CITATION: Svoboda v. Modiface Inc., 2024 ONSC 6249
COURT FILE NO.: CV-23-782
DATE: 20241112

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:	
TANYA N. SVOBODA and ANTONELLA M. ORTIZ COLOSI individually and on behalf of all others similarly situated Applicants	Sean C. Flaherty, for the Applicants
– and –	Robin D. Linley, for the Respondent
MODIFACE INC. Respondent	**HEARD:** August 19, 2024

REASONS FOR DECISION
(APPLICATION TO ENFORCE LETTERS ROGATORY)

JUSTICE E. TEN CATE

Introduction

[1] The Applicants seek an order to enforce Letters Rogatory dated October 26, 2022, issued by the United States District Court for the Northern District of Illinois Eastern Division, authorized by the Honourable Sheila M. Finnegan, United States Magistrate Judge.

[2] In the Illinois action, the Applicants are plaintiffs and representatives of a class certified against Amazon.com Inc. and Amazon.com Services LLC (collectively "Amazon").

[3] In support of its defences, Amazon seeks production and discovery from the Respondent, ModiFace Inc. ("ModiFace") which is a Canadian corporation located in Toronto, Ontario. ModiFace is not a party to the action and has no ties to Illinois or to the United States.

[4] ModiFace resists the Illinois order because its scope is too broad, requiring it to provide its "source code" which would have potentially devastating consequences to its business. It is prepared to provide the source code in "compiled" and "obfuscated" form and submit to the deposition process provided there are procedural protections in place as *per* Rule 34.12 of the Ontario *Rules of Civil Procedure*[1].

[5] To their credit, the parties have conducted extensive discussions and have resolved most of the items in the Letters Rogatory, except for the following:

1. the scope of production of the source code requested in paragraph 14 in Schedule "A" of the Letters Rogatory;

2. the terms of the protective order; and,

3. the quantum of costs payable to ModiFace.

Disposition

[6] For reasons that follow, I determine that the Applicants have not met their evidentiary burden to show that production of the source code is relevant or necessary in accordance with Ontario law. I also find that the request for the source code is against public policy and shall not be produced.

[7] Although I am therefore not prepared to grant the Applicants' request, I order ModiFace to provide their compiled and obfuscated code to the Applicants and to submit to a deposition as *per* the order attached at Schedule "A" to these reasons.

[8] Because my order limits the scope of production, I am not prepared to order costs of compliance and the costs of responding to this application without further submissions from both parties (see below).

Factual and Procedural Background

[9] ModiFace is a software company which specializes in augmented reality ("AR") technology which it licences to various beauty brands and other companies, including Amazon. The AR technology is a proprietary, specialized form of computer software created in Canada by employees of ModiFace.

[1] R.R.O. 1990, Reg. 194 made under the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

[10] There is no corporate connection between ModiFace and Amazon, other than the licencing arrangement; Amazon is both a client of ModiFace and a competitor with respect to its AR technology.

[11] ModiFace does not interact directly with Amazon's users, receives no user-specific data from Amazon's capture of the data, and does not store such data.

[12] In the Illinois class action, the Applicants allege that Amazon violated Illinois' *Biometric Information Privacy Act* [2] ("*BIPA*") by capturing and storing biometric data through virtual-try-on ("VTO") programs which allow consumers to virtually try on cosmetics or other products using a photograph or live video of the consumer's face to simulate how these products would look on the consumer in person.

[13] Through the deposition process in Illinois, the Applicants learned that the two VTO programs integrated by Amazon into its website and mobile application were developed by ModiFace and licenced to Amazon.

[14] In response to an interrogatory about how the VTO programs work, Amazon refused to provide and answer with respect to the ModiFace VTO program because such an inquiry is "properly directed at ModiFace and seeks information outside Amazon's possession, custody or control".

[15] In response to a request to produce the source code for each VTO feature used by Amazon, Amazon responded that it "does not have possession, custody, or control of the source code".

[16] Two motions were brought for production of information and documents related to the ModiFace VTO program, which were denied on the basis that the information sought was not within Amazon's possession, custody, or control.

[17] On October 26, 2022, the Illinois Court issued Letters Rogatory requesting judicial assistance from this court to compel ModiFace to provide deposition testimony, and to produce certain information and documents which they had concluded are "directly relevant and material to", "necessary to", and "not otherwise obtainable". The Illinois Court concluded that compelling ModiFace to produce this scope of "source code" material is "fair, appropriate, and necessary under the circumstances".

