

Federal Court



Cour fédérale

Date: 20191210

Docket: T-1049-18

Citation: 2019 FC 1582

Ottawa, Ontario, December 10, 2019

PRESENT: The Honourable Madam Justice Walker

BETWEEN:

RE/MAX LLC

Plaintiff

and

**SAVE MAX REAL ESTATE, INC.
AND RAMAN DUA**

Defendants

ORDER AND REASONS

[1] The Defendants appeal an order of Prothonotary Kathleen Ring, the Case Management Judge, dated May 24, 2019 (Production Order). Prothonotary Ring ordered the production of certain documents by Mr. Darryl Bilodeau, external corporate counsel to the Defendants, and granted the Plaintiff leave to continue its cross-examination of Mr. Bilodeau on issues arising from any documents produced. Prothonotary Ring found that the Defendants had waived solicitor-client privilege by having Mr. Bilodeau file an affidavit (Bilodeau Affidavit) on their behalf relating to matters of substance in issue between the parties.

[2] The appeal is brought by the Defendants by motion pursuant to Rule 51(1) of the *Federal Courts Rules*, SOR/98-106 (Rules).

[3] For the reasons that follow, the appeal is dismissed.

I. Background

[4] The Plaintiff filed an action for trademark infringement and passing off against the Defendants on May 31, 2018. The Defendants filed their Statement of Defence on July 27, 2018 and the parties exchanged Affidavits of Documents in late 2018.

[5] The Plaintiff took the position that the Defendants' Affidavit of Documents failed to disclose a broad range of documents. As a result, on January 18, 2019, the Plaintiff filed a motion for an order requiring the Defendants to produce further documents (Production Motion).

[6] On February 20, 2019, the Defendants filed a motion for bifurcation pursuant to Rule 107 (Bifurcation Motion).

[7] For use as evidence in both the Production Motion and the Bifurcation Motion, the Defendants filed the Bilodeau Affidavit, sworn by Mr. Bilodeau on February 20, 2019. The Bilodeau Affidavit is the only affidavit tendered by the Defendants on the Motions.

[8] Mr. Bilodeau is a lawyer licensed to practice law in Ontario and is a registered Canadian Trademark Agent. Mr. Bilodeau has acted as an external corporate lawyer for the Defendants for close to 10 years. He has also prepared and filed trademark applications for the Defendants, including the filing and prosecution of trademark applications for SAVE MAX and SAVE MAX & DESIGN.

[9] Mr. Bilodeau attested in his affidavit to his opinions and views on a number of substantive legal matters, including his understanding of the Plaintiff's claim against the Defendants; the basis upon which the Court would adjudicate the Plaintiff's allegations; the sufficiency of the Defendants' document production; and, the merits of the Defendants' Bifurcation Motion. I set out a detailed summary of the Bilodeau Affidavit in paragraphs 34 to 39 of this judgment.

[10] On March 1, 2019, the Plaintiff cross-examined Mr. Bilodeau. During the cross-examination, Mr. Bilodeau confirmed that he had provided his opinions on a number of the matters set out above. Citing solicitor-client privilege, counsel for the Defendants objected to questions posed to Mr. Bilodeau that related to the basis of his opinions and how they were formed; his consultations with the Defendants' litigation counsel; and, any records created by Mr. Bilodeau and communications with the Defendants regarding his opinions.

[11] On March 22, 2019, the Plaintiff filed a motion seeking an order granting leave to continue its cross-examination of Mr. Bilodeau and compelling the disclosure of communications and records in relation to the Bilodeau Affidavit. On May 24, 2019, Prothonotary Ring issued the Production Order granting the Plaintiff's motion.

[12] On May 31, 2019, the Defendants filed this motion, appealing the Production Order.

II. The Production Order

[13] Prothonotary Ring's analysis of the Plaintiff's motion began with the acknowledgement that solicitor-client privilege is a fundamental tenet of the Canadian justice system. She confirmed the Defendants' position that the privilege belongs to the client and can only be

waived, whether expressly or impliedly, by the client. However, Prothonotary Ring referred to a series of cases in which the courts held that a client waives solicitor-client privilege if their counsel swears an affidavit on their behalf on a matter of substance. She stated:

[14] As regards the Defendants' first argument, I accept in principle, that solicitor-client privilege belongs to the client, and can only be waived by the client. However, the courts have consistently held that a client is taken to have waived solicitor-client privilege if her/his counsel swears an affidavit on their (the client's) behalf on a matter of substance: *Murao v Blackcomb Skiing Enterprises Ltd Partnership*, 2003 BCSC 558 at para 83; *Cheung v 518402 BC Ltd*, 1999 CanLII 2654; *Casino Tropical Plants Ltd v Rentokil Tropical Plant Services Ltd*, 1998 CanLII 3866 (BC SC) at para 16 [*Casino Tropical Plants*]; *Hanna v Hanna et al*, (1986), 53 OR (2d) 251, CanLII 2828 (ON SC) [*Hanna*].

