

Federal Court



Cour fédérale

Date: 20091109

Docket: T-737-08

Citation: 2009 FC 1141

[ENGLISH TRANSLATION]

Montréal, Quebec, November 9, 2009

Present: The Honourable Madam Justice Tremblay-Lamer

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] Before the court are two appeals from an order issued by Prothonotary Richard Morneau on August 18, 2009, determining a long series of objections raised during the examination of the representative from Bell Helicopter Textron Canada Limited (“Bell”) that took place between June 10 to 12, 2009, submitted under subsection 51(1) of the Federal Courts Rules, SOR/98-106 (the

“Rules”). The Prothonotary sustained some objections but overruled others, which resulted in both parties appealing his decision before this Court.

THE FACTS

[2] This appeal is filed in the context of a dispute concerning a helicopter skid landing gear assembly described in “Patent 787.”

[3] Eurocopter commenced this action by alleging that Bell infringed this patent by installing landing gear identical to the one covered by said patent on a helicopter that it manufactures and sells in Canada: the Bell 429. Bell replied that it was merely an unproduced prototype that was never marketed as such, but an infringement did not take place in any event. Bell modified the landing gear installed on the Bell 429 by adding a sleeve and claims that the new landing gear does not infringe patent ‘787. However, Eurocopter alleges that the modified gear accomplishes the same functions the same way to obtain the same result as the landing gear covered by patent ‘787.

[4] Note that in addition to other remedies, Eurocopter is requesting punitive damages because it claims that Bell knew that the Bell 429’s landing gear infringed on the one covered by patent ‘787.

[5] For its part, in addition to denying the allegations of infringement, Bell is arguing that Patent ‘787 is invalid, alleging that is premature, obvious, imprecise, useless, and that the claims are broader than the specification.

ISSUES IN DISPUTE

Eurocopter's appeal

1) Questions 22, 25 to 28, 61, 64 and 66, and 76 related to the safety tests to which the Bell 429 equipped with the former landing gear was subjected and the correspondence with Transport Canada

[6] According to Eurocopter, the questions concerning the tests to which the Bell 429 equipped with the former landing gear was subjected and the submissions made by Bell to Transport Canada that the new landing gear was essentially identical to the former one are relevant to determining whether patent '787 was infringed because their aim is to determine whether the modified gear accomplishes the same functions in a identical way to essentially obtain the same result as the original gear.

[7] Indeed, Eurocopter notes that during its examination, the representative from Bell, Robert Gardner, explained that the former landing gear only had been tested by Transport Canada before the safety certification required for the Bell 429 was granted. Reportedly, since Bell convinced Transport Canada that the new landing gear was essentially similar to the former landing gear, no test was conducted on an aircraft equipped with it.

[8] For its part, Bell claims that according to a decision by the Supreme Court of Canada in *Free World Trust v. Électro Santé Inc.*, [2000] 2 S.C.R. 1024, 194 D.L.R. what matters is not only

knowing whether the modified landing gear is essentially identical to the former, but especially whether this would have been evident on the publication date of the patent. As a result, the tests and the correspondence in question, which took place after the patent was published, are not relevant because they could not prove that the sameness of these two landing gears would have been evident at this time.

[9] Furthermore, in an infringement action, the product we claim was infringed must be compared to the claims of the patent as opposed to the manufactured product based on this patent. Thus, the issues in this case, which concern the comparison of two products, are not relevant.

[10] In my opinion, Bell is relying on only one step of the test adopted by the Supreme Court in *Free World*, above, at para 55. Even if it is necessary to establish that the similarity between the patent claims and a counterfeited product would have been evident on the date when the patent was published, the fact remains that the applicant must—before reaching this step—establish that this similarity exists. The information on the tests and the correspondence between Bell and Transport Canada are relevant in this respect to prove that the Bell 429’s landing gear, “would perform substantially the same function in substantially the same way to obtain substantially the same result” (*Free World*, above, at para 55) as the one described by Patent ‘787. Thus, the Prothonotary’s decision to sustain the objections to these questions is erroneous.

[11] The only exception is question 61, which concerns “all documents relating to the change to the landing gear.” This question is too broad and unspecific, and the Prothonotary rightly sustained Bell’s objection.

