 CarswellNat 571 at paras 25–26; *Spiro-Flex Industries Ltd v Progressive Sealing Inc*, 1986 CanLII 771 (BC SC) at paras 25–36; *Lainco Inc v Commission scolaire des Bois-Francs*, 2017 FC 825 at para 215; and *Bayliner Marine Corp v Doral Boats Ltd*, 1985 CanLII 5592 (FC), rev'd 1986 CanLII 6830 (FCA). Canmec raises points of distinction in respect of each of the cases raised by GEREK.

[72] Having reviewed these decisions and the parties' brief arguments, I cannot conclude it is "plain and obvious" that the proposed amendments asserting copyright infringement through Canmec's construction of butterfly valves disclose no reasonable cause of action: *McCain* at para 20; *Merck* at para 43. Having reached this conclusion, no further discussion of the merits of the parties' respective arguments is necessary or appropriate, as these are matters ultimately to be addressed by the trial judge.

(b) *Radical departure*

[73] Canmec also asserts that the amendments in the second category, like those in the first, constitute a radical departure from GEREK's prior pleading. Again, I disagree. Before Justice Grammond, GEREK conceded that its allegations of infringement pertained to drawings or plans produced by Canmec for the realization of the project. Justice Grammond ordered that paragraph 28 be particularized in consequence. However, in the circumstances, I do not take either GEREK's concession or Justice Grammond's order as precluding a potential future re-

expansion of the claim through a further amendment, provided such amendment satisfied the other requirements for an amendment of pleadings.

[74] Nor are the proposed amendments directly inconsistent with the earlier pleading. GEREC did not previously admit that construction of the butterfly valves did *not* infringe its copyright. While it previously limited its infringement claim to the documents prepared in the refurbishment, re-expanding that claim to the physical objects made in the refurbishment is not inconsistent with the prior plea in a manner that would amount to a radical departure.

(c) *Failure to meet the requirements of Rule 174*

[75] Canmec further claims that the amendments in the second category are liable to be struck as bald conclusory statements unsupported by material facts. I disagree. The allegations of copyright infringement with respect to the 33 manufacturing drawings are adequately pleaded. Canmec and Rio Tinto have sufficient particulars of the allegations, including in respect of the manufacture of the butterfly valves, to plead in response thereto.

[76] As for Canmec's contention that the new allegation is simply designed to permit GEREC to go on a fishing expedition in follow-up examinations for discovery, GEREC has not requested the opportunity to conduct further examinations arising from its amendments, and counsel confirmed during the hearing of this motion that GEREC requires no further examinations arising from these amendments.

[77] I therefore conclude that the amendments in the second category meet the threshold of a sustainable pleading. The remaining questions are whether they would cause an injustice to Canmec and/or Rio Tinto, and whether they are in the interests of justice.

(3) Injustice to the respondents

[78] Canmec does not specifically allege an injustice or prejudice arising from the second category of amendments, addressing only concerns about the interests of justice. Rio Tinto alleges a prejudice arising from the amendments, but the prejudice it cites relates to the timeliness of the amendments, the change in GEREK's position, and the potential delay of the trial. These are matters typically considered in assessing whether the amendments are in the interests of justice. I will address them in that context.

[79] Beyond these issues, I see no inherent injustice or prejudice to the respondents in permitting the second category of amendments. The amendments will require Canmec, and indirectly Rio Tinto, to address the allegation that construction of the butterfly valves itself infringed GEREK's copyright. However, having to face a claim of infringement, even in respect of an additional matter, does not constitute an injustice.

(4) The interests of justice

[80] Canmec and Rio Tinto allege that GEREK's request to amend is untimely. They note that GEREK has known about both its own copyright and Canmec's construction of the butterfly valves since the outset of this proceeding, and that its two-year delay in asserting this aspect of

its claim is unexplained. Canmec notes that GEREK itself asserts that its proposed amendments “arise from the same facts as currently pleaded.” Rio Tinto contends that the amendments appear to arise from a change in strategy rather than any change in knowledge or information.

[81] I agree that GEREK’s delay in raising the claim is not adequately explained. In this regard, GEREK’s submission that its prior pleadings were based on the information it had at the time and that new allegations arise from “what we know now” is unsubstantiated and largely unpersuasive. GEREK has not pointed to any evidence showing what it learned between the issuance of the claim and the present that provided the basis for the proposed amendments.

