

Litigation Update

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# 1. QB Rule Changes Effective September 1

A number of changes to the Court of Queen's Bench Rules took effect on September 1, 2007. The complete changes can be found in <u>Manitoba Regulation 76/2007</u>. A <u>Notice</u> summarizing the changes, dated June 14, 2007 is posted on the Manitoba Courts <u>website</u>.

### 2. Conflicts of Interest: SCC

The Supreme Court's split decision in *Davis & Company, et al. v. 3464920 Canada Inc., et al.*, 2007 SCC 24, is required reading for all lawyers. The Court again took on the issues of lawyers' fiduciary duties to their clients and the avoidance of conflicts of interest (see also: *MacDonald Estate v. Martin*, 1990 CanLII 32 (S.C.C.) and *R. v. Neil*, 2002 SCC 70 (CanLII).) A narrow majority (5-4) found that:

The lawyer's ability to provide even-handed representation is put in issue. However, commercial conflicts between clients that do not impair a lawyer's ability to properly represent the legal interests of both clients will not generally present a conflict problem. Whether or not a real risk of impairment exists will be a question of fact. In my judgment, the risk did not exist here provided the necessary even-handed representation had not been skewed by Strother's personal undisclosed financial interest.

The Court found that Strother breached his fiduciary duties to his client, but did not find that the firm was in breach of its fiduciary duties. For more on these issues, be sure to attend the upcoming Law Society CLE program *Conflicts of Interest* on October 31, 2007 from 12:00 - 1:30 p.m. Visit the Law Society website for further details on this program or to register.

### 3. Costs Thrown Away: Q.B.

In the recent decision in <u>Albionex (Overseas) Limited et al. v. Conagra Limited et al.</u>, 2007 MBQB 199 (CanLII), the court addressed the basis upon which it could order costs thrown away. In this case, the plaintiff, through no fault of its own required an adjournment a mere 6 days into a trial scheduled for 7 weeks.

# 4. Free CLE Papers: BC CLE

The following papers recently posted on the CLE BC Analysis page are available for free download:

- Confidential Information in Litigation
- Perils of Representing More than One Client
- Irreparable Harm: An Elusive Hurdle
- <u>"I'm Not a Lawyer, Your Honour": Tips for Dealing with the Self-Represented Litigant</u>
- <u>Confidential Communications Between Solicitor and Client: Legal Advice Privilege</u>

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