

**THE EVOLVING ROLE OF THE INVESTIGATIVE AND FORENSIC
ACCOUNTANT IN INTELLECTUAL PROPERTY LITIGATION**

Research Project for Emerging Issues/Advanced Topics Course

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1. INTRODUCTION

This paper summarizes the evolving role of the investigative and forensic accountant (IFA) working in the field of intellectual property. For purposes of this paper the term IFA includes any designated accountant working as forensic accountant and/or investigative accountant, but not necessarily designated as a CA-IFA. By definition an IFA works within the context of the law; therefore, the evolution of the IFA role continues to be influenced by changes in the legal environment. To fully understand the evolution of the IFA's role in intellectual property litigation, I examined the legal environment of the four major areas of intellectual property in Canada and significant developments within that environment.

1.1 Research Objective and Scope of Research

The objective of my research was threefold. Firstly, I was intrigued by the world of intellectual property and therefore I wanted to gain a greater understanding of how litigation in that world had evolved over the past 15 years and what role the IFA played. Secondly, I wanted to explore how the IFA's role evolved over that 15 year time frame and what challenges and opportunities the IFA might anticipate in the future. Finally, through my research, I wanted to contribute further insight into how the IFA's role was evolving and the issues that the IFA looking to practice in this area should consider.

I researched articles which dealt with specific challenges to IFAs and the legal professionals working in the area of intellectual property litigation. I researched court cases that provided milestones or precedents on dealing with these challenges. I found

that there was very little published information available on the role of the IFA in intellectual property litigation. Therefore, most of my research with respect to the IFA role was obtained through interviews with IFAs, investigators and legal professionals. With the exception of one, the IFAs that I interviewed requested that they not be directly quoted in my paper. Except where noted otherwise, my findings as they relate to IFAs are a combination of comments from my interviewees.

1.2 Summary

The four major areas of intellectual property are patents, copyrights, trade-marks and trade secrets. Patents, copyrights and trade-marks have statutory protection through Federal legislation, and so cases related to these three areas are typically heard through the Federal Court. Patent infringements constitute the major portion of intellectual property litigation cases heard through the intellectual property bench. The majority of copyright and trade-mark infringements are related to international counterfeiting and piracy activities. The majority of IFAs working in the intellectual property field, practice in the patent area. Canadian case law regarding damages quantification is limited because historically IFAs have not often testified as experts in the courts, although this trend is reversing as the courts are fast-tracking cases through the system due to new court reforms based on the principles of proportionality and timely access to justice. The major developments in the intellectual property litigation field that have impacted the evolution of the role of the IFA in this area are changes to Federal Court Rules, changes to intellectual property legislation and regulations, and jurisprudence. As the field of

intellectual property litigation expands, it is anticipated that the market for IFAs will also expand, although it is likely that such growth will be primarily in the patent area.

2. OVERVIEW OF INTELLECTUAL PROPERTY LITIGATION IN CANADA

To understand intellectual property litigation and the issues involved from the IFA perspective, it is essential to understand what intellectual property is, how it is categorized, the laws protecting intellectual property rights, the types of intellectual property infringements, and the remedies available to the owners of intellectual property when their rights have been infringed upon.

Intellectual property is the general term for knowledge-based assets which are “*creations of the human mind*”¹ expressed in a form that enables the author to exert his/her rights over such creations. The four traditional classifications of intellectual property, or as David Wotherspoon describes, “*the four pillars of intellectual property*”² are **Patents, Copyrights, Trade-marks, and Trade Secrets**. In Canada, patents, copyrights, and trade-marks are protected by statute, while trade secrets are protected as “Confidential Information” under common law principles. Three additional classifications of intellectual property, specifically protected in Canada by statute are **Industrial Designs, Integrated Circuit Topographies, and Plant Breeders’ Rights**. On an international level, the different types of intellectual property are protected to varying extents through several international agreements administered by international organizations such as the World Trade Organization (WTO), the World Intellectual Property Organization (WIPO), and the North American Free Trade (NAFTA) Secretariat.

¹ World Intellectual Property Organization (WIPO). (n.d.). *Understanding Industrial Property*. New York: WIPO Publication No. 695(E), 3. Retrieved July 31, 2007 and accessed August 27, 2012 from <http://www.wipo.int/about-ip/en/>

² Wotherspoon, David. Barrister & Solicitor. Fasken Martineau DuMoulin. Telephone interview. July 12, 2007.

A summary of the seven classifications of intellectual property, the laws protecting such rights, and the remedies available on infringement of such rights is provided as a reference tool at **Appendix 1 – Table “An Overview of the Seven Classifications of Intellectual Property in Canada”**.

2.1 Developments in the Nature of Intellectual Property Infringements

Intellectual property is an increasingly significant contributor to the Canadian economy as a result of exponential technological growth and globalization. The rapid expansion and influence of intellectual property in all sectors of the economy is well documented in professional, academic, government and industry publications. For example, the Canadian Anti-Counterfeiting Network (CACN) notes:

“While every company is increasingly reliant on IP rights, the highest growth areas of the global economy are the IP-based industries. ... in 2000, the creative industries in Canada were expanding at twice the rate of the Canadian economy overall, generating approximately \$66 billion in revenue, and represented the third most important contributor to the country’s economic growth.”³

The increasing significance of intellectual property in the economy over the past 15 years is reflected in a noticeable increase in the volume, magnitude and complexity of intellectual property infringements over the same period. In the Canadian copyright and trade-mark worlds, the most notable development is the staggering growth of infringements known as counterfeiting and piracy. The volume of such infringements in Canada, and internationally, has grown to such an extent that the WIPO describes

³ Canadian Anti-Counterfeiting Network (CACN). (2007, May 7). *Report on Counterfeiting and Piracy in Canada: A Road Map for Change*. 29. Retrieved July 18, 2007 and accessed May 17, 2012 from <http://www.cacn.ca/publications.html>

counterfeiting as a “*global epidemic*”⁴. Despite the increase in the volume of copyright and trade-mark infringements there has not been a corresponding increase in the volume of related infringement litigation in Canada, the primary reasons being the difficulties of enforcing these intellectual property rights and the disproportionate costs to benefits of litigating such cases. This trend may reverse somewhat in the future because the courts are starting to recognize the detrimental effect of counterfeiting, and over the past few years the courts have been awarding much larger damages. For example, on one case in 2011, the Federal Court awarded damages over \$2.4 million dollars⁵. While counterfeiting sometimes involves the infringement of Canadian patents, the most notable developments in patent infringement are the increasing complexity of the subject matter, particularly in the fields of biotechnology, computer technology and pharmaceuticals, and the ensuing difficulties for the courts in determining the validity of the patent in question, the existence of the patent infringement, the extent of such infringement, and the appropriate compensation to the rights holder.⁶ Trade secrets are a type of confidential information. The most significant development in the area of trade secrets infringement is the ease with which trade secrets are misappropriated as a result of advances in electronic technology, particularly the mobility of electronic storage devices.

2.1.1 Counterfeiting and Piracy

Among the numerous articles and papers issued recently by various Canadian and international organizations addressing the problem of counterfeiting and piracy, there are

⁴ CACN, 5.

⁵ *Louis Vuitton Malletier S.A. v. Singa Enterprises (Canada) Inc.*, 2011 FC776, (2011) F.C.J. No 908.

⁶ Ludlow, Gregory C and Godbout, Anne M. (n.d.). *Survey of Intellectual Property: Part IV – Patents*. (1998-1999) 30 *Ottawa Law Review* 117-173. Retrieved June 30, 2007 from www.lexisnexis.com/ca/legal accessed August 4, 2012 from <http://www.ludlowlaw.ca/resources.html>

four noteworthy Canadian publications which describe the magnitude and gravity of the problem, the reasons behind its “*exponential growth*”⁷, and recommendations on how to counteract the problem. The papers and reports are as follows:

- “*Canadian Anti-Counterfeiting Laws & Practice: A case for change*” issued April 2005 by James J. Holloway and Baker & McKenzie LLP⁸
- “*Report on Counterfeiting and Piracy in Canada: A Road Map For Change*” issued March 2007 by the Canadian Anti-Counterfeiting Network⁹
- “*Counterfeit Goods In Canada – A Threat to Public Safety*” issued May 2007 by the Standing Committee on Public Safety and National Security¹⁰
- “*Counterfeiting And Piracy Are Theft*” issued June 2007 by the Standing Committee on Industry, Science and Technology¹¹

The four above-noted publications explain the widespread economic costs plus the health and safety risks to Canadians caused by counterfeiting and piracy. These publications also indicate that the problem of counterfeiting and piracy, largely relating to imported goods, is disproportionately greater in Canada than in most developed countries due to the inadequacies of Canada’s intellectual property legislation and enforcement of intellectual property rights. Each of these publications points out that Canada is not

⁷ CACN, 14.

⁸ Holloway, James J. (2005, April). *Canadian Anti-Counterfeiting Laws & Practice: A case for change*. 19. Retrieved July 18, 2007 and accessed May 17, 2012 from <http://www.cacn.ca/publications.html>

⁹ CACN.

¹⁰ Parliament of Canada. Standing Committee on Public Safety and National Security. (2007, May). *Counterfeit Goods In Canada – A Threat to Public Safety*. Retrieved July 18, 2007 from <http://www.cacn.ca>. Accessed August 26, 2012 from <http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=2985081&Language=E&Mode=1&Parl=39&Ses=1>

¹¹ Parliament of Canada. Standing Committee on Industry, Science and Technology. (2007, June). *Counterfeiting and Piracy Are Theft*. Retrieved July 18, 2007 and accessed on August 26, 2012 from <http://cmte.parl.gc.ca/cmte/CommitteePublication.aspx?COM=10476&Lang=1&SourceId=213200>

keeping pace with international intellectual property legislation and enforcement efforts, nor is Canada fulfilling its international commitments to protect intellectual property rights on an international level. Such inadequacies in Canada are raising serious criticism from foreign governments and international bodies such as the WIPO and the International AntiCounterfeiting Coalition Inc. (IAAC). The reports recommend that the Canadian government commit resources and enact legislative changes to strengthen enforcement and protection of intellectual property rights in Canada and to put Canada on an equal footing with most of its major trading partners, including the United States and the UK. As noted in section 2.2.1 below, the Canadian Government has responded to such criticism by amending copyright legislation and proposing amendments to trademark legislation. However, as the CACN explains in its November 2011 Executive Update, while such government initiatives are positive, they fall short of those required to establish a robust and “*effective regime to address intellectual property crime in Canada*”¹².