[18] On April 20, 2023, the Applicants filed this application to enforce the Letters Rogatory.

[19] The Applicants take the position that ModiFace's source code is crucial to their action against Amazon and should be produced in un-obfuscated form. ModiFace takes the position that its source code is proprietary and highly confidential and should not be

[2] *Biometric Information Privacy Act*, 740 ILCS 14 (2008).

produced other than in obfuscated form and with appropriate confidentiality safeguards in place.

[20] "Source code" is the foundational code written by programmers which is structured to be human-readable and understandable. Once completed, it is converted into "compiled code" which is used to run the program. Compiled code may be "obfuscated" to make replication more difficult.

[21] In the normal course, ModiFace provides its AR technology to Amazon as a package of compiled and obfuscated code which allows Amazon to deploy the technology. ModiFace submits that providing the code in this form still allows the input and output to be visible and allows insight into the code's behaviour allowing the Applicants and their experts to understand the AR technology's functionality.

[22] ModiFace also submits that production of un-obfuscated source code, even under strict confidentiality, risks exposing its core proprietary technology to competitors (of which Amazon is one) and to the public, risking irreparable harm to ModiFace.

[23] Segregating the source code specific to the Amazon version of the code would require hundreds of hours at significant cost to ModiFace. Without this work, producing the source code from its repositories would expose all versions of its AR technology, not just the one used by Amazon.

[24] Paragraph 14 of Schedule A of the Letters Rogatory requests that ModiFace produce:

> All computer code (including but not limited to the source code) for each version of each ModiFace VTO program used between September 7, 2016 and the present by any person in Illinois, from an Illinois IP address, or from an account registered to an Illinois address.

[25] The Letters Rogatory provide as follows:

> "Source Code" of a ModiFace VTO Program refers to all of the following as to each operating system for which it exists (*e.g.* iOS, Android):
>
> 1. The entire collection of programming commands in all the files needed for the program to run as intended;
>
> 2. The "source code repository" or "repo" database and the data contained therein (*e.g.* data identifying which programmer added, edited, or deleted particular lines of code, contributors' explanatory comments);
>
> 3. All "server code" that may run when someone uses the program (*i.e.* code that runs on a remote computer whose resources may be used when the program is used, as distinguished from the code that runs on the VTO user's local device); and
>
> 4. All "client code" – in un-minificated and un-obfuscated form -- that may run when someone uses the program (*i.e.* code that runs on the VTO user's local device when

the program is used, as distinguished from the code that runes on a remote computer).

[26] The Applicants retained Mr. Isaac Pflaum, a software expert, to provide an affidavit explaining why the source code for the ModiFace VTO program is required in the Illinois action. In his opinion, the source code "provides the greatest transparency for analyzing how software performs its functions" at issue, and "reading the source code is necessary to gain a complete understanding of …how and why [the ModiFace VTO program] works" and "to comprehensively opine on all of the issues presented" in the Illinois action.

[27] Mr. Pflaum explained that in his experience, source code is "typically" produced in U.S. litigation in which the program's capabilities and/or what steps it takes to perform those functions are relevant because the source code is what establishes those steps and capabilities. In his view, receiving source code in "un-obfuscated", "un-minificated"[3], and "un-compiled" form is necessary to understand what the ModiFace VTO program does because those processes make it extremely difficult, time-consuming, and expensive, "if not impossible", to review and understand the source code.

[28] ModiFace's Chief Executive Officer and head developer, Mr. Jeff Houghton, a provided a responding affidavit in which he explained that providing the source code in obfuscated form permits the Applicants to confirm how the ModiFace AR technology works locally on a user's device and to confirm that it does not involve the collection, storage, capture or transfer of biometric information or identifiers.

[29] There is no dispute that the source code is confidential; the Applicants do not propose releasing the source code to Amazon and are willing to sign a confidentiality agreement.

[30] The Respondents submit that "once the bell has been rung, it cannot be un-rung" and oppose production of the source code even with strict confidentiality safeguards.

The Test for Enforcement of Letters Rogatory

[31] Section 60 of the Ontario *Evidence Act*[4] and ss. 46 and 47 of the Canada *Evidence Act*[5] authorize this court to order the production of documents and the examination under oath of Ontario residents at the request of a foreign country.

[32] There are four statutory preconditions for enforcing letters rogatory:

(i) it must appear that a foreign court is desirous of obtaining the evidence;

[3] the process of removing unnecessary characters from the source code.
[4] R.S.O. 1990, c. E.23.
[5] R.S.C. 1985, C-5.