[82] At the same time, unexplained delay in seeking the amendment is only one relevant factor. The timeliness of the motion to amend must also be viewed in light of the time to trial. GEREK has confirmed that no additional discovery will be required with respect to this amendment, and the trial remains eight months away. There seems little reason that these amendments should delay either pre-trial steps or the trial. Indeed, Canmec and Rio Tinto’s submissions regarding trial delay relate primarily to the first category of amendments.

[83] I also consider that the amendments would permit the Court to consider all relevant impugned conduct of Canmec at the same time, without materially adverse effect on either the pre-trial or trial schedule.

[84] In sum, I conclude that the amendments in the second category are in the interests of justice and will not cause an injustice to Canmec or Rio Tinto. Leave will be granted to make the amendments to paragraphs 28 and 34 of the Amended Statement of Claim.

E. *Uncontested amendments*

[85] Canmec and Rio Tinto do not oppose the remainder of GEREK's proposed amendments, subject to two clarifications.

[86] First, GEREK proposes amendments to paragraphs 1(a), 1(b), 1(c), and 13 of the Amended Statement of Claim that include additional language from the *Copyright Act* including the allegation that Canmec has infringed by copying, producing or reproducing the GEREK Designs "in any material form." Canmec and Rio Tinto do not oppose these proposed amendments and the inclusion of the "in any material form," subject to their arguments with respect to the second category of amendments.

[87] Second, GEREK's proposed amendments to paragraph 31 include adding the phrase "to solicit bids from third parties for the manufacture and construction of physical components depicted in the GEREK Designs and to carry out the refurbishment of Units 3 to 12 at the Isle-Maligne Plant." Canmec and Rio Tinto's acceptance of this amendment is expressly based on GEREK's representation that the entire phrase relates to the solicitation of bids, rather than being or including a separate allegation in respect of carrying out the refurbishment. In other words, the phrase means, in essence, "to solicit bids from third parties (i) for the manufacture and construction of physical components depicted in the GEREK Designs; and (ii) to carry out the

refurbishment of Units 3 to 12 at the Isle-Maligne Plant.” The amendment is allowed on this basis.

[88] Subject to and based on these clarifications, Canmec and Rio Tinto do not oppose GEREK’s proposed amendments to paragraphs 1, 8, 11, 12 (first four lines), 13, 16, 17, 23, 27 (second line), 28 (second line), 31, 32 (last two lines), 34 (first four and a half lines), 35, and 36. These amendments are allowed on this basis.

IV. Costs

[89] Each party seeks costs on an elevated basis, payable forthwith in any event of the cause.

[90] Based on the parties’ submissions, it does not appear that the amendments in the second category or the unopposed amendments will require further discovery. There are therefore no costs of discovery arising from the amendments to be addressed.

[91] With respect to the costs of the motion itself, the parties had divided success. However, as set out above, I have concerns about how GEREK presented its motion and characterized its proposed amendments, which resulted in a lack of clarity and increased the difficulty and complexity of Canmec and Rio Tinto’s responses.

[92] Given these factors, I order GEREK to pay \$2,500 in costs to each of Canmec and Rio Tinto, in any event of the cause. For clarity, these costs are not payable forthwith.

ORDER IN T-1471-21

THIS COURT ORDERS that

1. The plaintiff is granted leave to make the proposed amendments to paragraphs 1, 8, 9, 11, 12 (first four lines), 13, 16, 17, 23, 27 (second line), 28, 31, 32 (last two lines), 34, 35, and 36.
2. The plaintiff is not granted leave to make the proposed amendments to paragraphs 12 (last four lines), 18, 19, 20, 27 (third and fourth lines), or 32 (eighth and ninth lines).
The plaintiff is granted leave to reapply to make these amendments on the basis set out in the reasons for this order.
3. Costs of this motion are awarded to the defendant and to the third party, in the amount of \$2,500 each, inclusive, in any event of the cause.

“Nicholas McHaffie”

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1471-21

STYLE OF CAUSE: GE RENEWABLE ENERGY CANADA INC v
CANMEC INDUSTRIAL INC ET AL

PLACE OF HEARING: HELD BY VIDEOCONFERENCE

DATE OF HEARING: JANUARY 30, 2024

ORDER AND REASONS: MCHAFFIE J.

DATED: FEBRUARY 7, 2024

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