The report of the Standing Committee on Public Safety and National Security provides clarification of the terms counterfeiting and piracy.

“The term counterfeiting...can entail the imitation of a trade-mark, label or any other important characteristic associated with a product, as well as copyright infringement...this broad definition of counterfeiting does not coincide with the definition set out in the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) appended to the 1994 Agreement establishing the World

¹² CACN. (2011, November). *Report on Counterfeiting and Piracy in Canada: A Road Map for Change - Executive Update*. Retrieved May 17, 2012 from <http://www.cacn.ca/publications.html>

Trade Organization (WTO), to which Canada is a party. Under the TRIPS Agreement, the expression ‘counterfeiting’ refers only to trademark violations”¹³ while piracy refers to copyright violations ‘pirated copyright goods’.”¹⁴

The report continues:

“‘Counterfeiting’ refers specifically to a commercial violation of a protected right under the Trade-marks Act, while the expression ‘piracy’ refers to a commercial violation of a right protected by copyright, such as the reproduction of films, software or video games.”¹⁵

James Holloway explains counterfeiting and piracy more simply, as follows:

“‘counterfeiting’ refers to the representation of an imitation as a genuine article... (and) usually involves putting a well-known trade-mark on an imitation of a product in order to deceive consumers into thinking the article is genuine. ... ‘piracy’ refers to stealing, copying and selling the product itself...the article... is not made or sold with the authority of the owner...and typically involves making and selling an unauthorized reproduction of something like a movie, music or a software program.”¹⁶

¹³ Standing Committee on Public Safety and National Security, 2.

¹⁴ Ibid.

¹⁵ Ibid., 3.

¹⁶ Holloway. *Canadian Anti-Counterfeiting Laws & Practice: A case for change*. 1-2.

The distinction between counterfeiting and piracy is important from a legal standpoint as both infringements are governed by different statutes and have different remedies.¹⁷

Copyrights are protected by statute whereas trade-marks are protected by common law and by statute. Remedies for trade-mark infringements are less onerous on the infringer than remedies for copyright infringements. The Copyright Act provides for criminal penalties and a combination of civil remedies including pre-established statutory damages before final judgment,¹⁸ or recovery of damages plus an accounting of profits. On the other hand the Trade-marks Act does not provide for criminal penalties. The civil remedies available for trade-mark infringements are more limited in comparison to those for copyright infringements. For example, either a recovery of damages or an accounting of profits is available for trade-mark infringements, although both remedies are not available simultaneously as they are for copyright infringements. In trade-marks cases, criminal penalties must be assessed through the Criminal Code as a result of a Fraud or Forgery conviction under Sections 406 to 410.¹⁹

2.2 Developments in the Legal Environment of Intellectual Property

The significant developments with respect to protection of intellectual property rights are evolving case law as well as amendments to existing intellectual property legislation and the introduction of new laws and regulations in response to the evolution of common law, technological advances, and pressure from international trade organizations and their

¹⁷ The details and related sources of information are described in Appendix 1 – Table.

¹⁸ Ludlow, Gregory C. and Le Blanc, Mark. (n.d.). *Survey of Intellectual Property: Part V – Copyrights & Industrial Designs*. (1999-2000) 31 Ottawa Law Review. 93-164. at 33. Retrieved June 30, 2007 from www.lexisnexis.com/ca/legal. Accessed August 4, 2012 from <http://www.ludlowlaw.ca/resources.html>

¹⁹ Department of Justice Canada. *Criminal Code R.S.C., 1985, c.C-46*. Retrieved June 8, 2012 from <http://laws-lois.justice.gc.ca/eng/acts/C-46/page-187.html> & <http://laws-lois.justice.gc.ca/eng/acts/C-46/page-188.html>

member countries. The courts have also introduced new rules and concepts to guide intellectual property litigation, and litigation in general, in order to promote access to justice.

2.2.1 Legislative Changes for Protection of Intellectual Property Rights

Recent significant legislative changes for the protection of intellectual property rights in Canada include:

- the amendment of the Patented Medicines (Notice of Compliance) Regulations “PM(NOC) Regulations” to establish Section 8 for compensation to subsequent manufacturers of patented pharmaceutical drugs, which took effect on May 11, 1998²⁰;
- amendments to the Criminal Code to include the “*unauthorized recording of a movie*”²¹, which received Royal Assent on June 22, 2007²²;
- the removal of “*the Copyright Act from the list of indictable offences excluded from Proceeds of Crime legislation*”²³, which took effect March 25, 2010²⁴;
- the Copyright Modernization Act which received Royal Assent on June 29, 2012²⁵;

²⁰ Parliament of Canada. (2006, May 4). *The Patented Medicines (Notice of Compliance) Regulations PRB06-14E*. Part A,B &C. Retrieved July 20, 2012 from <http://www.parl.gc.ca/content/LOP/ResearchPublications/prb0614-e.htm>

²¹ CACN. *Report on Counterfeiting and Piracy in Canada: Executive Update*. 7.

²² Canada. (2007). *Canada Gazette Vol. 141, No 26*. Retrieved August 27, 2012 from <http://gazette.gc.ca/archives/p1/2007/2007-06-30/html/parliament-parlement-eng.html>

²³ CACN. *Report on Counterfeiting and Piracy in Canada: Executive Update*. 6.

²⁴ Canada. (2010). *Regulations Amending the Regulations Excluding Certain Indictable Offences from the Definition of “Designated Offence”*. Retrieved August 27, 2012 from <http://gazette.gc.ca/rp-pr/p2/2010/2010-04-14/html/sor-dors74-eng.html>

²⁵ Smart & Biggar. (2012, July 4). *Copyright Modernization Act receives Royal Assent*. Retrieved July 16, 2012 from http://www.smart-biggar.ca/en/articles_detail.cfm?news_id=634

- and the proposed amendments to the Trade-marks Regulations which will likely be implemented after 2012.²⁶

In 1993, the PM(NOC) Regulations were adopted “*to strike a balance between effective protection of pharmaceutical invention... and keeping the cost of medicines down.*”²⁷ The PM(NOC) Regulations were implemented to prevent subsequent drug manufacturers, typically generic drug manufacturers, from infringing on the patent rights of innovator pharmaceutical companies, typically brand-name drug manufacturers. While the Patent Act has protected the patent of a pharmaceutical drug, the PM(NOC) Regulations have provided a process whereby a similar drug, typically a generic drug, can enter the market prior to the expiry of the patent of the innovator drug, typically a brand-name drug.

The PM(NOC) Regulations provide that prior to receiving a “Notice of Compliance” from the Health Minister to enter the market with a certain drug, if the drug is similar to a patented drug, the subsequent drug manufacturer must put the patented drug manufacturer on notice through a “*Notice of Allegation*” challenging the patent. Upon receipt of the “*Notice of Allegation*”, the patented drug manufacturer can invoke its right to prohibit the Minister of Health from issuing a “*Notice of Compliance*” for a period of up to 24 months, thereby effectively obtaining a statutory injunction against the subsequent drug manufacturer. The PM(NOC) Regulations are administered through the Federal Ministry of Health in conjunction with the Federal Court.²⁸

²⁶ Smart & Biggar. (2012, March 12). *Significant amendments proposed to Canada’s Trade-marks Regulations*. Retrieved July 16, 2012 from http://www.smart-biggar.ca/en/articles_detail.cfm?news_id=575

²⁷ Canada. PMNOC Regulations PRB06-14E.

²⁸ Ibid.

Effective May 11, 1998, the PM(NOC) Regulations were significantly amended, through the implementation of Section 8, to provide protection for the rights of subsequent, typically generic, drug manufacturing companies. Section 8 provides for damages to be awarded to subsequent drug manufacturers if it is proven in Federal Court that the pharmaceutical company holding the patent on a particular drug has, through the Federal Court and the PM(NOC) Regulations, unfairly prevented the subsequent drug manufacturer from entering the market with the similar drug, by claiming that the similar drug in question would infringe on the patented drug, when in fact, the similar drug was found not to infringe the patent.²⁹

The 2007 amendment to the Criminal Code established Section 432, which states that a person making an unauthorized recording of a cinematographic work and/or soundtrack in a movie theatre, whether for personal or commercial use, is guilty of an indictable offence punishable for up to 5 years' imprisonment. The amendment also provides for the forfeiture of equipment and recordings used in the commission of the offence.³⁰

As noted in the Canadian Government's Regulatory Impact Analysis Statement, the removal "*of the Copyright Act from the list of statutes that are excluded from the definition of 'designated offence' in relation to the application of the 'proceeds of crime' provisions of the Criminal Code*" has enhanced "*the law enforcement community's ability to target intellectual property infringements, which is inherently beneficial to the*

²⁹ Ibid.

