

# Federal Court of Appeal decision means no questions left on test for protective orders: lawyer

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By [Ian Burns](#)

The Federal Court of Appeal has clarified the test to be used when determining whether to issue a protective order in intellectual property cases, a decision a lawyer involved in the case says now offers greater certainty to companies on what their rights are in Canada when seeking to protect information.



In *Canadian National Railway Company v. BNSF Railway Company* 2020 FCA 45, Justice Richard Boivin overruled a lower court judge's decision declining to issue a protective order in a conflict between two railway companies over technology which allows customers to arrange shipments online. Intellectual property cases often involve exchanges of information about business operations during which the parties plan among themselves about what can and cannot be done about the confidential information they give each other, which gives rise to a protective order. A confidentiality order, on the other hand, allows parties to file things to the court where the public can't see them, and the Supreme Court's decision in *Sierra Club of Canada v. Canada (Minister of Finance)* 2002 SCC 41 says before information is sealed in the court record a necessity test is required to prove there is no other method available to protect it.

In the present case, both CN Rail and BNSF prepared a joint draft protective order, with a formal motion heard before the Federal Court in February 2019. Justice George Locke dismissed the motion, concluding the test for confidentiality orders also applied to determining the availability of protective orders. He found a protective order was not necessary because "reasonably alternative measures" were available to the parties, and was of the view that an implied undertaking, supplemented by a "protective agreement" between the parties, was a "reasonable alternative measure" to the protective order jointly sought by the parties.

But the Federal Court of Appeal ruled Justice Locke was in error when he applied the *Sierra Club* test in this case, noting the test for protective orders in *AB Hassle v. Canada (Minister of National Health and Welfare* [2000] 3 F.C. 360 is well established.

“There is no justification for applying the same onerous *Sierra Club* test that is applied to confidentiality orders to protective orders,” Justice Boivin wrote in his Feb. 17 decision. “Confidentiality orders are squarely meant to circumvent the open court principle, while protective orders are instead used in instances where the open court principle is not engaged.”

Andrew Brodtkin, Goodmans LLP

Andrew Brodtkin of Goodmans LLP, who served as counsel for the Intellectual Property Institute of Canada (IPIC), which intervened in the case, said the Federal Court of Appeal has now “left no questions whatsoever” as to the test to be applied for granting a protective order.



“A protective order, because it really doesn’t in any way affect the public’s access to the court system, has historically never really required anyone to meet the test [in *Sierra Club*], but what occurred in Federal Court was a seeming movement toward making it almost impossible to get a protective order by imposing that necessity requirement,” he said. “As someone who has done this for a long time it is very gratifying when a court steps in to areas of law that are unclear and clarifies them. This was a really good example of our court system working the way it is supposed to.”

Brodtkin said the decision is a win for the protection of information and a recognition that confidentiality matters.

“You can take away from this decision that there are now clear guidelines on how to advise your clients as to what their rights are in Canada on protective orders and they can engage the Canadian process with the same degree of comfort they had before this blip in the law,” he said.

Counsel for CN Rail did not respond to a request for an interview. BNSF did not participate in the appeal.

*If you have any information, story ideas or news tips for [The Lawyer's Daily](http://TheLawyer'sDaily.com) please contact Ian Burns at [Ian.Burns@lexisnexis.ca](mailto:Ian.Burns@lexisnexis.ca) or call 905-415-5906.*