(ii) the witness whose evidence is sought must be within the jurisdiction of the court which is asked to make the order;

(iii) the evidence sought must be in relation to a civil, commercial, or criminal matter pending before the foreign court; and

(iv) the foreign court must be a court of competent jurisdiction.[6]

[33] The parties agree that the statutory preconditions for enforcing the Applicants' request have been satisfied.

[34] The parties also agree on the general principles surrounding the granting of requests from foreign courts which are enforced by Ontario courts pursuant to the principles of international comity, mutual deference, and respect.[7] They also agree that Ontario courts will enforce letters rogatory that are not contrary to the public policy of Canada and Ontario, and if there is no prejudice to the sovereignty or the citizens of Canada[8].

[35] In each case, the court must "step back and balance" Canadian sovereignty considerations.[9] Ontario courts are not bound to accept the conclusions of the foreign court on relevance or necessity as final[10] and will not permit a "fishing expedition".[11]

[36] The parties also agree that the following non-exclusive "guideposts" or "factors", set out in *Friction Division*[12], should be considered by this court in exercising discretion to enforce letters rogatory:

(i) the evidence sought is relevant;

(ii) the evidence sought is necessary for trial and will be adduced at trial if admissible;

(iii) the evidence is not otherwise obtainable;

(iv) the order sought is not contrary to public policy;

(v) the documents sought are identified with reasonable specificity; and

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[6] Ontario *Evidence Act*, s. 60, Canada *Evidence Act*, s. 46; *Actava TV Inc. v. Matvil Corp*., 2021 ONCA 105, at para. 40; *Cunix v. Sol Global Investment Corp*., 2023 ONSC 4845 at para. 13.
[7] *Cunix*, at para. 15.
[8] *Actava TV*, at paras. 41-42, and 51, *Cunix*, at para. 16 and *Coface North America Insurance Company v. Sampson*, 2024 ONSC 331, at para. 15.
[9] *Actava TV*, at para. 52.
[10] *Aker Biomarine AS et al. v. KGK Synergize Inc*., 2013 ONSC 4897, at para. 26.
[11] *Aker Biomarine*, at paras. 27-28.
[12] *Friction Division Products Inc. v. E.I. du Pont de Nemours & Co*. (1986) 56 O.R. (2d) 722.

(vi) the order sought is not unduly burdensome, having in mind what the relevant witnesses would be required to do, and produce, were the action to be tried in Ontario.[13]

Analysis

[37] Because satisfaction of the statutory preconditions is not disputed, the analysis of whether to grant the request of the Illinois court and enforce the Letters Rogatory as against ModiFace is focused on the six *Friction Division*[14] factors.

[38] The Applicants have not suggested that the conclusions of the Illinois court, stated in the Letters Rogatory when deciding to make this request, are determinative of this application.

[39] It is open to me to narrow a request for international judicial assistance if the supporting material sustains a more circumscribed request.[15]

[40] While a systematic examination of each is not required, and the *Friction Division* factors need not be rigidly applied in each case, this court must itself be satisfied, on the record presented on this application, of the recognized factors and the "overarching principles of comity, public policy, and the absence of prejudice to the sovereignty of the citizens of Canada."[16]

[41] The Applicants have the onus of establishing the *Friction Division* factors[17].

[42] ModiFace maintains that the Applicants have failed to establish these factors. Aside from the disagreement about the cost burden in complying with the requests, ModiFace's opposition to this application can be generally broken down into concerns about *relevance* and *necessity* because the proposed production of obfuscated source code will satisfy the Applicants' inquiries regarding how the code functions and how it stores any data. Additionally, Modiface takes the position that production of their source code is against *public policy* because of the potential detrimental effect on its business. I will address these issues in turn.

(a) Is Production of ModiFace's Source Code Relevant?

[43] Relevance is case and fact specific. Although there is an attraction to affording some deference to the foreign court on the question of relevance of the evidence sought since

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[13] *Actava TV*, at para. 50, applying the factors established in *Friction Division* at p. 732 that have consistently since applied in Ontario courts. See for example, *Cunix*, at para. 17.
[14] *Friction Division*, *supra.*
[15] *Presbyterian Church of Sudan v. Rybiak*, 2006 CanLII 32746 (ON CA), at para. 45.
[16] *Actava TV*, at para. 50, and *Cunix*, at para 20.
[17] *MLLP Ventures Inc. v. Boyd*, 2014 ONSC 219, at para. 20, and *Cunix*, at para. 21.

that is a matter that is ultimately withing its domain,[18] the Ontario court is not bound to accept the language or conclusions of the letters rogatory as the "final say". Instead, it must independently assess the evidence to reach its own conclusions.[19]

[44] The Applicants rely on several American cases which were decided under different legislation, discovery rules and case law and are not binding upon this court. I will therefore not refer to them.