³⁰ Canada. *Criminal Code R.S.C., 1985, c. C-46*. Retrieved August 27, 2012 from <http://laws-lois.justice.gc.ca/eng/acts/C-46/page-200.html>

intellectual property community and to all Canadian society.”³¹ The Statement explains that this amendment “*improves the ability of law enforcement agencies to enforce the Copyright Act by permitting the seizure, restraint and confiscation of proceeds derived from the commission of copyright-related offences.*”³²

The Copyright Modernization Act passed in 2012 follows 3 failed attempts by the Canadian Government to update the Copyright Act, and to bring it into compliance with both the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty³³, which were signed by Canada in December 1997³⁴. The Copyright Modernization Act includes the first significant group of amendments to the Copyright Act since 1999, when “Phase Two” of the Act to Amend the Copyright Act received Royal Assent.³⁵ While “Phase Two” amendments “*addressed six areas of significant change: (1) neighbouring rights; (2) a levy on blank tapes; (3) longer rights for book distributors with exclusive rights; (4) new exceptions; (5) statutory damages and summary applications; and (6) provisions to accommodate the collective administration of the new rights,*”³⁶ the legislation failed to “*adequately address digitization of information and the internet*”³⁷, and it failed to bring the Canadian Copyright Act into full compliance with the WIPO treaties. In light of the foregoing, it is understandable why the Copyright Modernization Act is considered long overdue. Two significant aspects to the Copyright Modernization Act are firstly, that “*The amendments provide a system for addressing digital piracy, with*

³¹ Ibid.

³² Ibid.

³³ Smart & Biggar. *Copyright Modernization Act receives Royal Assent.*

³⁴ Ludlow, Gregory C. and Le Blanc, Mark. (n.d.). *Survey of Intellectual Property: Part V.* at 42.

³⁵ Ibid., at 7.

³⁶ Ibid., at 8.

³⁷ Ibid., at 39.

the apparent emphasis on technological protective measures and providing the ability to pursue service providers offering a service primarily directed to enabling copyright infringement.”³⁸; and secondly, that it “calls for a review five years after the date on which the Act comes into force, indicating an intention by the government to continue monitoring the situation and trying to ensure a robust copyright system in Canada.”³⁹

The key amendments in the Copyright Modernization Act, as noted in the Smart & Biggar publication on the Act,⁴⁰ include:

- Changes to the special provisions regarding “*ownership and the term of copyright in photographs*”,
- Increases to “*performers and sound recorders rights*”, including details for remuneration,
- Additions and clarification of various “*exceptions to infringement*”, including a broadening of the definition of “*fair dealing*”,
- Articulation of the “*internet service provider safe harbor*” clause and specific exclusion of those who “*provide a service primarily for the purpose of enabling acts of copyright infringement*”,
- Changes to statutory damages to provide lesser penalties for “*non-commercial*” infringements, and
- The addition of strong “*technological protective measures*”...*Civil and criminal provisions are added to allow copyright owners to prevent circumvention of*

³⁸ Smart & Biggar. *Copyright Modernization Act receives Royal Assent.*

³⁹ Ibid.

⁴⁰ Ibid.

*technological protective measures and removal of rights management information included to prevent and track infringing uses of works.”*⁴¹

The proposed amendments to the Trade-marks Regulations, the “procedural rules intended to implement the Trade-Marks Act, are expected to “*have a substantive impact beyond purely procedural changes.*”⁴² In an article discussing the proposed amendments, Smart & Biggar note that some of the more important changes include a provision for registration of *non-traditional marks* such as sound marks, holograms and motion marks; and simplification of the processes of amending a Trade-mark application, of opposition to Trade-mark applications, and of electronic filing and service in opposition.⁴³

2.2.2 Significant case law in relation to damages

The most significant intellectual property cases, from the IFA perspective, are those cases where the quantification of damages is included in the decision. Such intellectual property cases are particularly important because they add to the body of knowledge available to form a basis for the appropriate selection of quantification theory to be used in subsequent cases.

While intellectual property cases include different types of damages such as compensatory, statutory, nominal, punitive and exemplary, IFAs are usually engaged to assist in the quantification of compensatory damages. Compensatory damages are the remedies awarded to plaintiffs to restore them to the financial position they would have

⁴¹ Ibid.

⁴² Smart & Biggar, *Significant amendments proposed to Canada’s Trade-marks Regulations.*

⁴³ Ibid.

been in “but for” the infringement of their intellectual property rights. Compensatory damages are generally classified as Loss of Profits or Reasonable Royalties, and Accounting of Profits. Statutory damages are amounts defined in the intellectual property legislation, and currently only in the Copyright Act. Statutory damages are awarded by the courts instead of compensatory damages, and usually in those instances where damages suffered by plaintiffs would otherwise be extremely difficult to calculate. Nominal damages are compensatory damages awarded at the discretion of the courts, typically in those anti-counterfeiting trade-mark and copyright cases where it is extremely difficult for plaintiffs to quantify the lost profits suffered as a result of the infringements. Punitive and exemplary damages are not compensatory; rather, they are amounts awarded to plaintiffs at the courts’ discretion in those cases where the courts wish to punish defendants for “malicious, oppressive and high-handed misconduct”. For example, punitive and exemplary damages are frequently awarded where defendants show blatant disregard for court injunctions and continue to infringe on plaintiffs’ intellectual property rights.⁴⁴

Two significant patent cases that deal with damages quantification and critical issues in the underlying theories used to calculate lost profits, reasonable royalties and accounting of profits from the defendant, are:

- Monsanto Canada Inc. v. Schmeiser, 2004 SCC34
- Jay-Lor International Inc. v. Penta Farm Systems Ltd. 2007 FC358

⁴⁴ Duff & Phelps Canada Limited Financial Litigation Support Group & Norman V. Siebrasse. (2012, June). *Damages Calculations in Intellectual Property Cases in Canada*. 45. Received by email on June 27, 2012 from Andrew Harington. Accessed August 9, 2012 from <http://www.duffandphelps.com/intl/en-ca/Pages/PublicationsCA.aspx>

The Monsanto v. Schmeiser case is an accounting of profits case. In this case the Supreme Court looked at the hypothetical actions of the defendant, and found that although the defendant infringed on the plaintiff's patent by growing herbicide resistant canola, the defendant did not take advantage of the herbicide resistance because *'he sold the canola seeds for crushing rather than as seed, so the sale price of the infringing canola was no higher than that for unpatented seed'*⁴⁵. In assessing the profits to be disgorged by the defendant, the Court found that there would be no difference in the profits made by the defendant had he sold non-infringing canola seed instead of the infringing canola seed, and therefore there were no differential profits to be disgorged by the defendant to the plaintiff. The Monsanto v. Schmeiser case is significant because it established the Differential Profit approach as the preferred approach over the previously used Actual Profit approach, in calculating an accounting of profits to be disgorged by the defendant.⁴⁶

The Jay-Lor v. Penta case is a lost profits case. In this case, in 1999, the plaintiff manufactured a piece of farm equipment known as a vertical feeder. The plaintiff obtained the patent for the feeder in 2001. The defendant worked as a dealer for the plaintiff's vertical feeder until 2001. The defendant copied the design of the patented feeder and sold the infringing feeder until 2005. The defendant subsequently modified the design of the feeder so that it no longer infringed on the patent and then sold the modified

⁴⁵ Duff & Phelps. *Damages Calculations*. 5.

⁴⁶ Duff & Phelps Canada Limited Financial Litigation Support Group & Norman V. Siebrasse. (2012, June). *Accounting of Profits in Intellectual Property Cases in Canada*. 4-8. Received by email on June 27, 2012 from Andrew Harington. Accessed August 9, 2012 from <http://www.duffandphelps.com/intl/en-ca/Pages/PublicationsCA.aspx>

feeder. The court found that the defendant's first feeder infringed on the patent, while the subsequently modified feeder did not.

In assessing damages to the plaintiff, the court decision raised several principles that have since been frequently considered in damage quantification assessments. The decision included a discussion of the theory of apportionment, although there was no finding that apportionment was applicable in this case because the defendant was not "*able to prove that sales of the infringing vertical feed mixers were solely attributable to the improvements that were made to the JAY-LOR invention*".⁴⁷ The decision included a determination of the plaintiff's lost profits of \$1,107,313 on lost sales, based on the differential cost accounting method, and included a discussion of this approach explaining that the

*"differential approach requires that, from the lost sales revenue, one deducts all the costs that would have been incurred -- all the variable costs that would have (been) incurred to produce those sales, plus any changes in fixed cost that would have resulted from the production of the additional units... A fixed cost remains steady, regardless of the number of units produced. A variable cost changes with each unit of production."*⁴⁸

The decision included an award for reasonable royalties totaling \$803,632 over the two periods: the first when the patented feeder was infringed upon including the period when the patent was on public display before final approval of the patent, and the second when

⁴⁷ Jay-Lor International Inc. v. Penta Farm Systems Ltd. 2007 FC358, 59 (2007) F.C.J. No.688 at 196-199.

⁴⁸ Ibid., at 223.

the improved feeder, which was found not to infringe on the patent, replaced the infringing feeder in the marketplace. Reflecting a more practical business approach taken by the courts, the decision included consideration of the economic reality of the plaintiff and the defendant, the marketplace and the plaintiff's market share.⁴⁹ It is also notable that in determining the reasonable royalty period, the decision included the period that the patent was laid open. As explained in the Duff & Phelps monograph on damages calculations, the judge "*held that in the laid open or pre-grant period a patentee is not entitled to claim its lost profits as 'reasonable compensation'. Instead she equated the term 'reasonable compensation' to 'reasonable royalty' as understood in the context of post-grant damages.*"⁵⁰ The decision also included a discussion of the test for punitive damages, although they were found to be unwarranted.⁵¹

Three recent cases regarding copyrights and trade-marks infringements that are most notable for the quantum of nominal damages awarded to the plaintiffs, are:

- Microsoft Corp. v. 9038-3746 Quebec Inc. 2006 FC1509
- Louis Vuitton Malletier S.A. v. 486353 B.C. Ltd. 2008 BCSC799
- Louis Vuitton Malletier S.A. and Burberry Limited et al. v. Singa Enterprises et al., 2011 FC776

In the decision for the Microsoft v. 9038-3746 case, the Federal Court awarded a total of \$700,000 in damages to the plaintiff, consisting of \$500,000 in statutory damages, based

⁴⁹ Ibid., at 174 & 175.

