

Federal Court of Appeal



Cour d'appel fédérale

Date: 20201022

**Docket: A-252-19
A-395-19**

Citation: 2020 FCA 177

**CORAM: STRATAS J.A.
WEBB J.A.
RENNIE J.A.**

BETWEEN:

**HOSPIRA HEALTHCARE CORPORATION,
CELLTRION HEALTHCARE CO., LTD.,
CELLTRION, INC., PFIZER CANADA INC.
and PFIZER CANADA ULC**

Appellants

and

**THE KENNEDY TRUST FOR RHEUMATOLOGY RESEARCH,
JANSSEN BIOTECH, INC., JANSSEN INC.,
CILAG GmbH INTERNATIONAL and CILAG AG**

Respondents

Heard at by online video conference hosted by the registry on October 22, 2020.
Judgment delivered from the Bench at Ottawa, Ontario, on October 22, 2020.

REASONS FOR JUDGMENT OF THE COURT BY:

RENNIE J.A.

Federal Court of Appeal



Cour d'appel fédérale

Date: 20201022

Docket: A-252-19
A-395-19

Citation: 2020 FCA 177

CORAM: STRATAS J.A.
WEBB J.A.
RENNIE J.A.

BETWEEN:

HOSPIRA HEALTHCARE CORPORATION,
CELLTRION HEALTHCARE CO., LTD.,
CELLTRION, INC., PFIZER CANADA INC.
and PFIZER CANADA ULC

Appellants

and

THE KENNEDY TRUST FOR RHEUMATOLOGY RESEARCH,
JANSSEN BIOTECH, INC., JANSSEN INC.,
CILAG GmbH INTERNATIONAL and CILAG AG

Respondents

REASONS FOR JUDGMENT OF THE COURT
(Delivered from the Bench at Ottawa, Ontario, on October 22, 2020).

RENNIE J.A.

[1] These reasons address two appeals from orders of the Federal Court (2019 FC 843 and 2019 FC 1254, *per* Phelan J.) dismissing the appellants' appeals from orders of Prothonotary

Milczynski. The Prothonotary dismissed the appellants' motion to compel the respondents to answer questions or produce documents on discovery. Although not consolidated, the appeals were argued before us as a single appeal. Accordingly, a copy of these reasons will be placed in both A-252-19 and A-395-19.

[2] These appeals arise in the context of an action for patent impeachment and a counterclaim for infringement. The litigation was bifurcated. The Federal Court found the patent valid and that it had been infringed (*Hospira Healthcare Corporation v. Kennedy Trust for Rheumatology Research*, 2018 FC 259). That decision was overturned on appeal and remitted back to the Federal Court (*Hospira Healthcare Corporation v. Kennedy Trust for Rheumatology Research*, 2020 FCA 30).

[3] These appeals, in turn, arise in the context of the discovery during the damages phase. The Prothonotary considered 46 questions, falling into 9 broad categories. The specific questions are not germane to the disposition of this appeal. It is sufficient to say that the Prothonotary refused to order certain questions to be answered on the basis that they were not relevant, others were refused on the basis that the information was otherwise available, one on the basis that the point had previously argued and another on the basis that the question was vague. In respect of some questions, the Prothonotary found that compelling the answer could not be justified when considered in light of the various considerations pertinent to the proportionality principle.

[4] The Federal Court dismissed the appeals. It concluded that no palpable and overriding error had been established in the exercise of the Prothonotary's discretion and that no extricable error of law had been identified.

[5] We find no reviewable error and reach the same conclusion here.

[6] As settled by this Court in *Hospira Healthcare Corporation v. Kennedy Institute of Rheumatology*, 2016 FCA 215, [2017] 1 F.C.R. 331, the standard of review on an appeal of a discretionary decision of a Prothonotary is correctness for questions of law and palpable and overriding error for questions of fact and questions of mixed fact and law for which there are no extricable questions of law (*Housen v. Nikolaisen*, 2002 SCC 33, [2002] 2 S.C.R. 235 at paras. 8, 10, 36, 83).

[7] A prothonotary's decision on whether to compel answers on discovery is typically a question of mixed fact and law and subject to the palpable and overriding error standard. A palpable and overriding error is one that is obvious and substantial enough to potentially change the result of the case (*Maximova v. Canada (Attorney General)*, 2017 FCA 230 at para. 5; *Rodney Brass v. Papequash*, 2019 FCA 245 at para. 11).

[8] Although not formally codified in the *Federal Courts Rules*, as it has in some jurisdictions (*Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, s. 29.2.03), the proportionality principle has a long antecedence in the jurisprudence of the Federal Courts. As early as 2003 in *Apotex Inc. v. Merck & Co.*, 2003 FCA 438 this Court recognized that merely showing a

question is relevant does not mean that it must be answered. There is a second hurdle. The answer must also be proportionate (see also *Apotex Inc. v. Wellcome Foundation Limited*, 2008 FCA 131).

[9] Proportionality takes into account the fact that evidence has degrees of significance and connection to the case. It also takes into account the burden required to obtain the information, the scope of the request and the availability of information from other sources, to mention but some of the considerations.

[10] The Prothonotary took these considerations into account and no reviewable error has been demonstrated that she erred in so doing. A prothonotary is best situated to analyse and apply the proportionality principle. That is particularly so in the circumstances of this case, where the Prothonotary has case managed the proceedings for many years, presided over countless motions and has attended discovery to make live rulings.

[11] We will therefore dismiss the appeals.

[12] We will fix costs in A-252-19 at \$3,000.00 and in A-395-19 at \$12,000.00.

"Donald J. Rennie"

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKETS:

A-252-19
A-395-19

STYLE OF CAUSE:

HOSPIRA HEALTHCARE
CORPORATION, CELLTRION
HEALTHCARE CO., LTD.,
CELLTRION, INC., PFIZER
CANADA INC. and PFIZER
CANADA ULC v. THE
KENNEDY TRUST FOR
RHEUMATOLOGY RESEARCH,
JANSSEN BIOTECH, INC.,
JANSSEN INC., CILAG GmbH
INTERNATIONAL and CILAG
AG

PLACE OF HEARING:

HEARD BY ONLINE VIDEO
CONFERENCE HOSTED BY
THE REGISTRY

DATE OF HEARING:

OCTOBER 22, 2020

**REASONS FOR JUDGMENT OF THE COURT
BY:**

STRATAS J.A.
WEBB J.A.
RENNIE J.A.

DELIVERED FROM THE BENCH BY:

RENNIE J.A.

APPEARANCES:

Warren Sprigings
Nathaniel Dillonsmith
Nick Kawar

FOR THE APPELLANTS

Sean Jackson
Melanie Baird

FOR THE RESPONDENTS

SOLICITORS OF RECORD:

Sprigings IP
Toronto, Ontario

Blake, Cassels & Graydon LLP
Toronto, Ontario

FOR THE APPELLANTS

FOR THE RESPONDENTS