[45] *Aker Biomarine AS et al. v. KGK Synergize Inc*.[20] summarizes the important principles to be considered by this court when deciding whether to grant requests from foreign courts pursuant to letters rogatory and the reasons why caution should be exercised. Leach J. stated:

> Observations and conclusions of the foreign court generally are entitled to deference and respect especially if they are reached after a thorough review of the matter and full and contested argument. However, it is also possible that the court issuing the letters rogatory may have done so in a perfunctory manner, without consideration of the matters at issue and without testing the evidence relied on in support of the request. The Ontario court therefore is entitled and obliged to go behind the text and terms of the request to examine precisely what it is the foreign court is seeking to do and give effect to the request only if the Ontario court is independently satisfied that the requirements of the law in this jurisdiction have been met.[21]…
>
> In considering letters rogatory issued by the American courts and their indications of relevance, it is important to remember that the scope of what is discoverable in the United States generally is much broader that in Canada. In the United States, if there is *"any possibility"* the information sought may be relevant to the case, it is discoverable; information is not discoverable only if it is clear that the "the information sought can have *no possible bearing* on the claims or defence of a party. In Canada, the scope of discovery is much narrower, due to our interpretation of what is "relevant". In Ontario, evidence must be relevant to matters actually in issue, and this does not include evidence sought only because it "may" be relevant or relate to matters that "could' be in issue.[22] (Emphasis in original).

[46] The Court of Appeal in *Actava TV, Inc. v. Matvil Corp*.[23] distinguished between "want" and "need" when determining relevancy. Although the opposing expert may "want" the

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[18] *Cunix*, at para. 22.
[19] *Aker Biomarine*, at para. 26.
[20] *Aker Biomarine*, 2013 ONSC 4897.
[21] *Aker Biomarine*, at para. 26.
[22] *Aker Biomarine*, at para 27.
[23] *Actava TV*, at para. 75.

information, this does not make it "relevant" for the purposes of obtaining it from a disinterested non-party.

[47] In *Cisco Systems v. N. Harris Computer Corporation*[24] MacLeod, R.S.J. dealt with the issue of producibility of source code in a Texas patent dispute. He noted that there is an important distinction between cases in which source code is relevant (such as in a computer program copyright or intellectual property case) and cases where it is not. Under Ontario production rules, before the court would make an order requiring a non-party to submit to expert analysis the court would require specific evidence from an expert as to why the information is "essential".[25]

[48] Here, as in Cisco, the underlying U.S. action is not a copyright nor an intellectual property dispute involving the computer code, but rather a dispute regarding the functionality of the program and the uses (or misuses) to which it is put.

[49] The expert retained by the Applicants, Mr. Pflaum, indicates the source code provides the "greatest transparency for analyzing how software performs its functions" and that obfuscation makes it "extremely difficult, time-consuming, and expensive, if not impossible, to review and understand the source code".

[50] In response, Mr. Houghton, ModiFace's CEO and lead developer deposed that even in obfuscated form, the format still permits the Applicants to confirm how the ModiFace AR technology works locally on a user's device and to confirm that it does not involve the collection, storage, capture or transfer of biometric information or identifiers.

[51] Nowhere in Mr. Pflaum's affidavit does he indicate that obtaining the source code in its original form is "essential"; simply that it offers the *best* transparency. While it may be difficult and time-consuming to use obfuscated code, he offers no proof that it, in fact, is *impossible*. While Mr. Pflaum may "want" the source code, he offers no proof of "need" as *per* the Court of Appeal's decision in *Actava TV*. Therefore, in my view, the Applicants have not discharged their burden of proof with respect to relevance.

(b) Is Production of ModiFace's Source Code Necessary?

[52] The need to establish "necessity" acts as a safeguard to ensure that the Ontario court is not requiring one of its citizens to participate in a process that may be of no assistance to the foreign litigation.[26]

[53] Mr. Pflaum explained in his affidavit that source code is "typically" produced in U.S. litigation in which the program's capabilities and/or the steps it takes to perform those functions are relevant because the source code is what establishes those steps and

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[24] *Cisco Systems v. N. Harris Computer Corporation*, 2024 ONSC 3492.
[25] *Cisco*, at para. 33.
[26] *Presbyterian Church of Sudan*, at para. 31.

capabilities. In his view, receiving the source code is "necessary" to understand what the ModiFace VTO program does.