⁵⁰ Duff & Phelps. *Damages Calculations*. 20.

⁵¹ Jay-Lor., at 256 & 257.

on the upper limit of \$20,000 per infringement⁵², and \$200,000 in punitive damages against the defendants because “*the defendants’ conduct was outrageous*”.⁵³

In the decision for the *Louis Vuitton. v. 486353 B.C* case, the BC Supreme Court awarded a total of \$980,000 in damages to the plaintiffs, consisting of \$580,000 in nominal damages for trade-mark infringement, based on the nominal damages scale of \$7,250 per turnover for retailers and \$29,000 per turnover for importers and distributors;⁵⁴ \$100,000 in statutory damages for copyright infringement, based on \$20,000 per each infringement “*at the highest end of the scale*”;⁵⁵ plus \$300,000 in punitive and exemplary damages.⁵⁶ It is also notable that the court awarded costs against the defendants because they “*knowingly committed deliberate and inexcusable repeat infringement of the plaintiffs’ trade-mark rights and copyrights (and they) have failed to cooperate to any significant degree in this litigation*”⁵⁷.

In the decision for the *Louis Vuitton. v. Singga* case, the Federal Court awarded the plaintiffs a total of \$2,480,000 in damages, consisting of \$1,980,000 in nominal and statutory damages for trade-mark and copyright infringements, plus \$500,000 in punitive and exemplary damages.⁵⁸ As Karen MacDonald points out, this decision provides “*the highest award of damages and costs to date in Canada against purveyors of counterfeit goods, for a total \$2.48 million in damages, including punitive and exemplary damages,*

⁵² *Microsoft Corp. v. 9038-3746 Quebec Inc.* 2006 FC1509, (2006) F.C.J. No.1965 at 112.

⁵³ *Ibid.*, at 120.

⁵⁴ *Louis Vuitton Malletier S.A. v. 486353 B.C. Ltd.* 2008 BCSC799 (2008) B.C.J. No. 1158 at 69-72.

⁵⁵ *Ibid.*, at 82.

⁵⁶ *Ibid.*, at 90-91.

⁵⁷ *Ibid.*, at 93.

⁵⁸ *Louis Vuitton Malletier S.A. v. Singga Enterprises (Canada) Inc.* 2011 FC776 (2011) F.C.J. No. 908 at Judgment.

*not including legal fees, which were awarded on a solicitor and client basis against each of the defendants.”*⁵⁹

This case is also significant because as Karen MacDonald states,

*“the judgment was rendered using the new Federal Court summary trial rules, which were ...intended to give the Court greater flexibility in granting judgment on a summary basis...(the judge) adopted the leading British Columbia jurisprudence, which provides that if the judge can find the facts as he or she would upon a trial, the judge should give judgment based upon the affidavit evidence, unless to do so would be unjust, regardless of complexity or conflicting evidence.”*⁶⁰

Two significant cases regarding pharmaceutical patents and the related PM(NOC)

Regulations are:

- Sanofi-Aventis Canada Inc. v. Teva Canada Ltd., 2012 FC552, and
- Apotex Inc. v. Sanofi-Aventis, 2012 FC553⁶¹

These cases are particularly significant because they provide the first decisions released by the Federal Court “*assessing the quantification of damages under Section 8 of the Regulations*” since Section 8 of the Regulations came into effect in 1998.⁶²

⁵⁹ Smart & Biggar. (2012). *Karen F. MacDonald Profile*. Retrieved July 17, 2012 from <http://www.smart-biggar.ca/contacts/KarenFMacDonald.cfm>

⁶⁰ Ibid.

⁶¹ Ibid.

These decisions confirm the relevant period to be included in the quantification of damages suffered by the challenging drug manufacturer as a result of being held off the market by the drug manufacturer holding a related drug patent. The decisions confirm that liability for damages under Section 8 is restricted to the lost profits for the period from the date when the challenging drug manufacturer was officially denied a “Notice of Compliance”, and therefore permission to enter the market, to the date when the denial Notice of Compliance is withdrawn, discontinued, dismissed or reversed.⁶³ These decisions are also significant because they deny compensation for future lost profits on the duplicate ramp-up period, that is the period before the generic manufacturer “earned profits on a fully functional basis”⁶⁴ once the stay was removed.⁶⁵

2.2.3 New Court Reforms

In the spring of 2012, the Federal Court issued a discussion paper on the intended global review of the Federal Court rules. The paper notes that:

“When the major revisions to the Federal Courts Rules were implemented in 1998, it was intended that the Rules would undergo another major review after ten years. Since that time there have been many minor revisions and several significant reforms. Among the significant reforms have been those for: case management; offers to settle; representative and class proceedings; expert witnesses and expert

⁶² Smart & Biggar. (2012, June 5). *Federal Court releases first decisions assessing damages under section 8 of the PM(NOC) Regulations*. Retrieved July 16, 2012 from http://www.smart-biggar.ca/en/articles_detail.cfm?news_id=614

⁶³ Apotex Inc. v. Sanofi-Aventis, 2012 FC553 at 25.

⁶⁴ Ibid., at 267.

⁶⁵ Smart & Biggar. *Federal Court releases first decisions assessing damages under section 8 of the PM(NOC) Regulations*.

evidence; and summary judgment and summary trial...It is now time to reflect on the Rules as a whole, to examine the main principles and policies they express”⁶⁶

The paper presents “*possible issues that could form the basis for reform of the Rules, including:*

“Court-led procedure vs party-led procedure”, “trial vs disposition”, introduction of the “principle of proportionality”, and “uniform procedures vs specialized procedures”⁶⁷.

The recent reforms of particular significance to IFAs in the field of intellectual property litigation are the changes to the Court Rules regarding expert witnesses and expert evidence. Such changes are discussed later in this research paper under Section 3.4. The changes to the Court Rules regarding case management, summary judgment, and summary trial are reflective of the Federal Courts’ emphasis on the “Principle of Proportionality” which is articulated in the Federal Court Rules Committee discussion paper, as follows:

“That proceedings must be proportionate to the nature, ultimate purpose and complexity of the proceeding as well as judicial economy-and taking into account that the complexity of a case may not (be) directly proportional to the value of the claim.”⁶⁸

⁶⁶ Federal Court (Canada). (n.d.). *Global Review of the Federal Courts Rules Discussion Paper*. Retrieved July 16, 2012 from http://cas-ncr-nter03.cas-satj.gc.ca/portal/page/portal/fc_cf_en/Notices

⁶⁷ Ibid.

⁶⁸ Federal Court (Canada). (2011). *Possible Procedural Changes A Discussion Paper of the Federal Courts Rules Committee*. Retrieved July 16, 2012 from http://cas-ncr-nter03.cas-satj.gc.ca/portal/page/portal/fc_cf_en/Notices

The Case Management Rules were amended in 2007. As explained in the Federal Court Notice to the Parties and the Profession, the purpose of these rules is “*to facilitate where possible, the scheduling of trials within two years of the commencement of the proceeding.*”⁶⁹ The case management rules provide a “*flexible framework that allows parties, with the case management judge, to tailor the procedure to ensure the most expeditious least expensive determination of the matter.*”⁷⁰

The amendments of the Federal Court Rules regarding summary judgment and summary trial were effective as of December 10, 2009. As previously discussed in this research paper, these rule amendments provide for evidence to be presented to the judge by way of affidavit and for the judge to issue a judgment based on such affidavits, unless the judge considers that based on the facts of the case, he or she has insufficient information to render a fair judgment.

⁶⁹ Federal Court (Canada). (2009). *Notice to the Parties and the Profession Streamlining Complex Litigation*. Retrieved July 16, 2012 from http://cas-ncr-nter03.cas-satj.gc.ca/portal/page/portal/fc_cf_en/Notices

⁷⁰ Ibid.

3. BRIEF HISTORY OF THE ROLE OF THE INVESTIGATIVE AND FORENSIC ACCOUNTANTS IN INTELLECTUAL PROPERTY LITIGATION

3.1 The IFA Role Past to Present

Over the past 15 years, the role of the IFA in general has evolved to that of a seasoned investigative and accounting professional with a broad skillset, who provides valuable services to clients involved in litigation while assisting the courts in reaching sound decisions on the subject of the litigation. Based on my research of professional publications and interviews with IFAs and legal professionals in the intellectual property field, I found that IFAs working in the intellectual property field provide a broad range of services from managing investigations to providing expert opinions on financial loss quantification. IFAs are usually retained by lawyers on behalf of their clients when intellectual property rights have been infringed or allegedly infringed upon. Intellectual property litigation is most often processed through the Federal Court instead of the provincial courts because intellectual property rights are protected under federal legislation such as the Patent Act, the Copyrights Act, and the Trade-marks Act.

Based on my research and interviews, I found that the majority of IFAs work in the patent area of intellectual property. The emphasis of IFAs on patent litigation is in part due to the fact that patent litigation, more so than copyrights, trade-marks or trade secrets litigation, draws comprehensively on the skillset of the IFA, and so in the area of patents, the IFA can add greater value to the litigation. For example, with reference to the

Investigative and Forensic Accounting Competency Map⁷¹, patent litigation more frequently draws on the IFA's competency in Loss Quantification in addition to the competencies in Investigative Related Matters, Legal Process, Practice Matters and the General Competencies of professional accounting skills, investigative skills, and an investigative mindset. In patent litigation, IFAs provide assistance and evidence to the court regarding the determination and quantification of remedies to be awarded to the plaintiff. IFAs provide expert opinions on the quantum damages suffered by plaintiffs as a result of alleged patent infringements, specifically on the appropriate heads of damages and the appropriate basis of calculating such damages. For example, whether the damages should be based on lost profits or lost royalties, and what factors should be considered in calculating such damages; and in cases where the plaintiffs elect the remedy of Accounting of Profits instead of damages, IFAs provide expert opinions on the appropriate methodology and factors to be considered in quantifying such profits to be disgorged by the defendant. Within the patent area, pharmaceutical litigation is currently one of the more prolific areas for IFA engagements.

