

**Date: 20070622**

**Docket: T-1531-05**

**Citation: 2007 FC 660**

**BETWEEN:**

**PURCELL SYSTEMS, INC.**

**Plaintiff  
(Defendant by Counterclaim)**

**and**

**ARGUS TECHNOLOGIES LTD.**

**Defendant  
(Plaintiff by Counterclaim)**

**REASONS FOR ORDER**

**PROTHONOTARY MORNEAU**

[1] The Court is seized by each party with a motion for the determination of a series of questions arising from the examination for discovery of a representative of each party.

[2] These motions take place in the context where the Plaintiff has instituted a claim against the Defendant for infringement of patent 2,461,029 (the '029 patent) issued to it on August 9,

2005, naming William Miller and Kelly Johnson as inventors, and entitled “Remote Enclosure Systems and Methods of Production Thereof”.

[3] The Plaintiff claims that the Defendant manufactures, offers for sale and sells in Canada outdoor power system enclosures which infringe on the ‘029 patent.

[4] The Defendant admits that it produces outdoor enclosures but denies any infringement and raises in a counterclaim that said patent is invalid based on numerous grounds.

**Questions to answer and records to produce on an examination for discovery: applicable general principles**

[5] In *Reading & Bates Construction Co. and al v. Baker Energy Resources Corp. and al* (1988) 24 C.P.R. (3<sup>rd</sup>) 66 at 70-72 (F.C.T.D.), Mr. Justice McNair, in a general six-point review, first defines in points 1 to 3 the parameters that determine whether a question or a document is relevant, and then, in points 4 to 6, sets out a series of circumstances or exceptions in which, on the off chance, at the end of the day, a question need not be answered or a document need not be produced. The Court states, at pages 70 to 72:

1. The test as to what documents are required to be produced is simply relevance. The test of relevance is not a matter for the exercise of the discretion. What documents parties are entitled to is a matter of law, not a matter of discretion. The principle for determining what document properly relates to the matters in issue is that it must be one which might reasonably be supposed to contain information which may directly or indirectly enable the

party requiring production to advance his own case or to damage the case of his adversary, or which might fairly lead him to a train of inquiry that could have either of these consequences: *Trigg v. MI Movers International* (1987), 13 C.P.C. (2d) 150 (Ont. H.C.); *Canex Placer Ltd. v. A.-G. B.C.* (1976) 63 D.L.R. (3d) 282 (B.C.S.C.); and *Compagnie Financiere et Commerciale du Pacifique v. Peruvian Guano Co.* (1882), 11 Q.B.D. 55 (C.A.).

2. On an examination for discovery prior to the commencement of a reference that has been directed, the party being examined need only answer questions directed to the actual issues raised by the reference. Conversely, questions relating to information which has already been produced and questions which are too general or ask for an opinion or are outside the scope of the reference need not be answered by a witness: *Algonquin Mercantile Corp. v. Dart Industries Ltd.* (1984), 82 C.P.R. (2d) 36 (F.C.T.D.), aff'd (1984), 1 C.P.R. (3d) 242 (F.C.T.D.).

3. The propriety of any question on discovery must be determined on the basis of its relevance to the facts pleaded in the statement of claim as constituting the cause of action [...]

4. The court should not compel answers to questions which, although they might be considered relevant, are not at all likely to advance in any way the questioning party's legal position: *Canex Placer Ltd. v. A.-G. B.C.*, supra; and *Smith, Kline & French Laboratories Ltd. v. A.-G. Can.* (1982), 67 C.P.R. (2d) 103 (F.C.T.D.) at p. 108.

5. Before compelling an answer to any question on an examination for discovery, the court must weigh the probability of the usefulness of the answer to the party seeking the information, with the time, trouble, expense and difficulty involved in obtaining it. Where on the one hand both the probative value and the usefulness of the answer to the examining party would appear to be, at the most, minimal and where, on the other hand, obtaining the answer would involve great difficulty and a considerable expenditure of time and effort to the party being examined, the court should not compel an answer. One must look at what is reasonable and fair under the circumstances: *Smith, Kline & French Ltd. v. A.-G. Can.*, supra, per Addy J. at p. 109.

6. The ambit of questions on discovery must be restricted to unadmitted allegations of fact in the pleadings, and fishing expeditions by way of a vague, far-reaching or an irrelevant line of questioning are to be discouraged: *Carnation Foods Co. Ltd. v. Amfac Foods Inc.* (1982), 63 C.P.R. (2d) 203 (F.C.A.); and *Beloit Ltee/Ltd. v. Valmet Oy* (1981), 60 C.P.R. (2d) 145 (F.C.T.D.).

[Emphasis added]

[6] Furthermore, the list of exceptions in points 2 and 4 to 6 of the *Reading & Bates* judgment are not, in my opinion, intended to be exhaustive.

[7] With this in mind, I shall now evaluate the propriety of the questions and documents requested. I shall deal herein with only the questions which were still in issue at the end of the hearing and not, therefore, with the matters which were withdrawn or to be answered willingly.

