Federal Court  Cour fédérale

Date: 20100826

Docket: T-237-02

Citation: 2010 FC 361

Ottawa, Ontario, August 26, 2010

PRESENT: The Honourable Justice Johanne Gauthier

BETWEEN:

BAUER HOCKEY CORP.
and NIKE INTERNATIONAL LIMITED

Plaintiffs/
Defendants by Counterclaim

and

EASTON SPORTS CANADA INC.

Defendant/
Plaintiff by Counterclaim

AMENDED REASONS FOR JUDGMENT AND JUDGMENT

[1] The two Plaintiffs in this action claim that their rights under "Quarter for Skate Boot", Can. Patent No. 2302953, PCT Patent No. PCT/CA9800845 (4 September 1998) (the '953 Patent) were infringed by Easton Sports Canada Inc. (Easton) by the manufacture and sale in Canada of a number of skate models. Further, they claim that Easton has induced others to infringe the '953 Patent.

[2] The Plaintiff, Bauer Hockey Corp., is the owner of the '953 Patent.[1] It is a company specializing in the manufacture and marketing of hockey equipment, including ice hockey skates.[2] The company underwent many corporate changes and has been formerly known under several corporate names since the 1930s, including Greb Industries, Gamebridge, Warrington, Canstar, Bauer Nike, Nike Bauer and Bauer (generally referred to as "Bauer").[3] In 1995, Nike, Inc. became the owner of Bauer.

[3] The '953 Patent application (PCT) was filed on September 4, 1998 and was issued to Bauer Nike Hockey Inc. on November 20, 2001. It expires on September 4, 2018.

[4] On October 31, 2002, the patent was assigned from Bauer Nike Hockey Inc. to an affiliate of Nike Inc., Nike International Limited, the second Plaintiff in this suit. Bauer's predecessors-in-title, namely Bauer Nike Inc., Nike Bauer Hockey Inc., Nike Bauer Hockey Corp. were, successively, the exclusive licensees under the '953 Patent. On April 16, 2008, the '953 Patent was assigned from Nike International Limited to Nike Bauer Hockey Corp.

[5] On October 1, 2008, following a series of corporate changes, Nike Bauer Hockey Corp. became Bauer Hockey Corp. On October 13, 2009, the Plaintiffs were granted leave to amend their Further Amended Statement of Claim in the current proceeding to reflect the recent corporate changes of Bauer.

---

[1] Agreed statement of facts, para 2.
[2] Fresh Amended Statement of Claim, para 2.
[3] Agreed statement of facts, para 1.

[6] Easton was incorporated under the laws of Canada in 1986. It is the subsidiary of the American company Easton Sports, Inc. (Easton U.S.), which was founded in the 1920s.[4] Easton is a manufacturer and distributor of sports equipment, including hockey equipment.[5] Easton was particularly successful with their innovative composite hockey stick. In 1997, Easton decided to get into the skate business and their first skate was launched in time for the 1998 season.

[7] The invention described in the patent-in-suit was made during what will be referred to as the Vapor Project, a research and development (R&D) project at Bauer which led to the development of their Vapor line of skates, including particularly the Vapor 8. This skate was launched in the middle of the 1997-1998 hockey season.

[8] Following the launch of Bauer's Vapor skate line, at least one element of the '953 Patent, namely the one-piece quarter, was incorporated into other models of Bauer skates as well as roller skates including Mission[6] roller skates.[7]

[9] Bauer alleges that there are 38 Easton skate models that infringed on its rights under the '953 Patent. On December 2, 2001, the Plaintiffs' counsel sent a cease and desist letter to Easton. The present proceedings were instituted on February 14, 2002.

---

[4] Agreed statement of facts, para 6.
[5] Fresh Amended Statement of Claim, para 4; Fresh Amended Statement of Defence and Counterclaim, para 2.
[6] In 2008, Bauer purchased Mission-ITECH Hockey. Bauer continued to use the brand name Mission for its roller hockey skate line.
[7] In fact, as shown on TX-482, several models included a separate tendon guard attached in a side-by-side fashion.

[10] Pursuant to a Bifurcation Order of Justice Frederick E. Gibson dated December 17, 2002, questions about the quantum of damages, accounting of profits or reasonable compensation, if any, are to be determined after trial. Similarly, as will be mentioned later on, any question regarding apportionment is also a matter to be determined by the reference judge.

[11] On June 6, 2007, the parties filed a Joint List of Issues to be determined at trial, which included: determination of the proper construction of the claims of the '953 Patent, whether any of the Defendant's skates infringe the claims; whether the Defendant induced or procured Les Chaussures Rock Forest Inc. (Rock Forest) and/or Sakurai Sports MFG. Co., Ltd. (Sakurai) to infringe the '953 Patent;[8] and whether any of the claims were invalid for a variety of reasons which during the final arguments the Defendant narrowed down to include only: anticipation, obviousness, lack of clarity, inutility and misleading statements.[9]

INDEX

[8] Later on, it was made clear that this allegation would only be in respect of Rock Forest.

[9] The Defendant's arguments concerning claims broader than the invention, new matters and insufficiency were abandoned. It was made clear that with regard to the failure to meet the promises described in the patent, the Court was to address only the allegations of inutility or misleading statements pursuant to s. 53(1) of the *Patent Act*, R.S.C. 1985, c. P-4 (*Patent Act*), as opposed to insufficiency.

I. The Evidence

[12] Bauer relied on the evidence of eight lay witnesses: Tim Pearson, Ken Covo, François Chênevert, Chris Langevin, Stephen Murphy, Marc Gagnon, Lawrence Weber and Lorraine Banton.

[13] Tim Pearson is currently the Director of Business Process at Bauer; he has been an employee of the company since 1990. Prior to joining Bauer, he worked in a large hockey and golf

retailer, Gus Maue, from 1977 to 1990, where he held the position of manager and buyer for about 10 years.

[14] Mr. Pearson discussed the main brands of hockey skates as well as their historical and current sales and market shares, both on the consumer market and in the National Hockey League (NHL). He also discussed returns of skates by the consumers at Gus Maue and at Bauer and introduced into evidence a series of spreadsheets showing the number of returns for different Bauer skates for the years 1999, 2000, 2001 and 2002 (exhibits TX-487[10] to TX-494). Other confidential exhibits relating to sales, skate distribution, skate returns and skate weights were also put into evidence during the course of his testimony.

[15] Ken Covo obtained his Bachelor of Engineering from McGill University in 1982 and studied part-time a Masters in Arts in Educational Technology from Concordia University around 1990. He is Bauer's Senior Director of Research and Development, a position he has held since 2003. He has been working at Bauer since January 1995, and has occupied various management positions in product development or R&D. He had no previous experience with skates or footwear in general prior to joining the company.

[16] Mr. Covo's testimony mainly concerned the R&D Department at Bauer as well as the Super Light and the Vapor Project. Specifically, he discussed the Vapor 8 skate and the importance of the one-piece quarter in subsequent Bauer skate models.

[10] Hereinafter all references to the exhibits will be made by noting only their exhibit number.

[17] On cross-examination, Mr. Covo was questioned on the difficulties encountered with the Vapor 8 skate. He discussed the Bauer Athlete's Event, including the existence of confidentiality agreements as well as the handling of the tested products. The purpose of the Athlete's Event was to show NHL players and get them to try new products and gather their feedback. The two industrial designs that were filed by Bauer under no. 88047 and no. 88048 to protect the skate designs developed as part of the Vapor Project were introduced in evidence during his cross-examination (TX-624 and TX-625 respectively).

[18] François Chênevert graduated in industrial design from the University of Montreal in 1990. He is the inventor listed in the '953 Patent. When he joined Bauer in 1994, he had no previous experience in skates or in footwear. At first, for a period of about six months, he worked with Alain Renaud, a very experienced skate patternmaker, who taught him the techniques of patternmaking. Thereafter, he worked on different R&D projects, including a project relating to inline skates. In September 1996, he became involved in the Vapor Project on which he worked almost exclusively until August 1997. He worked on this project with a large team that included Gaétan Champagne, Jean-Claude Lefebvre, Chris Langevin, Gerry Black and Ken Covo. He left Bauer in 2001 to work at BRP[11] where he began his employment in the snowmobile accessories department.

[19] Mr. Chênevert testified about the process that led him to the conception of the invention covered by the patent-in-suit. He explained how he came up with the idea of using a one-piece

[11] Bombardier Recreational Products Inc.

quarter starting with prototypes having an articulated cuff. He described in some detail the various steps of the Vapor Project, namely its objectives, the field testing done on skates that were already available on the market, the autopsies made on about 30 skates,[12] the research of materials, the making of several prototypes, the field testing as well as the issues encountered with the Vapor 8 skate.

[20] Mr. Chênevert was also questioned on a series of documents that were found in his Vapor Project file at Bauer (TX-476/TX-476a). However, it quickly became apparent that this file was not complete. He explained that he was not involved in the preparation and compiling of the documents in the present proceedings.

[21] Also, on cross-examination, Mr. Chênevert was led to explain the timeline of the Vapor Project in order to establish more precisely the date of the invention of a skate having a one-piece quarter. An internal memo called *Formulaire de divulgation d'invention* (TX-605a) explaining the specification of the design as well as the construction of the skate was entered into evidence during his testimony. This document is dated September 4, 1997 and indicates that the date of the invention is April 2, 1997. He also testified that many iterations were prototyped and that, from about February to April 1997,[13] testing was performed simultaneously on one-piece and two-piece quarter skates which otherwise had identical features.

[12] François Chênevert, transcript, Nov. 16, 2009, pp. 30-31 (in chief); He explained that they analyzed Bauer skates as well as Bauer's competitors' skates.
[13] François Chênevert, transcript, Nov. 16, 2009, p. 174 (cross).

[22] Chris Langevin is currently Director of Advanced Development Project at Bauer. He also worked in field testing for four years (including 1996-1997 when he tested the prototypes made by Mr. Chênevert and Mr. Lefebvre) before starting as a skate developer for high-end skates in 1998. In 1997, he was also consulting on skates. For example, Mr. Langevin was consulted with regard to the Vapor Project on how to change the profile of the boot in order to improve the breaking period. Prior to joining Bauer, Mr. Langevin was a professional hockey player from 1981 to 1986.

[23] First, Mr. Langevin testified about the Bauer Test League, namely its purpose, its operation and its players. The Test League was an internal league that comprised both Bauer employees and players from outside the company and where equipment in development at Bauer was tested in game conditions. He explained that he was in charge of collecting all the material at the end of every game and that non-Bauer employees were all asked to sign a contract or non-disclosure agreement before joining the league. He personally ensured that each new player signed a confidentiality agreement.[14] It is of note that such documents were not put into evidence as they were not located by Bauer.

[24] Second, Mr. Langevin testified that the one-piece quarter with separate tendon guard attached side-by-side and in some cases with a slight overlap was incorporated in subsequent models. He explained how the invention triggered improvements in the Bauer skates, including the use of rib shaped quarters, the use of new materials and the removal of internal reinforcement

[14] Chris Langevin, transcript, Nov. 12, 2009, pp. 65-66 (cross).

pieces. Also, it allowed Bauer to pursue their objective of developing lighter and stiffer high performance skates. Lastly, he testified about the Athlete's Event.

[25] On cross-examination, Mr. Langevin was questioned on his visit to Nike's facility in Portland, Oregon, including his tour of Nike's prior art material library as well as its "advanced lab kitchen". He also confirmed that the last prototype he tested with the Test League looked very similar to the final look of the Vapor 8 (TX-234). However, he did not know or realize at the time that these prototypes had a one-piece quarter construction.

[26] Finally, an affidavit by Mr. Langevin was filed at trial, on consent of the parties (P-43).[15] The content of the affidavit relates to the tests done by Bauer, in the context of this litigation, to evaluate the rigidity of a one-piece quarter in comparison to a two-piece quarter, both as an independent component and as part of finished skates. The affidavit further explains the methodology and the materials used to perform the said experiments.

[27] Stephen Murphy obtained a Ph.D. in biomechanics from the University of Waterloo in 2001. He is currently completing an MBA at Concordia University. He started at Bauer in 1993 as a developer of hockey sticks and helmets. In January 1998, he was promoted to the position of product manager for Bauer skates and in 2000, he became Director for the Bauer brand of skates and helmets. This position entailed being attentive to the market's needs, understanding the new opportunities of R&D, establishing the retail price points, understanding the competitive analysis,

[15] It was filed subject to the right of Easton to cross-examine. However, the Defendant did not cross-examine Mr. Langevin on his affidavit.

establishing cost targets and doing market research. After he left Bauer, Mr. Murphy was employed in R&D by CCM[16] for about four years starting in February 2002.

[28] Mr. Murphy mainly testified about the marketing of the Vapor 8 skate, including the Athlete's Event, and the adoption of the Vapor 8 skate by NHL players. He also briefly discussed the construction of certain CCM skates, namely the Vector and the Champion 90.

[29] When Mr. Murphy arrived at CCM, their skates were constructed using a two-piece quarter or a three-piece quarter. The decision to go with a one-piece quarter was made by Mr. Murphy. The first skate that had such construction was the Vector skate, which was launched in 2004. This skate had no rear sewing line and the tendon guard was integrated. With respect to the tendon guard, Mr. Murphy testified that he put in a deep scallop, which shortened the height of the tendon guard and provided sufficient flexibility to allow a full foot extension.

[30] The Defendant's counsel noted that they were surprised by Mr. Murphy's testimony relative to the CCM Vector and the CCM Champion 90 stating that these topics were not included in the brief description of the subject matter to be covered by his testimony. Bauer's counsel advised the Court that they became aware of this information about two days prior to Mr. Murphy's testimony. It was made clear that Mr. Murphy was presented solely as a factual witness in this respect and that Easton's right to cross-examine Mr. Murphy at a later date would be reserved. That said, the Defendant did not exercise its right to call back Mr. Murphy.

[16] CCM was also known as Sports Maska and The Hockey Company. CCM is a registered trademark of CCM Holdings (1983) Inc. and is used under licence by Sports Maska Inc., a subsidiary of Reebok-CCM Hockey, Inc.

[31] All of the abovementioned witnesses were credible, including Mr. Murphy. The Court finds no good reason to give less weight to his testimony as suggested by Easton in its reply memorandum. As noted, the fact that Easton chose not to exercise its right to cross-examine Mr. Murphy cannot have an impact on his credibility or the weight given to his testimony.

[32] Marc Gagnon was President of Rock Forest during the period the company was manufacturing Easton skates. He testified about Rock Forest and the relationship between Rock Forest and Easton as well as the *modus operandi* of the parties in the manufacturing of Easton skates.

[33] Although Mr. Gagnon was credible, the Court prefers the testimony of Mr. Laferrière[17] when it comes to the daily operations at Rock Forest with respect to the manufacturing of Easton skates.

[34] Lawrence Weber is the Director of Risk Management and Compliance. He has been an employee of Bauer since 1996. He occupied the position of Risk Manager from 1998 to 2007, which entailed, amongst other things, the handling of litigated matters.

[17] This does not include, however, subjects such as Mr. Maderspach's role or experience in the design of skates made by Rock Forest for other companies before Mr. Laferrière started working at Rock Forest. In that respect, his testimony would be pure hearsay.

[35] The main purpose of Mr. Weber's testimony was to explain Bauer's failure to keep all of the relevant files. He explained that there was no policy or direction in force with respect to document retention during the relevant period. While the factory was once certified under the International Organization for Standardization (ISO), it stopped being certified around 2000. Mr. Weber also spoke about the relocation of Bauer's head office from Montreal to Greenland, New Hampshire. He explained that some of the company's documents were sent to Greenland or St. Jerome, but that he had a feeling that others were simply destroyed or lost in the relocation process. Similarly, he testified about the various changes and reduction in space in the R&D Department at the St. Jerome factory.

[36] Lorraine Banton is currently Bauer's Human Resources Director in Canada. She testified about a series of layoffs at Bauer, both at the Cambridge (Ontario) and St. Jerome factories, which occurred in the 1990s and 2000s. She also testified that the Cambridge plant closed in 1998. She explained that key employees, at the St. Jerome site, that would have been in charge of archiving documents in the R&D Department, were laid off.

[37] It is evident that the documentation produced by Bauer with respect to the development and testing carried out, particularly in the context of the Vapor Project, was not complete. For example, Mr. Chênevert was very clear that he kept many documents and drawings in his computer and that many tests carried out were not documented in his file. The Court notes, however, that Easton also failed to produce documentation, prototypes or drawings relating to the development of their allegedly infringing skates.

[38] Like Bauer, Easton tried to explain this by the closure[18] of the Rock Forest site and by the fact that its archiving system was pretty rudimentary at that time as no minutes were taken at meetings and no development files were kept.

[39] In either case, the Court is satisfied that it would not be appropriate to make a negative inference in that respect. The Court does not believe that either party tried to conceal evidence. In fact, some of the documentation produced by Bauer has been heavily relied upon by Easton as supporting its case.

[40] As I said, generally the lay witnesses were credible and the weight of their testimony will not be diminished by their employers' inability to locate all the documents to support their evidence.

[41] Easton produced only two factual witnesses, namely Ned Goldsmith and Michel Laferrière. It is unfortunate that Mr. Yang, the inventor listed in "Utility Model", German Patent No. 050194, (6 January 1994) (the Chin Patent) (TX-577),[19] did not testify at trial, even though he was on Easton's initial witness list. Mr. Yang works at Sakurai; he has been involved in the production of the CCM's Champion 90 and, since 2003, in the production of Easton skates. His testimony would have shed light on the Champion 90 skate and would have avoided many objections during the trial.

[18] The Court accepts Mr. Gagnon's testimony that the documents and computers in Mr. Laferrière's office were removed by Easton and the office was left empty when Easton and Rock Forest stopped doing business. However, Mr. Laferrière testified that he was never asked about his prototypes or his documents by Easton.

[19] The Chin Patent is a piece of prior art on which Easton relies upon. Even though, during the trial, the parties referred to this patent as the "Chin Patent", the Court notes that the family name of the inventor is Yang.

It would also have been useful to get more information as to how skates were developed and manufactured in China at the relevant time.

[42] Ned Goldsmith is the Senior Vice President of Easton U.S. He has been working at Easton U.S. since December 1996, and successively occupied the position of Product Manager, Director and VP Hockey, before being promoted to his current position. His current position as well as his previous positions included product development in relation to skates.

[43] Mr. Goldsmith testified in detail about the development of Easton skate lines. He testified that in April 1997, Easton wanted to enter the market and wanted something unique. He recalled that the team at Easton looked at competitors' skates, namely CCM, Bauer and Graf International (Graf) skates, during a meeting held early in the development of their skates that came out in 1998-1999. Easton delegated the design of the outsole of their skates to an outside firm.

[44] Mr. Goldsmith also discussed Easton skates that came out in 2000 (2000 skates). At that time, he was in a new position, VP Hockey, which he started in April 1998, and he was busier than he had been in the past. Mr. Goldsmith hired Neil Wensley, a former employee of CCM, as product manager for Easton skates. He explained that Michel Laferrière and Neil Wensley were key players in the development of the 2000 skates. Upon the recommendation of Mr. Wensley, Easton hired an external design firm, ADC, to work on the look of the skate.[20] Mr. Wensley knew this firm from his

[20] The only drawings that were located by Easton were filed as TX-506. It is worth noting that although ADC is a design firm, they made no suggestion as to the internal construction. Mr. Laferrière was clear that they were not to concern themselves with issues such as weight. Michel Laferrière, transcript, Nov. 30, 2009, pp. 199-200 (cross).

time at CCM, when he worked with them on the CCM Tacks 952. He testified that, during a meeting with ADC, Easton discussed the market trends along with the good and the bad of the existing Easton skates and other skates on the market. Even though Mr. Goldsmith could not recall if they discussed the Vapor 8, the Court notes that it is likely that this skate was addressed at this meeting.

[45] Mr. Goldsmith explained that ADC's drawings influenced the look of the Easton Z-Air 2000 skate. In fact, he recalled that Mr. Laferrière was provided with the drawings and was asked to create a skate with a similar look. Mr. Goldsmith was involved in a meeting with ADC and in some of the discussions relative to the Z-Air. He also provided ideas for the development of the skate but, as mentioned, it was Mr. Wensley and Mr. Laferrière who were really in charge of the actual development of Easton's first allegedly infringing skates.

[46] Mr. Goldsmith also discussed the development of Easton's subsequent skate models and Easton's sales with regard to their skates. Furthermore, Mr. Goldsmith was questioned on the compendium (P-14), a document that lists all of Easton skates for the years 1999 to 2009, inclusive, and provides information on their construction as well as their place of manufacture. Finally, he testified about the business relationship that existed between Rock Forest and Easton.

[47] On cross-examination, Mr. Goldsmith was led to explain the reasons why Easton switched from a side-by-side to an overlapping construction in 2004 and the reasons why it never switched

back to a two-piece quarter construction, especially when it realized that Sakurai had switched to such a construction in 2003 without any apparently noticeable impact on their sales.

[48] Mr. Goldsmith was a passionate witness who, having been present during all the previous testimonies, had a tendency to argue rather than to simply relate the facts. That said, he was generally a credible witness, although as mentioned, there are areas where it is clear that he does not have first hand knowledge of all that went on. This explains, in my opinion, some of the contradictions between his testimony and that of Mr. Laferrière. With respect to the other contradictions, the Court did prefer the testimony of Mr. Laferrière.[21]

[49] Michel Laferrière is currently the Manager of Custom Products and Product Development at Easton. He started working in the footwear industry in 1965 at Brown Shoe Company, where he was primarily involved in shoe production. In 1976, he started working at Jean-Paul Corbeil, a shoe manufacturer that also manufactured low-end figure skates, mid to low-end hockey skates and moulded skates.[22] By the end of 1982-1983, Jean-Paul Corbeil got out of the shoe industry and started developing a high-end skate that was eventually picked up by the NHL. When the company was bought by CCM in 1984, Mr. Laferrière continued to work in R&D at CCM. His job involved, amongst other things, doing special make-ups (SMUs) and downgrading skates, meaning making

[21] For example, where their first outsole was made, whether he was told of the existence of CCM's patent or the instructions he gave with respect to the look of the first Easton skates.
[22] The skates were sold under the brand name Orbit and Delta: Michel Laferrière, transcript, Nov. 30, 2009, pp. 20-22 (in chief).

skates at a cheaper price but keeping the same look as the high-end models.[23] In 1997, Mr. Laferrière left CCM to work for Easton.

[50] First, Mr. Laferrière testified about his experience at CCM and at Jean-Paul Corbeil as well as about CCM's skate construction. With respect to Easton, he discussed the development of Easton skates, the manufacturing process used for the first Easton skates and the assembly of Easton skates at Rock Forest. He also addressed the respective involvement of Easton and Rock Forest in the manufacturing of skates.