IFAs working in copyright, trade-mark and trade secret litigation tend to provide more investigative related services, such as identifying and gathering evidence regarding an infringer's business, tracing the flow of assets from the infringer's business, providing affidavits to support injunction applications, and managing and directing computer forensic or electronic discovery work. Occasionally IFAs provide expert opinions on the quantification of damages in copyrights, trade-mark and trade secrets litigation, but such

⁷¹Canadian Institute of Chartered Accountants (CICA). (2010). *Investigative and Forensic Accounting Competency Map*. Retrieved July 30, 2012, from <http://www.utoronto.ca/difa/CICA/CompetencyMap.html>

services typically occur on those cases, other than anti-counterfeiting cases, where the infringer has assets to collect against, where the infringer's financial records are available, where there is a likelihood of proving damages, and in copyrights cases, where there is a likelihood of obtaining an assessment of damages beyond the statutory damages otherwise available to the plaintiff.

3.2 Past and Present Challenges to IFAs Regarding Intellectual Property Litigation

While IFAs working in the area of intellectual property continue to face many challenges, some of these challenges are of a more general nature and are experienced by the IFA profession as a whole.

3.2.1 Conflicting Expectations

In the past and currently to a lesser degree, the tension between client expectations and those of the courts regarding the role of the IFA has presented a challenge to IFAs in the field of intellectual property litigation and in general. Where clients may have expected IFAs to be their advocates, the court-experienced IFAs have been keenly aware that above all, they must be independent and objective experts for the courts, providing evidence on matters only within their area of expertise.

3.2.2 Availability of Information

While IFAs in general often experience difficulties in gathering sufficient and appropriate evidence to support the opinions in their expert reports, lack of documentation or

information is a significant challenge to IFAs working in intellectual property. For example, in order to quantify lost profits in a damage calculation or to defend an accounting of profits calculation, IFAs require historical information from the parties to the litigation. However, such historical information is often incomplete or not available. Based on my interviews, I found that computer technology, confidentiality and privacy legislation are common factors in the limitation of relevant information available to IFAs.

Most information today is in electronic format and retained to varying extents depending on the nature of the information and the information retention policies of the particular enterprise. Intellectual property litigation, and particularly patent litigation, typically continues for many years, and sometimes up to 10 years or more. In such cases, complete historical information may no longer be available because the party may not have anticipated the need to retain such information and therefore deleted it, or in other instances, the historical information may have been altered and no longer reliable.

Information available to IFAs may be restricted because of confidentiality agreements within the litigation. In such cases, particularly in cases where IFAs are trying to quantify the profits to be disgorged by the defendant, they may receive large amounts of historical data that are incomplete or provided out of context, presenting difficulties in properly interpreting and using the information within the correct assumptions.

Privacy legislation has also made it more difficult for IFAs to obtain information related to copyright, trade-marks, and trade-secret litigation because such legislation has essentially blocked the flow of information, necessitating the use of legal mechanisms through the courts, such as Anton Piller or Norwich Pharmacal orders, to obtain the required information.

Based on my interviews, I found that another factor limiting the availability of evidence is the timing of IFAs involvement in the intellectual property litigation. There is a tendency by the courts to bifurcate the proceedings.

“Rule 107 Federal Court Rules (1998) allows a party to seek a separation of the issues in a case. The most common use of this provision in Intellectual Property matters is...a separation of the issues of liability of a Defendant from the issue of damages and/or profit claimed by the Plaintiff for infringement.”⁷²

In such intellectual property cases, IFAs are typically brought to quantify the plaintiff’s damages and/or the profit to be disgorged by the defendant, after liability for infringement has been proven. When IFAs are engaged only after liability has been proven, frequently the historical information may be limited because the time delay in the case is such that the information is no longer available, or because the information was not requested during the initial proceedings and may not be available without special permission from the courts.

⁷² Leger Robic Richard. (2003). *Federal Court of Canada-Orders Trial on Construction of Claims*. 1. Retrieved July 17, 2012 from www.robic.ca/admin/pdf/398/142.159-BHS.pdf

Another challenge regarding the information available to IFAs involved in intellectual property litigation, and in general, is the vast volume of electronic information often supplied for the litigation, and the necessity of using data analytics to isolate and analyze the pertinent information in an appropriate manner to properly support their expert opinion.

3.2.3 Level of Knowledge

In general and particularly with respect to intellectual property litigation, IFAs must understand the “*operating reality*” of the parties to the litigation in order to properly create the “*but for*” world of the plaintiff and the defendant “*as it would have been but for the infringement*”⁷³ and thereby provide a sound basis for the quantification of damages to the plaintiff and/or profits to be disgorged by the defendant. In order to attain this understanding, IFAs must have a high level of technical knowledge about the subject of the litigation, the economics of the parties to the litigation, and the market and industry within which the parties operate. The subject matter of patent litigation is usually highly scientific and complex; therefore, acquiring the requisite level of knowledge for patent litigation is an even greater challenge for IFAs. Such technical knowledge is critical for IFAs in order to identify the relevant information required to support the basis of their opinion, and to validate the assumptions and work of the other experts on which they rely.

IFAs must also keep current with case law related to the subject matter of the litigation as well as case law related to damages quantification concepts and methodologies. For

⁷³ Duff & Phelps. *Damages Calculations in Intellectual Property Cases in Canada*. 2.

example, when preparing an expert report using accounting of profits, IFAs must be aware of the circumstances under which the courts have accepted differential profits as an appropriate measure of profits, or apportionment as an appropriate measure of costs.

While IFAs must keep current on intellectual property jurisprudence, there is a scarcity of Federal Court case law regarding the financial aspects of intellectual property litigation, such as damages quantification. While IFAs must be mindful of the specific facts of the case in relation to existing case law, ultimately, IFAs must rely on their professional judgment in conjunction with their acquired business and technical knowledge, to determine the appropriateness and reasonableness of the underlying assumptions and calculations which form the basis of their expert opinions.

3.3 How Challenges to the IFA Were Overcome in General or Led to Change

Within the IFA Profession

Education within the profession has played a large part in assisting IFAs to overcome the challenges of working in the field of intellectual property litigation. Professional conferences, seminars, and professional and academic publications on general matters such as technology, and on matters specific to the area of intellectual property litigation, such as damages quantification and the implications of new case law, have enabled IFAs to develop a broader skillset and deal with critical challenges in this area.

In 2006, the Canadian Institute of Chartered Accountants, through the Alliance for Excellence in Investigative and Forensic Accounting, established Standard Practices for

Investigative and Forensic Accounting Engagements to ensure “*consistency and comparability of practice*”⁷⁴ within the IFA profession. Of particular importance to IFAs working in the area of intellectual property are the Standard Practices in Section 700, which articulate the role of the IFA Expert Witness as an independent and objective expert who provides evidence only within their area of expertise⁷⁵, and the Standard Practices in Section 600, which articulate the recommended contents of the expert report, including any scope limitations, the basis of any underlying assumptions, and the IFA’s reliance on other experts.⁷⁶

Through specialization in certain areas of intellectual property litigation and in certain industries within the area, for example in pharmaceutical patents, IFAs have gained more experience and therefore increased their knowledge base and skillset in particular areas. IFAs have responded to technological challenges by acquiring computer analytic skills and/or by hiring computer forensic specialists to assist them. Similarly, IFAs have responded to challenges in modeling “*but for*” cases by acquiring such expertise and/or hiring specialists, such as economists, to assist them.

3.4 How Challenges in Intellectual Property Litigation Were Overcome in General or Led to Change Within the Legal Environment

“In an attempt to (1) promote expert impartiality, (2) provide mechanisms to better enable courts to understand and identify scientific issues at stake, and (3) stream-line the

⁷⁴ Canadian Institute of Chartered Accountants (CICA). (2006, November). *Standard Practices for Investigative and Forensic Accounting Engagements*. Letter of introduction.

⁷⁵ *Ibid.*, 17.

⁷⁶ *Ibid.*, 14-16.

litigation process”⁷⁷, the Federal Court established in 2010, court rules for Expert Witnesses. Such rules formalize the expert’s overriding duty to the court to be independent and objective, the requirements of the expert witness to assist the courts impartially on matters within their area of expertise, and setting out the requirements of the expert report. The rules require that the expert’s report include the details of underlying assumptions and methodology, the nature and scope of the evidence relied upon, the reasons for the opinions expressed, and any limitations thereon .⁷⁸ Some provincial courts, such as the BC and Ontario courts, have introduced similar expert rules. My research indicates that the court rules for experts are more directed at those professional, scientific or academic experts who do not understand their role and duty to assist the courts in providing expert evidence, and who do not have such guidance formalized within their field. As Anderson notes,

*“Nowhere were the amendments expected to have a greater impact than in the scientifically complex world of patent litigation. Issues inextricably linked to expert witnesses routinely make or break patent claims, such as identifying the “person skilled in the art” or determining whether (patent) claims sufficiently demonstrate ‘promised utility’.”*⁷⁹

In addition to setting out the duty and requirements of the expert, the 2010 Federal Court rules for experts formalize the manner in which experts may be required to give evidence.

⁷⁷ Ken Anderson. (2011). *Changes to Expert Witness Rules In Patent Litigation: What Are the Effects on Current Litigation in Canada?* Retrieved July 21, 2012 from <http://www.iposgoode.ca/2011/09/changestoexpertwitnessrulesinpatentlitigationwhataretheeffectsoncurrentlitigationincanada/>

⁷⁸ Department of Justice Canada. (n.d.). *Federal Court Rules Schedule - Code of Conduct for Expert Witnesses*. Retrieved August 8, 2012 from <http://laws-lois.justice.gc.ca/eng/regulations/SOR-98-106/page-114.html>

⁷⁹ Anderson.

