

MAR 02 1997

Federal Court of Canada
Trial Division



Section de première instance de
la Cour fédérale du Canada

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T-2479-93

BETWEEN:

**AMERICAN CYANAMID COMPANY,
CYANAMID CANADA INC.,
F. HOFFMANN-LA ROCHE AG, and
HOFFMANN-LA ROCHE LIMITED**

Plaintiffs

- and -

BIO AGRI MIX LTD.

Defendant

REASONS FOR ORDER

GIBSON J.:

These reasons arise out of an application for summary judgment pursuant to Rules 432.1 to 432.7 of the *Federal Court Rules*.¹ The motion is brought by the Defendant and is dated the 13th of January, 1997.

The Plaintiffs' action against the Defendant alleges infringement of Canadian Letters Patent No.1,161,361 for an invention of Irving Klothen entitled "Process for the Preparation of Medicated Animal Feed Supplement" (the "patent"). In the patent, the invention is described as

...a process for the preparation of solid, particulated animal feed premixes, characterized by having a certain particle size and hardness range, wherein

¹ C.R.C. 1978, c. 663

the premixes contain various drugs or micronutrients and other, pharmaceutically and nutritionally acceptable diluents, binders and formulation aids as needed, or desired.

Under the heading "Summary of the Invention," the patent continues:

It is, therefore, the objective of the present invention to provide a method for the prevention of excessive buildup, deposition, retention and/or dusting of a drug or mixture of drugs in a feed mill or in any other equipment used for the preparation of the above animal feed products, which would result in the contamination of same with said drugs while traversing said mill or other equipment in the course of being prepared; comprising: a process of compacting a drug or a mixture of drugs, optionally blended with a compressible, nutritionally acceptable and pharmaceutically inert diluent or diluent mixture, with sufficient force to obtain a compacted material of at least 10 kg to 30 kg hardness on a Stokes hardness tester and of a particle size range of 10 to 150 mesh

Claim 1 of the patent reads as follows:

1. In a feed mill process used to prepare medicated animal feeds, feed additives, feed supplements or premixes, the improvement comprising: using a drug or mixtures of drugs which may be blended with a compressible and pharmaceutically acceptable inert diluent or diluent mixture with sufficient force to obtain a compacted material of at least 10 kg. to 30 kg. hardness on a Stokes hardness tester and of a particle size range of 10 to 150 mesh to prevent excessive buildup, deposition and dusting of the drug or mixtures in the process.

The Defendant bases its motion for summary judgment on the ground that it is entitled to a declaration that claim 1 and related claims 4 and 5 of the patent are and always have been invalid and void and of no force and effect because they are broader in scope than any alleged invention made or described in the patent. In substance, the parties are in dispute as to precisely what the invention described in the patent is.

In the Plaintiffs' Memorandum of Fact and Law filed on the motion, two preliminary issues are identified. They are first, whether or not the Defendant, on the motion, can rely on the transcript of the examination for discovery in this action of the inventor/assignor,

Irving Klothen, and related paragraphs of the Defendant's expert affidavit of Calvin E. Johnson, (the "first Johnson affidavit"), and secondly, on a supplementary affidavit of Mr. Johnson, (the "second Johnson affidavit"), as it relates to the corresponding US patent and filewrapper and the corresponding European patent.

Apart from the two preliminary issues, it was not in dispute that the sole issue for determination on the motion is whether there is a genuine issue for trial with respect to the validity of Claim 1 of the patent on the basis that that claim is broader than any invention made or disclosed because it does not include the process steps of compacting, grinding and sifting.

I will deal first with the question of whether or not the Defendant can rely on portions of the examination for discovery of Mr. Klothen and related paragraphs in the first Johnson affidavit.

Federal Court Rules 432.1 and 432.2 contemplate reliance, on a motion for summary judgment, on supporting "...affidavit material or other evidence". Counsel for the Defendant noted that the portions of the examination for discovery of Mr. Klothen that the Defendant seeks to rely on are incorporated into the first Johnson affidavit and argued that those portions of the transcript constitute "other evidence".

Rule 494(9) reads as follows:

(9) A party may, at the trial of an action, use that party's examination for discovery of another party as evidence against the other party.

By inference then, the examination for discovery of Mr. Klothen, not a party to this action, could not be used at trial by the Defendant as evidence against the Plaintiffs. In *Pro-Vertic (1987) Inc. et al v. International Diffusion Consommateur S.A.*,² Mr. Justice Dubé wrote:

Rule 465(5) of the Federal Court specifies that the assignor of a patent of invention (the inventor) may be examined for discovery by the adverse party. Under Rule 465(16), upon the examination for discovery of a person under subs. (5) that person must answer any relevant question. The purpose of such an examination is to enable the adverse party to be better informed about the case it must answer. However, as this examination is not voluntary, it cannot be filed as evidence at the hearing unless allowed by a special rule of the Court. Rule 494(9) allows a party to use in evidence against another party any part of the examination for discovery served on that other party. This rule does not authorize entering in evidence the examination for discovery of a third person, in this case the inventor.³

The question then is whether or not evidence that could not be used against the Plaintiffs at a trial of this action can be used against the Plaintiffs on this motion for summary judgment.

