

Federal Court
of Appeal



Cour d'appel
fédérale

Date: 20090514

Docket: A-264-08

Citation: 2009 FCA 155

Present: SHARLOW J.A.

BETWEEN:

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

Appellants

and

BOSTON SCIENTIFIC LTD./BOSTON SCIENTIFIQUE LTÉE

Respondent

Heard at Ottawa, Ontario, on May 13, 2009.

Order delivered at Ottawa, Ontario, on May 14, 2009.

REASONS FOR ORDER BY:

SHARLOW J.A.

Federal Court
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REASONS FOR ORDER

SHARLOW J.A.

[1] The appellants (collectively “J&J”) seek an order striking certain paragraphs of the memorandum of fact and law of the respondent (“Boston Scientific”), or alternatively an order granting J&J leave to file a reply memorandum. They argue that in the impugned paragraphs, Boston Scientific is attempting to raise issues that cannot be raised on the appeal.

[2] A preliminary point to be determined on this motion is whether consideration should be given to an affidavit included with the written representations filed by J&J pursuant to Rule 369(3) (*Federal Courts Rules*, SOR 98/106) in reply to the motion record filed by Boston Scientific in

response to J&J's motion. I am satisfied that in the unusual circumstances of this case, the affidavit should be accepted for filing because it provides useful information about the manner in which the trial was conducted. I have given no weight to the portions of the affidavit that describe the affiant's reactions to statements made in Boston Scientific memorandum of fact and law.

[3] This case involves an action by J&J against Boston Scientific for damages for the infringement of two patents, Canadian Patents No. 1,281, 505 and 1,330,186. Boston Scientific filed a defence and also counterclaimed for a declaration that both patents are invalid. In a judgment dated April 30, 2008, Justice Layden-Stevenson dismissed the action of J&J for infringement, dismissed the counterclaim with respect to the 505 patent, allowed the counterclaim with respect to the 186 patent, and made a declaration that the 186 patent is invalid for lack of inventiveness.

[4] There is no appeal with respect to the 186 patent. J&J has appealed the dismissal of its infringement action in relation to the 505 patent. Boston Scientific has not cross-appealed the dismissal of its claim for a declaration that the 505 patent is invalid. The 505 patent expired before the trial judgment was issued.

[5] The foundation of the arguments made in J&J's memorandum of fact and law on appeal is that the judgment is based on an incorrect construction of the 505 patent. Boston Scientific's memorandum of fact and law answers that issue, and also asserts that the infringement claim in relation to the 505 patent was correctly dismissed because the 505 patent is invalid for anticipation and obviousness. The arguments of Boston Scientific dealing with anticipation and obviousness are

found in paragraphs 8, 30-32 and 79-93. Those are the paragraphs that J&J wishes to be struck. In these reasons I will refer to those paragraphs as the “invalidity argument”.

[6] J&J submits that the invalidity argument should be struck because Boston Scientific unsuccessfully sought a declaration of invalidity at trial, and cannot now seek such a declaration without having cross-appealed the judgment dismissing its claim for a declaration of invalidity. I agree that if Boston Scientific were still seeking a declaration that the 505 patent is invalid, it could do so only by cross-appealing the dismissal of its counter-claim. However, Boston Scientific is no longer seeking such a declaration, for the practical reason that the 505 patent has expired.

[7] The question is whether it is open to Boston Scientific to argue for a determination that the 505 patent is invalid, without seeking a declaration to that effect? In my view, the answer is yes. It is clear that Boston Scientific could have raised an invalidity argument at trial simply as a defence to a claim of infringement without seeking a declaration of invalidity. In my view, the fact that Boston Scientific sought but failed to obtain such a declaration at trial does not preclude it from raising the invalidity argument as one answer to J&J’s arguments on appeal that its infringement claim should have succeeded.

[8] J&J makes two alternative arguments in support of its proposition that Boston Scientific should be precluded from arguing anticipation and obviousness on appeal. With respect to anticipation, J&J says that Boston Scientific’s argument is so clearly without merit that J&J should

not be permitted to make it. I cannot accept this argument. I am not prepared at this point to determine the merits of Boston Scientific's anticipation argument.

[9] With respect to obviousness, Boston Scientific is arguing on appeal that the 505 patent is obvious in light of a certain publication referred to as the "1980 Monograph". Boston Scientific concedes that it did not rely on that publication at trial in support of its obviousness argument. That is because at trial, Boston Scientific based its obviousness argument on the premise that the date of invention was 1978, which limited Boston Scientific's obviousness argument to a 1972 patent (the "Ersek patent"). The discovery question cited by Boston Scientific on this point asked J&J's representative for the earliest invention date, and the response was a date in 1978. I was not referred to any evidence in which any witness for J&J was asked whether any later invention date would or could be asserted. In any event, for the first time in closing argument, J&J took the position that the date of invention could be as late as 1985. Justice Layden-Stevenson found that the date of invention was 1983. If that conclusion stands, then it would have been open to Boston Scientific to rely on the 1980 Monograph in support of its obviousness argument.

[10] J&J argues that it had expert evidence to contradict the theory that the 505 patent was obvious based on the 1980 Monograph, but it did not put that evidence on the record because Boston Scientific did not base its obviousness argument on the 1980 Monograph. J&J argues that, for this reason, it would be prejudiced if Boston Scientific makes this particular obviousness argument for the first time on appeal. I note, however, that it was only at the close of trial that J&J argued for the first time that the date of invention could be later than the earliest possible date of

1978. It seems to me unlikely that J&J did not and could not have appreciated that the 1980 Monograph would be relevant to the issue of obviousness if its publication date was two years or more prior to the date of invention as finally determined at trial. For that reason, I question the assertion of J&J that its decision not to put all of its obviousness evidence on the record was solely the result of the manner in which Boston Scientific argued its case.

[11] In my view, the limited record before me does not justify an order precluding Boston Scientific from making its obviousness argument based on the 1980 Monograph. For that reason, I accept the suggestion of Boston Scientific that the propriety of this argument should be deferred to the panel hearing the appeal.

[12] For these reasons, the motion to strike portions of Boston Scientific's memorandum of fact and law will be dismissed. To ensure that the panel hearing the appeal has a complete picture of the legal arguments, I will grant J&J leave to file a memorandum of fact and law in reply.

“K. Sharlow”

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET: A-264-08

STYLE OF CAUSE: Johnson & Johnson Inc. et al v.
Boston Scientific Ltd./Boston
scientifique Ltée

MOTION DEALT WITH IN WRITING WITH APPEARANCE OF PARTIES

REASONS FOR ORDER BY: SHARLOW J.A.

DATED: May 14, 2009

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