[51] On cross-examination, Mr. Laferrière was questioned on his involvement with, and the facts surrounding, the decision of Easton to switch to an overlapping tendon guard and to maintain a one-piece quarter in 2004. He was also led to testify about the discussions at Easton regarding the possibility of going back to a two-piece quarter construction after the lawsuit was initiated. As a whole, the Court found Mr. Laferrière to be a straightforward and credible witness.

[52] The parties also presented six experts that collectively filed 15 expert reports dealing with the infringement, invalidity and commercial success allegations. They are listed in Chart A attached hereto with the names of the experts, exhibit numbers and a brief summary of their biographies.

[53] Bauer relies on the evidence of four experts, namely Dr. T. Blaine Hoshizaki, Dr. Mario Lafortune, Guy Beaudoin and Jim Rennie.

---

[23] Michel Laferrière, transcript, Nov. 30, 2009, pp. 31-32 (in chief).

[54] Dr. Hoshizaki was qualified as an expert in the field of the biomechanics of performance sports, R&D pertaining to skates, skate design, development and manufacturing and its relationship to performance, and skate commercialization. At trial, the Court endorsed Dr. Hoshizaki's qualification, but expressed some reservation with respect to the witness' expertise with respect to skate commercialization.

[55] Dr. Hoshizaki filed three expert reports. His first report (P-1) deals with the claim construction and infringement[24] of the '953 Patent. He also provides background information about the three types of skate boots found on the skate market, namely the lasted, moulded and K2-type Softboots, and discusses the main manufacturing steps for a lasted skate. In his second report (P-45), he first summarizes the opinion discussed in his first report with respect to construction before responding to the allegations of invalidity raised by Easton, namely that the '953 Patent is anticipated, obvious, lacks utility and is unclear or confusing. He analyzes the various pieces of prior art relied upon by Easton's experts, and discusses the results of three tests that were performed by Bauer to evaluate the stiffness of a one-piece quarter in comparison to a two-piece quarter: the component stiffness test, the finished skate boot rigidity test and the finished skate boot functional rigidity test. He also addresses the allegations of Easton's experts with respect to the commercial success of the Vapor 8. Finally, Dr. Hoshizaki filed a third report (P-46) in rebuttal.

[24] Dr. Hoshizaki produced a summary chart listing Easton's models of skates that are infringing.

[56] Easton challenged the credibility of Dr. Hoshizaki stating, among other things, that he cannot be objective, having had some kind of relationship with Bauer since 1985, ranging from independent researcher at McGill University (1985-1986) to VP Research (1989-1995) to consultant (including expert witness in litigation) up to the present date.[25]

[57] It is to be noted, however, that at the relevant time (from 1997-2002), Dr. Hoshizaki was in charge of product development at CCM,[26] Bauer's main competitor. His relationship with Bauer between 1995 and 1997 was limited and was part of the termination package he was given when Nike bought Bauer.

[58] I reviewed the case law relied upon by Easton. It is evident that it can be distinguished on its facts. Dr. Hoshizaki was not involved at all or in any way in the Vapor Project. Despite Easton counsel's vigorous attempts to convince me otherwise, I find that he testified in a straightforward manner. I have no doubt that he truly believes in the opinions he expressed and I see no good reason to discard all his evidence as suggested by the Defendant. The Court has examined the reasoning behind each of the views he expressed and gave them appropriate weight based on their intrinsic value. It is evident that this expert was particularly well-qualified to discuss the biomechanics of skating. He is not a thermoplastic expert and was not particularly experienced in the production/manufacturing side of the skate industry.

---

[25] In fact, Dr. Hoshizaki was only involved in three cases for Bauer. The first one was when he was an employee at Bauer. He was also involved in an opposition proceeding before the United States Patent and Trademark Office and then as an expert in the present proceedings: Hoshizaki (Statement) P-1, para. 17.

[26] Given that Bauer has been the leader in the hockey skate industry for many years and has purchased other brands, such as Daoust and Micron, most experts who testified, including Easton's expert Mr. Hall, worked there at some point in their career.

[59] Mr. Beaudoin was qualified as an expert in the field of hockey skate and inline skate design, development and manufacture, with experience in the boot and footwear industry. Upon reviewing his curriculum vitae, the Court now notes that Mr. Beaudoin does not have any particular expertise in the athletic footwear industry. However, Mr. Beaudoin was particularly well-qualified to opine on the issues relating to the manufacture of skate boots. He has been involved in the skate industry for over 10 years and while he was at Daoust,[27] a company based in Montreal, and Bauer, Mr. Beaudoin has occupied positions that focus on the manufacture and production of skates.

[60] Two reports by Mr. Beaudoin were filed by Bauer. His first report (P-39) is a response to Easton's experts' first reports and specifically deals with the allegations that the '953 Patent is invalid because it is unclear, confusing or misleading. He also discusses the utility of the invention, the commercial success of the Vapor 8 and the differences between the shoe, boot and skate industries. His second report (P-40), filed in reply to Easton's second reports, deals with the commercial success, infringement and claim construction. He also provides comments on the characterization of the three types of skate boots.

[61] The Court was particularly impressed by Mr. Beaudoin who testified in a very measured manner, clearly indicating when he had to made assumptions. He readily admitted it when he did not know something.

[27] Daoust was a brand name under which A. Lambert International Inc. was manufacturing hockey skates.

[62] Dr. Lafortune was qualified as an expert in the field of biomechanics of athletic activity and its relationship to the design, development and manufacture of athletic footwear, equipment and apparel. He prepared one report (P-47). It was filed in reply to Mr. Tonkel's second report and focuses on the distinctions between athletic shoes and hockey skates as well as the differences between the athletic footwear and skate industries. The Court accepts the evidence of Dr. Lafortune with respect to the main areas in which the biomechanics of skating defers from those relevant to other athletic footwear.[28]

[63] Mr. Rennie was qualified as an expert in the marketing and sale of sporting goods, including athletic shoes and hockey skates, and trends in the industry relating to those goods. He prepared three reports that mostly focus on the hockey skate market, the commercial success of the Vapor 8 and the importance of lightweight, aesthetics and performance for hockey skates (P-11, P-41 and P-42 respectively).

[64] Even though Mr. Rennie was well-qualified, his opinion will have little impact on the findings of the Court. In effect, this evidence was not particularly useful given that it resulted in a side debate as to why the Vapor 8 was successful. There is no dispute that this line of skates was successful, the Vapor 8 created a buzz in the market and put more focus on the overall weight of skates. Although satisfied that the invention contributed to the skate's success, it is also clear that its other novel features did too. In the circumstances, the Court decided not to consider this factor in assessing the allegation of obviousness.

[28] Lafortune (Reply Statement) P-47, para. 11; Mario Lafortune, transcript, Dec. 7, 2009, pp. 26-29 (in chief).

[65] Mr. Tonkel was qualified as an expert in the field of footwear design, footwear development and manufacture, including its relationship to performance, and footwear commercialization. Bauer's counsel objected, stating that the reference to footwear should be limited to athletic footwear such that it should not be understood to encompass hockey skates. Easton's counsel agreed that Mr. Tonkel was not an expert in the field of skate design or development *per se*. This obviously has some impact on the weight attributed to his evidence especially considering the definition of the person to whom the '953 Patent was addressed. This will be further discussed when dealing with the construction of the claims and obviousness.

[66] Mr. Tonkel's first report (D-16) focuses on why he was of the opinion that the invention was obvious. He analyzes the prior art cited by Easton,[29] namely the Bauer Supreme 5000, "Boot Construction", U.S. Patent No. 2915835, (27 May 1957) (the Snitzer Patent) (TX-563), Chin Patent/Champion 90 skate, CCM Mustang and Rapide, Easton's first skates, CCM Tacks and the K2 Softboot inline skates. Mr. Tonkel also discusses claim construction and the similarities between boot and shoe manufacture and skate manufacture.

[67] In his second report (D-17), Mr. Tonkel responds to Mr. Rennie's opinion with respect to the commercial success of the Vapor 8. In response to Dr. Hoshizaki's first report, he discusses the similarities and influences existing between footwear and hockey skates. Also, he provides comments on the characterization of the three types of skates as well as a summary of his view on

[29] There is no indication that he was familiar with this art prior to his involvement in this case.

infringement. His third report (D-20), as redacted,[30] replies to the second reports of Mr. Rennie and Dr. Hoshizaki as well as the first report of Mr. Beaudoin. It deals with commercial success, the relationship between the footwear and the skate industries, validity and the infringement of claim 3.

[68] Mr. Hall was qualified as an expert in the field of skate design, skate development and manufacture, including its relationship to performance, and skate commercialization.

[69] In his first report (D-14), Mr. Hall primarily focuses on the utility and the validity of the '953 Patent and more precisely, his view that the patent was unclear, confusing and misleading. Regarding claim construction, Mr. Hall states that he agrees with and adopts Mr. Tonkel's conclusions in the latter's report. Mr. Hall did not perform a detailed analysis of the prior art, relying instead on the analysis of Mr. Tonkel. However, the Champion 90 and the Chin Patent were omitted from the list of prior art found in Mr. Hall's first report and Mr. Hall's conclusion on obviousness focuses on what he views as a simple change in the direction of the rear seam used particularly in CCM skates.

[70] In his second report (D-15), Mr. Hall responds to Mr. Rennie's allegations with respect to the commercial success of the Vapor 8 in the hockey skate market. In response to Dr. Hoshizaki's first report, Mr. Hall addresses claim construction, the characterization of the three types of skate boots and the infringement of the '953 Patent. Also, he comments on the advantages described in

[30] The rebuttal reports of Mr. Tonkel and Mr. Hall (D-20, D-21) were the subject of objections upheld by the Court. The parties filed, by consent, a list of the paragraphs in the defendant's reports that have been deleted pursuant to the Court's ruling (P-44).

the ‘953 Patent’s disclosure. Mr. Hall’s third report (D-21), as redacted, rebuts the evidence found in the second reports of Dr. Hoshizaki and Mr. Rennie as well as the evidence found in the first report of Mr. Beaudoin. He addresses the similarities between the hockey skate industry and the footwear industry, commercial success and the characterization of the three types of skate boots. He also provides comments on the interpretation of the term tendon guard and on the tests performed by Bauer.

[71] Mr. Hall was particularly well-qualified to deal with most of the issues raised in this case. Although clearly a very creative individual - contrary to the person skilled in the art (posita) - he worked for many years, developing skates. His evidence was particularly useful in helping the Court understand the history and development of the skate industry.

[72] However, for reasons that will be explained, the Court could not accept his views on the construction of the patent, particularly the meaning of “tendon guard”. Having heard this witness over 3 days of testimony and having read and re-read his reports, it appears, and this is understandable given that this was his first experience as an expert witness on such matters, that he had an insufficient understanding of the principles[31] that should guide him. Among other things, I found that he was overly critical in dealing with the ‘953 Patent and that, despite his assertion to the contrary, he did not exhibit an open mind seeking to understand the patent and the claimed invention. In the end, his evidence was not as useful as I would have hoped.

[31] For example, he looked at the priority application and PCT application to see if they provided any explanation or support for the description and claims of the patent. He used the Vapor 8 to explain many of his views (other than commercial success). A simple review of paras. 47-51 in D-15 will further illustrate some of the problems.

[73] The Court obviously considered all the evidence in the record, however, for ease of reference certain passages have been included in the footnotes.

II. General Background

A. *The Hockey Skate Market*

[74] It is not disputed that for several decades up until the late 1990s, the manufacture of hockey skates in North America was dominated by three principal players, namely, Bauer, CCM and, to a lesser extent, Daoust.[32] In fact, up until the late 1990s, these three companies represented about 85% of hockey skate sales in North America.[33]

[75] In the fall of 1992, Daoust was purchased by Bauer.[34] The Daoust brand name was used by Bauer until late 1995.[35]

[76] Graf was another brand of skates available on the North American hockey skate market in the 1990s. Graf was manufacturing high-quality skates in Switzerland. However, these skates were not very popular amongst consumers because they were sold at a higher price point.[36]

---

[32] Agreed statement of facts, para 3.
[33] Agreed statement of facts, para 3.
[34] Guy Beaudoin (Responding Statement), P-39, para. 12; Ken Covo, transcript, Nov. 10, 2009, pp. 10 and 17 (in chief). Tim Pearson testified that Daoust was purchased in 1993 (transcript, Nov. 5, 2009, p. 285 (in chief)) and testified, later in his testimony, that he believed it was purchased in 1994 (transcript, Nov. 9, 2009, pp. 3-4 (in chief)). Bauer's Memorandum of Fact and Law also states that the company was purchased in 1993 (para 34).
[35] Guy Beaudoin, transcript, Dec. 2, 2009, p. 130 (cross); Tim Pearson, transcript, Nov. 9, 2009, pp. 3-4 (in chief).
[36] Tim Pearson, transcript, Nov. 5, 2009, p. 285 (in chief); Jim Rennie, transcript, Nov. 18, 2009, pp. 121-122 (re-exam); Guy Beaudoin, transcript, Dec. 2, 2009, pp. 222-223 (cross).

[77] In the late 1990s, new manufacturers of ice hockey skates entered the market, the most important companies being Easton and Mission.[37]

[78] In 1998, there were over 1.5 million pairs of hockey skates sold worldwide, including low-end skates, 70-75% of which were sold in North America.[38] There were approximately 120,000 pairs of high-end hockey skates sold worldwide, of which, about 90,000-95,000 pairs were sold in North America.[39]

[79] Bauer owns an important percentage of market shares among NHL players as well as at the regular consumer level in North America. In fact, from 1997 to 2009, its market shares at the NHL level ranged between 55% and 60% and between 35% to over 50% at the consumer level.[40]

[80] As for Easton, it is agreed that it owned no significant market share before 2000 at the NHL level.[41] However, from 2000 to 2009, Easton's market shares at the NHL level increased from 5% to 10%. At the consumer level, its market shares also increased over the last decade, ranging from less than 5% from 1998 to 1999 to over 10% to 15% from 2000 to 2009.[42]

---

[37] Agreed statement of facts, para 8.
[38] Stephen Murphy, transcript, Nov. 12, 2009, pp. 187-188 (in chief); pp. 263-264 (cross). Mr. Murphy explained that, at that time, the price points of the various categories were as follows: high-end skates were skates retailed at $499 or more, mid-end skates were retailed between $199 and $499 and low-end skates were retailed below $199 (Stephen Murphy, transcript, Nov. 12, 2009, p. 265 (cross)).
[39] Stephen Murphy, transcript, Nov. 12, 2009, pp. 188-189 (in chief).
[40] Agreed statement of facts, para 8.
[41] Agreed statement of facts, para 8.
[42] Agreed statement of facts, para 8.

[81] As of 2009, the three main brands in the North American hockey skate market were Bauer, CCM and Easton.[43] Their combined market shares represented over 85% of the hockey skate sales in North America.

[82] Little information was given to the Court about the inline roller skate market. Although there is scant evidence in that respect, it appears that it is the development of roller skates that first attracted the attention of major athletic shoe manufacturers, such as Reebok International Ltd. (Reebok) and Nike, to the ice hockey skate business. In fact, there are examples of a partnership between such companies and skate manufacturers on specific projects, such as the aborted project between Daoust and Nike to produce a skate for Wayne Gretzky, or the project between Reebok and CCM for the Instapump technology used in certain CCM skate models. Furthermore, those two major athletic shoe companies bought the two major ice skate companies – Reebok bought CCM and Nike bought Bauer. It appears that Nike never captured a large share of the ice skate market under their own brand.

B. *Types of Skates*

[83] Skates can be divided into two main categories, namely the ice skates and the inline skates. Inline skates include inline roller skates, which are used for recreational purposes, as well as inline roller hockey skates, which are specifically designed to play hockey, although, as noted by Mr. Hall, regular inline roller skates are also used to play hockey.

[43] Agreed statement of facts, para 8.

[84] There are three types of skate boots available in the industry and that were discussed by the experts, namely moulded (plastic skates), lasted and Softboot skate boots.

[85] The parties were not in agreement with regard to the definition of "lasting" or a lasted boot. Nevertheless, lasting can be broadly defined as follows: it is the process during which skate boots are shaped when the upper[44] is placed and stretched over a last.[45] A last is a three-dimensional form that has the approximate form of a human foot. Lasted high-end skates are often available in half sizes and in up to four widths for each size, allowing the skate to provide a more intimate fit with the wearer's foot.[46]

[86] Most[47] moulded skate boots are made by injecting liquefied plastic into a mould such that the shape of the injected upper (also referred to as the "shell") will be defined by the mould. Contrarily to lasted skates, moulded skates were limited in terms of half sizes or various widths; they were often only available in one size and one width.[48]

[87] Softboot inline skate boots have a rigid moulded plastic exo-skeleton and a soft sewn liner.[49] This type of skate boot originated from a patented technology owned by K2 Corporation (K2).[50] K2

---

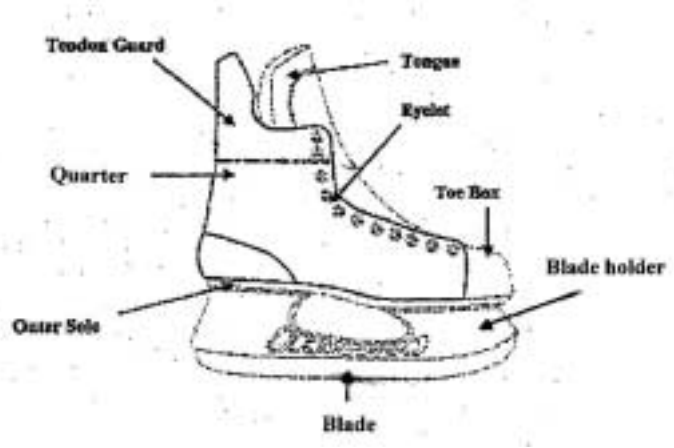
[44] See para. 90 below for the discussion on the term "upper".
[45] Basically, the experts disagree as to whether the expression "lasted skate" applies to a skate assembled on a last as opposed to one stretched to an extent that the inside skate boot will take the shape of the last.
[46] Blaine Hoshizaki, transcript, Nov. 3, 2009, pp. 68-70 (in chief).
[47] There is also a second type of moulding process, namely gravity moulding. It is a process where the plastic mixture is heated in an oven to allow it to take the shape of the mould: Ken Hall, transcript, Nov. 24, 2009, pp. 4-9 (in chief).
[48] Blaine Hoshizaki, transcript, Nov. 3, 2009, pp. 84-85 (in chief).
[49] Various names were used to describe this portion; the Court has used "liner" as this is the description used in "In-line Roller Skate", U.S. Patent No. 5,437,466 (19 July 1993) (the K2 Patent) attached as Exhibit « A » of Blaine Hoshizaki, Reply Statement (P-46).

is a company specializing in inline skates that manufactures different models incorporating this Softboot technology.[51] Softboot type skates are also used to play hockey, particularly in areas where the climate is warmer given that, as mentioned in the K2 Patent, they are to be made of breathable material and are very comfortable.

C. *Skate Components*

[88] A traditional lasted hockey skate comprises of a boot, a blade holder and a blade. The skate boot itself consists of a number of components, including a quarter, tendon guard, tongue, toe box, eyelet facing, insole and outsole.

[89] The various components of a skate are illustrated in the following drawing:



[90] The word “upper” is a term that is used loosely in relation to skates and it does not always conform to the definition of upper used in reference to general footwear. In fact, in skates, it would

[50] Blaine Hoshizaki, transcript, Dec. 4, 2009, pp. 71-72 (in chief). K2 Patent, attached as Exhibit « A » of Blaine Hoshizaki, Reply Statement (P-46).
[51] Memorandum of Fact and Law of Bauer, para. 91; See, for example, K2 – Reflex roller skates filed as exhibit TX-452.

appear that it does not include the toe box, which is a separate moulded part. It also excludes the outsole, the insole, the tongue, the blade holder and the blade.[52] However, this term was sometimes used to refer to the boot at different stages of its assembly.[53] Even more troubling is that it also appears to be used sometimes instead of "quarter".[54]

[91] As for the tendon guard, its meaning in the '953 Patent was the subject of much debate and will be discussed at length when discussing the construction of the patent. The arrow in the figure reproduced above (fig. 4 of the '953 Patent) is used at this stage only to indicate the general area[55] of the boot where it is located in that drawing. That said, one can now safely say that the tendon guard was first introduced in ice hockey skates during the time of Bobby Hull in the 1960s.[56] Although one can skate without a tendon guard (i.e. speed skates, goalie skates and figure skates have no tendon guard), it is agreed that in ice hockey skates as well as recreational ice skates a tendon guard is necessary.

[92] As mentioned, the toe box is a separate moulded part that provides protection to the toes and maintains the shape of the front portion of the skate. The insole is a layer of the sole that lies inside the skate boot, and it is usually covered by a removable sole, which separates it from the wearer's foot.[57] The outsole is the outermost layer of the sole to which the blade is affixed.

---

[52] Blaine Hoshizaki, transcript, Nov. 3, 2009, p. 57 (in chief).
[53] Hoshizaki (Statement) P-1, para 45-47.
[54] Hall (Statement) D-15, para. 26; Hoshizaki (Statement) P-1, para. 29.
[55] There was much debate as to where it should be located - above the first eyelet or lower.
[56] See TX-456.
[57] Blaine Hoshizaki, transcript, Nov. 3, 2009, pp. 61-62 (in chief).

D. *Evolution of the Hockey Skate Construction*

[93] Prior to 1970, hockey skate technology had not evolved much. In fact, in the 1950s and 1960s, skates were sewn in the same way they had been for almost a hundred years; they were made of a two-piece quarter attached vertically with a zigzag stitch. Skates were essentially made of leather.[58] As mentioned earlier, in the 1960s, the tendon guard was introduced to protect the Achilles tendon of the wearer.

[94] Then, in the 1970s, the moulded skates (or plastic skates) were introduced on the market and became quite popular. Even some NHL players wore moulded skates in the 1970s. This new technology offered skate boots that were lighter and more rigid. At that time, the leading moulded skate brands were Lange and Micron.[59]

[95] The first generation plastic skates[60] had a removable lining[61] and were constructed in two parts: an articulated cuff and another portion which enclosed the foot including the outer sole, the toe area and the lower rear and side portions of the boot (see TX-266). Mr. Hall, who was very much involved with this development at the time, agreed that an articulated cuff could also be referred to as the tendon guard[62] if one wanted to use language initially developed for lasted skates, although this was not necessarily done in the industry.

