

KEEPING CURRENT

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Letters of Request enforced in connection with U.S commercial litigation

By James R.G. Cook

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James R.G. Cook
Partner
416.865.6628
jcook@grllp.com

Recent decisions involving the enforcement of letters of request issued by U.S. courts reflect the continued openness of Ontario courts to assisting reasonable requests for evidence gathering for use in U.S. proceedings.

In *Q3 Networking LLC v. Siemens Canada/Commscope v. Siemens Canada*, [2021 ONSC 2808 \(CanLII\)](#), the United States District Court for the District of Columbia had issued Letters Rogatory (or "**Letters of Request**") to compel documentary and oral evidence from the respondent, Siemens Canada Limited ("**Siemens**"), whose parent company was involved in ongoing litigation over patent infringement of routers with the applicant, a Texas company known as Q3 Networking LLC ("**Q3**").

Q3 alleged that Siemens produced and maintained technical information, specifically the source codes, pertaining to one of the products at issue in the U.S. litigation, known as "Ruggedcom," which the parent corporation did not have. Q3 claimed the application to enforce the Letters of Request was

urgent as it required the evidence by a discovery deadline set in the U.S. litigation of April 21, 2021.

Siemens confirmed that it possessed the source codes sought under the letters rogatory. However, it submitted that it would take approximately 32 "man weeks" of labour to review and produce the subset of source codes to Q3, and that there was simply not enough time to comply with the request by the deadline. Siemens further argued that the source codes being sought from hundreds of Ruggedcom products are proprietary trade secrets, the divulgence of which could enable a competitor to replicate the products, and that it had a contractual obligation to maintain the confidence of third party software embedded within the source codes. There was no question that Q3 had established the statutory requirements for issuing Letters of Request under section [60](#) of the [Ontario Evidence Act](#):

a) a foreign court, desirous of obtaining testimony in relation to a pending civil, commercial

or criminal matter, as authorized the obtaining of evidence;

b) the party from whom the evidence is sought is within the jurisdiction of Ontario;

c) the evidence sought from the Ontario party is in relation to a pending proceeding before the foreign court or tribunal; and,

d) the foreign court or tribunal is a court or tribunal of competent jurisdiction.

Even if these statutory requirements are met, a court nevertheless retains a discretion to grant or refuse enforcement of Letters of Request based on the principles of comity, public policy of the jurisdiction to which the request is directed, and the absence of prejudice to the sovereignty of the citizens of that jurisdiction: *Actava TV, Inc. v. Matvil Corp.* [2021 ONCA 105 \(CanLII\)](#). We have previously [discussed](#) the applicable principles to be considered as outlined by the Ontario Court of Appeal in *Perlmutter v. Smith*, [2020 ONCA 570 \(CanLII\)](#) and *Glegg v. Glass*, [2020 ONCA 833](#).

Justice Diamond of the Ontario Superior Court of Justice reviewed the evidence filed on the application and was satisfied that the appropriate procedure was followed before the D.C. court in issuing the Letters of Request, and that it was not rubber-stamped or done in a perfunctory manner. Even though the U.S. discovery deadline was only a week after the application, the deadline had not yet passed, and it was not clear whether or not it could be extended further if necessary. Justice Diamond could not find that the responsibility for the current “time crunch” lay solely at the feet of Q3.

As to the proprietary and confidential nature of the source codes, there is no doubt that requiring a non-party to disclose sensitive, confidential information can run contrary to public policy, especially when the confidential information “strikes at the heart” of the non-party’s business operations. However, Justice Diamond was satisfied that Siemens’ concerns could be addressed by the imposition of terms and conditions as part of any order enforcing the Letters of Request, and requiring Q3 to abide by the terms of a supplemental protective order as a condition of obtaining the source codes.

Justice Diamond further noted that the court could order compliance with the deemed undertaking rule in Rule 30.1 of the [Rules of Civil Procedure](#), so that no information or documentation obtained from Siemens could be used for any purpose other than the U.S. proceedings. Accordingly, the enforcement of the Letters of Request, with the imposition of additional terms and conditions, was not contrary to public policy.

As a result, Justice Diamond issued an order recognizing and enforcing the Letters of Request, subject to terms narrowing the scope and ordering compliance with the deemed undertaking rule and supplementary protective order in the U.S. proceedings.

In *RingCentral v. Rank Secure*, [2021 ONSC 2306 \(CanLII\)](#), Justice Patrick Hurley of the Ontario Superior Court of Justice granted an application to enforce a Letters of Request issued by the United States District Court for the Northern District of California, in a dispute arising from a dispute between competitors of cloud based communications services. The applicant, RingCentral Inc., and a



company called Nextiva Inc. are competitors in the market for cloud-based communication services. RingCentral claimed Nextiva and other defendants engaged in an unlawful scheme to harm its business and reputation, primarily through fabricated reviews on the internet which were critical of RingCentral and laudatory of Nextiva. The U.S. trial was scheduled to start in July 2021.

RingCentral and Nextiva requested Letters of Request from the U.S. judge who was managing the litigation, after Nextiva produced 257,497 pages of documents. In their request, they stated that these documents revealed facts not previously disclosed during the discovery process and that an Ontario resident, B.L. had “highly relevant information not identified during fact discovery.” B.L. was identified in the Letters of Request as the owner or principal of a business known as “Rank Secure,” although it was not clear what type of entity that was. B.L. and Rank Secure were alleged to have been involved in the wrongful scheme that is the foundation of the U.S. lawsuit.

In response to the application to enforce the Letters of Request, B.L. argued that the request was overly broad, that the information requested was unnecessary because it had already been produced in the U.S. litigation or was available elsewhere, and that the documentary production would be unduly burdensome.

Oddly, however, B.L. did not file a responding affidavit or other material as he could have done under rule 38.09 (3.1) of the [Rules of Civil Procedure](#), so the court did not have any evidence from him to determine how onerous the requested documentation might be, nor whether the documents were obtainable from other sources or already produced.

Justice Hurley followed the guideposts outlined by the Court of Appeal in *Treat Canada Limited v. Leonidas*, [2012 ONCA 748](#) at para. [19](#); *Presbyterian Church of Sudan v. Rybiak*, [2000 CanLII 32746](#) (ON CA) at para. [20](#), and *Perlmutter v Smith*, [2020 ONCA 570](#) at para. [25](#).

In the circumstances, Justice Hurley reasoned that the requesting court’s decision to issue the Letters of Request was entitled to considerable defence, and the terms of the Letters of Request were comparable to what a judge of the Superior Court of Justice could order under rules 30.10 and 31.10 of the [Rules of Civil Procedure](#) in a motion brought for leave to examine a non-party in Ontario.

On the evidentiary record filed, Justice Hurley found that RingCentral met the requirements for an order enforcing the Letters of Request in respect of the documentary discovery. His Honour left it to the lawyers to “resolve any squabbles over questions or documents at the depositions,” and directed them to address any further disputes to the California court that issued the Letters of Request.

Contact us

If you have a litigation matter and are in need of legal advice, please contact [James Cook](#), at 416.865.6628 or jcook@grllp.com.

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