Under Federal Court Rule 52.6(1) *“The Court may order expert witnesses to confer with one another in advance of the hearing of the proceeding in order to narrow the issues and identify the points on which their views differ.”*⁸⁰ This rule provides the Court with *“discretionary power...to order experts to confer before trial, with or without the presence of counsel, and to provide a joint statement.”*⁸¹ The advantage of this rule is that IFAs can fulfill their duty to assist the Court by isolating the issues of disagreement, and by outlining and promoting an understanding of the reasons for the disagreement so that the Court may ultimately reach an informed decision. Under Federal Court Rule 282.1 *“The Court may require that some or all of the expert witnesses testify as a panel after the completion of the testimony of the non-expert witnesses of each party or at any other time that the Court may determine.”*⁸² This rule provides the Court with discretionary power *“to order the experts to form a panel during trial and experts may direct questions to other panel members with leave of the court... known as ‘hot-tubbing’.”*⁸³ Anderson notes that the advantage to hot-tubbing is that it *“makes it easier for judges to identify subtle differences between expert opinions”*.⁸⁴ The disadvantage is that the experts may inadvertently be drawn in to appearing as advocates for their clients.⁸⁵

Lawyers working in intellectual property litigation will often hire two experts for the same side, using one expert as an advisor on the case and the other as the expert providing evidence to the court. The advantage to using two experts in this manner is that

⁸⁰ Department of Justice Canada. (nd). *Federal Court Rules*. Retrieved August 8, 2012 from <http://laws-lois.justice.gc.ca/eng/regulations/SOR-98-106/page-11.html>

⁸¹ Anderson.

⁸² Federal Court Rules. <http://laws-lois.justice.gc.ca/eng/regulations/SOR-98-106/page-54.html>

⁸³ Anderson.

⁸⁴ Ibid.

⁸⁵ Ibid.

the lawyer's communication with the advisor is confidential whereas the lawyer's communication with the expert witness is not necessarily confidential.⁸⁶

Another development within the environment of intellectual property litigation is specialization of the Bench. Judges in the Federal Court who hear intellectual property cases are very specialized because they consistently hear such cases and therefore have a good appreciation of damage theory and of the technical issues of the cases.⁸⁷

⁸⁶ MacDonald, Karen. Barrister & Solicitor. Smart & Biggar Fetherstonhaugh. Telephone Interview. July 16, 2012.

⁸⁷ Ibid.

4. A LOOK TO THE FUTURE

Based on my interviews with IFA and legal professionals, I found that the field of intellectual property work for IFAs is expanding and this growth is expected to continue. The majority of the current growth is in the patent area, and particularly in the pharmaceutical area. There are several reasons for the expansion of the patent area such as the increasing volume of items being patented, particularly in the computer technology area, and the increasing economic importance of product recognition and intellectual property. Current developments which illustrate the increasing economic significance of patents are two large patent-infringement lawsuits which have been reported in the news over the past month: the lawsuit initiated by Apple against Samsung regarding the smartphone design and technology, and the lawsuit initiated by Lululemon against Calvin Klein regarding the waistband design of athletic pants.

Indications are that there will be more work for IFAs in the pharmaceutical patents area for several reasons: the rate of research in the pharmaceutical industry is growing which translates into more patents, the pressure on the pharmaceutical industry to produce generic brands to keep health care costs down, and the numerous PM(NOC) hearings which have recently been completed, resulting in a large volume of pharmaceutical cases going before the courts.

There is a possibility that IFA work in the areas of copyrights, trade-marks and trade-secrets will also increase as the courts are pushing to fast-track cases through newly implemented case-management and summary trial rules. Copyrights and trade-marks

litigation work may also increase as a result of the larger damages awards being assessed by the courts, particularly against parties selling and distributing counterfeit goods. As the legal profession becomes more aware of the IFA profession and their broad skillset, they may turn to IFAs more frequently to assist in an advisory role in preparation for trial.

4.1 New Challenges for IFAs

Based on my interviews, the following challenges have been cited as new and increasing challenges for IFAs working in intellectual property litigation. There will be greater expectations from the courts that IFAs, and experts in general, will be more knowledgeable and current, in view of the volume and ease of obtaining electronic information from electronic data bases. IFAs will likely be required to increase their skillsets for a variety of reasons. For example, evolving case law in damages quantification has shifted from an emphasis on the plaintiff's lost profits to equal consideration of the defendant's position in the relevant market and its ability to generate profits from a non-infringing product instead. Therefore, IFAs must increase their business acumen and ability to think creatively so as to assist the courts in obtaining a holistic understanding of the economics of the parties involved and assessing damages. The new court rules regarding expert "hot-tubbing" may result in IFAs requiring stronger public speaking and debating skills in order to be compelling witnesses without being perceived as advocates for their clients. Advances in computer technology will require IFAs to update their data analytics, computer forensics, and electronic presentation skills in order to navigate the massive volume of electronic information that is becoming more typically part of every stage of intellectual property litigation.

4.2 New Opportunities for IFAs

With advances in computer technology and globalization of trade and commerce, IFAs may be involved in larger, more complex, multi-jurisdictional cases particularly in the area of copyrights and trade-marks litigation and investigations. While such cases will provide increased opportunities for IFAs, they will also bring new challenges regarding more complex case management, planning, evidence management, as well as the particular challenges of working within foreign jurisdictions, such as acquiring an understanding of the peculiarities and subtleties of the foreign laws and practices and how they relate to the case at hand.

5. CONCLUSION

Contrary to my expectations at the outset of this research project, I found that while the frequency and complexity of intellectual property litigation has grown exponentially over the past 15 years, such growth has not translated into a corresponding increase in opportunities for IFAs in each of the four major areas of intellectual property. IFA work in patent litigation has expanded in keeping with the growth in this area, and particularly regarding pharmaceutical patents. In contrast to the patent area, IFA work in copyrights, trade-marks, and trade secrets has not expanded with the rate of growth of intellectual property litigation in these areas. The key factor that has inhibited the expansion of IFA work in these areas is the cost versus benefit of such investigations, particularly in anti-counterfeiting cases. Based on my research, I found that while the role of IFAs has evolved, intellectual property litigation has had little impact on such evolution. Other than evolving case law, I found few significant developments unique to intellectual property litigation that have impacted the role of the IFAs. I found that legislative and technological changes have been the primary influences in the evolution of the role of IFAs in intellectual property litigation.

In my opinion, IFAs have an opportunity to raise awareness of the specialized skillset that they have acquired, and in doing so, they will be engaged more frequently in intellectual property litigation and litigation in general. IFAs can continue to market their specialty through publishing articles, providing presentations at professional conferences and seminars, and gaining positive exposure through their work within the legal profession.

APPENDIX 1 - TABLE – An Overview of the Seven Classifications of Intellectual Property in Canada⁸⁸

	Patents	Copyrights	Trade-marks	Trade Secrets	Industrial Designs	Integrated Circuit Topographies (ICTs)	Plant Breeders' Rights (PBRs)
Defined	Rights to monopolize the making, use or sale of a new invention “ (process, machine, manufacture, composition of matter), or any new and useful improvement of an existing invention” ⁸⁹	Sole right to produce or reproduce a work (or a substantial part of it) in any form. ⁹⁰ It applies to all original literary, dramatic musical and artistic works, including books, other writings, music, sculptures, paintings, photographs, films, plays, television and radio programs, computer programs, and other subject-matter including sound recordings, performer’s performances and communication signals ⁹¹	“A word (or words), a design, or a combination of these, used to identify the goods or services of one person or organization and to distinguish these goods or services from those of others in the marketplace.” The three types of trade-marks are an ordinary mark, a certification mark, and a distinguishing guise ⁹²	“Include knowledge of proprietary manufacturing processes, chemical formulae, marketing plans, and certain kinds of information concerning customers”. ⁹³ Recent definition accepted by the courts states that trade secrets are a subset of confidential information ⁹⁴ and must meet 4 criteria: “1) the information must be secret in an absolute or relative sense (is known only by one or a relatively small number of persons)	The “visual features of shape, configuration, pattern or ornament (or any combination of these features), applied to a finished article made by hand, tool or machine” ⁹⁶	“Three-dimensional configurations of the electronic circuits in integrated circuit products or layout designs.” Microchips, a form of integrated circuits, are referred to as ‘integrated circuit products’. “Integrated circuit products are constructed from a complex series of layers of semiconductors, metals, dielectrics (insulators) and other materials on a substrate.” ⁹⁷	Rights relating to propagating material of a specified plant variety that is demonstrated to be new, distinct, uniform and stable; such rights include the exclusive rights to monopolize the sale of the propagating material of a specified plant variety, its production for sale, and its use for commercial production of further plant varieties. ⁹⁸

⁸⁸ Except where otherwise noted, the source of information in this table is: McInnes, Kerr et al. (2003). *Managing the Law: The Legal Aspects of Doing Business*. Toronto: Pearson Education Canada Inc. Prentice Hall. 350-370. (relevant pages are cited in brackets after each section in this table).

⁸⁹ Canada. Canadian Intellectual Property Office (CIPO). (2011). *A Guide to Patents*. 3-4. Retrieved May 19, 2012 from http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr00026.html

⁹⁰ Canada. Canadian Intellectual Property Office (CIPO). (2011). *A Guide to Copyrights*. 3. Retrieved May 19, 2012 from http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr00026.html

⁹¹ Ibid., 15.

⁹² Canada. Canadian Intellectual Property Office (CIPO). (2011). *A Guide to Trade-Marks*. 3. Retrieved May 19, 2012 from http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr00026.html

	Patents	Copyrights	Trade-marks	Trade Secrets	Industrial Designs	Integrated Circuit Topographies (ICTs)	Plant Breeders' Rights (PBRs)
				2) the possessor of the information must demonstrate that he has acted with the intention to treat the information as secret 3) the information must be capable of industrial or commercial application 4) the possessor must have an interest (e.g. an economic interest worthy of legal protection.” ⁹⁵			

⁹³ Parts of the CICBV Litigation support II course notes, copyright by the Canadian Institute of Chartered Business Valuators (CICBV) Toronto, are reproduced with permission. CICBV. (2003). *Litigation Support II – Advanced Topics*. 62.