---

[58] This appears to have been viewed as the most economical and thus the best way to make a leather boot.
[59] Jim Rennie (Statement) P-11, para 16; Jim Rennie, transcript, Nov. 17, 2009, pp. 325-330 (in chief). Micron was a brand name of Micron Sports Products Inc. (Micron Sports). In 1976, Bauer bought Micron Sports and continued to use its brand name. Similarly, the brand name Lange was used by Bauer after it bought Lange Inc.
[60] This type of skate was still on sale at least as of 1996: TX-66.
[61] There is now a sewn lining.
[62] Ken Hall, transcript, Nov. 25, 2009, pp. 206-207 (cross).

[96] The second generation of moulded skates is exemplified by the Micron Medallic (TX-267) where the boot was made of three pieces.[63] The lower rear and side portions were made of one moulded injected plastic piece, which also covered the sole, the toe and the front portion of the skate, while the portion above the heel and covering the ankle was made of nylon-like material over which softer injected plastic piece was added. The Achilles tendon was protected by a piece of leather or leather-like material attached to the part covering the ankle. Such skates included trimming (eyelets, facing) in leather or leather-like materials. The Medallic was considered a high-end skate at a mid price range in 1986.

[97] Despite their initial success, as of 1990, moulded skates have mostly, if not exclusively, been used at the recreational level and in inline roller skates.[64]

[98] Since the 1980s, manufacturers and developers of traditional lasted skates were definitely aware of the need for more rigid and lighter skates.[65] This issue will be further developed when discussing the allegation of obviousness. Different types of material, such as synthetic leather,[66] ballistic nylon and more rigid material (surlin, composite), and/or reinforcement or structural parts, such as heel and ankle inserts made of injected plastic, were introduced. Lighter components have also been used, such as the Tuuk blade.

---

[63] This is to be distinguished from the second generation of skates also discussed by Mr. Hall: Ken Hall, transcript, Nov. 24, 2009, p. 233, line 22 to p. 234, line 17 (in chief).
[64] It is to be noted that today there are still skates which are moulded in one piece: TX-79, p. 13.
[65] Blaine Hoshizaki, transcript, Nov. 3, 2009, pp. 126-132 (in chief).
[66] In 1987, the Micron Mega was the first skate entirely made without leather.

[99] Prior to 1996-1999, the rear and side portions of the traditional lasted skate boot were made using two principal types of construction. The vast majority[67] were made of a two-piece quarter covering the heel and ankle up to about the height of (or just above) the first eyelet. On that base layer (i.e. between the inside reinforcement and the overlays)[68] a tendon guard made of one of several layers would be either a) sewn with a straight stitch to the top of this quarter in an overlapping fashion[69] or b) sewn side-by-side[70] to the quarter with a zigzag stitch.[71]

[100] The second type of structure was not as popular. From the evidence presented it appears that, up to 1997, it was used mostly by CCM. The basic structure or quarter was made in two or three pieces.[72] The quarters of these skates came up higher than in the aforementioned method covering the area from the heel to the top of the Achilles tendon of the skater. As in the most popular structure, the two or three-piece quarters were sewn using a zigzag stitch. The following skates provide good examples: the Rapide (TX-443), the Mustang (TX-444), and the Tacks 752 and 952 (TX-448A, TX-449). As described by Mr. Laferrière, these skates had either a straight or a slightly forward-tilting profile.[73] Most witnesses referred to this type of construction as having an integrated tendon guard.

---

[67] See, however, in TX-456 where the piece of leather used for the tendon guard came below the second eyelet.
[68] On the inside of the quarter, one could add various types and layers of reinforcements or components; the last inside layer being the lining. On top of the quarter, manufacturers or designers would include all kinds of overlays which had some structural function, such as stabilizing the ankle or the heel, or protecting the eyelets, etc. These overlays were also included as decorative features since they provided an opportunity for displaying logos, which are important to branding and promoting the skate manufacturer.
[69] For example, the Supreme 100, the Supreme 1000 (TX-148; TX-151). The size of the overlap varied but no examples were provided of an overlap over one inch.
[70] Dr. Hoshizaki indicated that side-by-side connection of the tendon guard and the two-piece quarter were known.
[71] For example, the Daoust 101 and the Daoust 501 (TX-450, TX-451)
[72] Mr. Laferrière mentioned a four-part basic structure where there would be no quarter material on the heel and this area would be covered by a leather piece directly sewn to the quarter.
[73] Michel Laferrière, transcript, Nov. 30, 2009, pp. 167-168 (cross).

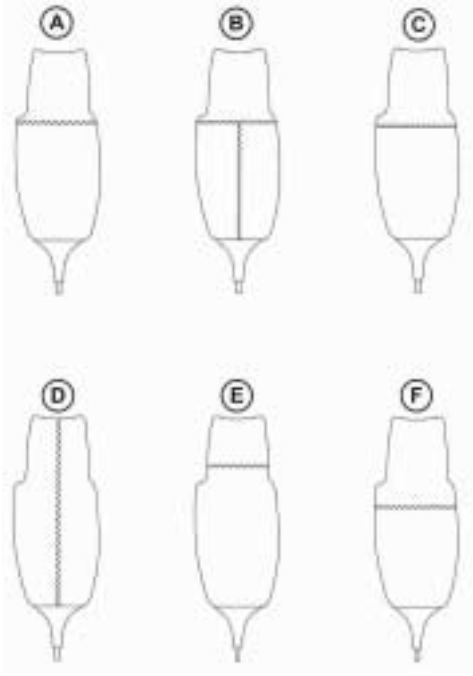
[101] As there was no agreement as to the general type of skate under which one should classify the CCM Champion 90 and similar SMUs, these skates will only be discussed in the section dealing with obviousness.

[102] Originally, roller skates were simply hockey or recreational skates built on a chassis rather than a blade-holder. They were thus moulded as well as lasted roller skates. Then, in the early 1990s, K2 developed the Softboot line of skates.

E. *Easton Skates*

[103] As mentioned above, in 1997, Easton decided to get into the ice skate business. Their first skate was introduced in the market in 1998. They had hired Michel Laferrière from CCM, who had vast experience in the development and manufacturing of skates, to help them in their conception of such skates.[74] Until their 2000 line of Z-Air skates, Easton had adopted a construction similar to that of CCM with a two-piece quarter covering the rear of the skate from the heel to the top of the Achilles tendon fastened (or sewn) with a zigzag stitch (model D in P-14 below), and having either a straight or slightly forward-tilting profile. Since then, Easton has used the other basic types of patterns[75] as illustrated in P-14 as follows:

[74] The letter of offer (TX-502) is dated April 1, 1997 and was signed by Mr. Laferrière on April 2, 1997.
[75] B, C and F – no example was provided with respect to pattern A or E.



[76]

[Footnote added.]

[104] While Easton is designing or developing its skates, it outsources their manufacture (or most of it)[77] with the exception of custom made skates for professional players.

[105] Starting in late 1997 and continuing until 2003, Easton skates were assembled by Rock Forest, a company located in the municipality of Rock Forest (Sherbrooke), Québec.[78] Rock Forest was a "turnkey boot maker for skates" and, as such, its business was unique in North America.[79]

[76] In the physical exhibits filed, such as TX-354, the horizontal sewing line appears higher than depicted in model F.
[77] Marc Gagnon, transcript, Nov. 17, 2009, pp. 235-238 (in chief); Michel Laferrière, transcript, Nov. 30, 2009, pp. 52-54 (in chief); P-14. See also the discussion under Infringement.
[78] Marc Gagnon, transcript, Nov. 17, 2009, pp. 254 (in chief); 291(cross); Ned Goldsmith, transcript, Nov. 19, 2009, p. 153 (in chief).
[79] Ned Goldsmith, transcript, Nov. 19, 2009, pp. 151-152 (in chief).

[106] Rock Forest was incorporated on February 22, 1994.[80] At first, it manufactured cross-country skiing boots and a small quantity of women's winter boots, but later it started manufacturing inline skates for Fila and Flite.[81] Around 1997, Rock Forest started manufacturing ice skates that were sold under various brand names, namely Igloo Vikski, Flite and Sherwood.[82]

[107] Therefore, at the time Rock Forest entered into a relationship with Easton, it was already experienced in the skate manufacturing business. While it appears from the evidence that an agreement was signed between Rock Forest and Easton, the contract was not produced at trial because Easton could not find it.[83] The details of Easton's and Rock Forest's contribution in the making of Easton skates are discussed under the heading of infringement (see paras. 184-189).

[108] At the beginning of this commercial relationship, Rock Forest was only assembling Easton skate boots and blade holders were affixed on the skates by a company in Mexico. However, about two years later, Rock Forest started to mount the blades and produce finished skates.[84]

[109] Then, in 1999, Easton started to move its production to Asia. Skates were manufactured by Sakurai, a company operating in China and Taiwan. Since 2004, Easton skates have been exclusively manufactured in Asia,[85] by Sakurai.

---

[80] Corporate information (CIDREQ) regarding Les Chaussures Rock Forest Inc.; Marc Gagnon, transcript, Nov. 17, 2009, pp. 200-203 (in chief). The company was dissolved on March 7, 2007.
[81] Marc Gagnon, transcript, Nov. 17, 2009, pp. 204-206; 217-218 (in chief); 282-283 (cross).
[82] Marc Gagnon, transcript, Nov. 17, 2009, pp. 207-208; 217-220 (in chief).
[83] Ned Goldsmith, transcript, Nov. 23, 2009, pp. 48-50 (cross).
[84] Michel Laferrière, transcript, Nov. 30, 2009, pp. 89-90 (in chief); Ned Goldsmith, transcript, Nov. 19, 2009, pp. 152-153 (in chief).
[85] In that time period, other major companies started doing business with Chinese manufacturers (lower costs).

III. Patent Construction

A. *The Legal Test*

[110] I will simply repeat here what I said in *Eli Lilly and Co. v. Apotex Inc.*, 2009 FC 991, [2009] F.C.J. No. 1229 (QL) (*Eli Lilly*) at para. 87:

> Before considering the allegations of infringement and invalidity, the Court must construe the claims at issue in this proceeding. The principles of construction are well-established. They are set out in *Free World Trust v. Electro Santé Inc.* 2000 SCC 66, [2000] 2 S.C.R. 1024 (*Free World Trust*), and *Whirlpool Corp. v. Camco Inc.* 2000 SCC 67, [2000] 2 S.C.R. 1067 (*Whirlpool*). Since those decisions were issued, much has been written by this Court on this topic. Be it sufficient to say that "[t]he key to purposive construction is therefore the identification by the court, with the assistance of the skilled reader, of the particular words and phrases in the claims that describe what the inventor considered to be the "essential" elements of his invention." As to the further details of what date the claims are to be construed, using what criteria, what resources, through whose eyes and what is made of the resulting construction, the Court adopts and refers to paras. 32-48 of Justice Roger Hughes' decision in *Pfizer Canada Inc. v. Canada (Minister of Health),* 2005 FC 1725, 285 F.T.R. 1.
>
> [Footnote omitted.]

[111] As mentioned earlier, the ‘953 Patent was published in March 1999.

B. *Person Ordinarily Skilled in the Art*

[112] Normally, it should not be difficult to define the person ordinarily skilled in the art, to whom a patent is addressed. In this case, this became the subject of much debate, particularly because Mr. Tonkel, who commented on the construction and the invalidity of the patent, had no experience whatsoever in designing or manufacturing skates.

[113] When asked by the Court to clearly define who would be the posita in this case, therefore, to whom this patent is addressed, Easton's counsel proposed the following definition:

- A skate boot pattern maker or a footwear pattern maker; and
- A skate designer or developer or a footwear designer or developer.

[114] Easton attempted to justify this definition by the fact that the skate industry was just a specialty in the field of footwear and that thus, given the many similarities between the two industries, a footwear designer such as Mr. Tonkel could be a person to whom this patent is addressed despite his total lack of experience in that specific field.

[115] That said, in his first report (D-14), Ken Hall states that the patent would be of most interest to those who manufacture ice skates or roller skates and that he was one such person for many years. He also notes that the design of skates requires experienced pattern makers and that "even an experienced designer, if not familiar with boot and shoe manufacturing,[86] could easily create a pattern which would not perform well in the rigorous conditions of use, which occur with ice skates".[87]

[116] In his rebuttal report (D-20), Mr. Tonkel, defending his ability to comment on the patent and its obviousness, notes that industrial designers are often part of a development group that includes

[86] It is not clear what this portion of the sentence means given that most skate developers in the industry at the relevant time did not have experience in manufacturing boots or shoes, including Mr. Hall.
[87] Ken Hall (Affidavit) D-14, para. 70.

management, marketing, engineering, and manufacturing specialists. He notes that if he had been asked to create a skate using the ‘953 Patent at the time it was published, he would have been able to determine at least what prior art the patent itself referred to. He would then have attempted to create a skate using the information, what the patent taught him and, if required, the assistance of others to fill in any gaps in his specific knowledge of skates. He says that he could have done so; indeed he would have done so, if required.

[117] Both experts referred to two or three recent examples of people who transferred from a shoe company to a hockey company, such as: Kevin Leary, a footwear engineer at Reebok who transferred to the Reebok/CCM hockey production division; Jeff Acheson, who had a senior position at Bauer equipment design and development but moved to Reebok footwear, though it is not clear if it was to work on skates or on footwear; and Stephanie Howard, an industrial designer from Reebok athletic footwear who moved to Bauer Nike Hockey as design director. The other most relevant transfers referred to by Mr. Hall were Gerry Black, Malvin Loveridge, Michel Laferrière and René Bourque, who had all already spent more than 20 years in the skate industry at the relevant time.

[118] It is interesting to mention that in his rebuttal affidavit (D-21), Mr. Hall notes that Ray Tonkel would have been a strong candidate to work as part of a skate design team and as part of a design and development team to produce skates. Given his expertise, he would have been able to read the patent and use it along with the common knowledge in the field derived from looking at other skates in the market and other footwear.

[119] Dr. Hoshizaki, the only expert who dealt with this issue for Bauer, opines that the posita would have experience in developing or using skate boot patterns in the process of designing or manufacturing skate boots. He notes that typically, in those years, these individuals may have followed a course teaching the method and processes involved in developing or producing skate boot patterns or they may simply have gained experience working with positas. The posita would include those designing new patterns, developing existing patterns, commercializing developed patterns or revising existing patterns. In cross-examination, it became clear that there were no programs for skate pattern design. In fact, what Dr. Hoshizaki was referring to was that the most experienced pattern designers in the industry had, years ago, taken courses in footwear pattern design but such programs were not available anymore since Canada's footwear industry has been in decline.

[120] During the trial, many of the witnesses described who worked in the various R&D teams of the companies at the relevant time, be it CCM, Bauer, Daoust, Easton, etc. There was also evidence as to how patterns are developed and used.

[121] The Court should obviously be careful in defining the posita[88], for the amount of knowledge and experience required of this mythical person will have a direct impact on the common general knowledge assumed to be available to such a person when construing the patent and assessing whether the claimed invention is obvious or could have been anticipated.

---

[88] See also the comments of the Supreme Court of Canada on "ordinariness" in *Whirlpool Corp. v. Camco Inc*., 2000 SCC 67, [2000] 2 S.C.R. 1067, 9 C.P.R. (4th) 129 at paras. 70, 71 and 74.

[122] Considering the evidence as a whole, I have come to the conclusion that the person to whom the '953 Patent is addressed is in fact a team or the following individuals working within a team:

- An industrial designer[89] with at least one year of experience in footwear or hockey skates who works as part of a skate design/development team;[90] or
- An experienced footwear or a skate designer or developer[90] who works within such a team; or
- An experienced skate pattern maker or an experienced footwear pattern maker working with people who have experience in the conception or manufacturing of skates.

C. *Common General Knowledge Principles*

[123] Here, I only need to refer to general concepts described in the background at paras. 88-101 (excluding para. 100), as well as the common general knowledge discussed in the details at paras. 225-236, under obviousness. Although at the time the '953 application was published there were new skates on the market that would be part of the relevant common general knowledge, there was no development that could have a significant impact here except for the additional focus given to the overall weight of hockey skates.

[89] The evidence was clear that, at the relevant time, industrial designers had started being included in skate manufacturers' design teams.

[90] The size of this team may vary but it must include at least a pattern maker as well as somebody knowledgeable in the conception or manufacture of skates. Also, if the skate developer is not a designer he may need support with respect to the "look" of the skate and to make the drawings (although new design-aided softwares such as Corel were available by then).

D. *Analysis*

[124] On the very first page of the six-page disclosure of the ‘953 Patent, one reads with regard to the description of the field of invention: “[t]he present invention relates to a quarter for a lasted skate boot. It also relates to the skate boot comprising such a quarter.” I reproduce in its entirety the short background of the invention for it has been the subject of much dispute:

> The prior art quarter were consisting of many separate components. A medial quarter 1 (figure 1) and a lateral quarter 2 were manufactured as separate parts. The rear extremities of these parts, corresponding to the heel and ankle portions of the foot, were then sewn together. A tendon guard 3, also manufactured as a separate part, was finally disposed on the top end of the assembly. With such a realization, the rear part of the skate boot was provided with a sewing line, presenting many disadvantages. For example, the sewing line was difficult to realize when using rigid materials. Moreover, the cambered shape of these elements caused many difficulties to realize the sewing line. Furthermore, the boot integrity was considerably affected by the presence of a sewing line at the rear part of the boot, this area being subject to very strong constraints. This sewing line was subject to breaking, causing considerable damage to the skate boot. During the assembly process, there was a high probability that the operator set together two similar parts, instead of one medial and one lateral quarters, these parts being very similar. The quality control requirements were very strict, to ensure that the sewing lines were exactly in a straight line. According to prior art realizations, the tendon guard was also placed over the quarters, forming an overlap. This implied additional use of material, additional weight, etc.
>
> Considering the importance of the quarter to produce a high quality skate boot, there is a strong demand for an improved quarter.
>
> [Emphasis added.]

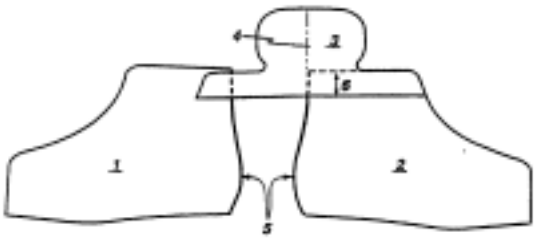


Fig.1
Prior Art

The disclosure then mentions that it is thus an object of the invention to provide a quarter avoiding the above-mentioned drawbacks (at p. 2, lines 1-2).

[125] At p. 2, line 31, the disclosure also provides that: "[a] skate boot provided with such a quarter has a stronger heel portion, without any risk of broken sewing line. It is less expensive to manufacture, with at least one sewing step eliminated. There is no necessity to add additional material to protect the sewing line."

[126] The following section entitled "Objects and statement of the invention" reads pretty much like the section entitled "Detailed description of preferred embodiments".[91] The word "advantageously" is not particularly useful in that when one reads the disclosure with the claims, it appears not to have been used in a consistent manner. For example, at p. 2, line 24, "advantageously" is followed by a description of what is now included in claim 2, a dependent claim on claim 1, thus not an essential element of claim 1. On the other hand, at p. 3, line 4, one finds "[a] tendon guard is advantageously provided in the upper portion of the quarter." Still, the

[91] Note also that p. 2, line 9 starts with "[a]s embodied and broadly described".

experts (and the parties) agree that the presence of a tendon guard as a separate piece attached in the upper portion of the quarter is an essential element of claim 1.[92]

[127] There are five figures; I have already reproduced figs. 1 and 2 which go hand-in-hand with the background and description of the advantages. I will also reproduce figs. 3 and 4 which will become useful when discussing, among other things, the meaning of a tendon guard.

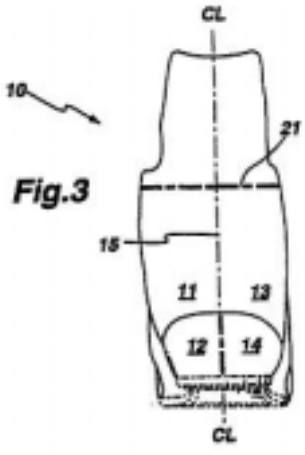


Fig.3

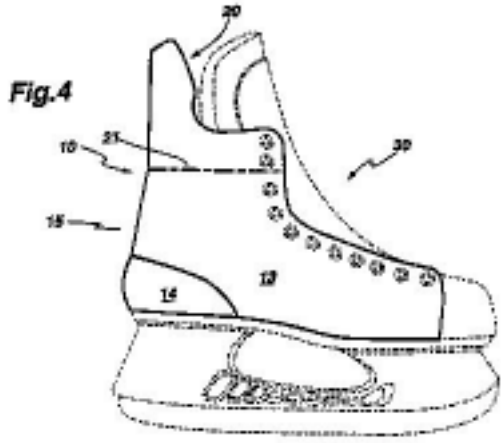


Fig.4

[128] There are only 7 claims, and all are in dispute.

[129] Claim 1 of the '953 Patent reads as follows:

> A skate boot comprising a sole, a front portion for enclosing a wearer's toes, a rear portion for enclosing a wearer's heel and ankle, and a medial and lateral portion for enclosing the sides of a wearer's foot, said rear portion and said medial and lateral portions comprising:
> - a quarter medial portion and a quarter lateral portion integrally connected together in a one piece construction and being folded at a

[92] It is thus difficult to understand why at p. 4, line 10 one would find: "[i]n a variant, a tendon guard 20 is disposed in the upper portion of the quarter".

> symmetry line to form a U-shaped skate boot structure, each said quarter portions extending upwardly along said symmetry line defining a heel and ankle portion of said skate boot structure and extending outwardly from said symmetry line in a narrowing profile for defining both sides of said skate boot structure; and
> - a tendon guard secured to said quarter medial portion and quarter lateral portion at a junction line in a side-by-side fashion thereby resulting in said rear portion of said skate boot having an angular profile defined by said tendon guard and said quarter medial and lateral portions at said junction line.

[130] Although the word “lasted” is not found in the claim, the parties are agreed that a posita would construe the claims to apply to lasted skates as mentioned in the disclosure (see para. 456 of Easton’s Representations). The Court, having considered the patent, is satisfied that this is so.

[131] Claims 2, 3, 5 and 6 are all dependent on claim 1 and relate to the type of angle defined by the quarter and the tendon guard. Claim 4 is dependent on claim 2, thus it covers the skate boot of claim 1 with an obtuse angle comprising a medial foxing portion and a lateral foxing portion in the lower area of the quarters where the said foxing portions are sewn together after the said portions have been shaped to form a curved heel profile.

