

Federal Court



Cour fédérale

Date: 20100312

Docket: T-737-08

Citation: 2010 FC 293

[ENGLISH TRANSLATION]

Montreal, Quebec, March 12, 2010

Present: Mr. Richard Morneau, Prothonotary

BETWEEN:

**EUROCOPTER
(simplified joint stock company)**

**Plaintiff/Defendant
by Counterclaim**

and

BELL HELICOPTER TEXTRON CANADA LIMITED

**Defendant/Plaintiff
by Counterclaim**

REASONS FOR ORDER AND ORDER

[1] This is regarding a motion from the defendant and plaintiff by counterclaim Bell Helicopter Textron Canada Limited (hereinafter Bell) for having some objections decided.

[2] This motion fits into the context of an action for infringement of patent number 2,205,787 (hereinafter “patent ‘787”) brought in May 2008 by the plaintiff and defendant by counterclaim Eurocopter (hereinafter Eurocopter) against which Bell asserted a counterclaim seeking, for various reasons, the invalidity of patent ‘787.

Context and analysis

[3] The overall context of this case has already been reiterated in the past as part of various orders issued by the undersigned, or by an appeal judge, in the summer and fall of 2009 in favour of motions, those times, from Eurocopter also for having some objections decided. The same is true of the general principles of law or jurisprudential principles applicable to a motion like the one here.

[4] That being said, Bell is pleading the invalidity of patent ‘787 by alleging a series of reasons that it summarizes in paragraph 5 of its written submissions:

- a) Eurocopter lacks standing to bring or maintain the within action because the named inventors of the ‘787 Patent did not execute a valid assignment in favour of Eurocopter;
- b) certain elements of the claims of the ‘787 Patent are essential (for example, “*chacun desdits patins présente à l’avant une zone de transition incline à double couverture s’orientant transversalement auxdites plages longitudinales d’appui au sol*”);
- c) the subject-matter of claims 1 to 16 of the ‘787 Patent was obvious to a person skilled in the art at the claim date (June 5, 1997 or June 10, 1996);
- d) the subject-matter of each of claims 1 to 16 of the ‘787 Patent was disclosed by Eurocopter so as to make it available to the public prior to June 5, 1996, contrary to sections 28.2(1)(a) and 28.2(1)(b) of the *Patent Act*;

- e) claims 1 to 16 of the '787 Patent include within their scope a large number of configurations which lack the promised utility (lack of actual utility);
- f) the alleged named inventors of the subject-matter of claims 1 to 16 of the '787 Patent did not and could not have had a sound basis for predicting the utility across the breadth of claims 1 to 16 of the '787 Patent, nor was this properly disclosed in the patent specification;
- g) the specification of the '787 Patent is insufficient and contrary to section 27(3) of the *Patent Act*; in particular, the specification fails to explain the best mode thereof contrary to section 27(3)(c);
- h) claims 1 to 16 fail to define distinctly and explicitly the subject-matter of the invention, contrary to section 27(4) of the *Patent Act*;
- i) certain terms in the claims of the '787 Patent are ambiguous;
- j) claims 1 to 16 are covetous and broader than the invention made by the alleged inventors and broader than the alleged invention disclosed in the '787 Patent.

[5] Those reasons for invalidity formed the backdrop of the first round of examinations for discovery that Bell conducted in France from September 14 to 18, 2009 of Eurocopter's representative, Mr. Bernard Certain, and of two of the three inventors associated with patent '787, namely Mr. Pierre Prud'homme Lacroix and Mr. Joseph Mairou. The third inventor, a Mr. H.P.L. Barquet had previously passed away.

[6] Substantially, Bell is seeking to attack the lack of established utility for all claims from patent '787 and the Eurocopter inventors' lack of a sound prediction regarding the utility of those same claims. This point is emphasized by Bell as follows in paragraphs 63 and 64 of its written submissions:

63. The principles established by the Supreme Court of Canada in *Apotex v. Wellcome Foundation* direct that an inventor must have either established the actual utility of the subject-matter of his invention at the Canadian filing date. If the actual utility across the breadth of the claim has not been established by the Canadian filing date, then the inventor must have a sound basis for predicting the utility of the subject-matter, bearing in mind the three components of the sound prediction test.
- *Apotex Inc. v. Wellcome Foundation Ltd.*, [2002] 4 S.C.R. 153, 2002 SCC 77 at paras. 51, 70, 73, 75
 - *Eli Lilly Canada Inc. v. Apotex Inc.*, 2009 FCA 97 at paras. 12 ff
64. As a pleaded issue which is contested, Bell Helicopter is entitled to receive answers to two of the questions sought in order to establish whether the Eurocopter inventors had demonstrated utility across the breadth of the patent claim as of the Canadian filing date. Bell Helicopter is also entitled to probe whether the inventors had a sound basis for predicting the utility of the patent claims.

