
Canada: Protective Orders in Trademark Cases

Canadian National Railway Company v. BNSF Railway Company, 2020 FCA 45

By [Janet L.Hoffman](#)

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Historically, the Federal Court of Canada (where most IP litigation is heard) has been issuing so-called protective orders covering confidential information, generally on consent of both parties. These orders are enforceable by courts, including through contempt proceedings. Protective orders usually include information that the parties designate as “confidential,” and, for highly sensitive material, the parties can designate “Counsel’s Eyes Only Information.” There are limits on the number and identity of persons who can access such information, and persons with access must review and undertake to adhere to the terms and conditions of the orders. Over the years, the Federal Court and IP practitioners had developed a template for use in seeking/granting protective order protection, and orders were more or less routinely granted. More recently, however, some members of the Federal Court have been questioning this practice and a number of requests have been denied except for “exceptional circumstances.” The resulting inconsistent application of the process has raised concerns on the part of parties and practitioners, and parties have been relegated to govern such information through private agreements, which are not as easily enforceable. U.S. litigants were especially affected by this, since such orders are routinely granted by U.S. courts, and having the same information disclosed in related Canadian proceedings undercut the purpose.

In March 2019, the Federal Court of Appeal of Canada was provided an opportunity to address the inconsistencies within the Federal Court in *Canadian National Railway Company v BNSF Railway*

Company, 2020 FCA 45. In that case, the Canadian National Railway (“Canadian National”) appealed dismissal of a motion for a protective order brought jointly by the parties. The Intellectual Property Institute of Canada (IPIC) also intervened in the appeal to make representations on behalf of the IP legal community. The appeal was heard on December 16, 2019. In a decision dated February 17, 2020, the Federal Court of Appeal granted Canadian National’s appeal (*Canadian National Railway Company v BNSF Railway Company*, 2020 FCA 45). In so ruling, the court held that the test for issuing protective orders is the one set out by the Federal Court in *AB Hassle v Canada (Minister of National Health & Welfare)* (161 FTR 15, 1998 CarswellNat 2520 (FC Trial Div.)). Namely, a court must conclude that the party requesting the protective order believes that its proprietary, commercial, and scientific interests would be seriously harmed by producing information upon which those interests are based. If challenged, a court must be satisfied that the information was treated as confidential at all times and that, on a balance, the requesting party’s interests could be reasonably harmed by disclosure of the subject information. In so ruling, the Federal Court of Appeal rejected the motion judge’s application of the stringent test set out in the decision of the Supreme Court of Canada in *Sierra Club of Canada v Canada (Minister of Finance)*, 2002 SCC 41.

This is a welcome decision especially for parties who are engaged in parallel related litigation in the U.S. and Canada.

The full decision can be viewed by the link below.

Primary Contacts

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