[12] Furthermore, the information to which these questions referred is very sensitive commercially, which Eurocopter’s attorney did not deny during the hearing. The Court recognizes the merits of Bell’s reticence to forward this information to a direct competitor. That is why this information will—at this step—be forwarded to be consulted by lawyers only.

2) Questions 156 and 157 related to the prior art on which Bell bases itself to allege that patent ‘787 was expected and obvious.

[13] Eurocopter claims that it has the right to know [TRANSLATION] “on which parts of the prior art [Bell] is basing itself to claim that patent ‘787 is expected and obvious.”

[14] Bell claimed that Eurocopter’s requests were inappropriate because they are not only intended to know the specific elements of the prior art on which Bell’s argument with respect to Patent 787’s invalidity is founded, but also to obtain opinions to discover Bell’s argument strategy, which is not allowed at the examination for discovery stage, which must concern the facts only.

[15] During the hearing, Eurocopter withdrew the parts of these questions that actually did seek Bell’s opinions.

[16] Since these questions are intended to do more than obtain specifications concerning the facts on which Bell relies to claim that patent '787 is invalid, they are allowed and Bell must respond to them. As Richard J. decided in *Dek-Block Ontario Ltd. v. Béton Bolduc (1982) Inc.* (1998), 81 C.P.R. (3d) 232, [1998] F.C.J. No. 680 (QL), at paragraphs 15 to 17:

The burden is on the defendant to establish the facts on which it bases its allegations that the invention described and claimed in the plaintiff's patent was not novel, was obvious or did not involve any inventive step. Merely scheduling a list of patents and articles does not satisfy the burden on the defendant. The plaintiff is entitled to be told the parts of those prior patents or prior publications the defendant relies on to establish anticipation or obviousness. The defendant must be specific.

Bell's appeal

3) *Questions 42, 43, 45 and 47 to 52 concerning Bell's knowledge of patent '787.*

[17] Bell claims that these questions, which are essentially aimed at obtaining evidence of the fact that Bell was aware of patent '787 and that it therefore knowingly breached it are not relevant to one of Eurocopter's unadmitted allegations.

[18] According to Eurocopter, these questions are specific and relevant to the debate on Bell's awareness of its patent—and thus to the dispute—to the extent that it concerns the existence of its right to punitive damages.

[19] The allegations to which these questions are related are found at paragraph 27 of Eurocopter's Amended Statement. It alleges that, [TRANSLATION] "Bell Helicopter committed its acts of infringement knowingly and with full knowledge of the facts." This is an allegation of knowledge, which does not have to be specific to be valid in a statement. Though it is not specified in paragraph 181(1)(b) of the Rules, I have noted that—for the sake of comparison—that paragraph 25.06(8) of the *Ontario Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, which is its counterpart, states that "Where fraud, misrepresentation, breach of trust, malice or intent is alleged, the pleading shall contain full particulars, but knowledge may be alleged as a fact without pleading the circumstances from which it is to be inferred, but knowledge may be alleged as a fact without pleading the circumstances from which it is to be inferred." [Emphasis added]

[20] These questions are relevant to a valid and unadmitted allegation, and Bell must respond to them, subject to considerations related to the solicitor-client privilege that Bell is invoking as an additional justification for its objections to questions 42, 43 and 45.

4) Questions 42, 43 and 45 related to the correspondence for which Bell is invoking the solicitor-client privilege.

[21] Bell claims that these questions, through which Eurocopter seeks to know whether Bell obtained advice on the possibility of patenting and exploiting its landing gear and—if applicable—to obtain a copy of this advice, breaches its solicitor-client privilege. Furthermore, contrary to what

Eurocopter indicated in the table of objections, it never committed itself to producing the documents Eurocopter seeks.

[22] Eurocopter claims that the reviews sought [TRANSLATION] “fall within the jurisdiction of patent officers who are not subject to the solicitor-client privilege unless they are lawyers themselves.” In this respect, Eurocopter relies on this Court’s decision in *F.P. Bourgault Industries Air Seed Division Ltd. v. Flexi-Coil Ltd.*, 64 C.P.R. (3d) 70, [1995] F.C.J. No. 1423 (QL) F.C.T.D.).

