Date: 20010402

Docket: T-808-98

Neutral Citation: 2001 FCT 269

Ottawa, Ontario, this 2nd day of April, 2001

PRESENT: THE HONOURABLE MR. JUSTICE BLANCHARD

BETWEEN:

JOHNSON & JOHNSON INC.,
EXPANDABLE GRAFTS PARTNERSHIP and CORDIS CORPORATION

Plaintiffs

- and -

ARTERIAL VASCULAR ENGINEERING CANADA INC.

Defendant

REASONS FOR ORDER AND ORDER

[1] On February 7, 2001, Johnson & Johnson Inc., Expandable Grafts Partnership and Cordis Corporation, hereinafter the plaintiffs, brought a motion appealing the order of Prothonotary Lafrenière dated January 4, 2001, requiring the plaintiffs to produce Dr. Richard Schatz for a further three days for examination for discovery, and awarding costs in favour of Arterial Vascular Engineering Canada, Inc. (AVEC).

FACTS

[2] The relevant facts pertaining to this motion can be briefly summarized as follows.
The within action involves allegations of infringement and invalidity of Canadian Letters Patent Nos. 1,281,505, 1,338,303, 1,322,628 and 1,330,186, hereinafter the "Patents". Each of the Patents lists either or both of Dr. Julio C. Palmaz and Dr. Richard A. Schatz as the inventors, and each of the Patents lists the plaintiff, Expandable Grafts Partnership, hereinafter EGP, as owner. As such, Dr. Palmaz and Dr. Schatz are the assignors of the Patents and they reside in the United States of America.

[3] The inventors assigned their interests in the "Patents" to EGP. Dr. Schatz is a partner of EGP. Dr. Palmaz is a partner of Oak Court Partners, LP, which is a partner of EGP.

[4] On April 27, 2000, the defendant brought a motion for the examination for discovery of the inventors.

[5] On June 1, 2000, Prothonotary Lafrenière ordered that the plaintiffs request the inventors attend in specific locations for three consecutive days to be examined for discovery, as assignors, by the defendant.

[6] On July 10, 2000, an appeal of the Prothonotary's order by the defendant and cross-motion by the plaintiffs to set aside the prothonotary's order were both dismissed by Gibson J.

[7] On October 4, 2000, the defendant, brought a motion seeking additional time for the examination for discovery of the inventors. The motion was heard on December 18, 2000 by Prothonotary Lafrenière.

[8] On January 4, 2001, Prothonotary Lafrenière ordered that the plaintiffs were required to produce Dr. Schatz in La Jolla, California, for a further three days of examination for discovery. The order further provided that the costs of the motion were payable to the defendant in the amount of $1,500, plus disbursements, payable in any event of the cause. As well, the travel and specified legal costs for the re-attendance of Dr. Schatz were to be borne by the plaintiffs.

[9] It is the order of January 4, 2001 that the plaintiffs are appealing before this Court.

DECISION OF PROTHONOTARY LAFRENIERE

[10] At the hearing of the motion, the only issue to be decided by Prothonotary Lafrenière was whether the plaintiffs had adduced sufficient evidence to satisfy the test in Rule 243 of the *Federal Court Rules, 1998* for setting limits on an examination for discovery. In order to meet this test, the plaintiffs had the burden of satisfying the Court, in its discretion, that the examination was "oppressive, vexatious or unnecessary". Rule 243 of the *Federal Court Rules, 1998* reads as follows:

243. On motion, the Court may limit an examination for discovery that it considers to be oppressive, vexatious or unnecessary.	243. La Cour peut, sur requête, limiter les interrogatoires préalables qu'elle estime abusifs, vexatoires ou inutiles.

[11] After considering Rule 243 and all the evidence presented to him, Prothonotary Lafrenière

held that the plaintiffs had failed to demonstrate that the examination had been conducted in a oppressive, vexatious or unnecessary manner such that the defendant's right to discovery should be limited.

STANDARD OF REVIEW

[12] The standard of review of discretionary orders of Prothonotaries in the Federal Court is well established. Discretionary orders of a Prothonotary cannot be disturbed on appeal unless they are clearly wrong, in the sense that the exercise of discretion by the Prothonotary was based upon a wrong principal of law or upon a misapprehension of the facts on a question vital to the final issue of the case.[1]

ANALYSIS

[13] Rule 243 of the *Federal Court Rules, 1998*, provides for limits or constraints to be imposed upon examination for discovery. A moving party seeking to limit an examination bears the burden of showing that the discovery is oppressive, vexatious or unnecessary. In the case at bar, Prothonotary Lafrenière, in his discretion, found that the plaintiffs failed to discharge this burden.

[14] In order for the Court to set aside the discretionary order of a Prothonotary, it must find the decision of the Prothonotary to be clearly wrong in accordance with the test set out in the *Aqua-Gem* case.[2]

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1 *Canada v. Aqua-Gem Investments Ltd.*, [1993] 2 F.C. 425 at 454 (C.A.).

2 *Supra*, note 1.

[15] A Prothonotary's decision should be afforded a high degree of deference and should only be disturbed if it is based either upon a wrong principle of law or upon a misapprehension of the facts on a question vital to the final issue of the case.

[16] At the hearing of this appeal, the plaintiffs requested that an additional affidavit of Bill K. Chan dated February 7, 2001, be accepted into evidence and filed. The affidavit in question essentially attempts to add new evidence as to what took place at the hearing before the Prothonotary. Evidence of proceedings before the Prothonotary would be admissible to prove misconduct by the Prothonotary, i.e., bias, failure to listen, etc. However, such evidence is not admissible to supplement the factual record. In the instant case, there is no allegation, or evidence of misconduct by the Prothonotary.

[17] Reasons were issued by Prothonotary Lafrenière and this appeal must be decided on the record of reasons before me. To allow evidence, at this stage, of what the Prothonotary said or didn't say at the hearing would, in my view, be wrong. Such would run the risk of inappropriately distorting the record of decision. In appeal proceedings, parties are quite free to bring arguments to advance their case, as did the plaintiffs in this instance. However, it is my view, that this appeal must be decided on the record of decision before the Court, and on the evidence that was before the Prothonotary at the time of his decision. I am also of the view that the affidavit of Bill K. Chan, dated February 7, 2001, does not contain new evidence relevant to the matter that would be admissible at this stage of the proceeding.

[18] For these reasons, the additional affidavit of Bill K. Chan dated February 7, 2001, will not be accepted as part of the record for this motion and will not be filed.

[19] In his reasons, the Prothonotary expressed that although counsel for the defendant explored a number of areas which had already been canvassed in an earlier discovery, he was satisfied that counsel for the defendant made good use of the transcripts from the earlier discovery and was not wastefully replicating the work already done.

[20] I am satisfied that the Prothonotary, in the exercise of his discretion in this case, did not apply any wrong principle nor misapprehended the facts on a question vital to the final issue in this case.

[21] The decision of Prothonotary Lafrenière is not clearly wrong and it should stand. It follows therefore that the appeal should be dismissed.

ORDER

THIS COURT ORDERS that:

1. The plaintiffs' appeal is dismissed

2. Costs are awarded to the defendant in any event of the cause.

"Edmond P. Blanchard"
Judge