[14] Prothonotary Ring cited the decision in *Hanna v Hanna et al*, 53 OR (2d) 251 (1986) (ONSC) (*Hanna*), in which Master Cork stated that actions taken by a lawyer in the name of the client within litigation bind the client as the solicitor only acts as a legal conduit "for the information which that solicitor represents is coming from his client":

... Accordingly, for these purposes, I am satisfied that the affidavit in question, proffered by the solicitor, is essentially that of the client the solicitor represents, and hence in the proffering of that affidavit, I am satisfied that whatever solicitor-client privilege may have attached in the communications between that solicitor and client, stated in that affidavit, it has now been waived by the proffering of that affidavit, at least as far as to the facts and issues raised in the affidavit.

[15] Prothonotary Ring found that Mr. Bilodeau swore an affidavit on behalf of the Defendants on matters of substance relating to the Production and Bifurcation Motions. Mr. Bilodeau expressed his opinion regarding the sufficiency of the Defendants' document production and opined, based on a number of considerations, that bifurcation would likely result in the most expeditious and least expensive determination of the Plaintiff's claims.

[16] Prothonotary Ring concluded that the Defendants had waived solicitor-client privilege over documents and records in the possession, power or control of Mr. Bilodeau that relate to matters addressed in the Bilodeau Affidavit.

[17] I reproduce in its entirety the Order made by Prothonotary Ring in paragraph 40 of this judgment. Briefly, Prothonotary Ring (1) ordered Mr. Bilodeau to produce all correspondence, opinions and notes in his possession relating to matters addressed in the Bilodeau Affidavit; and (2) granted leave to the Plaintiff to continue its cross-examination of Mr. Bilodeau related to any issues arising from the documents he was required to produce.

III. Issues

[18] The Defendants raise two issues in their appeal of the Production Order:

1. Did the Defendants waive solicitor-client privilege by filing the Bilodeau Affidavit?
2. If so, did Prothonotary Ring err in the scope of production contemplated in the Production Order?

IV. Standard of review

[19] The parties agree that the applicable standard of review for appeals of discretionary orders of prothonotaries is set out in *Hospira Healthcare Corporation v Kennedy Institute of Rheumatology*, 2016 FCA 215 at paragraphs 66 and 79. Such orders are to be reviewed on the civil appellate standard (*Housen v Nikolaisen*, 2002 SCC 33) as follows: (1) the correctness standard for questions of law and questions of mixed fact and law if there is an extricable legal principle at issue; and (2) palpable and overriding error for factual conclusions and questions of mixed fact and law.

[20] This appeal centres on Prothonotary Ring's application of the law to the facts surrounding Mr. Bilodeau's status and role vis-à-vis the Defendants, the content of the Bilodeau Affidavit, and the scope of production ordered by Prothonotary Ring. There is no pure or extricable question of law at issue. Therefore, Prothonotary Ring's conclusions are owed deference by this Court, absent palpable and overriding error.

V. Analysis

1. *Did the Defendants waive solicitor-client privilege by filing the Bilodeau Affidavit?*

Defendants' submissions

[21] The Defendants submit that Prothonotary Ring erred in concluding that the filing of an affidavit by a solicitor results in a complete waiver of privilege without considering that the relevant case law states only that those communications between the solicitor and client referenced in the affidavit are waived. The Defendants also submit that Prothonotary Ring drew factual inferences that were not supported by the record. Notably, they argue that there was no evidence that the Bilodeau Affidavit was sworn on their behalf, that they had instructed Mr. Bilodeau to file an affidavit on their behalf, or that they had expressed any intention to waive solicitor-client privilege.