⁹⁴ Merck Frosst Canada Ltd. V Canada (Health) 2012 SCC3. (2012) S.C.J No.3 at 112.

⁹⁶ Canada. Canadian Intellectual Property Office (CIPO). (n.d.). *A Guide to Industrial Designs*. 3. Retrieved May 19, 2012 from http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr00026.html

⁹⁷ Canada. Canadian Intellectual Property Office (CIPO). (2011). *A Guide to Integrated Circuit Topographies*. 3. Retrieved May 19, 2012 from http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr00026.html

⁹⁸ Canada. Canadian Food Inspection Agency-Plant Production Division-Plant Breeders' Rights Office (PBRO). (2006). *Guide To Plant Breeders' Rights*. s1 & 5. Retrieved August 3, 2007 and accessed August 30, 2012 from www.inspection.gc.ca/english/plaveg/pbrpov/guidee.shtml

⁹⁵ Merck Frosst at 109.

	Patents	Copyrights	Trade-marks	Trade Secrets	Industrial Designs	Integrated Circuit Topographies (ICTs)	Plant Breeders' Rights (PBRs)
Common Law Protection	None ⁹⁹	None ¹⁰⁰	Ownership rights established through use ¹⁰¹ – onus of proof of infringement is on the “owner” (361)	Under principles regarding confidential information and contracts (369-370), but does not apply to third parties who have no relationship to the person holding the secret. ¹⁰²	None (368)	None ¹⁰³	None

⁹⁹ Confirmed with David Wotherspoon during follow- up telephone interview. July 17, 2007.

¹⁰⁰ Ibid.

¹⁰¹ CIPO. *A Guide to Trade-marks*. 5.

¹⁰² Keon, Jim. (1986). *Intellectual Property Protection in Canada: The Technological Challenge*. 11 Can.-U.S. Law Journal. 29. Retrieved June 24, 2007 from <http://heinonline.org.myaccess.library.utoronot.ca>

¹⁰³ Wotherspoon.

	Patents	Copyrights	Trade-marks	Trade Secrets	Industrial Designs	Integrated Circuit Topographies (ICTs)	Plant Breeders' Rights (PBRs)
Statutory Protection in Canada	Federal: Patent Act (R.S. 1985, c. P-4) After successful completion of a stringent patent application process through the Patent Office of the CIPO, the owner's exclusive rights to make, sell or use the invention are protected under the Patent Act. ¹⁰⁴	Federal: Copyright Act (R.S. 1985, c. C-42) Automatically granted to the creator of an original work (352), the onus of proof of ownership shifts to opponent if the copyright is registered with the Copyright Office of the CIPO ¹⁰⁵	Federal: Trade-marks Act (R.S. 1985, c. T-13) After successful completion of a stringent registration process through the Office of the Registrar of Trade-marks of the CIPO, exclusive rights of ownership of registered trade-marks are protected by statute throughout Canada, thereby shifting the onus of proof of ownership to the challenger ¹⁰⁶	None (369-370)	Federal: Industrial Design Act (R.S. 1985, c. I-9) After successful completion of a stringent registration process through the Industrial Design Office of the CIPO, the owner's exclusive rights to make, import for trade or business, and rent or sell a product incorporating the design are protected under the Industrial Design Act. ¹⁰⁷	Federal: Integrated Circuit Topography Act (S.C. 1990, c. 37) After successful completion of a stringent registration process through the Office of the Registrar of Topographies of the CIPO, the owner's exclusive rights to reproduce the registered topography, incorporate it in the manufacture of an integrated circuit product, and import or commercially exploit the registered topography or an integrated circuit product incorporating the topography are protected under the ICT Act. Certain exceptions apply ¹⁰⁸	Federal: Plant Breeders' Rights Act (S.C. 1990, c. 20) After successful completion of a stringent application process through the Plant Breeders' Rights Office (PBRO), the owner's exclusive rights to monopolize the propagating material of a specified plant variety, i.e. to sell the propagating material, to produce it for the purpose of selling, and to use it as necessary for commercial production of further varieties, are protected under the PBR Act. ¹⁰⁹ Federal and provincial courts have concurrent jurisdiction. ¹¹⁰

¹⁰⁴ CIPO. *A Guide to Patents*. 1-3.

¹⁰⁵ CIPO. *A Guide to Copyrights*. 5.

¹⁰⁶ CIPO. *A Guide to Trade-marks*. 5-8.

¹⁰⁷ CIPO. *A Guide to Industrial Designs*. 13.

¹⁰⁸ CIPO. *A Guide to Integrated Circuit Topographies*. 4

	Patents	Copyrights	Trade-marks	Trade Secrets	Industrial Designs	Integrated Circuit Topographies (ICTs)	Plant Breeders' Rights (PBRs)
International Statutory Protection	Protection is available in foreign countries where the foreign patent application is successful. A standardized foreign application process is available through the Patent Cooperation Treaty (PCT) administered by the UN agency, WIPO. ¹¹¹	Automatic protection to citizens, subjects, or persons ordinarily residents of countries that are members of the Berne Convention, Universal Copyright Convention, Rome Convention, and the World Trade Organization. ¹¹²	Statutory protection is available in countries where the trade-mark is specifically registered. ¹¹³	None (369-370)	Protection is available only in countries where the industrial design is specifically registered, priority of rights are governed by the Paris Convention ¹¹⁴	Reciprocal protection is available in the U.S.A., Australia, Japan and most western European countries as listed in the ITC Act Regulations Schedule. ¹¹⁵	Protection is available in those foreign countries which are members of the International Union for the Protection of New Varieties of Plants (UPOV), and where the foreign application for protection in the particular country is successful. ¹¹⁶

¹⁰⁹ PBRO. *Guide to Plant Breeders' Rights*. s.1-9.

¹¹⁰ Ludlow, Gregory C. (1993). *Intellectual Property Law (1987-93), Part 1-Summary of Government Activity*. Ottawa: Ottawa Law Review 89. 18. Retrieved June 30, 2007 from www.lexisnexis.com/ca/legal

¹¹¹ CIPO. *A Guide to Patents*. 21-22.

¹¹² CIPO. *A Guide to Copyrights*. 5.

¹¹³ CIPO. *A Guide to Trade-Marks*. 19.

¹¹⁴ CIPO. *A Guide to Industrial Designs*. 13.

¹¹⁵ Canada. *Integrated Circuit Topography Act* 1990. C-37. Retrieved August 2, 2007 from <http://laws.justice.gc.ca/en/showdoc/cs/I-14.6/en>. Accessed on August 30, 2012 from <http://laws-lois.justice.gc.ca/eng/acts/I-14.6/index.html>.

¹¹⁶ PBRO. s2.

	Patents	Copyrights	Trade-marks	Trade Secrets	Industrial Designs	Integrated Circuit Topographies (ICTs)	Plant Breeders' Rights (PBRs)
Duration of Protection	Upon granting of the patent: up to 20 years starting the day after the date of filing the patent application ¹¹⁷	Generally copyrights are valid for the remaining lifetime of the creator plus 50 years after their death ¹¹⁸	Registration is valid for 15 years and renewable for every 15 years thereafter ¹¹⁹	As specified in the terms of the contract, if a contract exists (369-370)	For 10 years effective from the date of registration ¹²⁰	For 10 years, ending on December 31 of the 10 th year from the earlier of the date of filing the application for registration or the year following the year of the first commercial exploitation ¹²¹	“For a period of up to 18 years, effective from the date of issue of the rights certificate”, subject to the payment of an annual fee ¹²²

¹¹⁷ CIPO. *A Guide to Patents*. 3.

¹¹⁸ CIPO. *A Guide to Copyrights*. 6.

¹¹⁹ CIPO. *A Guide to Trade-Marks*. 9.

¹²⁰ CIPO. *A Guide to Industrial Designs*. 4.

¹²¹ CIPO. *A Guide to Integrated Circuit Topographies*. 5.

¹²² PBRO. s9.

	Patents	Copyrights	Trade-marks	Trade Secrets	Industrial Designs	Integrated Circuit Topographies (ICTs)	Plant Breeders' Rights (PBRs)
Transfer of Rights	By the owner, through the sale of the patent or the grant of a license to manufacture or sell the invention ¹²³	By the owner, through assignment of rights, in whole or in part, or through grant of license to use the work subject to specific terms and conditions stated in the license agreement; ¹²⁴ moral rights can be waived in a contract but not sold or transferred (357)	By the owner, through assignment of rights ¹²⁵ , or through grant of license to use the trade-mark subject to specific terms and conditions stated in the license agreement ¹²⁶	Through contract (369)	By the owner through assignment of rights, in whole or in part, or through the grant of a license to use the design, subject to specific terms and conditions stated in the license agreement ¹²⁷	By the owner through assignment of rights, in whole or in part, ¹²⁸ or through grant of license subject to specific terms and conditions stated in the license agreement ¹²⁹	By the owner, through assignment of rights or grant of license. Transfers of rights are valid only upon registration with the PBRO. The PBRO may also force compulsory license, in certain circumstances. ¹³⁰

¹²³ CIPO. *A Guide to Patents*. 23.

¹²⁴ CIPO. *A Guide to Copyrights*. 13.

¹²⁵ CIPO. *A Guide to Trade-Marks*. 20.

¹²⁶ *Ibid.*, 32.

¹²⁷ CIPO. *A Guide to Industrial Designs*. 13-14.

¹²⁸ Canada. *Integrated Circuit Topography Act* 1990. C-37, s.7.

¹²⁹ CIPO. *A Guide to Integrated Circuit Topographies*. 12.

¹³⁰ PBRO. s9.