[54] Although he asserts necessity, Mr. Pflaum does not offer evidence that *in this particular case* it would be unfair to require the Applicants to proceed to trial without discovery of the source code as *per* Rule 30.10(1)(b).[27] Mr. Houghton attested that the code remains executable, functional, and will allow the Applicants' experts to gain insight into its behaviour for trial purposes. The Applicants have offered no evidence to show that the required analysis *cannot* be accomplished using obfuscated code; it is simply expensive and time-consuming. Mr. Pflaum acknowledges in his affidavit that the obfuscated code "would behave exactly the same" as un-obfuscated code. I therefore find that the Applicants have not discharged their burden of proof with respect to necessity.

(c) Is Production of ModiFace's Source Code Not Otherwise Obtainable?

[55] Again, the Illinois action is not an intellectual property or copyright case. No reason has been given by Mr. Pflaum as to why he cannot render an expert opinion to the Applicants based upon obfuscated code in which the functionality of the VTO program is at issue; in my view there is insufficient evidence that the obfuscated code is inadequate for the purposes of the underlying litigation. I therefore find that the Applicants have not discharged their burden to prove the evidence is not otherwise obtainable.

(d) Is Production of ModiFace's Source Code Contrary to Public Policy?

[56] Our Court of Appeal in *Actava TV* made it clear that the court would decline to enforce letters rogatory if enforcement is contrary to public policy.[28]

[57] There is no defined list of the various public policy considerations that may lead a court to refuse to enforce. The focus is on whether granting the request, not the underlying foreign proceeding, contravenes Canadian public policy.[29]

[58] Confidentiality concerns may be considered as part of the public policy analysis,[30] specifically, business confidentiality concerns[31] and trade secrets[32]. Requiring a non-party to disclose sensitive, confidential information can run contrary to public policy, especially

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[27] *Rules of Civil Procedure*, *supra*.
[28] *Perlmutter v. Smith*, 2020 ONCA 570, at para. 25; *Treat America Limited v. Nestle Canada Inc*., 2011 ONCA 560 at para. 12.
[29] *Presbyterian Church*, at para. 33.
[30] *Actava TV*, at para 80.
[31] See *Republic of France v. De Havilland Aircraft of Canada Ltd*. [1991] O.J. No. 1038 (C.A.) Although the court in *De Havilland* could not conclude that legitimate confidentiality concerns would be compromised by the request in issue in the letters rogatory in that case, it did not conclude that it was an error to consider them as part of the public policy analysis.
[32] See *Optimight Communications Inc. v. Innovance Inc.* 2000 CanLII 41417 (ON CA). Although public policy was not explicitly referred to, the court in *Optimight* recognized that a non-party had a privacy interest in trade secrets.

when the confidential information "strikes at the heart" of the non-party's business information.[33]

[59] The information sought from ModiFace is a trade secret which strikes at its very existence. Like the financial information sought in *Actava TV*, nothing could be more confidential and open to abusive use.[34] Even if there were sufficient evidence of relevance and necessity, in my view, it is contrary to public policy to require ModiFace to disclose its source code. The potential consequences of disclosure to a competitor (Amazon) and to the public, even with a protective order in place, are potentially ruinous to ModiFace, a non-party. This court is therefore not prepared to force ModiFace, a Canadian company, to face such consequences even with safeguards in place, especially since a viable option exists to provide the information consistent with comity.

(e) Are the documents sought identified with reasonable specificity?

[60] The request from the Illinois court is for "all computer code (including but not limited to the source code) for each version of each ModiFace VTO program used between September 7, 2016 and the present".

[61] Counsel for the Applicants submits that all iterations of the source code within this timeframe are required to determine whether there has been a breach of *BIPA*[35]. Counsel for ModiFace submits that only the latest iteration of the obfuscated source code should be produced because it subsumes all the previous iterations. To force production of the previous versions would, again, reveal their proprietary source code and would be extremely onerous.

[62] Since I have ordered that only the obfuscated source code is to be produced, which incorporates all of the earlier iterations, I decline to order production of previous versions.

(f) Is the order sought unduly burdensome, having in mind what the relevant witnesses would be required to do, and produce, were the action to be tried in Ontario?

[63] Since less intrusive methods of obtaining the necessary information are available, in my view it is unlikely that an Ontario court would order ModiFace, a non-party, to produce the source code if the underlying action were in Ontario.