Plaintiff's submissions

[22] The Plaintiff submits that Prothonotary Ring made no palpable and overriding error in concluding that the Defendants waived solicitor-client privilege by filing the Bilodeau Affidavit. The Plaintiff relies on the jurisprudence cited by Prothonotary Ring and states that a client waives privilege where their solicitor swears an affidavit on their behalf on a matter of substance. The Plaintiff argues that Mr. Bilodeau was clearly acting on behalf of the Defendants and, as

their agent, stepped into their shoes to provide substantive evidence in support of their arguments in the Production and Bifurcation Motions.

Analysis

[23] I find that Prothonotary Ring made no palpable and overriding error in concluding in the Production Order that the Defendants waived solicitor-client privilege by having Mr. Bilodeau, their counsel, file the Bilodeau Affidavit on their behalf.

[24] The law in this respect is well established. Where a solicitor swears an affidavit on a client's behalf on a matter of substance, the client will be taken to have waived solicitor-client privilege as to the facts and issues raised in the affidavit (*Murao v Blackcomb Skiing Enterprises Limited Partnership*, 2003 BCSC 558 at para 83 (*Murao*)). Master Cork of the Ontario Supreme Court of Justice set out an excellent explanation of the principle in *Hanna* (cited by Prothonotary Ring):

The responding parties' counsel argues before me that of course the privilege is of the client, not the solicitor, and such waiver should be made by the client, and not her solicitor. I accept this in principle, but add that it has been my understanding that where under circumstances as here, counsel act and represent the client, actions taken by the solicitor in the name of the client or by that client, for purposes within the litigation binds that client, and the solicitor for these purposes only acts as a legal conduit for the information which that solicitor represents is coming from his client. I do not believe it appropriate that any court should attempt to isolate the role of the solicitor from the interests of the client, at least as far as the court is concerned, if not the responding party as well. Accordingly, for these purposes, I am satisfied that the affidavit in question, proffered by the solicitor, is essentially that of the client the solicitor represents, and hence in the proffering of that affidavit, I am satisfied that whatever solicitor-client privilege may have attached in the communications between that solicitor and client, stated in that affidavit, it has now been waived by the proffering of that affidavit, at least as far as to the facts and issues raised in the affidavit.

[25] In swearing an affidavit on substantive matters in issue between the parties, the lawyer has entered the fray (*Casino Tropical Plants Ltd. v Rentokil Tropical Plant Services Ltd.* [1998], B.C.J. No. 1098 (S.C.)) and the information provided by the lawyer is viewed as information coming from the client. The problems engendered by this course of action were addressed by Justice Addy in *Lex Tex Canada Ltd. v Duratex Inc.*, [1979] 2 FC 722 (*Lex Tex*), a case in which the defendant's solicitor filed an affidavit on substantive matters and refused to answer questions regarding the content of the affidavit during cross-examination, citing solicitor-client privilege (*Lex Tex* at paras 4-6):

[4] The right of the party to fully cross-examine a witness called by the opposite party on all matters relevant to his testimony and to have those questions answered, is one of the most fundamental principles of our system of justice. An equally fundamental right which, if anything, has been even more jealously guarded by our Courts is that enjoyed by every person to complete protection against the divulging of any communication with his solicitor pertaining to any legal cause or matter.

[5] The present case illustrates clearly and dramatically the impropriety of having the solicitor of any party to a legal proceeding take an affidavit or testify orally on behalf of his client regarding any cause or issue as to which he has been consulted. The rule has long been recognized by common law Courts but of late, seems to have fallen into disuse to some extent, in interlocutory matters in any event, largely because it is so much more convenient for the solicitor to take such affidavits.

[6] Whatever might be the motive for doing so, it is completely improper and unacceptable for a solicitor to take an affidavit even in an interlocutory matter where he attests to matters of substance and might therefore expose himself to being cross-examined on matters covered by solicitor-and-client privilege. ...

[26] I have considered each of the Defendants' submissions against the findings made by Prothonotary Ring in the Production Order, the content of the Bilodeau Affidavit and the evidence in the record before me. I note first that Prothonotary Ring did not find that there had

been a complete waiver of solicitor-client privilege by virtue of the filing of the Bilodeau Affidavit. She concluded only that the Defendants had waived privilege over documents and records in Mr. Bilodeau's possession or control that relate to matters addressed in the affidavit. I will address the Defendants' arguments regarding the scope of the Production Order in the next section of this judgment.