[8] In addition, unless I make a specific comment hereunder, one must assume that the faith of any particular question rests on the position expressed by the party supporting said result.

[9] I will address first the Plaintiff's motion and then the Defendant's motion.

### **I - The Plaintiff's motion**

[10] The questions in dispute have been divided into three categories.

**Category 1**

[11] The questions under this category are directed to alleged infringement by the Defendant.

[12] Question 21 need not be further answered as it was indicated that it has received an answer.

[13] Questions 64, 84, 86, 90, 92, 127, 128, 135, 178, 203, 688, 724, 726 and 727 pertain to documents and information generated during the development of the Defendant's enclosures.

It appears that the Plaintiff seeks to know whether the Defendant improperly obtained information as to the Plaintiff's design from a third party while developing its enclosures. However, the evidence to which the Plaintiff points to pursue this line of reasoning is not strong. In addition, a bifurcation order is in place so that the issue of exemplary damages does not present itself at this stage. Questions 64, 84, 86, 90, 92, 127, 128, 135, 178, 203, 688, 724, 726 and 727 need not be answered.

[14] Questions 410, 419 and 751 need not be answered.

**Category 2**

[15] The four (4) questions under this category are directed to alleged infringing products sold by the Defendant.

[16] As to questions 211, 430 and 490, I accept that the March 15, 2007 response by the Defendant must be seen as only a partial one since it appears that the requested drawings for the models Te 16 and Te 18 would have not been produced yet.

[17] Therefore, questions 211, 430 and 490 need to be answered further.

[18] Question 824 needs also to be answered.

### **Category 3**

[19] The questions under this category are directed to the validity of the patent in suit.

[20] Question 374 need not be answered since the word “traditional” contained therein is indeed too vague.

[21] As to questions 599 and 655, they go to the Defendant’s burden to identify the specific portions of the prior art relied on.

[22] Reliance on the whole of the patents listed is not adequate pleading. In *Bror With v. Ruko of Canada Ltd.* (1976), 31 C.P.R. (2d) 3, at 8, Walsh J. reports the following extract of North J. in *Heathfield v. Greenway* (1893), 11 R.P.C. 17, at 19:

I can hardly believe ... that the whole of these sixteen or eighteen specifications are all anticipations ... I should think, looking at

them *prima facie*, it is impossible to say you rely on the whole: and that being so, you ought to say what part.

[23] The Defendant contends that the patents at stake are relatively short and not complex and that any identification is artificial when comes the time for experts to deal with invalidity issues. In the case of *Parker v. G. M. Gest Ltd.* (1952), 15 C.P.R. 76, Senior Master Marriott refused to order most of the particulars sought on the basis that the patent in suit was not of a sufficiently complicated nature to warrant particularization.

[24] However, as Walsh J. ruled in *Bror With, supra*, I am not prepared here to conclude that the inventions relied upon by the Defendant are "... so simple that the judgment in the *Parker* case should be followed" (at 8). In addition, I am of the opinion that the situation at bar should be governed by the following comments of Jerome A.C.J. in the case of *T.J. Smith & Nephew Ltd. et al. v. Deseret Canada Inc. et al.* (1984), 78 C.P.R. (2d) 227, at 228:

The defendants contend that since the invention is not complex and since the number of patents is not great, the pleading is sufficient and that the plaintiffs are not placed under an unreasonable burden. I have recently canvassed the jurisprudence on the issue of sufficiency of pleadings in the cases of *FMC Corp. et al. v. Canadian Pneumatic Tool Co. (Ltd.) et al.*; *B & J Mfg. Co. v. Canadian Pneumatic Tool Co. (Ltd.) et al.* and for the reasons set out there, I must reject the defendant's contention.

[25] Therefore, questions 599 and 655 need to be answered at this stage by the Defendant.

**Reattendance to answer questions on commercial success**

[26] Although the Plaintiff indicates that it now intends to rely on commercial success, I am of the view that this late course of conduct does not warrant authorising the Plaintiff to conduct now what amounts to a second examination for discovery. If it needed to be explored at discovery, the Plaintiff should have done so at its original examination of the Defendant's representative.

**Conclusion on Plaintiff's motion**

[27] Therefore, with respect to the Plaintiff's motion, in an order accompanying the instant reasons, the Defendant will be ordered to answer in writing, within thirty (30) days, the questions ordered to be answered herein, and within fifteen (15) days thereafter, under similar fashion, all proper follow-up questions arising from the questions ordered to be answered.

[28] Plaintiff's motion will otherwise be dismissed.

[29] As success is divided on this motion, costs will be in the cause.

**II - The Defendant's motion**

[30] The questions in dispute have been divided into three schedules.



**Schedule A**

[31] The questions under this schedule pertain to undertakings provided.

[32] Question 155 appears fact-based and should help circumscribe the merit. It shall be answered.

[33] Question 401 has now been answered and needs no further answer.

**Schedule B**

[34] This schedule goes to questions taken under advisement and comprises seven (7) categories.

**Category 1**

[35] It deals with ownership of the '029 patent. Question 286 shall receive a formal answer since it is relevant and raises questions as to whether there was an intervening assignment at one time back from the Plaintiff to the inventors.