[64] Moreover, the Applicants have failed to explain why the burden of "painstaking work" should be placed on ModiFace, rather than on themselves, particularly where ModiFace is not a party to the Illinois action.

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[33] *Q3 Networking LLC v. Seimans Canada Limited*, 2021 ONSC 2808, at para. 52.
[34] *Actava TV*, at para. 82.
[35] *BIPA, supra*.

[65] For these reasons, I conclude that the order sought against ModiFace is unduly burdensome.

Discovery Order

[66] Although U.S. and Canada have somewhat comparable justice systems, the rules relating to discovery are significantly dissimilar[36] and significantly broader in the United States.[37]

[67] Rule 31.07 contemplates that a witness on discovery may refuse to answer a question and Rule 34.12 deals with the procedure applicable to objections. Other jurisdictions, even within Canada, force deponents to answer questions despite objections. [38]

[68] ModiFace is concerned that during the deposition, it may be forced to answer questions over its objections, which could have the effect of exposing the source code. They propose safeguards in their draft order such that this court will decide any disputes regarding refusals under Ontario law and will maintain control over the process.

[69] I have reviewed ModiFace's draft order and agree that such concerns are well-founded. I have therefore incorporated the terms they propose into the order attached at Schedule "A" to these reasons.

Costs

[70] Given that my decision limits the scope of production of the source code, counsel may wish to have further discussions.

[71] If counsel cannot agree on the costs of compliance with my order, and the costs of the application, they may make additional submissions as follows:

a. the Respondent ModiFace may serve and file written cost submissions, not to exceed five pages in length (not including any bill of costs), within two weeks of the release of this decision;

b. the Applicants then may serve and file responding cost submissions, also not to exceed five pages in length, within two weeks of service of the Respondent's written cost submissions; and

c. the Respondent ModiFace then may serve and file, within one week of receiving any cost submissions, reply cost submissions not exceeding two pages in length.

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[36] *Actava TV*, at para. 54.
[37] *Aker Biomarine*, at para. 27.
[38] See the comments of Strathy, J. in *Lafarge Canada Inc. v. Khan*, 2008 CanLII 6869 (ON SC) at para. 67 which dealt with the applicable rule in Nova Scotia.

[72] If no written cost submissions are received within two weeks of the release of this decision, there shall be no costs awarded.

Justice E. ten Cate

Released: November 12, 2024

SCHEDULE "A"

Court File No. CV-23-0000782-0000

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE	)	_____, THE ____
	)	
JUSTICE	)	DAY OF _____, 2024

B E T W E E N:

TANYA N. SVOBODA and ANTONELLA M. ORTIZ COLOSI
Individually and on behalf of all others similarly situated

Applicants

- and -

MODIFACE INC.

Respondent

ORDER

THIS APPLICATION, made under subsection 46(1) of the *Canada Evidence Act* R.S.C. 1985, c. C-5 and subsection 60(1) of the *Evidence Act* R.S.O. 1990, c. E.23 for an order enforcing Letters Rogatory issued by the Honourable Sheila M. Finnegan, United States District Court for the Northern District of Illinois, Chicago, Illinois, in the United States of America (the "**U.S. Action**") was heard virtually on August 19, 2024, at the Superior Court of Justice at 80 Dundas Street, London, Ontario, N6A 6A3.

ON READING the Applicants' Notice of Application, Application Record, Supplemental Application Record, and Second Supplemental Application Record, and upon hearing the submissions of the lawyers for the Applicants Tanya N. Svoboda and Antonella M. Ortiz Colosi (together, "**Applicants**"); and,

ON READING the Respondent's Responding Application Record, and upon hearing the submissions of the lawyers for the Respondent ModiFace Inc. ("**ModiFace**" or "**Respondent**")

THIS COURT ORDERS THAT:

1. The Letters Rogatory issued by the Honourable Sheila M. Finnegan of the United States District Court for the Northern District of Illinois, a copy of which is attached hereto as Appendix "A" (the "**Letters Rogatory**"), are hereby given limited and varied effect, as described *infra*.

A. <u>Definitions</u>

(a) **"Agreed Confidentiality Order for Source Code Material"** means the order to be negotiated by the parties within 30 days of entry of this Order governing the production, scope, duration, designation, use, access, control, review, retention, and disposal of Source Code Material (as defined *infra*) and pursuant to this Order.

(b) "**Agreed Confidentiality Order regarding Responsive Documents"** means the order to be negotiated by the parties within 30 days of the entry of this Order governing the production, scope, duration, designation, use, access, control, review, retention, and disposal of Responsive Documents (as defined *infra*) and pursuant to this Order.