[27] Second, there is no doubt that the Bilodeau Affidavit was filed on behalf of the Defendants. Their assertion that there was no evidence that Mr. Bilodeau was acting on their behalf is without merit. Mr. Bilodeau has acted and continues to act as counsel to the Defendants. His sole role in swearing the affidavit was to bolster their arguments in the Production and Bifurcation Motions. There is no requirement in the jurisprudence that the Plaintiff establish specific instructions from the Defendants to Mr. Bilodeau to swear or file the affidavit. The filing of the affidavit speaks for itself absent any suggestion from the Defendants that Mr. Bilodeau was acting without their knowledge and consent.

[28] Third, the Defendants submit that there is no evidence that they intended to waive solicitor-client privilege by filing the Bilodeau Affidavit. Prothonotary Ring addressed this argument in the Production Order. As explained by Master Cork in *Hanna*, the waiver of privilege was established when the Defendants filed the Bilodeau Affidavit. Mr. Bilodeau's actions are those of the Defendants and the Plaintiff is not required to independently demonstrate an implied or express waiver. The Defendants' reliance on cases that assert, in general, the importance of solicitor-client privilege and the necessary requirements for a court to find waiver (see, e.g., *Canadian Imperial Bank of Commerce v The Queen*, 2015 TCC 280; *Canada (Privacy Commissioner) v Blood Tribe Department of Health*, 2008 SCC 44) is not persuasive in light of

the case law that establishes the exception to the general principle: an express waiver of solicitor-client privilege by the filing of a solicitor's affidavit on substantive issues.

[29] Fourth, the Defendants argue that the Bilodeau Affidavit was filed in respect of two procedural motions and, therefore, cannot be characterized as addressing matters of substance. I do not agree. The affidavit contains extensive analysis of legal and factual matters in dispute between the parties. The fact that the Bilodeau Affidavit was filed in response to procedural motions is not determinative of its content. Mr. Bilodeau effectively enters the fray and provides evidence in the form of his affidavit.

[30] Fifth, the Defendants argue that the parties have consistently relied on solicitors' affidavits in this litigation without any question of waiver of solicitor-client privilege. This argument ignores the critical distinction between solicitors' affidavits that address procedural or non-contentious issues and those that speak to substantive matters.

[31] Finally, the Defendants argue that Prothonotary Ring erred in failing to consider whether it was fair to conclude that they had waived privilege by filing the Bilodeau Affidavit. Again, I do not agree. The principle that a party waives solicitor-client privilege by putting forward its counsel as a witness is itself based on considerations of fairness, as Prothonotary Ring recognized in the Production Order:

[17] This legal principle operates to prevent a party from inserting the solicitor as deponent, and then raising the defence of privilege to the questions dealing with solicitor-client communication, as it would effectively preclude the party examining from any meaningful cross-examination on the motion that the party is required to defend: *Hanna*, supra.

[32] In summary, the Bilodeau Affidavit sets forth Mr. Bilodeau's legal opinions and conclusions regarding the sufficiency of the Defendants' production of documents and the merits of their Bifurcation Motion. It was filed on behalf of the Defendants and addressed in detail matters of substance at issue between the parties. I find that the Defendants waived solicitor-client privilege regarding the facts and issues raised by Mr. Bilodeau in the affidavit. Prothonotary Ring made no palpable and overriding error in so concluding.

2. *Did Prothonotary Ring err in the scope of production contemplated in the Production Order?*

Summary of Bilodeau Affidavit

[33] I will first summarize the content of the Bilodeau Affidavit to provide context for my analysis of the Defendants' submission that the scope of production ordered by Prothonotary Ring was too broad.

[34] Mr. Bilodeau began the substantive portion of his affidavit by stating:

3. I have reviewed the Affidavit of Documents sworn by the Defendants in this matter and can confirm that all relevant documents from my file and those pertaining to the liability issues in dispute have been disclosed.

[35] He listed the documents previously produced by the parties (their respective trademark registrations and photographs of the corporate Defendant's signage) and referred to a search of the Canadian Trademarks Register that revealed eight other registrations incorporating the term "MAX" in association with real estate services.

[36] Mr. Bilodeau summarized the Plaintiff's central thesis in its Statement of Claim, namely that the Defendants advertise and provide real estate services in Canada in competition with the

Plaintiff and that the Defendants' trademarks are "confusingly similar to the RE/MAX trademarks". Mr. Bilodeau stated:

[7] Having reviewed the Affidavit of Documents served by the Defendants, there do not appear to be any other documents relevant to a proper determination of the Plaintiff's allegations of infringement and passing-off nor does there appear to be any missing documents relevant to that determination.