[132] Claim 7 is an independent claim. It covers a method for fabricating a skate boot comprising the following steps:

- Cutting the one-piece quarter;
- Cutting a tendon guard having a lower edge;
- Folding the said one-piece quarter at a symmetry line to form a U-shaped structure;

- Sewing the said lower edge of the said tendon guard to the said upper edge of the one-piece element end-to-end to form a butt joint with such tendon guard defining an obtuse angle with the said one-piece element; and
- Sewing together the medial foxing portion and lateral foxing portion to form a curved heel profile.

[133] There is some dispute as to whether the order of these steps (particularly the third and fourth bullets) is an essential element of this claim. Having considered the evidence, including that a posita would recognize, at the time of its publication, that these steps could be done in a different order to achieve the exact same result, in addition to the fact that these steps are not numbered in the claim, the Court concludes that the order of these steps is not an essential element of the claim.

[134] The Court also notes that the method described therein does not apply to all the skate boots covered by claim 1 for it includes the sewing of the foxing portions,[93] which is not mentioned in claim 1, and is limited to skate boots having an obtuse angle at the rear, whereas there is no such limitation in claim 1.

[135] The parties agree, and the Court concurs with their view, that at least the following elements are essential to Claim 1:

- A one-piece quarter;

[93] See for example, Vapor XX (TX-248).

- A separate piece called the tendon guard attached to said quarter at a junction line; and
- An angular profile in the rear portion of the skate boot defined by the tendon guard and the quarter at said junction line.

[136] They disagree, however, as to whether the method of attachment[94] of the tendon guard –in a side-by-side fashion – is an essential element. Also, there is a dispute as to whether it is essential that the tendon guard be attached after the quarter has been folded in a U-shape. Finally, Easton also disagrees with the meaning of "tendon guard" used by Bauer's experts in their reports.

[137] The Defendant's experts had also initially raised issues with respect to many other terms used in the disclosure and the claims, stating that they were ambiguous. For example, the Defendant's experts took issue with the phrase "many separate components" (p. 1, line 10), the word "assembly" (p. 1, line 15), the reference to "foxing", the meaning of an "angular profile defined by" (p. 2, line 21 as well as in the claim), and the words "folded at the symmetry line" (p. 2, line 14 as well as in the claim). This position was abandoned during final arguments, it being made evident during these experts' testimonies (particularly during their cross-examinations) that, upon further consideration, these experts ultimately understood what the inventor meant or referred to.

[138] Any concerns regarding the angular profile defined by the tendon guard and the quarter seem to have been raised more as an issue relating to infringement by the Easton skates, for Mr.

[94] It is not disputed that the means of attachment itself is not limited, i.e. sewing, gluing, etc.

Tonkel was clearly able to understand how an angle would be formed in the skate boot by the patterns in fig. 2 (reproduced above) in the same way that he understood how the obtuse angle was formed by joining the two quarters in the Snitzer Patent. Certainly this expert had no difficulty finding an angular profile in the Champion 90.

[139] Finally, with respect to the word "defined", the Court accepts the evidence of Dr. Hoshizaki that this would be understood as "formed" or "created".[95]

[140] The Court is satisfied that there is no ambiguity with respect to any of these issues in this claim when properly construed. Easton's allegation in that respect will not be discussed further.

[141] With respect to the other elements of the claim, particularly the attachment of the tendon guard, Dr. Hoshizaki is the only expert who opined that the method of attachment is not essential. His opinion is based on the fact that, at the time of publication, it would have been obvious to a posita that whether the tendon guard was attached side-by-side or with a slight overlap would have no impact on the formation of the angular profile or on the rigidity or functionality of the boot. Dr. Hoshizaki also referred to the fact that side-by-side attachment was not novel in skate construction and the wording found at p. 4 of the disclosure, where it is mentioned that "[f]urthermore, the guard is advantageously disposed side by side with the quarter. This type of joint avoids the formation of any overlapping of the two assembled parts." This, in his view, describes a preferred embodiment or a variant (line 10 of the same page).

[95] Blaine Hoshizaki, transcript, Nov. 4, 2009, pp. 67-71 (in chief).

[142] Although it is clear that one should be careful not to use the disclosure to widen the monopoly described in the claim, the Court has considered the disclosure to assess the opinion put forth by Dr. Hoshizaki. In my view, the disclosure does not shed much light in that respect. In effect, when describing the "object and statement of the invention" one finds the exact description ultimately found in claim 1 at lines 18-22 of p. 2. Also, as already mentioned, the word "advantageous" (as well as other expressions) does not seem to be used in a consistent manner in the disclosure which, with all due respect to the drafter, is not particularly well written.[96] On p. 3, at line 5, one would expect to find the word "may" to describe how a tendon guard can be partially sewn to the upper portion of the quarter. However, the word "are" is used instead of "may" to describe the connection between the tendon guard and the quarter.[97]

[143] Having considered the wording of claim 1 and its dependent claims, and although it is evident that the inventor knew at the time that the tendon guard could be attached in an overlapping fashion, it is also evident that he chose to limit his monopoly to tendon guards attached in a side-by-side fashion at the junction line between the lower edge of the tendon guard and the upper edge of the quarter.

[144] In coming to this conclusion, the Court has considered Bauer's counsel's arguments based on the Supreme Court Decision in *Free World Trust v. Electro Santé Inc.*, 2000 SCC 66, [2000] 2

[96] Given that an application was filed the day after the *Formulaire de divulgation d'invention* was signed and did not include any claims, one could infer that there was some urgency.
[97] The tendon guard and the quarter are connected side-by-side.

S.C.R. 1024, 194 D.L.R. (4th) 232 (*Free World*) at paras. 55-57, but more specifically at para. 57. At best, this passage can be construed as an agreement that there is a presumption created when a posita would know that the elements under review would make no difference at the time of publication. It cannot, in my opinion, be construed as meaning that the Supreme Court found the third question in *Improver Corp. v. Remington Consumer Products Ltd.*, [1990] F.S.R. 181 (Pat. Ct.) to be irrelevant. Even if the Court were to apply such a presumption here it would not change its conclusion on the matter.

[145] It is worth noting that it was not argued nor was there any evidence presented to establish that if one wanted to use a straight line stitch instead of a zigzag stitch to attach the tendon guard in a side-by-side fashion, this would necessarily imply a *de minimis* overlap (i.e. the amount required to make the stitching). Therefore the Court did not consider this possibility.

[146] Turning now to the argument that it is an essential element of claim 1 that the one-piece quarter be folded at a symmetry line to form a U-shape prior to the attachment of the tendon guard, the Court does not accept Easton's position. The Court understands that a posita would have known, at the relevant time, that one could attach the tendon guard before folding the one-piece quarter into a U-shape or after it has been so shaped without any impact on the invention. At best, as noted by Mr. Beaudoin, the attachment could be made easier once the U-shape has been given to the rigid material of the quarter.

[147] The reference to folding the one-piece quarter in claim 4 does not inform the construction of claim 1 given that it may well be an essential element of claim 4 to shape this portion before sewing on the foxing portion as this would make the sewing operation of bringing together the two foxing portions easier. Claim 1 is wider than claim 4 in that respect given that it also covers skate boots where the foxing portions are not sewn.

[148] As for claim 7, as already mentioned this is another independent claim which clearly does not cover all the boots contained in claim 1 and it would be inappropriate to use it to limit claim 1 in any way.

[149] This leads me to the last area of dispute, which is the tendon guard. Here, the Court must consider the common general knowledge of the posita reviewing the application as well as any special technical meanings in the art.

[150] Only two components of the skate boot are essential elements discussed in the ‘953 Patent, namely the quarter and the tendon guard. As Easton’s experts’ views on the tendon guard are essentially informed by their understanding of the description of the prior art in the background of the invention, it is appropriate to make it the starting point of my analysis.

[151] The quarter is a term of the art that appeared to raise no particular disputes in this case. As indicated on p. 5 of the patent, it may be manufactured using different materials. For example, it may be produced with a multi-layer composite comprising fibres, polymers and nylon. The prior art

quarter referred to in the disclosure was made of two pieces sewn together and corresponding to the heel and ankle portions of the foot (p.1, lines 12-13).

[152] As mentioned when describing the background, it was commonly known to the posita that there were two main types of construction for traditional lasted skates: either with a two-piece quarter going up no higher than above the first eyelet or with a two or three-piece quarter going from the heel to the top of the Achilles tendon at the rear of the boot.

[153] Considering this general knowledge, the specific reference to fig. 1 (reproduced above) at p. 1, line 11 of the '953 Patent should confirm to the posita that one is dealing with the first type of construction where, as mentioned in the disclosure and in claim 1, the quarter only covers the heel and ankle of the wearer.

[154] Otherwise, it would mean that the tendon guard of the invention, which is to be attached side-by-side to the upper edge of the quarter, would, in a CCM Rapide for example, be affixed to the top of the integrated tendon guard in that skate. This would render the invention impractical and meaningless. Thus, the Court cannot accept Mr. Hall's apparent assumption that fig. 1 could be used to define or identify the prior art tendon guard in skates such as CCM's Rapide or Easton's first skate or could be used to ascertain what piece in Easton's later skates is the tendon guard described in the patent at fig. 2 and in the claims.[98]

[98] Hall (Affidavit) D-14, para. 23; Hall (Statement) D-15, paras. 50-51.

[155] I will now turn to the second component that was the subject of much debate – the tendon guard. We know, as mentioned earlier, from the patent that this is a separate part that in prior art realizations, was at the top end of the sewn quarter and was often overlapping the said quarter.

[156] The experts and factual witnesses, such as Mr. Laferrière, who was indeed a posita at the relevant time, appeared to agree that generally the expression "tendon guard" would refer to all the pieces in the area of the Achilles tendon.[99] It does not appear that the posita often turned his or her mind to the question of whether a particular layer in that area, over another, would be viewed as the tendon guard.

[157] It also appears that, generally, this area is in the top portion of the rear of the boot; although in many of the prior art skates[100] the tendon guard started below or at the first eyelet, there appears to be no common understanding as to exactly where it should finish. In his cross-examination, Mr. Beaudoin indicated that in his opinion a separate part would no longer qualify as a tendon guard if it went below the cuff of the ankle.[101]

[158] Much was said about the so-called "explosions" used by Bauer. These are strictly internal documents. Recognizing that the Court (or the experts) cannot refer to extrinsic evidence to construe a patent, Easton's counsel argued that these documents could at least be used to corroborate the views of their experts as to the common general understanding of a posita.

---

[99] Hoshizaki (Statement) P-1, para. 86; Beaudoin (Responding Statement) P-39, para. 35; Hall (Affidavit) D-14, para. 16; Ken Hall, transcript, Dec. 7, 2009, p. 204 (in chief); Guy Beaudoin, transcript, Nov. 30, 2009, pp. 160-161 (cross).
[100] See TX-456, TX-267 and TX-179.
[101] See also Guy Beaudoin, transcript, Dec. 2, 2009, pp. 179-180 (cross).

[159] First, the Court cannot accept this argument and does not view these explosions as having any bearing whatsoever on the determination to be made here, either in respect of the construction of the patent or with regard to whether the Vapor 8[102] embodied the invention.

[160] Second, Mr. Langevin made it very clear, and this was not contradicted, that these explosions were not prepared by the skate developers or pattern makers, but rather by the production people for the convenience of the sewing operators. This view was corroborated by Mr. Laferrière who went even further to say that these pieces could be given numbers or any name whatsoever, so long as everybody understood each other while working on the production floor. Mr. Laferrière made it clear that there was no uniform way of referring to pieces in the industry even within one company. When asked by the Court how one would understand each other when two colleagues from different companies communicated, Mr. Laferrière indicated that they would usually look at an actual skate to ensure a common understanding. This is in line with Mr. Tonkel's evidence that, even in the footwear industry, companies refer to various parts by different names.[103]

[161] The lack of precision in the nomenclature used by the various people in the industry is evident when one considers that Mr. Hall saw no problem in calling "overlays" (pieces or components normally added on top of the quarter) what one would usually refer to as "doublers" (which protect the layers added inside of the quarter).[104] As mentioned earlier, there was also a lack

[102] It is worth noting that when the first allegedly infringing skate made by Easton came to market the Bauer Vapor 10 had replaced the Vapor 8.
[103] Ray Tonkel, transcript, Dec. 1, 2009, pp. 277-278 (cross).
[104] Ken Hall, transcript, Nov. 24, 2009, pp. 163-164 (in chief).

of uniformity in the use of the term "upper" throughout the experts' testimonies and reports. Mr. Chênevert used the French word "empeigne" as the correct translation for "upper",[105] however, this word is defined in dictionaries as referring to the front portion of the foot rather than the rear and side portions.

[162] All of this is to show that there is no precise common technical definition for the term "tendon guard". From this evidence, the Court can only make findings as to the general area where it would be found and, to some extent, its function, which are clearly suggested by the term itself – guarding or protecting the Achilles tendon.

[163] With this in mind, the Court also considered the figures in the patent which are there to illustrate and help the understanding of the posita, in the same manner a skate would for Mr. Laferrière. First, one notes that the shape of the tendon guard need not be the same as in the prior art (fig. 1 versus fig. 2). However, what is constant is that in figures 2, 3, 4 and 5, the tendon guard of the invention is attached, at junction line 21, directly to the quarter. As to its height, although not limited to what is described in the figures, fig. 4 certainly shows the tendon guard as being attached below the second eyelet.[106]

[105] François Chênevert, transcript, Nov. 16, 2009, pp. 59-60 (in chief).

[106] The Court cannot accept Mr. Hall's views that the tendon guard is simply the part that goes over the top of the boot (i.e. over the first eyelet). Even in old all-leather skates (TX-456), the brown leather part that appears to constitute the tendon guard came down under the second eyelet. Certainly the Daoust 101, 501 and various Supreme models prior to the date of the invention all had tendon guards that came below the first eyelet. Also, the angle of the eyelet facing may change the height of the tendon guard relative to the eyelet without having a real impact on its size or function.

[164] Also, with respect to the material used to manufacture the tendon guard, the patent is silent. It was commonly known that tendon guards were often made of materials different from the quarter, although this was not always true. All skate experts recognized that there were prior art examples that were commonly and generally known where the tendon guard was made of the same material as the quarter.[107] The Court does not accept Mr. Hall's view that once a posita looks at fig. 1 and identifies it as an illustration of the Supreme 5000, one would know that it is a leather-like piece and this would somehow be sufficient to identify the tendon guard in other construction types and, presumably, to exclude from the definition of tendon guard those made of the same material as the quarter, restricting it to a leather or leather-like synthetic polyurethane material.[108] There is simply no such limitation in this patent.

[165] Easton's experts' position is that the tendon guard is the outermost piece in a finished skate whereas, in their reports, Bauer's experts understood it to be attached to the base layer of the skate – to be the piece that is directly attached to the quarter.

[166] The Court prefers the views expressed by Mr. Beaudoin and Dr. Hoshizaki in their reports. In coming to this conclusion, I have considered among other things the responses they gave during their cross-examination about the Rapide, Mustang or Easton skates (and on which Easton now relies).

---

[107] Beaudoin (Responding Statement) P-39, para. 35; Hoshizaki (Responding Statement) P-45, paras. 20 and 88; Hall (Affidavit) D-14, para 69; see also TX-456; TX-41.
[108] See paras. 48-51 of D-15.

[167] The Court also notes that Mr. Tonkel (see para. 43(b) of D-17) appears to have had, in his mind, that a tendon guard is not normally sewn side-by-side with a quarter and is made of different material. Obviously, if this was his understanding, this is not what would generally be understood by a posita. In coming to that understanding he was clearly not aware of the fact that tendon guards were sometimes sewn side-by-side in skates (see for example the Daoust 101 and 501, TX-450 and TX-451 respectively). It also appears that his misunderstanding as to the meaning of "tendon guard" may well have been influenced by his analysis of the Vapor 8 which was not part of the common general knowledge considered when construing the patent.

[168] From all of the above, the Court finds that the term "tendon guard" in the patent is not ambiguous. It refers to the piece that is directly attached side-by-side to the quarter which covers the heel and ankle portion of the wearer's foot, is made of any material and generally covers the area of the Achilles tendon starting anywhere above the ankle cuff.

IV. Infringement

A. *Burden*

[169] Bauer has the burden of establishing on a balance of probabilities that Easton sold or made skates that take all of the essential elements of at least one claim in the '953 Patent (see *Free World* at para. 68).

[170] Bauer seeks a declaration of infringement with respect to two main skate construction categories described in P-14:

- Those skates where the piece which they allege is a separate tendon guard is attached side-by-side to the one-piece quarter (models A, E and F in P-14); and
- Those skates where said piece above the quarter is attached to the one-piece quarter in an overlapping fashion (model C in P-14).

[171] Also, Bauer has asked the Court to declare that the above-mentioned skates are infringing if:

- They were sold by Easton in Canada;
- They were manufactured by Rock Forest in Canada and sold by Easton in Europe;
- They were manufactured by Rock Forest in Canada and sold by Easton U.S. in the United States.[109]

B. *Analysis*

[172] As mentioned earlier, the Court is not satisfied that the claims cover a combination whereby the tendon guard is attached in an overlapping fashion over the one-piece quarter of the skate boot. Thus, the skate models that fall within category C in P-14 are not infringing as they lack one of the essential elements – the side-by-side attachment.

[173] With respect to the second category of skates, having considered the information included in exhibit P-14, including a representative sample of the patterns used to make Easton skates included

[109] At para. 1.c)(i) of the Fresh Amended Statement of Claim the plaintiffs alleged that Easton infringed by manufacturing, using or selling to others, or inducing and procuring others to manufacture skate boots, including the skate models referred to in para. 13 of the Fresh Amended Statement of Claim and that infringe upon the '953 Patent.

in category F,[110] the Court accepts the views of Dr. Hoshizaki that these skates indeed include a one-piece quarter with a separate tendon guard attached in a side-by-side fashion.

[174] The Court cannot accept Easton's experts' views that the skate made using this pattern really has a lower quarter and an upper quarter as opposed to a one-piece quarter and a tendon guard. Calling a dog a cat does not change the beast.

[175] The quarter shown on the above-pictured pattern F clearly reads on claim 1. It encloses the wearer's heel and ankle and in Easton skates it is folded at the symmetry line to form a U-shaped skate boot structure. The piece at the top is the tendon guard as this expression is used in the patent.

[176] The Court is satisfied that Bauer has established that the Easton skate boot has an angular profile at the rear, defined by the tendon guard and the quarter at the "junction line".

[177] Here again, the Court cannot accept Easton's experts' view that Easton skates have a curved profile instead of an angular one. This is another word game that is simply not convincing

[110] In respect of A and E, the Court was not provided with patterns nor was there any evidence that any of the skates included in P-14 were made according to this profile.

considering the evidence of Mr. Laferrière[111] that Easton skates had a rearward angle formed at the junction of the two pieces sewn horizontally. Furthermore, Easton's experts appear to have had no problem identifying an angular profile in other skates, such as the Champion 90, which also appears to fit their description of "curved profile".

[178] As to whether the angle or rearward tilt in Easton skates, after 2000, was, as suggested by Mr. Hall, defined by the injection moulded inserts in the skates, as opposed to the attachment of the tendon guard to the quarter, the Court is convinced by Mr. Laferrière's evidence to the effect that he gave specific instructions to Mr. Maderspach about the specifics of the skate.[112] Mr. Laferrière also clearly said that, having provided for such an angle in the pattern, he had to change the plastic insert in Easton skates to adapt it to the shape in the pattern.[113]

[179] This analysis is sufficient to conclude that all the skates made using the F pattern (A and E, if any) in P-14, and sold by Easton in Canada, are infringing. Schedule A provides a list of Easton's infringing skate models based on the information available to date.

[180] There is insufficient evidence to determine if the sales made by Easton to European clients constitute sales made in Canada. Therefore, the Court must treat all the skates manufactured in the Eastern Township of Québec for sale in Europe by Easton or in the United States by Easton U.S. in the same category.

---

[111] Michel Laferrière, transcript, Nov. 30, 2009, pp. 193-194; 202-204 (cross).
[112] Michel Laferrière, transcript, Nov. 30, 2009, p. 116 (in chief).
[113] Michel Laferrière, transcript, Nov. 30, 2009, pp. 191-193 (cross).

[181] There is no dispute as to the law applicable to infringement by inducement and procurement. In *AB Hassle v. Canada (Minister of National Health and Welfare)*, 2002 FCA 421, 298 N.R. 323, 22 C.P.R. (4th) 1 and in *MacLennan v. Produits Gilbert Inc.*, 2008 FCA 35, 67 C.P.R. (4th) 161, 389 N.R. 165 (*MacLennan)*, the Federal Court of Appeal made it clear that a person who induces or procures another to infringe a patent is itself responsible for infringement of the patent.

[182] To determine if Easton induced and procured Rock Forest, the Court must apply the following test:

- The acts of infringement must have been completed by the direct infringer – Rock Forest;
- The completion of the acts of infringement must be influenced by the acts of the alleged inducer – Easton; therefore, without said influence, the infringement would not otherwise take place; and
- The influence must knowingly be exercised by the inducer – meaning that the inducer must know that his influence will result in the completion of the acts of the infringement.

[183] Pursuant to s. 42 of the *Patent Act*, the patentee has the exclusive right, privilege and liberty of making or constructing the invention claimed. There is thus no need for the Court to look at claim

7. In effect, the Easton skate boots made in the Eastern Township in Québec, using pattern F (discussed above), clearly infringe claim 1. Thus, Rock Forest did infringe the '953 Patent.[114]

[184] Having reviewed the evidence of Mr. Goldsmith, Mr. Laferrière and Mr. Gagnon,[115] the Court finds that Easton was fully responsible for the design and conception of its skates. For the 2000 skates, once the skates were conceived, the patterns were made by Peter Maderspach,[116] an employee of Rock Forest, and a footwear pattern maker with some experience[117] in skate pattern making.[118] In this case, one could say that the development team included at least Mr. Maderspach, Mr. Laferrière and possibly Mr. Wensley and Mr. Goldsmith. These patterns had to be approved by Mr. Laferrière who supervised and controlled the work of Mr. Maderspach in this respect. Mr. Laferrière did correct those patterns.