[7] To attempt to establish those positions, Bell is looking for calculations, analyses and tests that Mr. Lacroix, among others, would have conducted. It made an affidavit for that purpose dated February 17, 2010 from a certain Robert Gardner, who happens to be responsible “(...) for all technical issues related to the structural design, development, testing and certification, manufacturing, flight test and continued airworthiness of airframe components used in all commercial models developed and manufactured at BHTC [Bell]”.

[8] At paragraphs 6 and 11 of his affidavit, Mr. Gardner maintains that:

6. Mr. Gratton [one of the attorneys acting on behalf of Bell] advised me that Mr. Prud’homme Lacroix testified that he carried out a number of calculations in the mid to late 1990s to generate data and analyses as to the expected

characteristics of the landing gears that were part of, and led up to, the EC120 development project and its stable mate helicopter, the EC130. I understand that Eurocopter takes the position that the EC120 landing gear falls within the claims of the '787 Patent. The landing gear on the EC130 is also a sleigh type landing gear like the EC120.

(...)

11. The data, analyses, tests and related documents requested by BHTC [Bell] as described above are meaningful and important to the question of whether landing gear that is within the claims of the '787 Patent are useful as promised by the patent. It is also meaningful and important as to whether the inventors could soundly predict that all of these configurations would be useful as the patent describes.

[9] Nevertheless, in many situations, the balancing that the Court is referring to in *Reading & Bates Construction Co. et al v. Baker Energy Resources Corp. et al* (1988) 24 C.P.R. (3rd) 66, on pages 70-72, at point 5, is required.

[10] In fact, as mentioned in *Faulding Canada Inc. v. Pharmacia S.p.A.* (1999), 3 C.P.R. (4th) 126, page 128:

[...] the general tendency of the courts to grant broad discovery must be balanced against the tendency, particularly in industrial property cases, of parties to attempt to engage in fishing expeditions which should not be encouraged.

[11] Rule 242 of the *Federal Courts Rules* contains a warning about that. In fact, paragraphs 242(1)(b) to (d) of the Rules read as follows:

242. (1) A person may object to a question asked in an examination for discovery on the ground that

242. (1) Une personne peut soulever une objection au sujet de toute question posée lors d'un

interrogatoire préalable au motif que, selon le cas :

(...)

(b) the question is not relevant to any unadmitted allegation of fact in a pleading filed by the party being examined or by the examining party;

(c) the question is unreasonable or unnecessary; or

(d) it would be unduly onerous to require the person to make the inquiries referred to in rule 241.

(...)

b) la question ne se rapporte pas à un fait allégué et non admis dans un acte de procédure déposé par la partie soumise à l'interrogatoire ou par la partie qui l'interroge;

c) la question est déraisonnable ou inutile;

d) il serait trop onéreux de se renseigner auprès d'une personne visée à la règle 241.

[12] The balancing that must be done on one hand between the value of a piece of information and, on the other, the trouble and inconvenience associated with producing it was especially reiterated by Justice Strayer in *Smith Kline and French Laboratories Ltd. v. Canada (A.G.)* (1984), 1 C.P.R. (3d) 268, page 271 and in *Westinghouse Electric Corp. v. Babcock & Wilcox Industries Ltd.* (1987), 15 C.P.R. (3d) 447.

[13] There are still, under the motion being reviewed, a considerable number of objections or issues to be decided. As required by this Court, the parties produced a joint table that the Court believes reflects the essence of the reasons in favour or not of an answer to each question to be awarded.

[14] Thus, the Court has reproduced that table and entitled it "Table concerning the Defendant's Motion".

[15] After considering the parties' motion records and hearing their attorneys and bearing in mind the relevant jurisprudential principles, including those cited above and those brought up by the parties, the Court marked in the margin of the Table concerning the Defendant's Motion with a double bar line ("||") all or part of a party's reasoning for each question to be awarded if, ultimately, that question did or did not have to be answered. The marking in the margin therefore appears in either of the two last columns of the Table concerning the Defendant's Motion (the Table).