[37] Mr. Bilodeau opined that the essential and relevant facts required to adjudicate the Plaintiff's allegations were contained entirely in the documents already produced. He stated that, in order to assess the Plaintiff's allegations of infringement and passing off, the Court must first determine the degree of resemblance between the Defendants' signage and the Plaintiff's trademarks. Only if the Defendants' signage is identical or very similar to the Plaintiff's trademarks will the remaining factors listed in subsection 6(5) of the *Trademarks Act*, RSC 1985, c T-13, (Trademarks Act) become relevant.

[38] Mr. Bilodeau then undertook a detailed analysis of the degree of resemblance between the Plaintiff's trademarks and each type of sign used by the Defendants. He drew conclusions regarding the dominant elements of the Defendants' signage. With respect to the other subsection 6(5) factors, Mr. Bilodeau noted again that the Canadian Trademarks Register search contained at least eight other real estate-related registrations incorporating the term "MAX".

[39] The concluding paragraphs of the Bilodeau Affidavit are as follows:

10. Given the nature of the allegations made by the Plaintiff, the limited number of documents required to evaluate those allegations, and the intention of the Defendants to proceed to have those allegations determined by way of a motion for summary judgment, it is probable that a severance and bifurcation of the issues of liability and damages will result in the most just, expeditious, and least expensive determination of this proceeding on its merits.

11. The requested financial disclosure being sought by the Plaintiff is not required to determine the issue of liability. There is no overlap between the evidence required to determine liability and subsequent evidence needed to assess any damages.

The Order

[40] The Order made by Prothonotary Ring following her analysis in the Production Order was as follows:

THIS COURT ORDERS that:

1. The Plaintiff is granted leave to continue its cross-examination of Mr. Bilodeau related to any issues that arise from or flow from the documents which Mr. Bilodeau is required to produce in accordance with paragraph 2 of this Order.
2. At or prior to the cross-examination, Mr. Bilodeau shall produce the following categories of documents, to the extent that those documents are in the possession, power or control of Mr. Bilodeau and they relate [to] matters that are addressed in the affidavit of Mr. Bilodeau sworn February 20, 2019:
 - (a) any correspondence which includes written opinion, whether formal or informal, including opinion provided by e-mail, he prepared in respect of the claims made by the Plaintiff or Defendants in this action, including passing off and trademark infringement, and any defences thereto;
 - (b) any correspondence which includes written opinion, whether formal or informal, including opinion provided by e-mail, he prepared in respect of, or which addressed, the likelihood of confusion between the marks at issue in the Action;
 - (c) any correspondence which includes written opinion, whether formal or informal, including opinion provided by e-mail, he prepared in respect of, or which addressed, the resemblance between the marks at issue in the Action;

- (d) any correspondence which includes written opinion, whether formal or informal, including opinion provided by e-mail, he prepared in respect of bifurcation of [the] Action;
- (e) notes or other records which Mr. Bilodeau has retained of any opinion that was provided in a form other than a written opinion; and
- (f) any materials which disclose the facts and law Mr. Bilodeau relied upon in arriving at any opinion(s) as set out in paragraphs (a) - (d).

Defendants' submissions

[41] The Defendants' submissions at the hearing of this appeal focussed on the scope of the Production Order and are two-fold: (A) the Production Order requires production of documents beyond the substantive content of the Bilodeau Affidavit; and (B) Prothonotary Ring failed to separate the analysis and opinions given by Mr. Bilodeau as an individual with expertise in trademark law and his role as a solicitor for the Defendants.

[42] The Defendants first submit that Prothonotary Ring erred in finding that the filing of an affidavit by Mr. Bilodeau was sufficient to establish a broad waiver of solicitor-client privilege with respect to all documents and records in Mr. Bilodeau's possession that relate to matters addressed in his affidavit. The Defendants argue that the Bilodeau Affidavit must be construed in the context of the Production and Bifurcation Motions. Any substantive content in the affidavit relates only to the two Motions and does not extend to every communication Mr. Bilodeau had with the Defendants in the course of his retainer. More specifically, they argue that paragraph 2(a) of the Order is too broad as the matters contemplated in the paragraph are not relevant to the Production and Bifurcation Motions.