[185] It is Mr. Laferrière, an employee of Easton who worked in an office provided to him by Rock Forest on its premises, who, as noted, asked Mr. Maderspach to ensure that there would be an angle formed where the tendon guard was attached to the quarter so as to ensure a rearward tilt in

---

[114] Rock Forest ceased its operation shortly after the end of its relationship with Easton.
[115] The Court preferred Mr. Laferrière's testimony regarding his work and his relationship with Rock Forest employees when in direct contradiction with the testimony of Mr. Gagnon.
[116] Mr. Laferrière testified that Mr. Maderspach was asked, for the 2000 Easton skates, to create patterns from the drawings that Easton ordered from an external design firm, ADC (Michel Laferrière, transcript, Nov. 30, 2009, pp. 105-116 (in chief)). Similarly, Mr. Goldsmith testified that Mr. Maderspach had prepared patterns for Easton (Ned Goldsmith, transcript, Nov. 19, 2009, pp. 241; 297-298 (in chief)). However, this evidence was contradicted by Mr. Gagnon who testified that Mr. Maderspach's job did not entail making patterns for Easton (Marc Gagnon, transcript, Nov. 17, 2009, pp. 286-288 (cross)). I prefer Mr. Laferrière's testimony.
[117] At Rock Forest, before they manufactured skates for Easton, Mr. Maderspach was in charge of doing the patterns. In fact, he was provided with Mission or K2 skates and was asked to use them to produce identical patterns: Marc Gagnon, transcript, Nov. 17, 2009, pp. 221 (in chief); 271-272, 285-286 (cross).
[118] In fact, Mr. Maderspach was given his general instructions during a meeting with Mr. Laferrière and a representative of ADC. Mr. Laferrière said that he later gave more specific instructions to Mr. Maderspach as to the height of the boot and "where he needed to cut the parts [one-piece quarter]": Michel Laferrière, transcript, Nov. 30, 2009, pp. 116-119 (in chief).

the boot. Even if subtle adjustments were made between 2000 and 2003, it is this pattern that was used thereafter by Rock Forest up to 2003 for skates made on model F (of P-14).

[186] It is also Mr. Laferrière who then built the prototypes to determine whether or not the patterns (so-called patterns trial) and the conception of the skates were satisfactory. Mr. Laferrière also approved the initial production on the assembly line for new models. He specified what materials would be used for the different parts of the Easton skates while Mr. Lavoie, a Rock Forest employee, was responsible for buying the materials.[119]

[187] Easton owned the dyes used to cut the pieces from which the Easton skates were assembled at the Rock Forest facility. It is Mr. Laferrière who had a new ankle insert made to fit the new patterns he had approved for the Easton skates made in 2000.

[188] Easton was clearly an important client for Rock Forest. Shortly after their relationship ceased in 2003, Rock Forest sold to Easton its specialized equipment for skates at cost price.

[189] Although it is evident that Rock Forest had undertaken to deliver a finished product,[120] the price structure adopted was particular in that it was based on the cost of man-power and materials plus 30%. This 30% included 15% for the fixed costs of the Rock Forest facility in the Eastern

[119] Marc Gagnon, transcript, Nov. 17, 2009, pp. 241-242 (in chief); Michel Laferrière, transcript, Nov. 30, 2009, pp. 53-54; 99-101 (in chief). The materials and quantities were listed on Bills of Material (TX-314). Mr. Gagnon explained that the Bills of Material were prepared by Easton while Mr. Laferrière testified that they were prepared by Rock Forest using the information he supplied.

[120] During the first two years they did not attach the blade and blade holder to the boots but did so after.

Township. However, for the two last years of their relationship, the prices were negotiated; Rock Forest was trying to adjust its prices to those of its Chinese competitor for the same skate.

[190] If making a skate includes, as I believe it does, the conception of the skate boot, making and adjusting the patterns and the prototypes and having dyes for cutting the pieces, there is no doubt in my mind that Easton was directly involved in the making or constructing of the infringing skates made at Rock Forest.

[191] That said, as there were no arguments[121] made in that respect, the Court will focus more on the allegation that Easton induced Rock Forest to infringe. The Court finds that Bauer has established, on a balance of probabilities, that Rock Forest's acts of infringement were influenced by the acts of Easton and that, without said influence, such infringement would not have taken place. The Court also notes that prior to making skates for Easton, Rock Forest had made low-end recreational skates as well as roller skates. There is no evidence that but for its relationship with Easton, Rock Forest would have made skates embodying the invention claimed in the '953 Patent.[122]

[192] The Court has no hesitation concluding that Easton knew that its actions would result in Rock Forest making boots which had a one-piece quarter folded at a symmetry line with a separate

[121] See note 109. It is clear that the Plaintiffs alleged that Easton was manufacturing infringing skates.
[122] Mr. Gagnon testified that, after Rock Forest stopped manufacturing skates for Easton, patterns were made by Peter Maderspach by imitating Mission or Ferland skate models: Marc Gagnon, transcript, Nov. 17, 2009, pp. 298-299 (cross).

tendon guard piece attached side-by-side to the quarter so as to form an angle at their junction line at the rear of the skate boot.

[193] There is no evidence that Rock Forest knew of the '953 Patent. However, this is no impediment to a finding that they infringed the patent for intention is irrelevant to the tort of infringement. See *Illinois Tool Works v. Cobra Fixations Cie*, 2002 FCT 829, 221 F.T.R. 161, 20 C.P.R. (4th) 402 at paras. 14-17 varied on other grounds 2003 FCA 358, 29 C.P.R. (4th) 417, 126 ACWS (3d) 126 and *Monsanto Canada Inc. v. Schmeiser*, 2004 SCC 34, [2004] 1 S.C.R. 902, 239 D.L.R. (4th) 217 at para. 49.

[194] On the other hand, Easton knew of the '953 Patent as of December 3, 2001, when they received a demand letter from Bauer's counsel (TX-597).[123]

[195] Easton argues that it can only be found to have infringed if it had knowledge of the '953 Patent and in fact knew that the said patent was valid and infringed by the skates made at Rock Forest.

[196] Counsel for Easton referred the Court to several decisions where knowledge of the patent was mentioned[124] and would appear to have been considered as a prerequisite to concluding that a party knowingly induced and procured.

---

[123] This letter was sent by fax on December 3, 2001 and the original was sent by registered mail.

[124] In *Slater Steel Industries Ltd. et al. v. R. Payer Co. Ltd. et al.* (1968), 55 C.P.R. 61 (Ex. Ct.), President Jackett refers to the knowledge of the direct infringer in assessing whether he could have been induced. Obviously, this could not be construed as meaning that this would have been a prerequisite.

[197] The Court notes, however, that there is no case law stating clearly that one could not infringe by inducement or procurement unless it knew of the patent. Certainly even the case law referred to by Easton's counsel does not require proof that the Defendant considered the patent valid and infringed. This would be an impossible burden to meet for a plaintiff. It would be easy for a defendant to find an obliging lawyer.

[198] Counsel for Bauer mentioned that this issue was argued before the Federal Court of Appeal in *MacLennan* above and that the Federal Court of Appeal, after reversing the trial judge on another issue, found the Defendant guilty of infringement by inducement and procurement without any evidence or mention of his knowledge of the Plaintiff's patent. The Court has carefully reviewed all the previous decisions in that case and concludes that there is no finding in that respect in any of them.

[199] It is important to consider that inducing or procuring another to make or construct a patented invention is not a tort distinct from that of infringement. If it were, it could raise the jurisdictional issue alluded to by the Court in *Diamond Shamrock Corp. v. Hooker Chemicals & Plastics Corp.* (1982), 66 C.P.R. (2d) 145, at p. 157-158, 15 A.C.W.S. (2d) 440 (F.C.T.D.).

[200] There is thus no legal rationale for requiring an "intent to infringe" on the part of the inducer or procurer. On the other hand, it is easy to understand why it would be required that the inducement be done knowingly – deliberately. In effect, it would be unjust to find a party guilty of

infringement by inducement if that party did not know that its actions would induce another to do something that would later be held to constitute infringement.

[201] One can easily imagine cases where steps taken by a party could be misunderstood by another or that actions could be done by mistake. For example, one could simply suggest a design in the course of a meeting leaving the decision as to the final conception of the skates in the hands of one's supplier. In such a case, one may not know that the suggestion will induce the person actually responsible for the conception to take steps that will ultimately be found to infringe. A direction or suggestion could easily be misconstrued.

[202] If this had been the case Easton could argue that they did not know that their suggestion would result in the infringing skate boots made at Rock Forest.

[203] To accept that this kind of infringement must not only be done deliberately, but also with knowledge of the patent is to create an unwarranted and unjustifiable distinction between companies who manufacture their own products and those who choose to have them manufactured by others[125] according to their detailed specifications. In the latter cases, these specifications can only lead to actions that will later be found to infringe.

[125] Especially smaller companies with fewer assets.

[204] Mr. Goldsmith said that Rock Forest was quite a unique company. Bauer goes further to say that not only was it unique, but it effectively became the manufacturing arm of Easton.[126] It is clear that there was much more here than a simple contract of supply or purchase agreement. The following passage from the examination in chief of Mr. Laferrière[127] leaves one to wonder:

> Q. Okay. So you spoke about some of the things that you provided to Rock Forest; what, if anything, did Rock Forest provide to you?
> A. Well, they provided the help I needed to ---
> THE COURT: Manpower?
> THE WITNESS: Manpower, yes.
> THE COURT: Anything else?
> THE WITNESS: An office, that's about it.

[205] This case is very different and can be easily distinguished from all those referred to by Easton's counsel. This has nothing to do with one party procuring or inducing another to use a combination by procuring one component of the combination. Here, through Mr. Laferrière's involvement (as well later as that of Mr. Daniel Chartrand),[128] Easton was actually participating in the making of the skates that are now found to infringe.

[206] As such, while it is not necessary to come to a conclusion in the case at bar, it is worth mentioning for future consideration that in England the courts applied the concept of infringement "by common design", a notion that also exists in Canada although it has not been applied in the context of a patent infringement action. In *Unilever plc v. Gillette (UK) Limited*, [1989] R.P.C. 583 (U.K.C.A.) at p. 609, Lord Mustill, then at the Court of Appeal of England, noted:

---

[126] Final arguments, transcript, Jan. 11, 2010, pp. 198-204 (Mr. Guay).
[127] Michel Laferrière, transcript, Nov. 30, p. 60, lines 5-15 (in chief).
[128] Daniel Chartrand was hired by Easton in 1999. Along with Mr. Goldsmith, he was involved in the development of the Z-Air 2001 skate.

> I use the words "common design" because they are readily to hand, but there are other expressions in the cases, such as "concerted action" or "agreed on common action" which will serve just as well. The words are not to be construed as if they formed part of a statute. They all convey the same idea. This idea does not, as it seems to me, call for any finding that the secondary party has explicitly mapped out a plan with the primary offender. Their tacit agreement will be sufficient. Nor, as it seems to me, is there any need for a common design to infringe. It is enough if the parties combine to secure the doing of acts which in the event prove to be infringements.

Also, in such a context, knowledge of the patent would not be a prerequisite for a finding of infringement.

[207] Obviously, effective knowledge of the existence of a patent can be part of the overall circumstances one considers to determine whether or not a party deliberately induced another. In this case, Easton, after acquiring knowledge of the patent in December 2001, took no action to change its design or to make Rock Forest aware of the existence of such patent.

[208] Even more troubling is the fact that Easton's Chinese supplier unilaterally decided to change the patterns used for Easton skate boots – adopting a two-piece quarter (see pattern B in P-14) sometime in 2003.[129] We do not know why Sakurai had decided to change the patterns, the answer given by Easton to an undertaking in that respect is given no weight as Easton never sought Sakurai's explanation. Mr. Yang, who was initially scheduled to testify, could have shed some light on this issue. We know, however, that they reverted to the one-piece quarter in 2004.

[129] Easton argues that the change made by Sakurai to their 2003 model, using a two-piece quarter instead of the one-piece quarter, was sold seamlessly to consumers who did not notice this change. According to Easton, no sales were lost and in fact, sales increased in 2003. The Court does not find this argument persuasive given that by that time they had built brand recognition based on their 2001-2002 models. This is simply not a determinative point as to the value of the invention to Easton. In any event, this issue is to be determined at the reference if it becomes relevant depending on the election made by Bauer.

[209] The Court concludes that in the very unique circumstances of this case, Easton is liable for infringing the ‘953 Patent in respect of all the skates manufactured at Rock Forest in accordance with Mr. Laferrière’s directions and specifications (pattern F in P-14).

V. Invalidity

A. *Standard of Review and Burden of Proof*

[210] For the reasons explained in *Eli Lilly* at paras. 349 to 369, the merits of Easton’s defence and counterclaim will be assessed on the basis that the Defendant must establish, on a balance of probabilities, any fact which by virtue of the *Patent Act*, or by any other law, renders invalid the ‘953 Patent, keeping in mind the applicable presumption as to its validity.

B. *Anticipation*

[211] Pursuant to paragraph 28.2(1)(a) of the *Patent Act*, “[t]he subject-matter defined by a claim in an application for a patent in Canada […] must not have been disclosed […] in such a manner that the subject-matter became available to the public in Canada or elsewhere”.

[212] There was some dispute between the parties as to whether the relevant date here is September 4 or 5, 1997. There is no need for the Court to discuss this further given that it can have no impact whatsoever on the assessment of the defence, which is based on events of prior use taking place in the summer of 1997 and involves the common general knowledge and prior art available at that time. The events relied upon by Easton are the testing of the final iterations of the Vapor 8 by

the Test League which is composed of employees and other persons all covered by a confidentiality agreement but which took place in a public arena and at the Athlete's Event where the Vapor 8 skate was tested by certain NHL players, in an arena closed to the public, for the purposes of obtaining their comments and filming a video to be used by the marketing department at Bauer. Not all those present had signed a confidentiality agreement.

[213] In the final arguments, Bauer argued that the Court should consider that all persons at the Athlete's Event were in a special relationship vis-à-vis Bauer and had an implicit obligation of confidentiality. There is again no need to address this issue further given that, for reasons described below, the Court is not satisfied that Easton has met its burden of establishing that there was sufficient disclosure at either event.

[214] In *Apotex Inc. v. Sanofi-Synthelabo Canada Inc.*, 2008 SCC 61, [2008] 3 S.C.R. 265, 298 D.L.R. (4th) 385 (*Sanofi*) the Supreme Court made it clear that in order for anticipation to occur, there must be a full disclosure of the claimed invention and, in that respect, no trial and error is permitted (para. 32).[130]

[215] It is acknowledged that there was no need to establish that any member of the public actually saw the skates at either event. It is sufficient to establish that, in the circumstances, the invention was made available to the public.

[130] It is only with respect to enablement that some experimentation is permitted, see *Sanofi* at para. 33.

[216] The Court must thus determine what information was made available to the public. It is clear from the evidence that the skates in question were not available for testing or dismantling by anybody present, let alone any member of the public. The skates were only available for visual inspection.

[217] As noted by Lord Hoffman in *Merrell Dow Pharmaceuticals Inc. v. H.N. Norton & Co. Ltd.* (1995), [1996] R.P.C. 76 (H.L.) at p. 86 with respect to a provision similar to the one applicable here:

> This provision makes it clear that to be part of the state of the art, *the invention* must have been made available to the public. An invention is a piece of information. Making matter available to the public within the meaning of section 2(2) therefore requires the communication of information. The use of a product makes the invention part of the states of the art only so far as that use makes available the necessary information.

[218] There is little evidence as to what information would be conveyed by a visual inspection of the Vapor 8. The inventor was asked whether it was evident to him looking at the Vapor 8 with its open-back design that there was a one-piece quarter. Obviously, Mr. Chênevert had information that was not available to the public looking at that skate in the summer of 1997. Mr. Langevin, although clearly knowledgeable in skates at the time even if he was not a posita in 1997, testified that he did not know that the Vapor 8 had a one-piece quarter construction when he was in charge of the Test League, even though there was no stitching at the back of the boot.[131] The Court also considered the evidence of Mr. Laferrière as to how he and Mr. Maderspach came to use the one-piece quarter in

[131] Chris Langevin, transcript, Nov. 12, 2009, p. 83 (cross). This also explains why he could not say if he had tested prototypes with two-piece quarters against one-piece quarter.

Easton patterns.[132] However, the Court must be careful with this evidence given that this took place years after the public showing in the summer of 1997 and at a time when Easton and Mr. Laferrière were aware of the Vapor 8 and may well have done more than visually inspect this skate. In fact, given the war on weight discussed by Mr. Laferrière, the success of the Vapor 8 when it was introduced and its immediate use by a large number of NHL players, it would be surprising that Mr. Laferrière would not have been doing more than looking very closely at this product of their competitor.

[219] At best, this evidence would indicate that one would have information about the one-piece quarter, but this does not mean that one would have any information as to the other essential elements of the claimed combination, such as the side-by-side attachment of the tendon guard or the fact that the tendon guard would be a separate piece. This is especially so when one considers that the tendon guard in the Vapor 8 was of the same colour as the quarter. It is also clear that one could use the separate tendon guard attached in an overlapping fashion as opposed to a side-by-side junction to get the same "look". Moreover, there is no evidence that one would not be led to believe that the skate was done with a single quarter going all the way up to the top of the Achilles tendon (as was later done in the CCM Vector skate).

[220] To use the words of Justice Aldous in *Lux Traffic Controls Limited v. Pike Signals Limited*, [1993] R.P.C. 107 (Pat. Ct.) at p.132, which are quite apt to describe what the defendant had to establish to succeed:

---

[132] Michel Laferrière, transcript, Nov. 30, 2009, p. 97, line 23 to p. 98, line 20, p. 105, line 12 to p. 109, line 4, p. 110, line 14 to p. 120, line 9, p. 121, line 3 to line 12, p. 193, line 4 to p. 194, line 23 (in chief).

> In the case of a written description, what is made available to the public is the description and it is irrelevant whether it is read. In the case of a machine it is that machine which is made available and it is irrelevant whether it is operated in public. A machine like a book can be examined and the information gleaned can be written down. Thus what is made available to the public by a machine, such as a light control system, is that which the skilled man would, if asked to describe its construction and operation, write down having carried out an appropriate test or examination.[133] To invalidate the patent, the description that such a man would write down must be a clear and unambiguous description of the invention claimed.
>
> [Footnote and emphasis added.]

[221] Again, what is claimed here is a combination of the elements discussed above and the Court is not prepared to conclude on the basis of the scant evidence before it that a visual inspection – without dismantling the skate – would have enabled one to write down a clear and unambiguous description of the invention claimed in the '953 Patent.

C. *Obviousness*

(1) The Legal Test

[222] The parties are agreed as to the legal test applicable to determine if the invention claimed meets the test set out in s. 28.3 of the *Patent Act*. The test is discussed in more detail in the *Eli Lilly* decision at paras. 413 and 414.

---

[133] In that case, a prototype of the product embodying the claimed invention was made available on numerous occasions to contractors over a 5 month period. Those contractors were free to examine it and test it. It is relevant to note that earlier in his decision Justice Aldous had noted that "[t]here is a difference between circumstances where the public have an article in their possession to handle, measure and test and where they can only look at it. What is made available to the public will often differ in those circumstances. In the latter case it could be nothing material; whereas in the former the public would have had the opportunity of a complete examination."

[223] As noted by the parties, and in particular Easton, the Supreme Court made it clear in *Sanofi* at paras. 61-64 that no one test should be dogmatically applied to all situations in considering obviousness. This means that the oft-quoted test from the Federal Court of Appeal judgment in *Beloit Canada Ltd. v. Valmet Oy* (1986), 8 C.P.R. (3d) 289, 64 N.R. 287 (F.C.A.) should not be treated as though it were a statutory prescription limiting the obviousness inquiry. It is also clear that the various criteria discussed by the Federal Court of Appeal in *Janssen-Ortho Inc. v. Novopharm Ltd.*, 2007 FCA 217, 59 C.P.R. (4th) 116, 366 N.R. 290 at para. 25, and particularly the climate in the relevant field at the time the alleged invention was made, criteria which includes attitudes, trends, prejudices and expectations as well as secondary factors such as commercial success and meritorious awards, may still be relevant and are not inconsistent with the approach set out in *Sanofi*.

(2) The Person Ordinarily Skilled in the Art

[224] The posita has already been described at paras. 112-122.

(3) Relevant Common General Knowledge

[225] On the basis of the evidence produced, the Court cannot conclude that a posita would, in this field, diligently review the patents in footwear or even skates in the normal course of events. However, they would diligently keep up-to-date[134] with respect to skates currently on the market

[134] Several resources were available to the posita such as reviews (What's New! What's Hot! and Hockey Trades). Catalogues were also widely distributed to the retailers and could be easily obtained well before skates were put on the market. In addition, there were several trade shows.

and would generally be aware of the current trends in the sporting goods industry, including athletic footwear.

[226] There is no evidence that the Snitzer Patent or the Chin Patent were commonly known by the posita at the relevant times.

[227] Mr. Laferrière – a person who, as mentioned, was a posita at the relevant times (be it 1997 or 1999) – is the only witness who was asked about the Snitzer Patent. Not only had he not seen the patent, he had never seen such boots. Interestingly, this gentleman received his initial training in the footwear industry in the United States in the 1960s.

[228] The Court is satisfied however, that a posita (himself or through his team), at the relevant times, would have commonly known at least the following lines of skates or skate models and he or she would have been generally familiar with their construction:

- Lange-type moulded skates (these were still on sale in Bauer's 1996 catalogue although not under the Lange brand, see at p. 11);[135]
- Micron Medallic (moulded skate);[136]
- CCM Champion 90 as well as some SMUs made on the same model but with different logos,

[135] These skates, as well as those in similar models, had articulated cuffs (or tendon guards).
[136] This particular skate was popular in the mid 1980s. It is not clear whether it was still available on the market at the relevant times and whether it would have been part of the common general knowledge of teams where the most knowledgeable member would have less than 10-12 years experience in the skate industry. If not part of the common general knowledge, this model would definitely be part of the relevant prior art available to the posita.

- Bauer's Supreme line of skates (stitched boots or traditional lasted boots) starting with the Supreme 100[136] up to the 5000;[137]
- Daoust's line of skates (stitched boot – traditional lasted boots) such as the 101 and the 501;[136]
- CCM Tacks line of skates (stitched boots or traditional lasted boots) such as models 752 and 952 (TX-448; 449);
- CCM Mustang and Rapide skates (stitched boots or traditional lasted boots) (TX-444; TX-443);[136,138] and
- In-line roller skates including stitched and moulded boots as well as the K2 Softboot skates.

[229] In light of the marked differences in the expert opinions expressed and testimonies of factual witnesses, such as Mr. Murphy, as to whether or not the Champion 90 is a lasted skate, the Court is not satisfied that it has been established on a balance of probabilities that the posita at the relevant times would have commonly considered the Champion 90 or similar SMUs as lasted skates. Certainly, it would not have been considered a traditional lasted skate or stitched boot. However, this finding is not determinative of anything, for in my view all skates were relevant prior art.

[137] Between 1997 and 1999, new skates came into the market; these would have been added to the common general knowledge available. It is to be noted, however that although a catalogue for a coming year was available in the fall of the preceding year, it is not clear whether a posita would have general knowledge of the details of a particular skate's internal construction prior to it being physically offered on the market.
[138] These models do not show much more than the Tacks skate lines.