[23] Furthermore, according to Eurocopter, Bell cannot claim that a document is covered by a privilege because it does not even indicate whether the document in question exists and, if so, under what circumstances it was created.

[24] When requested documents are relevant but are covered by a privilege, such as a solicitor-client privilege, a party must disclose their existence and provide a description of them. The privilege covers only the contents of a document or a communication, not the fact that it exists.

[25] Thus, Bell must indicate whether the analyses of patentability or freedom to operate were carried out subject to its right to invoke the solicitor-client privilege, as needed, and Eurocopter’s right to object to all invocations of the privilege by Bell.

5) Questions 8, 13, 14, 23, 58 to 60 related to the sketches of the components in the defendant's possession.

[26] Bell claims that these requests, through which Eurocopter is seeking to obtain sketches of the components allegedly at issue in this dispute, are too broad and burdensome because the relevance of these documents is limited, to the point that it should not have to comply with them. In this regard, Bell relies on Mr. Gardner's uncontested affidavit, which affirms that all the relevant documents have already been forwarded to Eurocopter.

[27] Eurocopter claims that these documents are relevant to the dispute because, given that they are related to the development of the product that it claims to be infringing, they make it possible [TRANSLATION] "to know when the Bell 429's landing gear's various designs were adopted to determine when the infringement began and when it crystallized."

[28] As for questions 8, 23, 58 to 60 and 68, the exemption from the obligation to produce a document in the event that this production would be too burdensome is one of the Prothonotary's discretionary powers. Unless it is a question that has a decisive influence on the outcome of the case, which is not the case here, the Court will review the Prothonotary's decision only if it is convinced that the Prothonotary order was clearly wrong in that the Prothonotary exercised his power by applying a wrong principle or by misapprehending the facts. This is a heavy burden, and Bell did not present any arguments that would enable it to discharge itself of this burden.

[29] Furthermore, Eurocopter has noted that the documents concerned by objections 13 and 14 are actually pages of documents that Bell itself had acknowledged as being relevant. I agree with Eurocopter on this point, and the Prothonotary's order to produce them was not clearly wrong.

6) Questions 16 and 63 related to manufacturing the allegedly infringing landing gear.

[30] Bell claims that these questions are too broad and burdensome because they concern all the correspondence between Bell and the subcontractor who manufactures the landing gear.

[31] In any case, these documents would not be relevant because they concern the landing gear's manufacturing process, and no manufacturing process is covered by the patent at issue.

[32] Eurocopter claims that the documents addressed by these questions concern the technical data of the allegedly infringing products, not their manufacturing process, and are thus relevant.

[33] I share this opinion. Though the contents of these documents are unknown at this point, it is reasonable to suppose that they concern technical data on the landing gear in question, and that they make it possible—as Eurocopter claimed during the hearing—to identify important dates in the development and production of potentially infringing products. Therefore, these documents are relevant.

[34] As for the potential cost of producing these documents, the fact that Bell must obtain documents from its parent company in Texas is not an argument that the Prothonotary absolutely had to accept (especially since paragraph 225(b)(ii) of the Rules explicitly sets out the possibility of ordering a party to produce, “all relevant documents that are in the possession, power or control of (...) any corporation that is controlled directly or indirectly by the party” when this party is a corporate body). Thus, there is no error in the Prothonotary’s decision that would justify an intervention by the Court.

[35] Bell’s appeal on these issues is dismissed.

7) Questions 83 to 96 and 112 concerning marketing and advertising.

[36] Bell claims that the documents concerning the marketing and advertising of Bell’s helicopters are not relevant to the infringement issue.

[37] More specifically, Bell claims that the documents concerned by requests 83 to 96 and 98 to 104, which concern web sites and promotional images used by Bell and its officers, are not relevant because the images and the representations of products—even those that are infringed—do not represent infringement in themselves. In addition, according to Bell, such documents are not relevant to calculating the damages that Eurocopter claims it suffered. As for questions 105 to 111, they pertain to sections describing Bell’s business condition, and obtaining answers to these questions would not further Eurocopter’s position in any way. As for question 112, it concerns all of

Bell's promotional documents and would therefore be too broad and burdensome in addition to being irrelevant.