[43] Second, the Defendants submit that, if the filing of the Bilodeau Affidavit resulted in a waiver of privilege, any waiver must be confined narrowly to the statements made in the affidavit and does not extend to Mr. Bilodeau's communications with the Defendants. They argue that Prothonotary Ring conflated Mr. Bilodeau's expert knowledge and any legal opinions he may have given to his client. The Defendants state:

5. The Defendants submit that Case Management Judge Ring erred in law in that, among other things, her central conclusion appears to have been predicated on the view that "where a solicitor swears an affidavit on the client's behalf, the case law is clear that the client will be taken to have waived privilege" without consideration of the fact that the decision she relied on to support that conclusion (*Hanna*) stated expressly that only those communications between the solicitor and the client that were referenced in an affidavit filed by the solicitor would result in a waiver of privilege over those specific (rather than all) communications.

Plaintiff's submissions

[44] The Plaintiff submits that the Production Order is not unduly broad as Mr. Bilodeau's analysis of the Production and Bifurcation Motions in his affidavit involves an assessment of the allegations in the Plaintiff's action. The Plaintiff acknowledges the constraints set out by the courts in *Hanna* and *Murao* to the effect that the scope of any waiver of solicitor-client privilege must be confined to the issues arising in the affidavit in question. The Plaintiff argues that the production ordered by Prothonotary Ring in the present case is necessarily broader than that contemplated by the courts in those cases because the evidence and opinions given by Mr. Bilodeau are much broader.

[45] The Plaintiff states that Mr. Bilodeau was proffered as a factual witness. He gave evidence in the Bilodeau Affidavit regarding: the documents produced by the parties; the legal tests relevant to the Production and Bifurcation Motions and to the disposition of the Plaintiff's

underlying allegations; the evidence necessary to satisfy those tests, including the relevance of any financial documents; and his legal opinions regarding the application of the legal tests to the facts of the case. The Defendants are asking the Court to rely on Mr. Bilodeau's legal opinions to adjudicate the Motions. The Plaintiff argues that the Defendants cannot preclude cross-examination of Mr. Bilodeau on the matters of substance he addresses in his affidavit, including his factual conclusions and legal opinions and whether he has communicated those opinions to his client.

Analysis

[46] I find that Prothonotary Ring made no palpable and overriding error in the scope of the production and cross-examination contemplated by the Production Order. As an affiant on matters of substance in issue in the Plaintiff's action, Mr. Bilodeau stepped into the shoes of his client and entered the controversy between the parties. He provided his legal opinions on critical issues in the dispute between the parties in support of the Defendants' positions in the Production and Bifurcation Motions.

A. Substantive content of the Bilodeau Affidavit

[47] The production ordered by Prothonotary Ring extends only to those documents in Mr. Bilodeau's possession or control that relate to matters addressed in his affidavit. I agree with the Defendants that the matters addressed in the Bilodeau Affidavit relate to the Production and Bifurcation Motions but therein lies the problem in their argument. The "matters addressed" by Mr. Bilodeau in assessing production and bifurcation include his analysis of the Plaintiff's allegations of infringement and passing off and his reliance on the Defendants' proposed strategies (motion for summary judgment; bifurcation) in defending the Plaintiff's action.

[48] The Defendants submit that Mr. Bilodeau provided his opinions on issues regarding production and bifurcation and that Prothonotary Ring erred in stating that, because he ventured those narrow opinions, the Court can assume anything he opined on is fair game. There are two issues with the submission. First, Prothonotary Ring did not conclude that every aspect of Mr. Bilodeau's communications with the Defendants was subject to production and cross-examination. The Order is limited to documents, and any resulting cross-examination, related to the matters addressed in the Bilodeau Affidavit. To the extent that Mr. Bilodeau has in his possession or control documents and opinions related to his broader retainer by the Defendants, they are not subject to either production or cross-examination.

[49] Second, the statements and opinions set out by Mr. Bilodeau in the affidavit cannot be described as narrow. The following list sets out the factual conclusions, analyses and legal opinions in the Bilodeau Affidavit and, in each case, the relevant substantive paragraph(s) of Prothonotary Ring's Order:

- Mr. Bilodeau has produced all relevant documents from his file and those documents pertaining to liability issues have been disclosed.
 - **Order**, paragraphs 2(a), (b), (c), (d)
- The Plaintiff's central thesis in the litigation is that the Defendants carry on a real estate business in Canada in competition to the Plaintiff and that the Defendants' trademarks are confusingly similar to those of the Plaintiff.
 - **Order**, paragraphs 2(a), (b)
- Having reviewed the Defendants' Affidavit of Documents, there are no other documents relevant to a proper determination of the Plaintiff's allegations of infringement and passing off.
 - **Order**, paragraphs 2(a), (b)