[230] The posita (himself or through his team) would know the basic principle of patternmaking. He or she would know that there were two basic ways to construct traditional lasted skates as described earlier. He or she would also know how to draw the patterns for the upper and lower portion of parts intended to form an angle if one was required by the designer.

[231] As mentioned, it would have been generally known that there were different ways to attach a tendon guard to the sewn quarters – with a straight stitch or zigzag stitch and in an overlapping or side-by-side manner. It would have also been commonly known that if the tendon guard overlapped the quarter, skiving would likely be necessary to avoid a shadow line.

[232] Additionally, the posita would commonly know that a part cut in one piece is stronger than a part made of two pieces sewn without reinforcement. However, in light of Easton's argument that the claimed invention did not provide for a stronger heel portion based on Mr. Hall's testimony, the Court cannot conclude that it would have been generally and commonly accepted that this would have an impact on the rigidity of an assembled skate.[139]

[233] It was generally known that back straps of various widths and designs were used on traditional lasted skates to hide the sewing line at the back of the quarter and to protect it from cuts. It was also known that many manufacturers used a strap as well as other means (such as glue) inside the back seam to protect and reinforce it at least in performance skates.

[139] In this respect, the Court refers to Mr. Hall's evidence and the evidence in respect of the reticence of Gerry Black at Bauer to the use of a one-piece quarter.

[234] It was generally known that skates could be built with a straight profile (or with a slight forward tilt) or a rearward tilt (or a backward angle), depending on the rigidity of the materials (of all layers) used to make the tendon guard.[140] It was also known that one could also shape and cut the tendon guard (in scallops or otherwise) or notch it to give it more flexibility. It was known that such flexibility was required in order to accommodate the full extension of the foot while skating. This was part of the biomechanics of skating that would have been commonly known and understood by the posita. Also, the posita would have generally known about the biomechanics described in Dr. Hoshizaki's paper which was published in the mid-1980s.[141]

[235] The Court does not accept Easton's argument that a posita would know that for aesthetic purposes, a one-piece quarter could be used in a skate boot to avoid an exposed sewing line.[142] It has simply not been established that this was generally and commonly known. In fact, as of 1997, the only instance where the back of a skate had been exposed for aesthetic purposes was in the CCM Tacks skates, and CCM chose to use a three-piece quarter to free the exposed area. Other than the CCM Tacks skates, there is no evidence that a posita really turned his or her mind to this issue. As will be discussed later on, the Court is not even convinced that an open back look of the type used by Bauer was obvious.

---

[140] It appears that an angular profile was definitely required where rigid materials were used to make the tendon guard.
[141] Hall (Statement) D-15, para 4 and Schedule "A" to his report.
[142] Also see Dr. Lafortune's evidence that in all his years at Nike he has never seen athletic footwear with a one-piece quarter. He also testified that Nike tried to use a one-piece quarter in its athletic footwear but during testing it was found to be too stiff. Although not emanating from a posita, this evidence raises doubts as to the weight to be given to Mr. Tonkel's opinion that the one-piece construction was well-known at least in the athletic footwear industry (see Tonkel (Statement) D-17, para. 3). No example of one-piece quarter athletic footwear was produced during the trial.

[236] Finally, it would have generally and commonly been known that the selection of a brand or a model by a professional hockey player, particularly an NHL player, was one of the most effective ways of marketing one's product. It is for this reason that companies such as Bauer, CCM and Easton developed lines of skates starting with the high-performance and custom made skates that could be worn by professional hockey players. These were then down-graded to obtain similar looking skates at the mid and low-range prices.

(4) Climate in the Industry

[237] Weight reduction had been on the mind of ice skate manufacturers, particularly high-end manufacturers, for many years before 1997, although, as noted by Mr. Laferrière, what he described as "a war on the weight" started in 1998 because of the particular focus put by Bauer when it introduced its new line of Vapor skates.

[238] As stated in Dr. Hoshizaki's report (P-1) at para. 63, "[i]n order to decrease the weight of a skate, there were essentially only two strategies available to design/engineering teams. The first strategy involved taking away material and the second strategy involved using lighter materials." For example, one could use a lighter blade and blade-holder or a perforated blade or lighter materials for the components in the skate to reduce the weight of the skate. The challenge, however, was always to maintain durability and high performance given that it was critical to maintain the lateral stiffness of the skate in order to support the lateral forces applied by the skater.

[239] It was generally believed that the skating industry was quite conservative,[143] in part because their main marketing tool was the use of their skates by professional hockey players – NHL players, who are themselves particularly conservative about the look of their skates. As noted by Mr. Beaudoin, these players were "look adverse".[144]

[240] Consumers, at the relevant time, did not view plastic skates as high-performance or high-quality products.

(5) Prior Art

[241] As noted earlier, if any of the skates relied upon by Easton's experts were not part of the common general knowledge, they would be part of the relevant prior art which would include all types of skates. That said, the Defendant relies also on two specific patents.

[242] The Snitzer Patent relates to a waterproof walking boot although it also appears to be applicable to a shoe[145] (p. 1, lines 18-19). As the problem intended to be solved by this invention is to make the boot (or shoe) waterproof, stitching is avoided (to prevent moisture from entering through the holes formed by the stitches). On p. 1, lines 34-41, the invention is said to provide a structure with a single-piece tongue and vamp combination and a lower quarter that are cemented together to form a complete upper. The use of an "upper quarter" appears to be optional. However,

[143] Although in addition to the traditional black and brown, some shades of grey had been used and as of 1987 (with the Micron Vega) some white overlays had been accepted.
[144] Even white was found to be too wild for Wayne Gretzky who would not wear the skate designed for him by Nike and Daoust unless it was all made in black. These conservative preferences are further evidenced by the fact that even when the Vapor 8 was shown to some NHL players at the Athlete's Event some expressed some reservation about the look of the skate.
[145] The claims appear to only cover boots.

this option is well illustrated in the patent. When it is used, the quarter is made in two overlapping portions that are cemented. It is apparent from the patterns (figures) of these two pieces that when attaching the lower edge of the upper portion of the quarter to the upper edge of the lower portion an angle is formed. The so-called "rake" was defined by Mr. Tonkel as an obtuse angle at the back of the boot made "to conform to the normal contour of ankles and legs" (see also p. 2, lines 50-56).

[243] The Chin Patent covers a one-piece moulded[146] rear part of a skate which covers the side of the foot of the wearer as well as the heel up to the top of the Achilles tendon. It is made of various thicknesses to define the heel and the fit of the inside of the foot.[147] This invention is said to avoid the costs and difficulties of sewing various pieces together. Although there is no specific reference to lasted boots, the description in the second paragraph of the disclosure is said to relate to "a traditional skate", and appears to describe a lasted boot although there is no reference to a toe box. Despite the scant evidence in that respect and considering the problem this invention seeks to reduce or remove, the Court agrees that it is referring to a traditional stitched or lasted skate boot. In effect, the inventor notes that "[t]he manufacture of the boot is rather expensive and requires a great deal of time because a large number of sowing[*sic*] processes are required in order to combine the aforesaid parts. The seams tend to tear, resulting in the parts detaching from one another, which reduces the life of a boot."[148]

---

[146] By injection or otherwise.

[147] The translation provided for this German patent is not easy to read. In fact, it appears even more difficult to understand, at least for the Court, than the '953 Patent. Neither of Easton's experts gave any explanation as to how they construed the expression "the two heel leathers, and an external opposed section". Presumably this would refer to the quarter of the boot.

[148] See p. 1 of the Description of the patent (TX-577).

[244] Also, considering that this patent is only for the rear portion of the skate boot, one could reasonably infer that the invention is useful in reducing, among other things, a problem applicable to the rear seam or to the seams of the back strap.[149] As there are no details of the construction of the traditional skate referred to in the patent, it could logically apply to the two types of construction described at paras. 99-100, which had been used as of 1994. However, there is no detailed evidence as to how this patent would be understood by a posita in 1994.

[245] Questions about the meaning of the tabs in figures 1 and 2 were the subject of an objection because this issue was not discussed in Mr. Tonkel's reports. Considering the debate among the experts regarding whether the Champion 90 is a lasted skate, it has not been established to my satisfaction that a posita would know from looking at these figures that it included a lasting allowance. It is noteworthy that the patent offers no explanation in that respect.

[246] The characteristics of the prior art skates have been described earlier with the exception of the Champion 90 and the K2 Softboot itself (the part called "liner" in the K2 patent, see para. 87).

[247] The Champion 90 and similar SMUs were very low-end pond skates. The upper was made of moulded plastic and was "disguised" as a traditional stitched boot through the use of leather-like trimmings, false stitching in the plastic, a false back strap as well as different etching to simulate the use of different materials on the quarter and the back strap. The parties were agreed that it was an embodiment of the invention in the Chin Patent, however, the Court has some reservations in that

[149] The complete back strap, which would include an overlay on the tendon guard, if any.

respect, given that it is not readily apparent from the various physical exhibits filed that the Champion 90 did in fact incorporate the essential elements of the single claim which required having an outer counter section with a relatively thicker section on its convex side (11) and each of the heel leathers (20) (presumably the sides of the quarters) having a protrusion (21).

[248] As mentioned, given that the Champion 90 was on the market for years[150] before the relevant date, it would have generally been known to the posita. It was not established, however, that apart from CCM personnel who visited the manufacturers' facilities, the posita would have known how it was assembled. There is no indication as to why a posita would have done an autopsy of this low-end pond skate.

[249] The K2 Softboot is made of a two-piece lower quarter covering the heel of the wearer, which is then sewn to a large one-piece quarter covering the rest of the wearer's foot. It is a sewn boot with no tendon guard. Although Mr. Tonkel described it as a lasted boot, it was likened to a sock by Mr. Hall.[151] It is described as a liner in the K2 Patent. In TX-476a (tab 23), Mr. Langevin, commenting on an unknown K2 model, wrote in 1996: "[s]ince the K2 resembles a stitched skate in terms of performance […]" (emphasis added). It is not clear, if as mentioned by Dr. Hoshizaki, it was not considered as a lasted skate boot at the relevant time. It is not useful to decide this side debate given that this boot is part of the relevant prior art and it does not add anything significant, in my opinion, to the question of obviousness considering all the other skates known at the time.

[150] Mr. Hall testified that the Champion 90 was created around 1990-1991. The original production of Champion 90 was made in Taiwan but starting in the mid-90s, the skates were manufactured in China: Ken Hall, transcript, Nov. 24, 2009, pp. 68-69, 229-230 (in chief); Ken Hall, transcript, Nov. 25, 2009, pp. 177-178 (cross).
[151] Ken Hall, transcript, Nov. 25, 2009, pp. 266-267 (cross).

(6) Inventive Concept

[250] Although the inventive concept is to be reviewed for each claim in dispute, the Court is satisfied that this analysis should start with independent claim 1. It was agreed that if it is valid, there will be no need to look at the validity of the other claims.

[251] The inventive concept in said claim 1 is the combination of a one-piece quarter that covers the heel and the ankle of the wearer with a separate tendon guard attached side-by-side to the one-piece quarter to make a skate boot with an angular profile formed at the point of attachment.

(7) The Differences between the Common General Knowledge and the Above-Mentioned Prior Art and the Inventive Concept

[252] There was no traditional lasted or stitched skate boot with a one-piece quarter. Similarly, there was no combination in any type of skate of a one-piece quarter with a separate tendon guard let alone one where the tendon guard would be attached side-by-side to the said quarter in a manner that creates an angular profile at the rear of the skate boot.

(8) Would the Difference be Obvious to the Ordinary Person Skilled in the Art?

[253] Mr. Tonkel opined that the invention would have been obvious when one considers individually any one of the above-mentioned two patents or the CCM Rapide, Mustang, Tacks,

Champion 90 skates or the K2 Softboot style in-line skate.[152] In his first report (D-16), he notes for example, that the aforementioned K2 Softboot is a lasted boot that contains all the essential elements of claim 1 of the '953 Patent except for the fact that the lower quarter is made in two pieces.[153]

[254] In his first report (D-14), Mr. Hall focuses more on the CCM prior art skates – Rapide, Mustang, Tacks – and the fact that for him,[154] the invention is simply changing the position of the back seam on the CCM skates. Instead of two pieces sewn vertically, it is now a two-piece quarter sewn horizontally. In coming to this conclusion, however, he appears to have had in mind the embodiment of the invention in the Vapor 8 as opposed to the invention claimed per se. At the very least, Mr. Hall misconstrued the meaning of tendon guard in the '953 Patent.

[255] In his cross-examination, Bauer's counsel asked Mr. Hall why he does not refer at all to the Champion 90 in his said affidavit. In effect, although at para. 73 of his first report (D-14), Mr. Hall appears to accept the description and comments of Mr. Tonkel with respect to the prior art he reviewed, he did not include the Chin Patent and the Champion 90 in his list of the said prior art.

[256] Despite Mr. Hall's answer that one should not assume that he did not find them relevant, one could reasonably infer from his conclusion at para. 73 and the fact that he gave little attention to

[152] In its argument, Easton added that this would be obvious, even using only what was commonly generally known.
[153] This is obviously wrong and he conceded during cross-examination that there is no separate tendon guard in such boot.
[154] Having focused so much on the Vapor 8, it is not all that clear that his views are based solely on the '953 Patent.

the Champion 90 and the Chin Patent even in his second report, that originally this expert did not find that the Chin Patent and the Champion 90 were making the invention obvious.

[257] Although Easton has presented exhaustive written representations on obviousness and the Court has reviewed all of the evidence cited by it in detail, it is useful to refer simply to para. 219 of their Reply Submissions, which appears to summarize their position.

> […] Easton does not take the position that the invention is obvious merely by reason of its simplicity. The invention is obvious because it was the only way to obtain an open design at the back of the skate. It was obvious that to achieve a minimally lighter quarter, not splitting the quarters would achieve this since the strength of the quarter would occur without recoupling. The invention is obvious because it was virtually anticipated (except for overlap) by the Snitzer Patent and since the change of a sewing line through the quarters of prior art skates from vertical to horizontal resulted from a mere pattern-making decision for aesthetic purposes.

[258] This sheds some light on the approach or reasoning of Easton's experts. This is in line with a statement made by Mr. Tonkel during his examination in chief when discussing para. 47 of his first report (D-16) and the prior art he reviewed. On December 1, 2009 at p. 43, lines 15-24 of the transcript, he said:

> So I guess what I'd like to say here is that if I was a footwear designer being asked to specifically design a skate with specifically an uninterrupted back-part look, I would look at the Snitzer pattern as an option and just to clarify, when I say "uninterrupted back-part look", I mean a back part that does not have a vertical stitch running from top to bottom – from heel all the way up to the top of the top line of the tendon guard.

Certainly it can also explain, at least in part, why Mr. Hall was putting so much emphasis on the look of the Vapor 8.

[259] The open back design referred to above is not an element of the patented invention, it is not referred to at all in the '953 Patent. As such, the issue of design appears to be irrelevant except in that it may well be an implicit advantage of the patented invention that it allows a greater liberty in terms of design choices given that it is not necessary to protect the rear seam. Certainly the Court is not prepared to conclude, on the basis of the evidence in this file, that the patented invention is the only way to show the back of a skate. The one-piece quarter used in the CCM Vector (P-10) would certainly appear to have the same advantage, as would the three-piece quarter used in the Tacks 752. Mr. Tonkel was quick to mention that the open back design he was referring to is a full open back, however, the one-piece structure of the Vector can also achieve this. Although not discussed at the trial, it is certainly plausible that one could also achieve a very similar look with a three-piece quarter having a larger rear quarter piece going further on the sides of the skate even with seams sewn in a diagonal. Also, the Court heard no evidence as to why a two-piece quarter with a rear sewing line could not be laminated or covered by another light sheet of material, whatever it may be, to make the seam invisible.[155]

[260] That said, the Court understands that this issue of design is put forth by Easton to explain how the inventor came about the idea of using a one-piece quarter and that once this idea was formed by him or a posita, it would be obvious to any posita or to the inventor how to put it into

[155] Final arguments, transcript, Jan. 12, 2010, p. 373, line 16 to p. 376, line 9 (Mr. Guay).

practice. Easton's counsel had the difficult task of arguing that the adoption of the one-piece quarter was purely for aesthetic purposes and that it had no real technical value per se (inutility) while at the same time explaining why Easton,[156] Bauer and later on CCM all adopted the one-piece quarter[157] in skate models that did not have an open back.

[261] In the end, said counsel had to admit that although it was primarily adopted for aesthetic purposes, there was a slight cost advantage and a minor weight difference.[158]

[262] Had it been established that Mr. Chênevert came about the alleged invention this way, this would not in and of itself been a reason to void the patent. The fact that the idea came from a design or look does not make it obvious if the look or design itself was not obvious and the invention is useful. During final arguments, counsel for Easton did mention that it may well be that this design was inventive.[159] He was right there because the Court has not been convinced on a balance of probabilities that the design was indeed obvious.

[263] That said this becomes somewhat irrelevant given that the Court is simply not convinced that this is effectively what happened.

---

[156] Easton argued that it needed to keep the one-piece quarter in case it wanted to use the open back design in the future.
[157] Not necessarily the combination claimed in the '953 Patent.
[158] Final arguments, transcript, Jan. 11, 2010, p. 261, line 12 to p. 263, line 2 (Mr. Pratte).
[159] Final arguments, transcript, Jan. 12, 2010, pp. 66-75 (Mr. Pratte).

[264] Mr. Chênevert was a credible witness. He said that he started using the one-piece quarter when working with the prototypes for a skate with an articulated cuff[160] and after seeing loose and overlapping back rear seams in the autopsies he performed on numerous used skates and being made aware of issues related to sewing the more rigid quarters that he was using. He did so in February and early March 1997, that is well before the date of the invention described in the *Formulaire de divulgation d'invention* (TX-605a), namely April 2, 1997.

[265] Easton relies heavily on an answer given by Mr. Covo during the examination for discovery (see D-19, Tab 100, question 458).[161] Therein, Mr. Covo indicated that he thought that what led to the development of the single-piece quarter – the principal motivation – was to differentiate the skate from anything that was out there and was part of what Mr. Chênevert felt was a new look. A new look that would be perceived by consumers and hockey players as being completely new and different. First, these were Mr. Covo's views[162] and the evidence is clear that he had not spoken with Mr. Chênevert since he left the organization.[163] The passage in evidence lacks context and the Court has no explanation as to how he came to this opinion. Certainly, Mr. Covo was not given an opportunity to comment on this during his testimony at trial and this statement appears to be somewhat qualified by all the other answers to undertakings referred to at para. 33 of Bauer's Reply Submissions (see particularly notes 38, 39 and 40). Easton had an opportunity to examine on

[160] François Chênevert, transcript, Nov. 16, 2009, pp. 61-62 (in chief). See also transcript, Nov. 16, 2009, pp. 36-37 (in chief).
[161] Easton's Read-Ins were not properly compiled in the volumes given to the Court. This became apparent when the Court compared it to the electronic version of the evidence relied upon by Easton. Therefore, it did not prevent the Court from properly considering all the evidence.
[162] Mr. Covo was overseeing the development and research efforts of the Vapor Project and, as such, did not have a direct involvement in many aspects of the Vapor Project: Ken Covo, transcript, Nov. 11, 2009, pp. 7-8 (in chief); 166-167 (cross). As can be seen from internal documents found in the Chênevert's file, he was sometimes only copied on the correspondence: TX-473, TX-476a (Tab 12, p. 55).
[163] François Chênevert, transcript, Nov. 16, 2009, p. 155 (cross).

discovery the inventor and it gave no opportunity to Mr. Chênevert to comment and explain why his testimony appears to be contradicted by this answer from Mr. Covo.

[266] In the circumstances, the Court gives more weight to the evidence of Mr. Chênevert on this point. Having reviewed all the evidence, the Court concludes that the position put forth by Easton is no more than a possibility and that it is more probable that Mr. Chênevert had, as he testified, adopted the one-piece quarter before he came up with his open back design on April 2, 1997.

[267] Some of my comments already address the other alternatives set out in para. 219 of Easton's Reply Submissions (see para. 257 above), but I will now look at those more specifically.

[268] With respect to the allegation that the invention was simply a change for aesthetic purposes of the orientation of the sewing line, the Court does not accept such argument as it does not accept that the change was initially made for aesthetic purposes. Also, the evidence of Bauer's expert[164] clearly indicates that the forces exerted on the horizontal seam are different from those exerted on the vertical seam. The purpose of the seams appears to be different given that the horizontal seam is used to create the angular profile of the skate boot and to allow the full extension of the foot in this construction.[165] Also, if this were true, there would be no reason for Bauer, for example, to adopt this construction in skates of its Supreme line as well as other skates with a back strap covering the area at the rear of the boot.[166]

---

[164] See, for example, Beaudoin (Reply Statement) P-40, paras. 18-19.
[165] The Court recognizes that this can be achieved by other means.
[166] This was done before Easton came to market with its Z-Air skates (TX-482).

[269] As to the allegation that it was obvious to achieve a minimally lighter quarter by not splitting the quarters since the strength of the quarter would occur without recoupling, if anything was obvious from the Rapide, the Mustang or the Champion 90, it appears to me that it would be the structure adopted by CCM in the Vector skate (full one-piece quarter with an integrated tendon guard).

[270] However, as I mentioned earlier, when CCM allegedly decided, for aesthetic purposes, to show the back of their skates, this is not what they did. Instead, and knowing full well that the weight of the skates was an issue, they adopted the three-piece (and four-piece) quarters which involved adding a strap inside these additional seams at least in the Tacks 752 (TX-448).[167] At that time, CCM had to be intimately acquainted with the structure of all their skates, which included the Rapide, the Mustang and the Champion 90.

[271] Finally, with respect to the Snitzer Patent, the Court first notes that it is not really convinced that it would be part of the relevant prior art (as opposed to art found with the benefit of hindsight – with knowledge of the claimed invention[168]). Secondly, even assuming that this patent is part of the relevant art, it is not clear that it brings much to the debate that is not already known in the field of

[167] The Court could not ascertain that there were such straps in the Tacks 952 filed as exhibit TX-449 (not cut open) but it is likely to be so.

[168] There is no evidence that Easton's experts carried out an independent search of prior art. Easton's counsel provided them, during a meeting in Toronto, with the Snitzer Patent, the Chin Patent and various skate samples, including the Champion 90. However, it was established that the Snitzer and Chin Patents were located during the European Patent Office search with knowledge of the invention. They were before the U.S. Patent Office who granted to Bauer similar, if not identical, claims to those in the '953 Patent. Certainly, it is interesting to note (and in that respect the Court is entitled to look at the file wrapper) that the American patent was issued after consideration of this prior art.

skates per se. When asked by the Court what element the Snitzer Patent put into play – that was not already covered by the Chin Patent or the Champion 90 – Easton's counsel mentioned the rake.[169] However, as noted earlier, the Court believes that how to cut the patterns so as to create an angle at the back of a skate boot, if one required such angle, would be part of the common general knowledge available to the posita.