[38] Eurocopter claims that the documents, [TRANSLATION] “are relevant to the question of infringement because they make it possible to know the chronological order of the various prototypes of the [landing] gear and the modifications that were brought to them. Furthermore, some [of these] documents [...] show the marketed Bell 429 helicopter with the original gear though Bell [...] claims that it markets the Bell 429 with the modified gear only.”

[39] In my opinion, as Eurocopter claims, the promotional documents can be relevant provided that they allow for the development of the various landing gears used by Bell to be monitored, which are at issue in this dispute.

[40] However, some of Bell's internal policies, which Eurocopter is seeking to obtain in questions 89, 103 and 104, cannot have the same use and thus be relevant.

[41] Questions 105 to 111, some of which do not even concern the Bell 429, are also irrelevant to this dispute.

[42] Finally, question 112 is—as Bell claims—very broad. It is rather, “a ‘fishing expedition’ with a vague and extended scope,” especially since, in the past, Eurocopter was able to ask far more specific questions than this general question (see questions 83 to 88, 90 to 96, and 98 to 102).

[43] In conclusion, I dismiss Bell's appeal on questions 83 to 88, 90 to 96, and 98 to 102, which concern the advertising and marketing of the Bell 429, but I am allowing it for questions 89 and 103 to 122, which concern Bell's internal policies and its opinions on its business condition.

8) Question 17 concerning the patent applications filed by Bell

[44] Question 17 concerns a request for all the patent applications filed by Bell in connection with the development of the Bell 429. Bell claims that this application is not relevant because the dispute concerns one of Eurocopter's patents, not one of their own. Eurocopter responds that Bell conceded the relevance of one of its patent applications and must therefore produce the others.

[45] The parties submitted the exact same arguments to the Prothonotary. I do not see how his decision "was based on a wrong principle or a misapprehension of the facts."

9) Question 24 concerning the MAPL program's documents.

[46] Question 24 concerns the documents on the development of the landing gear in the context of a Bell research program called MAPL. Bell contests its relevance and claims that this request is too burdensome. Eurocopter responds that these documents are relevant because they are related to the development of the infringing product.

[47] In my opinion, these documents are relevant because the MAPL program led to the development of the Bell 429, so the documents in question would make it possible to understand the development of its landing gear.

10) Question 153 concerning the preservation of documents by Bell.

[48] Question 153 concerns all the documents related to the preservation or destruction of documents by Bell. In my opinion, it is very broad; and, in any case, these documents are not relevant to the dispute concerning infringement. Furthermore, during the hearing, Eurocopter was silent on this subject. Thus, Bell's appeal is allowed on this point.

CONCLUSION

[49] For all of these reasons,

1. Eurocopter's appeal is allowed except for question 61;
2. Bell's appeal is allowed for questions 54, 55, 89, and 103 to 153, as well as for questions 42, 43 and 45; however, regarding the last three questions, Bell will have to provide a description of the documents concerned;

[50] Since the motions have mixed success, costs are in the cause.

ORDER

THE COURT ORDERS that:

1. Eurocopter's appeal be allowed except for question 61;
2. Bell's appeal be allowed for questions 54, 55, 89, and 103 to 153, as well as for questions 42, 43 and 45; however, regarding the last three questions, Bell will have to provide a description of the documents concerned;
3. Bell will forward, within the next (5) days,
 - i. The answers to and undertakings referred to in questions 8, 13, 14, 16, 17, 23, 24, 47 to 52, 58 to 60, 63, 83 to 88, 90 to 96, 98 to 102, 156 and 157;
 - ii. The answers to and undertakings referred to in questions 22, 25 to 28, 64 to 66 and 76 to be consulted by lawyers only;
 - iii. A description of the documents concerned by questions 42, 43 and 45;
4. Costs are in the cause

“Danièle Tremblay-Lamer”

Judge

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET: T-737-08

STYLE OF CAUSE: EUROCOPTER v. BELL HELICOPTER TEXTRON
CANADA LIMITED

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**REASONS FOR ORDER
AND ORDER:** TREMBLAY-LAMER J.

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