- The essential and relevant facts required to properly adjudicate the Plaintiff’s allegations are contained entirely in the documents previously produced.
 - **Order**, paragraphs 2(a), (b), (c)
- To adjudicate the Plaintiff’s allegations of infringement and passing off, the Court will first need to determine the degree of resemblance between the corporate Defendant’s signage and the Plaintiff’s trademarks. Only if that signage is found to be identical or very similar to the Plaintiff’s trademarks will the remaining factors listed in subsection 6(5) of the Trademarks Act become relevant.
 - **Order**, paragraphs 2(a), (b), (c)
- Mr. Bilodeau’s detailed analysis of the degree of resemblance between the corporate Defendant’s signage and the Plaintiff’s marks and the most dominant elements of the corporate Defendant’s signage.
 - **Order**, paragraph 2(c)
- Mr. Bilodeau’s reference to the remaining factors set forth in subsection 6(5) of the Trademarks Act.
 - **Order**, paragraphs 2(a), (b)
- Based on the Plaintiff’s allegations, the limited documentation required to adjudicate those allegations, and the Defendants’ intention to proceed by way of motion for summary judgment, a severance of the issues of liability and damages is warranted.
 - **Order**, paragraphs 2(a), (d)
- The financial disclosure requested by the Plaintiffs is not required to determine the scope of liability.
 - **Order**, paragraphs 2(a), (d).

[50] Paragraph 2(e) of the Order requires the production of any notes or other records in Mr. Bilodeau’s files regarding any non-written opinions he provided on the matters addressed in the affidavit and paragraph 2(f) requires the production of any materials he relied on in providing the opinions set out in paragraphs 2(a)-(d) of the Order. The production contemplated in paragraphs 2(e) and (f) is limited by the substantive content of the Bilodeau Affidavit.

[51] Prothonotary Ring made no palpable and overriding error in the categories of documents and communications which are subject to production. They are consistent with the issues addressed in the Bilodeau Affidavit and with the jurisprudence that speaks to waiver of privilege regarding the facts and issues raised in the affidavit in question.

B. Mr. Bilodeau's role

[52] The Defendants' second argument is that the Court must separate Mr. Bilodeau's factual and expert knowledge from his relationship with them. The Defendants argue that, if they waived solicitor-client privilege, the Court can order production of any notes or research Mr. Bilodeau conducted in formulating the opinions set out in his affidavit but the waiver should not extend to documents, communications and opinions Mr. Bilodeau may have provided to the Defendants. The Defendants state that the solicitors' affidavits in *Hanna* and *Murao* spoke to the communications each of the lawyers in question had with their clients and the loss of privilege regarding those communications. In contrast, Mr. Bilodeau made no reference to any communications with the Defendants in his affidavit.

[53] I do not find the Defendants' argument persuasive. The Bilodeau Affidavit is the only evidence filed by the Defendants in respect of the Production and Bifurcation Motions. Their argument, if accepted, would effectively insulate the Defendants from the consequences of their waiver of privilege and prevent the Plaintiff from any meaningful examination of the adequacy of their document production and the basis of their bifurcation arguments.

[54] The Defendants characterize Mr. Bilodeau as an expert witness and downplay the fact that he is their external corporate solicitor and trademark agent. However, Mr. Bilodeau swore

his affidavit as a solicitor and representative of the Defendants. In the first paragraph of the affidavit, Mr. Bilodeau stated that he has acted as trademark agent for the corporate Defendant and “as such have knowledge of the matters to which I hereinafter depose”. He was not put forward as an independent expert witness. The fact that Mr. Bilodeau relied on his professional expertise in arriving at the opinions he expressed in the Bilodeau Affidavit is not sufficient to isolate his actions from those of the Defendants.

[55] I return to Master Cork’s explanation in *Hanna* of the reasons for and effects of waiver of privilege where a solicitor swears an affidavit on substantive matters on behalf of a client. Master Cork stated that the solicitor becomes the conduit for the information the solicitor represents is coming from their client. In such circumstances, the Court should not separate the role of the solicitor from the interests of the client as the solicitor’s affidavit is essentially that of the client.