[272] In fact, in my view, the Snitzer Patent does not provide any information[170] that was not already available to the posita as part of the common general knowledge. It is particularly relevant here to say again that the common general knowledge included the Lange, the Medallic and the Champion 90.

[273] It was certainly difficult for the Court to reach a conclusion on obviousness because of the simplicity of the invention and the fact that the development work of Mr. Chênevert does not shed much light in that respect other than that it shows that it was not simply the result of an aesthetic choice.

[274] Bauer suggested that the Court should give particular weight to the "exceptional commercial success" of the Vapor 8 and its unusually rapid adoption by a number of NHL players.

---

[169] Final arguments, transcript, Jan. 12, 2010, pp. 14-17 (Mr. Pratte).

[170] Although it may well have been the source of inspiration for the use of the words "lower" and "upper" quarters used by Easton's experts.

[275] However, early in the trial, the Court advised the parties that in even the clearest case, such factor could not be determinative and that in this particular case, where the reasons for such success were so hotly contested, it would not be wise to consider it at all.

[276] That said, there are other hard facts which speak louder or at least, in my view, as loud as the contested opinions of Mr. Tonkel and Mr. Hall on this issue, especially considering that the weight of Mr. Tonkel's evidence was diminished by his lack of experience working with a skate design or development team. Also, Mr. Hall relied too heavily on Mr. Tonkel's analysis except insofar as his own conclusion that the matter was simply a change in the direction of the seam which I have already rejected.

[277] Firstly, the most relevant prior art skates relied upon by Easton had been on the market and were commonly known to the posita several years prior to the relevant date.[171] Moulded skates with an articulated cuff, such as the Lange, had been on the market and were commonly known for more than 20 years prior to the invention whereas the Medallic was known for about 15 years and was not very successful.

[278] Secondly, the changes required by the claimed invention did not involve expensive or difficult changes in manufacturing methods or equipment to be used. Mr. Laferrière was very clear in that respect that there were very few changes in the method used to manufacture Easton skates

[171] Ken Hall, transcript, Nov. 24, 2009, p. 230 (in chief).

between the 1998 and 2000 skate models.[172] Although initial problems were raised by Gerry Black with respect to the manufacturing of the Vapor 8, these issues were quickly settled once the decision was made to use the one-piece quarter. Clearer still is the fact that when Sakurai changed, without notice, the method used to manufacture Easton skates in 2003, they were able to instantly and seamlessly switch back to the one-piece quarter from the two-piece quarter used in model B of P-14 in 2004.

[279] There was nothing holding a posita back from using a one-piece quarter except perhaps one of the issues[173] raised by Mr. Tonkel and Mr. Hall with respect to utility – larger pieces generally tend to be more difficult to nest and create more material waste.[174]

[280] In that sense, as noted by Dr. Hoshizaki, using a one-piece quarter may be counterintuitive. In his view, this would militate in favour of inventiveness. That said, as evidenced by Mr. Beaudoin's reaction to a question in this respect in cross-examination, this "assumption"[175] would not necessarily be made as a matter of course by a posita, in the mid-1990s when nesting machines and nesting software were available.[176]

---

[172] Michel Laferrière, transcript, Nov. 30, 2009, pp. 121-122 (in chief).
[173] The other point raised by Mr. Tonkel, that it may be more difficult to last the back of the skate, is not supported by the evidence of anybody with experience in skates. Certainly, this view appears not to be supported by the actual experience at Easton and Bauer.
[174] See also the Agreed Statement of Facts, para. 4.
[175]
[176] Guy Beaudoin, transcript, Dec. 2, 2009, p. 212, line 19 to p. 215, line 25.

[281] Thus, if, as argued by Easton, the solution was there all along and was evident,[177] the inventive concept, at least insofar as the use of a single quarter is concerned, was never achieved in traditional lasted skates before, even though it clearly does not, in retrospective, appear to be complex.

[282] Thirdly, since the invention and the use of the claimed combination, all the major companies have now adopted the one-piece quarter[178] in some of their skate models that do not have an open back design, including Bauer.

[283] The only other element that needs to be discussed is the question of motivation. The Court agrees with Easton that most of the problems expressly described in the '953 Patent, such as mismatching or difficulty with the seams, were not huge. Still considering the problem described in the Chin Patent and the overall evidence before me, I am satisfied that there was some motivation to find a better solution to these problems, and this for quite some time. As noted by Mr. Beaudoin, manufacturers were always looking for better ways of producing or manufacturing their skates. Finally, inasmuch as a posita would understand that the invention would have some advantages in reducing the weight of the skate, this also provided some motivation.

[284] Considering all of the above, the Court, has come to the conclusion that Easton has not met its burden of proof with respect to its allegation of obviousness.

---

[177] The same reasoning would apply to the allegedly obvious open back look.

[178] It is not disputed that the one-piece quarter was the novel element in this combination for traditional lasted skates. All experts except Mr. Hall agree that this was certainly the essence of this invention, whereas for Mr. Hall, the side-by-side attachment was the "thrust of the Patent" but one that, according to Easton, should have been obvious based on the prior art referred to above.

D. *Lack of Utility*

[285] Usually the only thing required under the *Patent Act* is that an invention be useful in the sense that it will work or operate or do what the specifications say it will do. It is not disputed that in this case a posita could take the specifications and construct the skate boot described in claims 1 to 6 and use the method described in claim 7.

[286] The parties are agreed that there is no need to describe the utility of the invention in the patent (*Consolboard Inc. v. MacMillan Bloedel (Saskatchewan) Ltd.*, [1981] 1 S.C.R. 504 at 525-526, 56 C.P.R. (2d) 145, 122 D.L.R. (3d) 203). There is also no dispute that the invention is indeed useful although there is no agreement as to the magnitude or extent of such utility. In that respect, the Court accepts Bauer's evidence that the one-piece quarter creates an opportunity to use different reinforcements[179] or less reinforcement and to use different materials such as the rib shaped quarter material of the Vapor XX, thereby resulting in an opportunity to lessen the weight of the skate overall.[180]

[287] However, Easton says that if the patentee chose to extol certain advantages of its invention in the disclosure, it promises such results. According to Easton, the promises made in the '953 Patent are not met. This is the basis of their attack.

---

[179] Such as a one-piece doubler.

[180] Although this may not have been fully appreciated (and need not be at law) by the inventor at the time application was filed. Mr. Chênevert did say that he and some other members of his team in St. Jerome knew that his concept had real value for future development (concept "porteur": François Chênevert, transcript, Nov. 17, 2009, pp. 24-25 (cross)).

[288] As noted by Justice Roger Hughes in *Pfizer Canada Inc. v. Canada (Minister of Health)*, 2008 FC 500, 326 F.T.R. 88, 167 A.C.W.S. (3d) 984 (*Pfizer*), who relied on an excerpt of Professor Blanco White, the concept of utility may overlap with those of insufficiency and misleading representations under s. 53(1) of the *Patent Act*.

[289] It is settled law that results or advantages included in the claims must be met. Similarly, in the context of selection patents where the advantages described are really the basis upon which the patentee is given the right to monopolize a substance or product already covered in a prior patent as part of a larger group of substances or products, the inventor will be held to its promise (*Ratiopharm Inc. v. Pfizer Ltd.*, 2009 FC 711, 76 C.P.R. (4th) 241, 350 F.T.R. 250 (*Pfizer (2009)*).

[290] According to Easton, the same rule applies to all other promises made. Bauer submits that the rule should not be applied as strictly to a simple description of the benefits of the invention in the disclosure of a patent like the '953 Patent. In that respect, it relies on *Canadian Patent Law and Practice*, 4th ed. (Toronto: Carswell, 1969) at 152-154, where the author, H.G. Fox, notes that:

> But a distinction must be drawn here between a case where a patentee claims a result and bases his claim for a patent on the production of that result, and a case where a patentee merely points to certain advantages that will accrue from the use of his invention. In the former case failure to perform the promise of the specification is fatal to the patent. The actual production of the result claimed is of the essence, and if that result cannot be produced then the patent is void on the theory that it was based upon a false suggestion and the Crown has been deceived of its grant.
>
> […]

> In the second class of case, however, the patentee does not base his claim to protection on the promise of a result but merely points to advantages to be obtained. The failure to obtain those advantages, while by no means an irrelevant circumstance, is not necessarily fatal to the patentee. This principle was enunciated by Parker J. in *Re Alsop's Patent*: "Further, there may be cases in which the result which the patentee claims to have produced can in fact be produced, but the patentee has gone on to detail the useful purposes to which such result can be applied, and that in fact the result produced cannot be applied to one or more of such purposes. In such a case I do not think the patent is necessarily void, provided there are purposes for which the result is useful."
>
> [Emphasis added; Footnotes omitted]

[291] There is no real value in discussing the other case law referred to by the parties given that it does not add much. This is especially so since, whatever rule applies, one must consider the evidence to determine if there is indeed such an issue here.

[292] Before doing so, as this may not have been fully appreciated by Easton's experts, it is worth mentioning that the benefits disclosed do not need to be great; even a very modest contribution or improvement over the prior art is sufficient.

[293] The first step is for the Court to construe the advantages described in the disclosure. Again, the Court will consider the "promises" through the eyes of the posita and with the benefit of the common general knowledge available to him or her at the time of publication (*Pfizer*).

[294] As noted earlier, when reviewing the language of the '953 Patent, the inventor states at p. 2 of the patent that the quarter will "avoid the drawbacks" discussed in the background.

[295] This means that it will avoid the following: a) possibility of mismatching the lateral and medial portions of the quarters in a pair of skates (p.1, lines 23-26), b) difficulty experienced in sewing rigid materials in the back seam (p. 1, line 17) and c) breaking of the sewing line at the rear of the boot (p. 1, lines 19-22).

[296] In the same vein, at the bottom of p. 2, the inventor states that "[a] skate boot provided with such a quarter has a stronger heel portion,[181] without any risk of a broken sewing line. It is less expensive to manufacture, with at least one sewing step eliminated. There is no necessity to add additional material to protect the sewing line" (footnote added).

[297] As can be seen, all this relates to the fact that with a one-piece quarter, one would avoid a sewing line at the rear of the skate. From the last sentence, which relates to the need to add additional material, a posita would understand that the inventor is referring to the back strap, which can be of different widths used on all skates with a rear seam, as well as the strap, or other materials such as glue, that was added by some manufacturers inside the rear seam to protect it (such as Daoust[182]).

[298] The same representations are found on p. 4 of the patent dealing with the preferred embodiments. However, this time it is "the skate boot, according to the invention" which is said to

[181] Mr. Beaudoin defined the "heel portion" as being the area located at the rear of the boot which extends from the base of the outsole to about two inches from such outsole: Guy Beaudoin, transcript, Dec. 2, 2009, p. 199 (cross).
[182] Guy Beaudoin, Dec. 2, 2009, transcript, pp. 30-31 (in chief).

avoid the drawbacks. This, in my view, puts into play the comments in the background made with respect to the tendon guard of the prior art. More particularly, that a tendon guard attached in an overlapping fashion requires “additional use of material, additional weight, etc.” Based on the evidence filed, this “etc.” is directed at least at the need to skive to prevent a shadow line and, as noted by Dr. Hoshizaki, it may refer to the fact that with skiving the material becomes thinner at the point of connection which often results in a weaker connection that could be subject to failure. There is no dispute that this advantage is real although it was described by Easton as quite minor.

[299] Finally, still on p. 4 at lines 26-29, one finds the same description as at p. 2 starting at line 31 (see para. 296 above). This time, however, it is specified that it is the preferred embodiment “this improved skate boot” that presents those features. This makes it clear that these benefits should apply to the variant where the foxing area is joined with a sewing line.

[300] The evidence and the arguments presented with respect to the description of the risks or problems in the background should, in my view, be reviewed under the heading of misleading representations for they are not truly and strictly relevant to interpreting the “promises”. Whatever problems existed, big or small, the inventor says that his improved skate boot will avoid them.

[301] As will be explained in more detail in the section dealing with misleading representations, the Court is satisfied that there was, at the time of the invention, an issue with respect to matching the portions of the quarter pieces of a skate boot. The solution provided by the one-piece quarter is superior to the solutions used in the industry up until then, for it is not subject to human error.

[302] Also, if, as described in the background, there was an issue with the sewing of cambered quarters made of rigid materials, there can be no controversy that a boot with no rear seam would meet that promise as well as the promise of avoiding the risk of a broken seam.

[303] Easton's experts focussed on the fact that the patent also covers skate boots where the ends of the foxing portions would be sewn. According to them, in such an embodiment, if indeed there was a problem with sewing rigid materials, that difficulty, as well as the risk of a broken seam, would not be avoided.

[304] Mr. Hall also challenges the assertion that the heel of the boot with a one-piece quarter would be stronger because, he believes, the reinforcements used in the two-piece quarter construction would minimize the impact of a stronger one-piece quarter in a finished skate. The contrary view was expressed by Bauer's experts who also performed some tests to corroborate their position.[183] Also, one should recall that according to Bauer, the advantage of the stronger heel was to create an opportunity to reduce the amount of reinforcement inside the quarter.

[305] Finally, Easton's experts disagree that the cost of manufacturing a boot with a one-piece quarter would be reduced because of the material waste involved and the fact that some overlay would be required to cover the zigzag stitch used to attach the tendon guard in a side-by-side

[183] The skate chosen was the one for which the material and equipment were still available in St. Jerome.

fashion. There was also an issue as to the length of the stitch required to attach the tendon guard versus the length of the stitch saved in the one-piece quarter with sewing in the foxing area.

[306] The main problem here is the probative value of the evidence put forth. This may also have been apparent to the parties because Easton argued from the start that Bauer had to present the Court with evidence supporting the promises made in their patent. Meanwhile, Bauer said that the burden of proving that the promises were not met was on the party seeking to invalidate the patent. Given my comments at the beginning of the section on invalidity, it is clear that Easton bears the burden of persuading the Court.

[307] There is sufficient evidence to establish that there was “some” issue with the breakage of the rear seam. However, the evidence with respect to the broken seams is vague in that nobody clarified where exactly along that seam this would happen. As to the difficulty in sewing the rigid material, Mr. Chênevert noted that this operation required strength to align the material and that the pieces were overlapping (during manufacturing or during use) thereby creating a weakness and a void between the quarter material and the inner reinforcement. According to Mr. Laferrière, it was in part to avoid such overlapping that a back strap was used inside the back seam. It appears to have been used from top to bottom. There is no evidence that Bauer or Easton used a back strap on the one-piece quarter with a seam in the foxing area.

[308] The bottom part of the seam in the foxing area would be stitched, glued and/or nailed under the boot during lasting.[184] It is thus difficult to imagine that this portion would be subject to failure or how overlapping would create an issue. Also, as noted by Dr. Hoshizaki, with a one-piece quarter, the foxing portions are already in position. Moreover, he believed that it would likely not be necessary to use heat to sew them whereas this was commonly done to do a full rear seam in rigid material.[185] Common sense would also suggest that whatever portion of the seam remains over the sole would be strengthened by the fact that the quarter right above it is in one-piece.

[309] In this context it is difficult to find that there would be, as a matter of fact, a risk of a broken seam. This is especially so when one considers that Mr. Hall's main point is that there was no significant problem with the back seam as a whole. To this, he simply added that if there had been problems with breakage in the heel area, such problems would still exist in an embodiment with a seam in the foxing portion.[186] It would be quite ironic to invalidate the patent on the basis of such evidence. In the absence of more convincing evidence, I am not prepared to do so.

[310] Turning now to the issue of the stronger heel[187] portion, the Court has considered Easton's arguments with respect to the tests carried out by Mr. Langevin and Dr. Hoshizaki. However, the Court cannot avoid noting that Mr. Hall's opinion is not substantiated by any tests despite the fact

---

[184] See D-5 and D-6 which evidence lasting margin as well as the video filed as TX-581.
[185] Blaine Hoshizaki, transcript, Dec. 4, 2009, p. 200 (cross).
[186] Hall (Affidavit) D-14, paras. 20 and 31.
[187] Although the Court tried as much as possible to ensure that explanations given by reference to a physical exhibit be described in words, this was not always well done. The area of the heel has been described in many ways but, having heard and seen what was shown to me by the witnesses, I prefer to refer to TX-582b where one can readily see the difference between the heel (the portion at the back and sides of the rear of the boot where there is a narrowing) and the ankle area that is not only slightly higher but more to the sides at the rear of the boot. Blaine Hoshizaki, transcript, Dec. 4, 2009, pp. 74-76 (in-chief).

that he agreed that he could have designed tests to do so. Thus, even taking the tests done by Bauer with a grain of salt, the Court is not able to conclude that Easton has established, on a balance of probabilities, that there is no such structural advantage to the one-piece quarter. This is especially so when one considers that Mr. Hall's view even contradicts, to a certain extent, the position taken by Mr. Goldsmith.[188] In fact, Mr. Goldsmith acknowledged that the one-piece quarter had some value given that one would have to re-couple the quarters and put some reinforcement to strengthen the seams in order to retain the same rigidity or strength.[189] Easton itself was not willing to take the risk of changing its one-piece quarter to a two-piece quarter without proper testing.

[311] Mr. Goldsmith acknowledged, during his cross-examination, that there are some manufacturing expenses directly related to going back to a two-piece quarter. He said "it's not huge but it's something".[189]

[312] Despite this, the Court looked particularly closely at the evidence with respect to the manufacturing costs because, as mentioned, Mr. Hall[190] still maintained that the promise made in the patent is incorrect and the approach described[191] too simplistic if the inventor meant to say that

[188] See Ned Goldsmith, transcript, Nov. 23, 2009, p. 243, line 22 to p. 244, line 2; p. 248, lines 10-24; p. 267, line 23 to p. 268, line 2; p. 278, line 25 to p. 279, line 2 (cross). Ken Hall, transcript, Nov. 25, 2009, p. 143, line 15 to p. 144, line 25 (cross).
[189] Ned Goldsmith, transcript, Nov. 23, 2009, p. 281, line 14 to p. 283, line 5 (cross).
[190] On this issue, the cross-examination of Mr. Tonkel confirmed again that his opinion is to be given little weight at least with respect to the fact that there would be no need for an overlay in an overlapping tendon guard/two-piece quarter construction. In light of the general admission in para. 4 of the Agreed Statement of Fact, his opinion with respect to wasted material was not particularly useful except that it indicates that this factor would have less impact in mid to low-price skates because of the lower quality (and cost) of the materials used to make them.
[191] One less sewing line and no need to protect the rear seam.

the overall cost of manufacturing a skate boot embodying the invention (skate boot 1)[192] was less than the cost of making a skate boot that would not (skate boot 2).

[313] More particularly, according to Easton's experts, with skate boot 2, one would save on the quarter material as it is agreed that generally there is more waste in cutting a one-piece quarter given that larger pieces are more difficult to nest. Also, there would be no need for an overlay on a side-by-side overlapping connection (like in fig. 1).[193] This would result in two cost reductions: the cost of the overlay itself and of the additional sewing operation. After comparing the length of the horizontal and vertical stitches in skate boots 1 and 2 (with sewing in the foxing line)[194], Mr. Hall opines that the cost of skate boot 1 would likely be more than the cost of skate boot 2.

[314] Mr. Hall does not explain why he does not talk about the cost of skiving, an operation which he agrees was commonly done in construction with an overlapping tendon guard (if leather-like or thick material was used). Nor did he include any cost with respect to the inside back strap or other material often used to protect the inside of the rear seam. It is not clear whether he had them in mind when he prepared his report.

[315] The Court understands Bauer's position to be that one cannot rely on the approach taken by Mr. Hall. If one is to start counting the stitches, one must do a proper cost/benefit analysis which would take into consideration labour costs and productivity.

---

[192] Particularly the variant with a sewing line in the foxing area.
[193] Obviously, as mentioned earlier, this would not apply to variants where, like in other prior art realizations, the side-by-side connection was used.
[194] Additional sewing of an overlay at the back of the skate (back strap) would also be involved but it would allegedly be shorter.

[316] There is no mention of how much wasted quarter material is involved here. It is therefore difficult to understand how one could reach any opinion without this information. Mr. Hall does not explain how he came to believe that this would significantly impact the cost. In fact, considering the comments of Mr. Beaudoin in that respect and Mr. Hall's reference to his experience back in the mid-1990s, the Court is far from convinced that any of the experts had any real idea as to the amount involved.

[317] Dr. Hoshizaki also contested the assertion that no overlay would be used to cover the straight stitch attachment, because the use of overlays here is primarily driven by the "look" or design of the skate.[195] Also, it is not clear when one examines the physical exhibits, for example Easton skates with an overlapping construction (model C in P-14), that with the new type of material used one could have the finished look required for an exposed overlapping connection without the need to do something more.[196] Certainly, the proposition of Mr. Hall is somewhat contradicted by what one finds on Easton's own skates made with an overlapping tendon guard attached with a straight stitch. Easton used as many overlays as in the infringing models.

[318] In this case, the Court knows that Sakurai did manufacture skates for Easton with a two-piece quarter and a one-piece quarter (patterns B, C and F in P-14) and, thus, should have had relevant information readily available. Mr. Laferrière was at Rock Forest when the first infringing

[195] Easton's and CCM's non-infringing skate models with a one-piece quarter do include overlays at the rear of the boot. See also Bauer's Supreme skates with and without rear seams.
[196] See also prior art construction such as the Bauer Supreme 1000 (TX-149) where, even with a leather or leather-like tendon guard overlapping a two-piece quarter, an overlay was used.

skate boot models were made. He offered no evidence in that respect even though that supplier's prices were based on their costs plus a margin. So why was the Court left with Mr. Hall's educated guess?

[319] The Court obviously did not limit itself to the expert evidence presented by the parties. Other evidence filed by Easton, such as D-19, TX-473a[197] and TX-474, was considered.

[320] The concern described in item 9 of the attachment to the memo of August 25, 1997 with respect to the increased costs of side stitching on the one-piece quarter was raised by "a dissenting faction" (albeit a knowledgeable one) in the Bauer team and was quickly remedied when the final decision to go with the one-piece quarter was made. Mr. Laferrière did not report any difficulty in that respect with Easton's infringing skate models which also include side stitching.