(c) "**Amazon**" means any one (or combination of the following): Amazon.com, Inc.; Amazon.com Services, LLC; Amazon.com Services, Inc.

(d) "**Canadian Application Proceeding**" means this Application proceeding initiated by Applicants before the Ontario Superior Court of Justice, Court File No. CV-23-0000782-0000.

(e) "**Document**" or "**Documents**" for the purposes of this Order means a document, thing, or material or information stored or maintained in any form (electronic, hard copy or otherwise), and includes, without limitation, a letter, memorandum, e-mail, transcript, sound or audio recording, videotape, film, photograph, chart, graph, drawing, plan, composition, company record, report, summary, note, abstract, and data and information and whether in written, graphic, or in electronic form.

(f) "**Receiving Party**" means any person who is provided access to a Responsive Document (as defined *infra*), and/or related materials, such as notes and summaries, where permitted by the **Agreed Confidentiality Order regarding Responsive Documents** or by the **Agreed Confidentiality Order for Source Code Material**, as well as the information, including any part, contained therein.

(g) **"Source Code Material**" means ModiFace's compiled and obfuscated source code; specifically, the package ModiFace provided to Amazon (consisting of compiled and obfuscated code) necessary to run the AR Technology, and each iteration thereof.

B. <u>General Terms Governing the Requested Information</u>

(h) Documents and Source Code Material produced by ModiFace pursuant to this Order shall be limited to Responsive Documents and Source Code Material relating to the augmented reality technology that ModiFace has actually provided to Amazon (the "**AR Technology**") (as distinguished from material relating to AR technology that ModiFace did not provide to Amazon).

(i) Any production by ModiFace of Documents pursuant to this Order shall be physically done in Canada and shall not constitute a waiver of defences or evidence of its consent to personal jurisdiction outside of Canada, including anywhere in the State of Illinois. Documents shall be produced to the Applicants' Canadian lawyers, and Source Code Material shall be made available for inspection in Canada in accordance with the further terms and requirements of this Order via Source Code Computers (defined *infra*).

(j) Nothing in this Order shall be interpreted as an admission that any Document or computer code (including but not limited to the Source Code Material) in ModiFace's power, possession or control is relevant to, proportional to, or otherwise discoverable in the U.S. Action. Nor shall this Order be construed as requiring ModiFace to produce any specific Documents, information, or Source Code Material, unless otherwise indicated herein.

(k) Any Documents or Source Code Material produced or made available by ModiFace pursuant to this Order, or any testimony provided by ModiFace through a non-party examination of a ModiFace representative in Canada, shall only be used for the limited purposes of evaluating, prosecuting, and defending claims in the U.S.

Action by and between Applicants and Amazon, or in the Canadian Application Proceedings, and shall not be used for the purpose of adding ModiFace as a party to the U.S. Action or for the purpose of commencing any future proceeding against ModiFace, in Illinois or elsewhere, or for any other purpose whatsoever.

(l) This Order may not be used to imply that any Responsive Document or Source Code Material produced by ModiFace, is discoverable, relevant or admissible in the U.S. Action, or that a specific Responsive Document or Source Code Material or testimony or other evidence provided by ModiFace during a non-party examination is not confidential. By entry of this Order, ModiFace does not waive any right it otherwise would have to object to disclosing or producing any information, item, Document, or Source Code Material, on any ground not addressed in this Order.

(m) This Order shall take effect when entered and shall be binding upon all counsel of record in this Canadian Application Proceeding and any Receiving Party who may gain access to the Responsive Documents and/or Source Code Material produced by ModiFace pursuant to its terms. For certainty a Receiving Party, including Amazon and its counsel and experts, shall be provided with this Order and shall not be entitled to receive any Documents or Source Code Material produced by ModiFace without first providing its agreement, in writing, to the be bound by the terms of this Order and the to be subject to the jurisdiction of this Court to enforce its terms against any Receiving Party.

C. <u>Responsive Documents</u>

(n) ModiFace shall identify and produce non-privileged Documents in its possession, control, or power that are responsive to Requests #1, #2, #3, #13, #17, or #18 of Schedule "A" of the Letters Rogatory only (the "**Responsive Documents**"), to the extent such Responsive Documents can be identified through a reasonably diligent search by ModiFace.

(o) Prior to producing any Responsive Documents, ModiFace may redact any information contained within any Responsive Document where such information is not related to the AR Technology provided to Amazon or which is subject to any applicable legal privilege under Canadian law.

