

FCA Confirms the Importance of Counsel's Role in Maintaining the Independence of Experts

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In *dTechs EPM Ltd. v. British Columbia Hydro and Power Authority*, 2023 FCA 115, the Federal Court of Appeal considered allegations that an expert report was inadmissible or should be given no weight because it did not reflect the expert's independent opinion. In assessing those allegations, the Court confirmed that counsel can work closely with experts to prepare their reports, provided that the reports present the substantive and objective opinion of the experts.

Background

dTechs EPM Ltd. (dTechs) asserted Canadian Patent No. 2,549,087 (087 Patent) against British Columbia Hydro and Power Authority (BC Hydro) and Awesense Wireless Inc. (Awesense). The 087 Patent relates to the monitoring of utility usage for abnormal patterns indicative of theft of electrical utilities, such as in the indoor cultivation of marijuana. Awesense is a start-up company that supplied wireless ammeters and energy meters and supporting software to BC Hydro. BC Hydro used these tools and software on its primary supply line.

At trial, dTechs claimed that BC Hydro infringed the method claims of the 087 Patent. dTechs also alleged that Awesense indirectly infringed the 087 Patent through inducement or common design. Each party entered its expert evidence on consent and did not challenge the admissibility of the others' expert reports, although the parties did argue over the appropriate weight the Court should give to the experts' evidence. The Federal Court considered the parties' criticisms of the expert evidence and weighed the evidence accordingly. It dismissed dTechs' infringement claim and declared the claims at issue to be invalid for anticipation and obviousness.

dTechs appealed the decision.

Following trial, dTechs received new documents, including a working agreement for BC Hydro's expert and related invoices for his work. dTechs moved for leave to introduce these documents as new evidence on the appeal. That motion was granted. dTechs argued that the new evidence showed that BC Hydro's expert was not independent and unbiased because he did not author his reports.

The Federal Court of Appeal (FCA) addressed two principal issues: the admissibility of BC Hydro's

impugned expert report, and the substantive issues on appeal, including claim construction, infringement and invalidity.

Ultimately, the FCA concluded that, although the new evidence might have had some impact on the weight afforded to BC Hydro's expert, it could not have affected the result of the infringement action *per se*. The FCA held the new evidence may only have affected the Federal Court's finding on the validity of one claim. The FCA sent the validity of that claim for redetermination by the Federal Court, in light of the new evidence and any effect it might have on weighing the expert evidence.

Role of Counsel with Expert Evidence

The FCA acknowledged that, in patent cases, counsel usually collaborate closely with an expert to prepare a report that reflects the substantive opinion of the expert but is packaged in a way that helps the Court. Counsel's involvement in that capacity does not necessarily mean that the resulting report does not reflect the opinion of the expert. However, opposing counsel may cross-examine the expert at trial to test the expert's opinion and reveal any overstep by counsel in preparing the report.

Counsel in a patent case must ensure that the independence and credibility of an expert is respected throughout the preparation of an expert report. The collaboration between counsel and the expert can help the Court to understand complex issues better. Since experts are rarely familiar with the complex legal principles of patent law, counsel can assist by framing the expert's opinion within the applicable legal principles in a way that is useful to the Court.

The FCA specifically referenced the Code of Conduct for Expert Witnesses, which puts experts on notice regarding their duty to provide non-partisan opinion evidence to assist the Court.

Appeal Allowed in Part Due to New Evidence

The FCA found that the new evidence could have potentially affected the Federal Court's invalidity findings in respect of only one claim. The FCA held that, even if no weight were given to the evidence of BC Hydro's expert based on the new evidence, only the Federal Court's decision on validity of a single claim might be affected. Given the fact-driven nature of the validity issue, the FCA ordered a redetermination of the validity of the affected claim by the Federal Court on the basis of both the existing evidence and the new evidence, including the potential effect of the new evidence on the weight to be given to the evidence of BC Hydro's expert.

This decision underscores the importance for counsel, when involved in preparing expert reports, of maintaining the independence and credibility of the expert.

Cassels

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