[56] In contrast to the affidavits in issue in *Hanna* and *Murao*, Mr. Bilodeau did not state in his affidavit that he communicated his opinions to the Defendants, or that they communicated their opinions and positions to him, but this distinction is not determinative. The information and opinions conveyed by Mr. Bilodeau in the Bilodeau Affidavit are the information and opinions of the Defendants. In resisting any further production of documents, Mr. Bilodeau and the Defendants stated that:

- (1) Mr. Bilodeau has produced all relevant documents from his file;
- (2) Those documents pertaining to the liability issues in dispute have been produced;
- (3) There do not appear to be any other documents relevant to the determination of the Plaintiff’s allegations of infringement and passing off, nor are any documents missing;
- (4) The essential and relevant facts required to adjudicate the Plaintiff’s allegations are contained entirely in the documents already produced;

- (5) The requested financial disclosure sought by the Plaintiffs is not required to determine the issue of liability.

[57] In order to conclude that no further production is required from the Defendants, Mr. Bilodeau must necessarily have communicated his legal analysis to them, reviewed the Defendants' files and documents, and discussed with them the necessity of any further production. With regards to bifurcation, Mr. Bilodeau and the Defendants stated in the affidavit that Mr. Bilodeau considered the Plaintiff's allegations, the limited documents required to assess the allegations and the Defendants' proposed strategy of proceeding by way of summary judgment. Mr. Bilodeau and the Defendants undoubtedly discussed these issues. In any event, vis-à-vis the Plaintiff, the communication between solicitor and client is assumed. Mr. Bilodeau is the conduit for the Defendants' opinions and positions.

[58] I find that the content of Mr. Bilodeau's consultations and communications with the Defendants relating to the factual conclusions and legal opinions set out in the Bilodeau Affidavit are no longer subject to solicitor-client privilege. The Defendants rely on Mr. Bilodeau's opinions as their own in order to succeed in the Production and Bifurcation Motions but resist production and cross-examination of the same opinions. They attempt to use the affidavit and the principle of solicitor-client privilege as a sword and a shield. As a matter of fairness, the Plaintiff must be able to test the strength of the analysis, opinions and conclusions set out in the Bilodeau Affidavit to safeguard its right to full production and to properly formulate its position regarding bifurcation.

[59] The Defendants have placed themselves in the unenviable position decried by Justice Addy in *Lex Tex*. They have put their solicitor's opinions and their reliance on those opinions in play. Prothonotary Ring made no palpable and overriding error in concluding that the Defendants

cannot now shield Mr. Bilodeau from production of documents and cross-examination in respect of the matters he attests to in the Bilodeau Affidavit.

VI. Conclusion

[60] The appeal is dismissed.

VII. Costs

[61] In its written submissions, the Plaintiff requests costs on an elevated basis on the premise that this appeal should not have been pursued. Although I have dismissed the appeal, I am not persuaded by the Plaintiff's argument. In their written submissions, the Defendants rely on legal arguments similar to those made before Prothonotary Ring. In oral submissions, they presented substantive arguments contesting not only the legal premise of the Production Order but also its scope. In this latter regard, they tailored their appeal arguments to the errors they allege were made by Prothonotary Ring.

[62] At the hearing, the parties agreed that the successful party should be entitled to costs of between \$2,000.00 and \$3,000.00. I agree with the parties that a lump sum award of costs is appropriate in this appeal.

[63] Exercising my discretion pursuant to Rule 400, I award \$2,500.00 in costs to the Plaintiff, payable in any event of the cause.

ORDER IN T-1049-18

THIS COURT'S ORDER is that:

1. The appeal of the Production Order is dismissed.
2. Costs are awarded to the Plaintiff in the lump sum of \$2,500.00, payable in any event of the cause.

"Elizabeth Walker"

Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET: T-1049-18

STYLE OF CAUSE: RE/MAX LLC v SAVE MAX REAL ESTATE, INC.
AND RAMAN DUA

**MOTION HELD VIA VIDEOCONFERENCE ON SEPTEMBER 18, 2019 FROM
OTTAWA, ONTARIO AND VANCOUVER BRITISH COLUMBIA**

ORDER AND REASONS: WALKER J.

DATED: DECEMBER 10, 2019

ORAL AND WRITTEN REPRESENTATIONS BY:

Mathew D. Brechtel
Karen F. MacDonald
Madeleine A. Hodgson

FOR THE PLAINTIFF

Joseph W.L. Griffiths
Matthew Glass

FOR THE DEFENDANTS

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