Counsel for the Defendant referred to *Pallmann Maschinenfabrik G.m.b.H. Co. KG v. CAE Machinery Ltd.*⁴ In that case, Mr. Justice Teitelbaum, on a motion for summary judgment, in considering the admissibility of a second patent of invention by the same inventor whose patent was before him, wrote:

I agree that the court cannot use extrinsic evidence to interpret the claims of the patent or the intention of the inventor, however evidence can be given by persons skilled in the art to assist the court in interpreting the

² (1989), 28 F.T.R. 51

³ Rule 465 (5) has been renumbered as 456(5).

⁴ (1995), 62 C.P.R. (3d) 26 (F.C.T.D.)

patent. However, it is still for the court to interpret the patent. I am satisfied that Mr. Wilhelm Pallmann [the inventor] is a person skilled in the industry ..., in other words, an expert. As such, his evidence as outlined in Pallmann Patent No. 2 under the heading "prior art" and adopted by Jager is admissible with the qualification that it is admissible as evidence of a person skilled in the art, not as evidence of the inventor. The evidence is also allowed as "other evidence" pursuant to Rule 432.1(1).

I am not satisfied that the words of Mr. Justice Teitelbaum are of any help to the Defendant on the facts of this matter. What was at issue before Mr. Justice Teitelbaum was the admissibility of another patent which, on the basis of his reasoning, could equally have been introduced at trial as well as on a motion for summary judgment. Here, while portions of the transcript of examination for discovery of Mr. Klothen could undoubtedly fall within the words "other evidence" in Rules 432.1 and 432.2, they clearly could not be introduced at trial in the form in which they are sought to be used here.

I conclude that it would be quite inappropriate to allow the Defendant to rely on this motion for summary judgment on evidence, whether or not it is "other evidence", that it would not be entitled to rely on at trial. Accordingly, paragraphs 37 to 40 of the first Johnson affidavit that reflect portions of the examination for discovery of Mr. Klothen will be disregarded in my decision.

I turn then to the second preliminary issue, that of reliance on foreign patents and filewrappers. In *Amfac Foods Inc. v. Irving Pulp & Paper Ltd.*⁵, Mr. Justice Strayer wrote:

These questions and exhibits related to the prosecution of the applications for the Canadian patent and the equivalent U.S. patent. Counsel for the

⁵ (1984), 80 C.P.R. (2d) 59 (F.C.T.D.), affirmed on appeal (1986), 12 C.P.R. (3d) 193 (F.C.A.)

plaintiffs took the position that such material should not be admitted. After due consideration I ruled that such materials were not admissible. I came to this conclusion on the basis that the construction of a patent is a matter of law and must be based on the patent document itself, subject to the usual assistance of evidence concerning the meaning of technical terms, etc. A plaintiff patentee cannot enlarge the scope of his patent by introducing extraneous evidence, and it appeared to me that a defendant in an infringement action should not be able to narrow the scope of the patent by introducing such evidence. In this case the apparent purpose of the introduction of these materials was to show that the plaintiffs were estopped from denying that certain features of the patent were its essential elements because of statements made with the authority of the plaintiff Amfac during the course of the prosecution of the patent applications. The defendants in their statement of defence listed these "essential elements" and then demonstrated the difference between their activities and what they alleged were all of the elements that the plaintiffs could now assert to be essential.

Mr. Justice Strayer reached a similar conclusion in *P.L.G. Research Ltd. v. Jannock Steel Fabricating Co.*⁶, as did Mr. Justice Joyal in *Cochlear Corp. v. Cosem Neurostim Ltée*⁷.

On the basis of the foregoing authorities, I conclude that the Defendant may not rely on this motion on the second Johnson affidavit to the extent that it relates to the corresponding US patent and filewrapper and the corresponding European patent.

I turn then to the main issue, whether or not summary judgment should issue in favour of the Defendant on the basis of the evidence before me that may be relied upon. In *Granville Shipping Co. v. Pegasus Lines Ltd. S.A. et al*⁸, Mme Justice Tremblay-Lamer summarized the general principles pertaining to summary judgment applications as follows:

⁶ (1991), 35 C.P.R. (3d) 346 (F.C.T.D.), affirmed on appeal (1992), 41 C.P.R. (3d) 492 (F.C.A.)

⁷ (1995), 64 C.P.R. (3d) 10 (F.C.T.D.)