**Category 2**

[36] It deals with prior art.

[37] Question 146 need not be answered.

[38] As to question 530, it need not be answered since the Defendant does not plead that the Plaintiff has failed to disclose relevant prior art to the Canadian Patent Office and since the Defendant has produced, as part of its affidavit of documents, the file wrapper of the Plaintiff's U.S. Application. Such production shall allow the Defendant to know what prior art was before the examiners.

### **Category 3**

[39] The questions under this category deal with inventorship and more particularly with the design process and the individuals involved with it. Although possibly relevant an avenue of inquiry, paragraph 20 of the Defendant's written representations leads me to conclude that the Defendant under these questions is exploring really here a mere possibility and therefore is embarking on a fishing expedition. Questions 262, 270, 273, 276 and 344 need not be answered.

[40] Questions 236 and 242 need not also be answered.

### **Category 4**

[41] The questions here deal with commercial success.

[42] Question 290 is far too general and numerous in terms of aspects covered to be answered. However, the Plaintiff shall answer relevant and reasonable follow-up questions that flow from the documentation provided by the Plaintiff's counsel on May 10, 2007.

[43] Question 361 shall be answered since the documents exchanged in relation to a relevant presentation given by the Plaintiff must be seen at this stage as relevant also. Whether they will ultimately go to commercial success is an aspect to be appreciated by the trial judge.

#### **Category 5**

[44] It goes to alleged infringement of the '029 patent.

[45] Question 221 need not be answered as it goes to the construction of the claims and is therefore a matter for the Court and the experts.

#### **Category 6**

[46] This category is entitled documents produced by the Plaintiff.

[47] As to question 474, I fail to see how the documents sought, even if they exist, would relate to commercial success in terms of non-obviousness. Question 474 need not be answered.

[48] Questions 500 and 501 have been answered sufficiently. No further answer is required.

**Category 7**

[49] It goes to potential witnesses. However, question 584 need not be answered for the reason provided by the Plaintiff at paragraph 23 of its written presentations.

**Schedule C**

[50] This schedule comprehends four (4) categories which address refusals by the Plaintiff's representative.

**Category 1**

[51] It deals with infringement of the patent in suit.

[52] Question 163 will have to be answered as I see it as a relevant factual question directed at securing a possible admission with respect to the Defendant's product.

[53] Questions 334 and 335 go to claims construction. They need not be answered.

[54] Questions 439, 440 and 441 shall be answered as they find their source in documents already produced by the Plaintiff and as they relate essentially to a factual concept alleged in the statement of claim.

[55] Question 458 need not be answered as it goes to internal communication within the Plaintiff's corporation which cannot be probative to the validity of the patent in suit.

**Category 2**

[56] It addresses commercial success.

[57] Questions 333 and 539 need not be answered.

**Category 3**

[58] It goes to prior art.

[59] Question 394 goes to the interpretation of the patent in suit. It need not be answered.

[60] Question 481 need not be answered.

[61] Question 520 calls at the end of the day for the Plaintiff to conduct searches of prior art. This task does not have to be performed by the Plaintiff. This question need not be answered.

[62] Questions 521 to 525 need not be answered and the Defendant's request to cross-examine the Plaintiff's representative on his affidavit of documents is denied.

[63] Questions 526, 528, 531, 534 to 537 need not be answered.

[64] Questions 570 to 573 shall be answered on the basis of while they present a technical aspect, the Plaintiff's representative at discovery should be able to tackle the overall factual nature of them (see *Foseco Trading A.G. v. Canadian Ferro Hot Metal Specialties, Ltd.*, [1991] F.C.J. No. 421).

#### **Category 4**

[65] It addresses the alleged invalidity of the '029 patent.

[66] Question 528 shall be answered as it seeks the production of a U.S. priority application relevant to the priority date claim by the Plaintiff.

[67] Question 530 need not be answered. The Defendant has produced the U.S. file wrappers as part of its own productions. The questions asked as to the art cited can be determined from a review of its own productions and as such, the Plaintiff should not have to conduct this search for the Defendant.

**Conclusion on Defendant's motion**

[68] The Plaintiff will be ordered, in an order accompanying the instant reasons, to answer in writing, within thirty (30) days, the questions ordered to be answered herein, and within fifteen (15) days thereafter, under similar fashion, all proper follow-up questions arising from the questions ordered to be answered.

[69] Defendant's motion will otherwise be dismissed.

[70] As success is divided on this motion, costs will be in the cause.

**“Richard Morneau”**

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Prothonotary

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-1531-05

**STYLE OF CAUSE:** PURCELL SYSTEMS, INC.  
Plaintiff (Defendant by Counterclaim)  
ARGUS TECHNOLOGIES LTD.  
Defendant (Plaintiff by Counterclaim)

**PLACE OF HEARING:** Montréal

**DATE OF HEARING:** Montréal

**REASONS FOR ORDER BY:** PROTHONOTARY MORNEAU

**DATED:** June 22, 2007

**APPEARANCES:**

Mr. Jonathan N. Auerbach  
Mr. Paul Smith

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