	Patents	Copyrights	Trade-marks	Trade Secrets	Industrial Designs	Integrated Circuit Topographies (ICTs)	Plant Breeders' Rights (PBRs)
Typical Infringements	The making, use or sale of a patented item, in a country where the patent is in force, without the patent holder's permission ¹³¹	Unauthorized copying, performance, or distribution of original works, in whole or in substantial part of such works, with the exception of "fair dealing" – "the legitimate use for private study, research, criticism, review or news reporting" (360)	-under Common Law tort principles: "Passing off" (361) Under Statutory Law: - Knock-off – unauthorized imitation; - Use of confusingly similar trade-mark or trade-name; - Trade-mark dilution - Unauthorized distribution (362-363)	Breach of confidence or breach of contract through unauthorized use (369-370)	Unauthorized use of design ¹³²	Regarding a registered integrated circuit topography or a substantial part thereof: reproducing it, incorporating it in the manufacture of an integrated circuit product, importing or commercially exploiting the registered topography or an integrated circuit product incorporating the topography, except in cases specifically described in the Act ¹³³	Unauthorized use or commercial exploitation of the propagating materials that are the subject of the protected plant breeders' rights. Specific criminal offences under the PBRA are: - failure by officials to keep secret the information on varieties or applicants -misuse, or willful misdesignation of propagating material -false representations on application or compliance documents regarding administration of rights ¹³⁴

¹³¹ CIPO. *A Guide to Patents*. 16.

¹³² CIPO. *A Guide to Industrial Designs*. 19.

¹³³ Canada. *Integrated Circuit Topography Act*. S.3-6.

¹³⁴ Ludlow. *Part I*. 19.

	Patents	Copyrights	Trade-marks	Trade Secrets	Industrial Designs	Integrated Circuit Topographies (ICTs)	Plant Breeders' Rights (PBRs)
Civil Remedies for Infringements	<ul style="list-style-type: none"> - Compensatory Damages: (Loss of Profits, Reasonable Royalty) Or Accounting of Profits¹³⁵ - Injunctions - Delivering up the infringing materials (367) - Punitive damages¹³⁶ 	<ul style="list-style-type: none"> - Compensatory Damages: (Loss of Profits, Reasonable Royalty) And Accounting of Profits^{137 & 138} - Injunctions¹³⁹ - Delivering up the infringing materials¹⁴⁰ - Punitive and exemplary damages¹⁴¹ - Statutory damages before judgment in lieu of compensatory damages and profits¹⁴² 	<ul style="list-style-type: none"> - Compensatory Damages: (Loss of Profits, Reasonable Royalty, Nominal Damages)¹⁴³ Or Accounting of Profits¹⁴⁴ - Injunctions - Delivering up the infringing materials (363) - Punitive and exemplary damages¹⁴⁵ 	<ul style="list-style-type: none"> - Compensatory Damages: (Loss of Profits, Reasonable Royalty) Or Accounting of Profits¹⁴⁶ - Injunctions - Delivering up the infringing materials (370) - Punitive damages 	<ul style="list-style-type: none"> - Limited to Injunction if the product is not marked with "D" in a circle¹⁴⁷, otherwise the following remedies are available: - Compensatory Damages: (Loss of Profits, Reasonable Royalty, Nominal Damages) Or Accounting of Profits - Injunctions - Delivering up the infringing materials - Punitive damages¹⁴⁸ 	<ul style="list-style-type: none"> - Compensatory Damages: (Loss of Profits, Reasonable Royalty) Or Accounting of profits - Injunctions - Punitive Damages - Disposal of the infringing products; with specific rules for innocent infringement or infringement after commercial exploitation in Canada¹⁴⁹ 	<ul style="list-style-type: none"> - Compensatory Damages: (Loss of Profits, Reasonable Royalty) Or Accounting of Profits - Injunctions - Punitive Damages - Disposal of the infringing products¹⁵⁰

¹³⁵ CICBV. 54.

¹³⁶ Ibid., 60.

¹³⁷ Grenier, Francois M. (2002). *Monetary Relief – Damages*. 14. Retrieved June 8, 2012 from <http://www.robic.com/admin/pdf/668/292-FMG.pdf>

¹³⁸ Canada. *Copyright Act* R.S.,1985, c. C-42, s.35 (1). Retrieved August 2, 2007 from http://laws.justice.gc.ca/en/showdoc/cs/C-42/bo-ga:I_IV//en. Accessed August 31, 2012 from <http://laws-lois.justice.gc.ca/eng/acts/C-42/index.html>

¹³⁹ Ibid., s34(1).

¹⁴⁰ Ibid.

¹⁴¹ Grenier. 16.

¹⁴² Canada. *Copyright Act*. s38.1

¹⁴³ Grenier. 10-12.

¹⁴⁴ CICBV. 61.

¹⁴⁵ Grenier. 11.

¹⁴⁶ CICBV. 63.

¹⁴⁷ CIPO. *A Guide to Industrial Designs*. 14.

	Patents	Copyrights	Trade-marks	Trade Secrets	Industrial Designs	Integrated Circuit Topographies (ICTs)	Plant Breeders' Rights (PBRs)
Criminal Remedies for Infringements	On conviction: fine up to \$200 and/or imprisonment up to 3 months ¹⁵¹	On summary conviction: fine up to \$25,000 and/or imprisonment up to 6 months; on conviction on indictment: fine up to \$1million and/or imprisonment up to 5 years ¹⁵²	None through the Trade-marks Act ¹⁵³ . Available through the Criminal Code for forgery of trade-marks & trade-descriptions, on conviction on indictment: imprisonment up to 2 years ¹⁵⁴	In rare circumstances available through the Criminal Code regarding breach of contract; on conviction on indictment: up to 5 years imprisonment ¹⁵⁵	None through the Industrial Designs Act ¹⁵⁶	None through the Integrated Circuit Topographies Act ¹⁵⁷	If an individual: On summary conviction- a fine up to \$5,000 or upon conviction on indictment - a fine up to \$15,000 and /or imprisonment up to 5 years. If a corporation: upon summary conviction - a fine up to \$25,000 and on conviction on indictment – a fine at the court' discretion ¹⁵⁸

¹⁴⁸ Canada. *Industrial Design Act* R.S., 1990, c. I-9, s.15-18. Retrieved August 2, 2007 from http://laws.justice.gc.ca/en/showdoc/cs/I-9/bo-ga:1_I-gb:s_15. Accessed August 30, 2012 from <http://laws-lois.justice.gc.ca/eng/acts/I-9/index.html>.

¹⁴⁹ Canada. *Integrated Circuit Topography Act*. s.9-11.

¹⁵⁰ Canada. *Plant Breeders' Rights Act* 1990. C. 20, s.41. Retrieved August 2, 2007 from <http://laws.justice.gc.ca/en/showdoc/cs/P-14.6>. Accessed August 30, 2012 from <http://laws-lois.justice.gc.ca/eng/acts/P-14.6/>

¹⁵¹ Canada. *Patent Act* R.S., 1985, c. P-4, s.75. Retrieved August 2, 2007 from http://laws.justice.gc.ca/en/showdoc/cs/P-4/bo-ga:s_74/en. Accessed August 30, 2012 from <http://laws-lois.justice.gc.ca/eng/acts/P-4/index.html>

¹⁵² Canada. *Copyright Act*. s.42.

¹⁵³ CACN. *A Road Map for Change*. ii.

¹⁵⁴ Canada. *Criminal Code* R.S., 1985, c. C-46. s407-412. Retrieved August 2, 2007 from <http://laws.justice.gc.ca/en/showdoc/cs/C-46/en>. Accessed August 30, 2012 from <http://laws-lois.justice.gc.ca/eng/acts/C-46/index.html>

¹⁵⁵ Canada. *Criminal Code* R.S., 1985, c. C-46. s422.

¹⁵⁶ Canada. *Industrial Design Act*. s.15-18.

¹⁵⁷ *Ibid.*, s1-35.

¹⁵⁸ Canada. *Plant Breeders' Rights Act*, s.53.

APPENDIX 2 - INTERVIEWS

Allan, Roddy. CA-IFA. Deloitte & Touche LLP (Toronto). Telephone interview July 9, 2012.

Armstrong, Peter. CA-IFA. KPMG Forensic (Toronto). Telephone interview June 19, 2012. In person interview June 28, 2007.

Basden, Colleen. CA-IFA. KPMG Forensic (Toronto). Telephone interview July 2, 2012.

Deane, Robert. LLB. Borden Ladner Gervais LLP (Vancouver). In person interview July 12, 2007.

Green, Bruce. LLB–IP Specialty. Oyen Wiggs Green & Mutala LLP (Vancouver). In person interview June 27, 2007.

Hamilton, Ross. CA-IFA. Cohen Hamilton Steiger (Toronto). Telephone interview July 3, 2012.

Harrington, Andrew. Forensic Accountant, CBV, CA. Duff & Phelps (Toronto). Telephone interview June 27, 2012.

Iverson, Dave. Computer Forensic Specialist. Grant Thornton (Vancouver). Telephone interview July 6, 2012.

MacDonald, Karen. LLB–IP Specialty, Patent & Trade-mark Agent. Smart & Biggar Fetherstonhaugh (Vancouver). Telephone interview July 16, 2012.

Manson, Michael. LLB–IP Specialty. Smart & Biggar Fetherstonhaugh (Vancouver). Telephone interview July 18, 2007. In person interview April 12, 2007.

Rostant, Derek. CA-IFA. KPMG Forensic (Toronto). Telephone interview July 12, 2012.

Smith, Jasper. Investigator, CFE. IPSA International (Vancouver). Telephone interview July 13, 2012. In person interview July 6, 2009.

Wotherspoon, David. LLB–IP Specialty. Fasken Martineau DuMoulin LLP (Vancouver). Telephone interview July 12, 2007.

APPENDIX 3 – COURT CASES CITED

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