⁸ (1996), 111 F.T.R. 189

1. the purpose of the provisions is to allow the court to summarily dispense with cases which ought not proceed to trial because there is no genuine issue to be tried...;
2. there is no determinative test ... but Stone, J.A., seems to have adopted the reasons of Henry, J. ... It is not whether a party cannot possibly succeed at trial, it is whether the case is so doubtful that it does not deserve consideration by the trier of fact at a future trial;
3. each case should be interpreted in reference to its own contextual framework...;
4. provincial practice rules (especially rule 20 of the **Ontario Rules**) can aid in interpretation...;
5. this court may determine questions of fact and law on the motion for summary judgment if this can be done on the material before the court...;
6. on the whole of the evidence, summary judgment cannot be granted if the necessary facts cannot be found or if it would be unjust to do so. ;
7. in the case of a serious issue with respect to credibility, the case should go to trial because the parties should be cross-examined before the trial judge... . The mere existence of apparent conflict in the evidence does not preclude summary judgment; the court should take a "hard look" at the merits and decide if there are issues of credibility to be resolved. [citations and other references omitted]

In *Pallmann*⁹, Mr. Justice Teitelbaum wrote:

Therefore, summary judgment should not be granted on an issue where either on the whole of the evidence the judge cannot find the necessary facts or it would be unjust to do so. I am of the view that summary judgment should only be granted in circumstances where the facts are clear. I am also of the opinion that, in general, summary judgment is not the proper means to obtain judgment where the issues before the court involve the infringement or the invalidity of a patent.

Mr. Justice Teitelbaum's general statement regarding summary judgment in patent infringement or invalidity cases such as this was commented on by Mr. Justice Noël in *Hudson Luggage Supplies Inc. v. Tormont Publications Inc.*¹⁰ where he wrote:

Obviously, what Teitelbaum J. had in mind is that generally speaking, infringement issues turn on facts and as such they are better left to trial proceedings. However, he did not suggest that summary judgment could not be had in all infringement cases as evidenced by the fact that he went on to allow the defendants' motion for summary judgment on the basis of

⁹ supra, footnote 4

¹⁰ (1995), 65 C.P.R. (3d) 216 (F.C.T.D.)

Rule 432.3(4).

With respect to the motion for summary judgment before him, Mr. Justice Noël wrote:

The only issue before the court is whether or not the offending product falls within the claim of the patent. If it does, then infringement has been established. All that is required to resolve the question of infringement, then, is the construction of the patent. This properly stands to be decided by way of a summary judgment.

In Hayden Manufacturing Co. v. Canplas Industries

*Ltd.*¹¹, Mr. Justice Heald wrote:

This disagreement between the parties and their experts as to what is a connector lug and whether it is the same as a lug connector exemplifies my concern about granting summary judgment when the Court is faced with contradictory expert opinion, and has not had the benefit of *viva voce* evidence. I would not be justified in accepting the Plaintiff's Counsel's submission that there is no difference between a connector lug and a lug connector. Likewise I would not be justified in accepting the Defendant's Counsel's submission that they are different. Although undoubtedly well informed, Counsel have not been qualified as experts on such matters. Accordingly, I am only willing to accept their submissions if they are supported by the evidence relied on. Unfortunately, I am not assisted by the totality of the parties' expert evidence, since, in my view it is far from clear relative to this issue.

....

In the case at bar, the Court would be better served by hearing the opinions of these experts *viva voce*, rather than listening to opposing counsel attempt to explain what the experts meant by the statements contained in their affidavits and the cross-examination thereon. Both parties agree that the "connector lug" issue is central to the determination of this action... . Accordingly, since the determination of the "connector lug" issue is of such importance, and since the evidence before the Court on that issue is contradictory, this is clearly a case where the credibility of that evidence should be tested through *viva voce* testimony and cross-examination thereon. For these reasons I conclude that there is a genuine issue to be tried in this case which cannot be properly disposed of in a summary judgment proceeding.

In this matter, I reach the same conclusion as did Mr. Justice Heald. Of course, the issue in this action has nothing to do with "connector lugs". Rather it is whether or not claim 1 of the patent is

¹¹ (1996), 68 C.P.R. (3d) 186 (F.C.T.D.)

broader than the invention disclosed in the patent. Put another way, the question is: what is the invention? While this is clearly a question of construction of the patent, the expert opinion on the question is contradictory. Thus, as in *Hayden*, I conclude that this is clearly a case where the credibility of that expert evidence should be tested through *viva voce* testimony and cross-examination thereon.

In the result, this application for summary judgment will be dismissed.

The costs of this application for summary judgment will be in the cause.

FREDERICK E. GIBSON

Judge

Ottawa, Ontario
April 10, 1997

FEDERAL COURT OF CANADA
TRIAL DIVISION

NAMES OF SOLICITORS AND SOLICITORS ON THE RECORD

COURT FILE NO.: T-2479-93

STYLE OF CAUSE: AMERICAN CYANAMID COMPANY ET AL v. BIO AGRI MIX LTD.

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REASONS FOR JUDGMENT OF BY THE HONOURABLE MR. JUSTICE GIBSON

DATED: April 10, 1997

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