[16] Thus, Bell's motion is allowed in part, as follows, and Eurocopter will therefore have to answer in writing on or before April 1, 2010 the questions listed in the Table, except the questions removed and except the following questions:

15	20	29 to 48
51	52	55 to 89
111 to 160	167	168
170 to 173	175 to 177	179 to 190

[17] As for the following questions, which fall into the category of questions to be answered, the parties must factor in the following parameters:

- Questions 16 to 19 will not have to contain information about Singapore Aerospace;
- Some answers will be covered by the CEO degree of protection, for the reasons appearing at paragraphs [25] to [28] below;

- Questions 54, 92, 93, 97 and 110 are to be answered, but to the extent indicated by Eurocopter pertaining to the relevant flights.

[18] Given the Table's length, that Table is deemed to be part of these reasons for order and order, but will be sent under separate cover by the Court registry to the parties' attorneys via email classified as confidential.

[19] Moreover, it appears that just five (5) business days prior to the date scheduled for the examinations, Bell had served Eurocopter's attorneys with a subpoena listing a series of documents that it wished to see produced at the examination.

[20] With considerable effort, Eurocopter apparently managed to assemble nearly four (4) boxes of documents and, two (2) days before the start of the examination for discovery of Mr. Lacroix, submit two of the four boxes of documents.

[21] Eurocopter apparently also agreed to submit the two remaining boxes at the start of the examination (hereinafter the selected documents) if Bell would commit to the selected documents being handled on a "counsel's eyes only" (CEO) basis.

[22] It appears that, in the past, Bell had required that degree of protection for documents and that, in addition, Justice Tremblay-Lamer ordered that degree of protection for certain documents to be produced by Bell, further to a suggestion from Eurocopter's attorneys. Bell rejected that requirement because the confidentiality order of December 29, 2008 does not contain that level of

protection. Therefore, Bell was unable to see the selected documents and ask questions about them during the examinations for discovery.

[23] That misunderstanding about the request to handle certain documents under CEO protection could definitely have been weighed and most likely resolved between the parties (at least would hopefully have been in keeping with the spirit of the Notice of May 1, 2009) if, at the start, the subpoena at the source of this misunderstanding had been served much earlier.

[24] As part of its motion record, Eurocopter produced two affidavits to support that degree of protection for particular categories of documents or information.

[25] From that perspective, the Court reads Pierre Prud'homme Lacroix's affidavit dated March 1, 2010 as seeking to protect calculations that cover methods and parameters. Similarly, the Court reads Bernard Certain's affidavit dated March 2, 2010 as seeking to protect the list of clients and list of questions asked in connection with what the parties call the ECAT meeting.

[26] Even though, through those affidavits, Bell is essentially the subject of an indirect request to modify the protection order issued on December 29, 2008 and that it did not or was unable to produce affidavits to counter Eurocopter's affidavits, I nevertheless ultimately grant, so as to cut short this interlocutory debate, the CEO degree of protection sought by Eurocopter, but only for the documents or information mentioned in the previous paragraph, provided that such documents or information are the subject of one or more of the questions to be answered.

[27] In fact, I believe that the affidavits of Pierre Prud'homme Lacroix and Bernard Certain set out unusual circumstances sought in case law for that degree of protection (see *Merck & Co. v. Brantford Chemicals Inc.* (2005) 43 C.P.R. (4th) 233). Also, Bell conceded at the hearing that the list of clients and list of questions could receive CEO protection.

[28] As for the questions to be answered involved, it is hard for the Court to identify, beyond questions 24, 26 and 28, the other questions to be answered (quite possibly between questions 90 to 109) for which the answer may be referred to here. The Court is greatly relying on cooperation between the parties and the attorneys to come to an agreement on this aspect.

[29] Moreover, after weighing the parties' oral and written arguments, I do not believe that this mess regarding CEO protection, or any other reason, must bring about a change in location for the second round of examinations for discovery of Mr. Certain, Mr. Lacroix and Mr. Mairou.

[30] The second round of examinations of Mr. Certain, Mr. Lacroix and Mr. Mairou, which must deal with any matter reasonably arising from the answers and documents to be produced by Eurocopter on or before April 1, 2010, will therefore be held during the week of April 12, 2010 in France, which is the same location as the first round.

[31] Moreover, the Court assessed Robert Gardner's affidavit in its relative weight, but does not intend to order the removal as required by Eurocopter.

[32] Any other remedy sought by either party is denied.

[33] Lastly, given that the success in this motion is shared, no costs are awarded for the motion being reviewed.

“Richard Morneau”

Prothonotary

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-737-08

STYLE OF CAUSE: EUROCOPTER (simplified joint stock company)
and
BELL HELICOPTER TEXTRON
CANADA LIMITED

PLACE OF HEARING: Montreal, Quebec

DATE OF HEARING: March 10, 2010

REASONS FOR ORDER: PROTHONOTARY MORNEAU

DATE OF REASONS: March 12, 2010

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