(p) Any Responsive Documents produced by ModiFace, shall be produced in Canada to Applicants' Canadian lawyers within 60 days of the parties entering into the **Agreed Confidentiality Order regarding Responsive Documents**.

(q) ModiFace's production of Responsive Documents, if any, shall be subject to the terms of a further **Agreed Confidentiality Order regarding Responsive Documents**, to be negotiated by the parties within 30 days of the entry of this Order.

D. <u>Request #14 (Highly Confidential Source Code Material)</u>

(r) With respect to Request #14 of Schedule "A" of the Letters Rogatory, ModiFace shall make best efforts to identify and produce to the Canadian lawyers for the Applicant the requested source code material, subject to the terms of an **Agreed Confidentiality Order for Source Code Material**, which is to be negotiated by the parties within 30 days of the entry of this Order. For certainty, regardless of the

language of Request #14 of the Letters Rogatory, unless otherwise agreed by the parties in writing, or by further order of this Court, ModiFace shall have no obligation to produce to the Applicants additional or further Source Code Material.

(s) The Source Code Material to be produced by ModiFace shall be limited to the AR Technology which ModiFace provided to Amazon and shall be limited to the latest versions of compiled, obfuscated HTML, CSS, and Javascript code that ModiFace provided to Amazon, and can add to a webpage for display on its website or in its application by a web-view.

(t) The Source Code Material produced by ModiFace shall be produced in Canada and any subsequent expert review and use by a Receiving Party shall be subject to the terms of an **Agreed Confidentiality Order for Source Code Material**, which is to be negotiated by the parties within 30 days of the entry of this Order.

E. <u>Non- Party Examination of a ModiFace Representative</u>

(u) The requested non-party examination of a ModiFace representative on the Topics for the Deposition of ModiFace, Inc. contained at Schedule "B" of the Letters Rogatory shall take place in person in Toronto, Ontario at a time and place to be mutually agreed upon by the parties. For certainty, nothing in this order shall operate to limit any objections ModiFace may have to the Topics for the Deposition under Title V of the Federal Rules of Civil Procedure of the United States.

(v) The in person non-party examination of the ModiFace representative shall be conducted pursuant to the discovery rules in Title V of the Federal Rules of Civil

Procedure of the United States as modified by the procedural protections provided in the Ontario *Rules of Civil Procedure,* R.R.O. 1990, Reg. 194, Rules 31.06(1), 31.07(1), 31.08, 31.09, and 34.12, and shall be subject to a maximum time limitation of seven (7) hours of oral examination.

(w) For greater certainty, the ModiFace representative and ModiFace's counsel shall have the right to object to questions during the non-party examination pursuant to Rule 34.12 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194. The entry of this Order granting the requested non-party examination of a ModiFace representative on the Topics for the Deposition of ModiFace, Inc. contained at Schedule "B" of the Letters Rogatory shall not constitute a waiver of ModiFace's right to object to any question pursuant to the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.

(x) Any transcript resulting from the non-party examination of a ModiFace representative, including any excerpts or portions thereof, and any Exhibits thereto containing Source Code Material, shall be treated in accordance with the terms of the Agreed Confidentiality Order for Source Code Material which is to be negotiated by the parties following judgment being rendered in this Application and the entry of this Order.

(y) Any transcript resulting from the non-party examination of a ModiFace representative, and any Exhibits thereto containing Responsive Documents, including excerpts or portions there of, shall be treated in accordance with the terms of the Agreed Confidentiality Order regarding Responsive Documents which is to

be negotiated by the parties following judgment being rendered in this Application and the entry of this Order.

F. Jurisdiction

(z) This Court shall remain seized over any disputes between the parties hereto, or any Receiving Party, relating to ModiFace's production of Responsive Documents, and Source Code Material and answers provided in the course of the non-party examination of ModiFace's representative (including without limitation any disputes or objections arising pursuant to Rule 34.12 of the Ontario *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194).

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Justice E. ten Cate

CITATION: Svoboda v. Modiface Inc., 2024 ONSC 6249
COURT FILE NO.: CV-23-782
DATE: 20241112

ONTARIO

SUPERIOR COURT OF JUSTICE

BETWEEN:

TANYA N. SVOBODA and ANTONELLA M. ORTIZ COLOSI individually and on behalf of all others similarly situated

Applicants

-and-

MODIFACE INC.

Respondent

REASONS FOR DECISION

Justice E. ten Cate

Released: November 12, 2024