[321] With respect to the comment found in the letter of September 4, 1997 (TX-474) there is simply too little evidence with respect to the Vapor 2. It appears to have been under the responsibility of the same "dissident" referred to above. Other mid-range skates such as the Vapor 4, and later the Vapor 6, were made using the invention. Easton used it in its lower-priced skates, such as the Ultra Lite in 2000.[198]

---

[197] Easton made numerous references to this document in their oral and written representations. When considered in its proper context, it is not as important or meaningful as Easton purports it to be. As noted by the Vapor task leader in the memo itself (TX-473) under "WOWness", performance was the major aspect of the Vapor skate and it is clear that if there were to be a compromise, it would favour performance over visual. As mentioned, shortly after this memo was circulated the final decision to use the one-piece quarter was made.

[198] Ned Goldsmith, transcript, Nov. 23, 2009, p. 159 (cross).

[322] Easton did raise doubts in my mind but doubts are not a basis upon which a court invalidates a patent.

E. *Misleading Representations subsection 53(1) of the* Patent Act

[323] In order to invalidate the patent pursuant to subsection 53(1) of the *Patent Act*, Easton had to establish first that an allegation in the disclosure was untrue, then, that such allegation was "material" and "wilfully made for the purpose of misleading" (*Apotex Inc. v. Wellcome Foundation Ltd.*, 2002 SCC 77, [2002] 4 S.C.R. 153, 219 D.L.R. (4th) 660 at para. 94).

[324] I have already dealt with the promises made in the '953 Patent and now need to deal with the issues raised with respect to the problems described in the background.

[325] Easton's experts, particularly Mr. Hall, opined that the problems described in the '953 Patent are exaggerated, if not non-existent. In Mr. Hall's view, there were methods already used in the industry to prevent the mix-up of the quarter pieces. At para. 21 of his first report (D-14), he notes that the "perceived misassembly problem" was cured by using multi-notching alignment marks at the suggestion of pattern makers. Mr. Beaudoin also explained that Daoust also had to deal with this problem and used chalk markings and roving inspectors.

[326] The simple fact that methods had to be devised to avoid mixing-up these pieces indicates that there was indeed a strong possibility[199] that this would happen unless some method was used to avoid it. Having a one-piece quarter certainly provided an alternative means of avoiding such problem. It could only be a superior means of doing so for, as noted earlier, unlike the other solutions which involved manual operations, it was not subject to human error. One only needs to apply common sense to come to such conclusion and, in my view, a posita, knowing that methods were effectively used to avoid the problem, would have had to know that this was indeed a real problem.

[327] Thus, I prefer the evidence of Mr. Beaudoin concerning the risk of mismatching and with respect to the difficulty of sewing rigid materials. It corroborates the testimony of Mr. Chênevert, and Mr. Beaudoin has, in my view, a good background in production issues, which those are.

[328] With respect to the rear sewing line being subject to breaking, both Mr. Chênevert and Mr. Beaudoin confirmed that they had identified such issues during the autopsy of used skates. It is true that Mr. Hall[200] and Mr. Laferrière appear not to have been aware of a particular problem in that respect. However, as noted by Bauer, Mr. Hall, in his report, is more subtle; he uses words like not "frequently" and "not aware of a significant problem". In fact, the real issue for him was the use of the word "considerable".

---

[199] It was certainly serious enough to motivate the pattern maker concerned with such issues to suggest multiple notching in order to solve the perceived problem discussed earlier and referred to at para. 21 of Hall's affidavit.

[200] Mr. Tonkel's views were noted but so was his lack of real experience and knowledge with respect to skates; see Ray Tonkel, transcript, Nov. 30, 2009, p. 252, line 17 to p. 253, line 2 and Dec. 2, 2009, pp. 112-115.

[329] In that respect, the Court accepts the evidence of Mr. Beaudoin[201] that once the rear seam was affected, this would compromise the ultimate strength and the integrity of the skate boot. In that sense, it would amount to a considerable damage. As mentioned in the patent, this would be the result of the forces applied during the skating stride. It is evident that the very strong constraints referred to in the '953 Patent would occur more often in high-end skates used by professional hockey players or other highly skilled players. Also, the Court notes that powerful amateur hockey players do not all have the means to buy high-end performance skates. It was not disputed that there are performance skates at mid-range prices. Although the background section ends with a mention of the importance of the quarter in high-quality skate boots, one could infer from the problem described in the Chin Patent that broken rear seams may also have been a concern in lower-priced models.

[330] With respect to the difficulty in aligning rigid materials, as mentioned in the section on utility, Mr. Laferrière's testimony as to why he used a strap on the inside of the rear seam of the quarter corroborates Mr. Chênevert's views.

[331] The evidence of the number of returns at Bauer concerning broken seams is not particularly useful here given that everybody agreed on the fact that stringent inspection controls would be in place (certainly for high-performance skates) to avoid shipping to retailers or customers products with misaligned or badly sewn seams. That doesn't mean, however, that there were no skate boots

[201] Beaudoin (Responding Statement) P-39, para. 63.

or parts rejected on the production floor. Mr. Chênevert and Mr. Covo spoke of anecdotal evidence in that respect.[202]

[332] In light of the foregoing, the Court is not satisfied that the information on p. 1 of the patent was untrue.

[333] Even if one were to conclude that the overall impression left from the background, as well as from the representations made on pp. 2 and 4 in respect of "avoiding" the drawbacks and the risk of a broken seam, was somewhat exaggerated or made to look like more than it really is and assuming, without deciding it, that this was material,[203] the Court would not conclude that this was done with an intention to mislead.

[334] Easton virtually conceded that it has little direct evidence of Bauer's intention to mislead the Commissioner of Patents, but it argues that such intent can be inferred from the fact that, at the relevant time, Mr. Chênevert and Bauer had no real data to support these statements.

[335] It is evident that in certain cases the Court may be ready to infer such an intention because the evidence before it was so blatantly contrary to the representations made (see *Pfizer (2009)*).[204]

---

[202] Apparently no statistical data is kept at Bauer in that respect.

[203] Dr. Hoshizaki said that the posita would not count stitches and would really only be concerned by the presence of a stronger heel portion for this would address the need to find ways to lessen the weight of the skate without affecting its performance. This was obviously contested by Mr. Hall. Mr. Tonkel opined that strength in the heel portion would not be a material consideration and that breakage of the rear seam would not be a significant factor (D-16, para. 17). Again, this may well be true for boots and shoes but his basis to extend this to skates is unclear.

[204] Again, in that case the patentee had to know that his ability to obtain a selection patent was based on the advantage described in the disclosure. It involved a highly sophisticated industry well-versed in issues relating to patents.

However, context is all-important, it must be examined carefully and I do not think that such an inference is warranted here.

[336] Finally, I must say that if I had been convinced that the statement about the manufacturing costs was untrue, in the absence of proper explanations from Bauer with respect to Mr. Chênevert's letter of September 4, 1997[205] (TX-474), this evidence would have weighed heavily in favour of the Defendant on the issue of intent.

VI. Remedies, Interest and Costs

[337] Pursuant to subsection 55(2) of the *Patent Act*, Easton is only liable to pay reasonable compensation to the Plaintiffs for the period between the time the application of the patent became open to public inspection and before the grant of the patent. Thus, for infringing skates produced before November 20, 2001, the Plaintiffs are only entitled to a reasonable royalty to be assessed by the reference judge.

[338] I said reasonable compensation because in *Jay-Lor International Inc. v. Penta Farm Systems Ltd*., 2007 FC 358, 59 C.P.R. (4th) 228, 313 F.T.R. 1 at paras. 120 and 122, a reasonable compensation is not identical to damages. In a case where no other alternatives were presented, reasonable compensation equates to a reasonable royalty.

[205] The day he signed his "*formulaire de divulgation d'invention*" and one day before the filing of the priority application on September 5, 1997.

[339] The Plaintiffs are also entitled to a permanent injunction to restrain the Defendant from manufacturing, using or selling to others in Canada or inducing and procuring others to manufacture any skate boots made in accordance with model F or any other skate boots that infringe upon the '953 Patent as well as an order to deliver up any skate boots in its possession or under its authority and control.

[340] At this stage, however, given that there was no evidence that all the dyes used to make those skates cannot be used to fabricate non-infringing skate boots, the Court is not prepared to make an order that the Defendant deliver up the dyes that allowed it to make the infringing skate boots described in these reasons. The Plaintiffs shall advise the Court within 5 days of the date of this judgment if they wish to pursue this issue further.

[341] As noted by the Federal Court of Appeal in *AlliedSignal Inc. v. Du Pont Canada Inc.* (1995), 95 F.T.R. 320 n, 184 N.R. 113, 61 C.P.R. (3d) 417 (F.C.A.), "the choice between the two remedies [damages or accounting of profits] cannot be left entirely to the successful plaintiff[s]" (para. 77). In the past, the right to elect has been denied for a variety of reasons that do not apply in this case.

[342] Easton presented no argument on this point.

[343] Having considered and evaluated the circumstances of this case, the Court is satisfied that the proper exercise of its discretion is to afford Bauer the right to elect between an accounting of

profits and damages. As mentioned earlier, there has been an order bifurcating the question linked to the quantification.

[344] In light of Bauer's right to elect, it would not be appropriate for the Court to make any determination with respect to apportionment. Such determination shall be made by the reference judge should Bauer elect to seek an accounting of profits.

[345] With regard to damages, it is clear that Bauer will have to establish what sales were directly lost as a result of Easton's infringement including the infringement in respect of boots ultimately sold in the United States and in Europe.

[346] With regard to interest, as noted and for the reasons explained in *Eli Lilly* at paras. 665 and following, by operation of paragraph 36(4)(b) of the *Federal Courts Act*, R.S.C. 1985, c. F-7 (*Federal Courts Act*), the Court cannot award interest on a compounded basis at this stage. Furthermore, there is no evidence as to specific interest rates or pre-judgment interest over and above the average annual bank rate established by the Bank of Canada as the minimum rate at which the Bank of Canada makes short-term advances to the banks listed in schedule 1 of the *Bank Act*, R.S.C. 1985, c. B-1. The Court will thus make an award that is conditional upon the reference judge not awarding interest under paragraph 36(4)(f) of the *Federal Courts Act*.

[347] With regard to post-judgment interest, it is well established that the appropriate rate is 5%, not compounded, as established by s. 4 of the *Interest Act*, R.S.C. 1985, c. I-15 (see *Janssen-Ortho*

Inc. v. Novopharm Ltd., 2006 FC 1234, 301 F.T.R. 166, 57 C.P.R. (4th) 6 at para. 166 and *Merck & Co. v. Apotex Inc.*, 2006 FC 524, 282 F.T.R. 161, 53 C.P.R. (4th) 1 at para. 241 and *Servier v. Apotex Inc.*, 2008 FC 825, 67 C.P.R. (4th) 241, 332 F.T.R. 193 at para. 513).

[348] The Plaintiffs are awarded their costs, but both parties sought the right to provide written representations in respect of the amount of costs after judgment was rendered. The Court therefore reserves its jurisdiction in that respect. Should the parties not be able to agree on the amount of the costs, they shall provide written representations within 15 working days of the date of this judgment.

[349] Also, should it be preferable to include the specific models of Easton's skates that are found to infringe in the judgment, the parties shall attempt to agree on an amended draft that should be submitted within 10 working days of the date of this judgment.

JUDGMENT

THIS COURT ADJUDGES AND DECLARES as follows:

1. The Defendant Easton Sports Canada Inc. has infringed at least one claim of Canadian Patent No. 2,302,953 by selling or manufacturing or inducing and procuring Les Chaussures Rock Forest Inc. to manufacture in Canada skate boots made using pattern F in P-14 and skates comprising such skate boots, including the skate models identified in Schedule A, which is based on the information available to date.

2. The Plaintiffs are entitled to elect either an accounting of profits of the Defendant or all damages sustained by reason of sales directly lost as a result of the infringement by the Defendant of the above-mentioned patent. Such damages will be assessed by reference preceded by discovery if requested;

3. The Plaintiffs shall be entitled to pre-judgment interest on the award of damages (if elected), not compounded, at a rate to be calculated separately for each year since infringing activity began at the average annual bank rate established by the Bank of Canada as the minimum rate at which it makes short-term advances to the banks listed in Schedule 1 of the *Bank Act*, R.S.C. 1985, c. B-1. However, such award is conditional upon the reference judge not awarding interest under paragraph 36(4)(f) of the *Federal Courts Act*, R.S.C. 1985, c. F-7;

4. In the event that the Plaintiffs elect an accounting of profits, interest shall be determined by the reference judge;

5. The Plaintiffs shall be entitled to post-judgement interest on the award of damages (if elected), not compounded, at a rate of 5% per annum, as established by s. 4 of the *Interest Act*, R.S.C. 1985, c. I-15. This interest shall commence upon the final assessment of the monetary damage amount or profits amount, until then pre-judgment interest shall prevail;

6. The Plaintiffs are granted an injunction to restrain the Defendant by itself or by its shareholders, directors, officers, agents, servants, employees, affiliates, parent company, subsidiaries, or any other entity under its authority or control and each of them from:
    a. Manufacturing, using or selling to others, or inducing and procuring others to manufacture, the skate boots made using pattern F in P-14 or any similar pattern or any skates comprising such skate boots or any skate boots or skates comprising such skate boots that infringe upon Canadian Patent No. 2,302,953;
    b. Directly or indirectly infringing any claims of Canadian Patent No. 2,302,953;

7. The Plaintiffs are granted an order that the Defendant deliver up to the Plaintiffs the skate boots made using pattern F in P-14 or any similar pattern or any skates comprising such skate boots or any skate boots or skates comprising such skate boots that infringe upon Canadian Patent No. 2,302,953, that are in its possession or under its authority or control at the date of any injunctive order rendered in this matter, as well as any other skate or skate

boot in its possession or under its authority or control that may contravene any injunction granted in these proceedings;

8. The Plaintiffs are entitled to their costs which will be the subject of a distinct order. The parties shall within 15 days hereof make submissions as to the amount of said costs in the manner set out in my reasons;

9. The Defendant's counterclaim is hereby dismissed, with costs to be assessed as above.

"Johanne Gauthier"
Judge

SCHEDULE A

LIST OF EASTON'S SKATE MODELS FOUND TO INFRINGE PATENT NO. 2302953

The followng is a list of Easton's skate models constructed in accordance with any of Patterns A, E or F as set out in Exhibit P-14, of which the Plaintiff is aware based on the information available to date.

2000 Model Year

Ultra Lite
ULTRALITE SR

Ultra Lite Junior
ULTRALITE JR

Z-Air
Z-AIR SR 2K
IHS Z-AIR
DEMO Z-AIR

Z-Air Junior
Z-AIR JR 2K

2001 Model Year

Ultra Lite
ULTRALITE SR

Ultra Lite Junior
ULTRALITE JR

Ultra Lite Pro
IHS ULP 2K
U/L PRO IHS

Ultra Lite Pro Junior
IHS ULP JR

Z-Air
Z-AIR SR 2K
IHS Z-AIR

Z-Air Junior
Z-AIR JR 2K
IHS Z-AIR JR

Air
IHS AIR
IHS AIR 2K

Air Junior

2002 Model Year

Ultra Lite
ULTRALITE SR

Ultra Lite Junior
ULTRALITE JR

Ultra Lite Youth

Ultra Lite Pro
IHS ULP 2K

Ultra Lite Junior
IHS ULP JR

Air
IHS AIR
IHS AIR 2K

Air Junior

Z-Air
Z-AIR SR 2K
IHS Z-AIR

Z-Air Junior
Z-AIR JR 2K
IHS Z-AIR JR

Maxx Lite
BLK MAXX

Octane
OCTANE

Octane Junior
Comp Lite
Comp Lite Junior
Ultra Comp
Ultra Comp Junior
Maxx Lite Junior
PLD
PLD Junior

2003 Model Year

Air
IHS AIR
IHS AIR
IHS AIR 2K

Air SBX
AIR SBX IHS
AIR SBX BLEM
NHL AIR SBX

Z-Air
Z-AIR SR 2K

Z-Air Junior
IHS Z-AIR JR

Z-air Comp SE
Z-AIR COMP SE

Z-Air Comp
Z-AIR COMP
NHL Z-AIR COMP

Youth Z-Air

CHART A

Name	Exhibit number	Brief Bio Note
BAUER		
Dr. T. Blaine Hoshizaki	P-1 P-45 P-46	Dr. Hoshizaki is Associate Professor and Director of the School of Human Kinetics & Associate Dean of Health Sciences at the University of Ottawa. He obtained his Ph.D. in Exercise Physiology from the University of Illinois in 1978. In 1978, he was Sessional Lecturer at the University of Victoria. In 1979, he was Assistant Professor at the Lakehead University. From 1980 to 1994, Dr. Hoshizaki worked as an Assistant Professor and Associate Professor at Department of Physical Education at McGill University.[206] Starting in 1989, Dr. Hoshizaki was on leave from McGill University as he joined Bauer as V.P. of Research and Development. From 1995 to 1997, after Nike bought Bauer, he left his employment with the undertaking that he would act as a consultant for Bauer in respect of certain files. He was responsible of the advanced research program developed at McGill University, he continued with the intellectual property file he had been responsible of and continued to represent the company in certification standards committees. From 1997 to 2002, he was in charge of the product development at CCM. From 2002 and 2004, he acted as a consultant in the sporting goods industry for Cascade and the New York Rangers. He has been listed as author or co-authored in several presentations and publications and was listed as inventor or co-inventor in patents or patent application relating to hockey skates and equipment.
Dr. Mario Lafortune	P-47	Dr. Lafortune obtained his Ph.D. in biomechanics from the Pennsylvania State University in 1984. He is currently the Director of the Nike Sports Research Lab. He is responsible for 25 staff members who conduct research on biomechanics, psychophysics and physiology of performance enhancement and injury prevention through footwear, apparel and equipment and directs the research of twelve University research partner teams. Prior to joining Nike in 1996, he worked with a number of well-known institutions including the Australian Institute of Sports, University of Guelph, NASA, Université de Lille II, University of Waterloo, University of Porto and Université du Québec.

[206] During that time, he performed research and design projects for ice hockey skates and equipment for both CCM and Bauer. One of his reports dealing with the analysis of six different skates, including the Medallic, as well as the analysis of the kinematics of the ankle movement during skate strides was attached as Schedule A to Mr. Hall's second report (D-15).

Guy Beaudoin	P-39 P-40	Mr. Beaudoin obtained a Diploma in Industrial Management from the Bois-de-Boulogne College in Montreal, in 1983. In 1983, he was employed by A. Lambert International Inc. as Production Scheduling Clerk in the rubber boot division. In 1985, he became Planning Manager. In 1986, he was promoted to the position of Director of Planning and Scheduling for both the rubber boot division and the Daoust hockey skate division. Then, from 1990 to 1993, he was Director of the Daoust hockey skate division. From January 1993 to October 1995, he was employed by Bauer, where he held different positions focusing on R&D of new products, including in-line and hockey skates. He was mostly concerned with the execution phase of the R&D process, including manufacturing and production. He worked at Bauer until 1995 when he left the skate industry.
Jim Rennie	P-11 P-41 P-42	Jim Rennie obtained a Bachelor in Political Science and Economics from the University of Toronto in 1965. From 1967 to 1977, he worked in the sporting goods industry for Maclean-Hunter, a Canadian communications company, occupying successively the positions of journalist in trade publishing, assistant editor, editor and finally publisher of Sporting Goods Canada. From 1977 to 2002, he operated his own company, Rennie Publications Inc. and launched *Jim's Rennie Sports Letter*, a weekly newsletter that focused on news of Canadian sporting goods industry and international trends that could impact the Canadian sports trade, including in the hockey market. He later introduced other publications including *Jim Rennie's Desk Reference* directory as well as two magazines focusing exclusively on hockey trade namely *Jim Rennie's What's New, What's Hot* and *Hockey Trades*. Starting in 1980, he began collecting market data to track the annual volume of product shipments from vendors to retailers of sporting goods merchandise, including ice hockey skate. He sold his company in 2002.
EASTON		
Ken Hall	D-14 D-15 D-21	Mr. Hall joined Lange Canada Inc. in 1971. In 1975, he joined Micron Sports Products Inc. From 1978 to 1983, Mr. Hall was employed by Bauer where he occupied the position of Director of Purchasing and Raw Material Research and Development. This position entailed the search for new materials for development of the products. In 1983, he became the Development Manager of Special Projects. He left Bauer in 1988. From 1988 to 1989, he worked in R&D at Itech Sports Products Inc., a hockey protective gear company. In 1989, he joined Sports Maska, the parent company of CCM, as Director of Product Development for CCM hockey products. He developed ice hockey skates, ice hockey skates blades, helmets, face masks and protective equipment for CCM. After he left

		CCM in 1996, Mr. Hall joined Tropsport Acquisitions as Vice-President, R&D and, in 2000, became President of Parabolic Sports Systems Inc. (patented inline skate wheel system). He was named as an inventor in several patented designs for ice skates, ice hockey blades and hockey protective equipment.
Ray Tonkel	D-16 D-17 D-20	Ray Tonkel obtained his Bachelor of Fine Arts in Environmental Design from the Rochester Institute of Technology in 1978. He has been involved in the design and development of athletic footwear, including R&D since 1980. From 1980 to 1983, Mr. Tonkel worked for Nike, Inc. successively as Product Manager/Designer and Advanced Concept Product Manager. After leaving Nike, Mr. Tonkel was employed by other well-known footwear companies, namely Kangaroos USA, Adidas USA, Rockport Corporation, Reebok International. Since 1998, he operates his own company, LEXZ9, Inc. and is a partner in U-Turn Sports Co., LLC, a company specialized in the design, development and marketing of proprietary technologies in the footwear industry. He has been named as an inventor on 39 US patents and other pending patent applications.

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET:	T-237-02
STYLE OF CAUSE:	BAUER HOCKEY CORP. AND NIKE INTERNATIONAL LIMITED v. EASTON SPORTS CANADA INC.
PLACE OF HEARING:	Montreal, Québec
DATE OF HEARING:	November 2, 2009 to December 9, 2009 and January 11 to 12, 2010
AMENDED REASONS FOR JUDGMENT AND JUGDMENT:	GAUTHIER J.
DATED:	August 26, 2010

APPEARANCES:

Mr. François Guay Mr. Jeremy Want Mr. Daniel Anthony	FOR THE PLAINTIFFS
Mr. Guy Pratte Mr. Gordon Zimmerman Mr. Daniel Urbas Mr. Daniel Grodinsky	FOR THE DEFENDANT

SOLICITORS OF RECORD:

SMART & BIGGAR Montreal, Québec	FOR THE PLAINTIFFS
BORDEN LADNER GERVAIS LLP Montreal, Québec	FOR THE DEFENDANT