

Federal Court
of Appeal



Cour d'appel
fédérale

Date: 20100608

**Dockets: A-466-09
A-467-09**

Citation: 2010 FCA 142

**CORAM: BLAIS C.J.
LÉTOURNEAU J.A.
PELLETIER J.A.**

BETWEEN:

BELL HELICOPTER TEXTRON CANADA LIMITED

Appellant

and

**EUROCOPTER
(Simplified Joint Stock Company)**

Respondent

Heard at Montréal, Quebec, on May 17, 2010.

Judgment delivered at Ottawa, Ontario, on June 8, 2010.

REASONS FOR JUDGMENT BY:

BLAIS C.J.

CONCURRED IN BY:

**LÉTOURNEAU J.A.
PELLETIER J.A.**

Federal Court
of Appeal



Cour d'appel
fédérale

Date: 20100608

**Dockets: A-466-09
A-467-09**

Citation: 2010 FCA 142

**CORAM: BLAIS C.J.
LÉTOURNEAU J.A.
PELLETIER J.A.**

BETWEEN:

BELL HELICOPTER TEXTRON CANADA LIMITED

Appellant

and

**EUROCOPTER
(Simplified Joint Stock Company)**

Respondent

REASONS FOR JUDGMENT

BLAIS C.J.

INTRODUCTION

[1] These are two appeals of orders by Madam Justice Tremblay-Lamer (the judge), on November 9, 2009 (2009 FC 1141 and 2009 FC 1142), in which she allowed in part the respondent's appeals of two orders by Prothonotary Morneau (the prothonotary), dated August 8 and October 8, 2009 (2009 FC 836 and 2009 FC 1021), respectively. The prothonotary allowed

the appellant's objections to certain questions asked during the examination for discovery of its representative.

RELEVANT FACTS

[2] This appeal is made in the context of a dispute concerning a helicopter skid landing gear assembly for which Eurocopter holds patent 2,207,787 (Patent 787).

[3] According to Eurocopter, this landing gear assembly boasts numerous improvements which make it lighter and eliminate certain mechanisms related to the ground resonance phenomenon.

[4] On May 9, 2008, Eurocopter commenced an action for infringement of its Patent 787 against Bell Helicopter Textron Canada Limited (hereafter Bell Helicopter or the appellant).

[5] In its statement of claim in support of its action, Eurocopter contended, among other things, that Bell Helicopter had committed patent infringement by installing a landing gear assembly identical to the one protected by Eurocopter's patent on a helicopter that Bell Helicopter manufactures and sells in Canada, the Bell 429.

[6] It was therefore in the course of proceedings related to that action for infringement that a representative of Bell Helicopter was examined twice, on June 10, 11 and 12 and August 25, 2009, respectively. During the examinations, the appellant objected to the questions asked, which led to the subsequent decisions made by the prothonotary and the judge.

ANALYSIS

[7] In his order dated August 18, 2009, the prothonotary set forth the general principles he relied on to reach his conclusions. He relied on those same principles in his subsequent order dated October 8, 2009.

[8] Since the prothonotary grounded his reasoning in the principles regarding the relevance of questions set out by Justice McNair in *Reading & Bates Construction Co. et al. v. Baker Energy Resources Corp. et al.* (1988), 24 C.P.R. (3d) 66 (*Reading & Bates*), it is important to note that Justice McNair first took care, at paragraph 8 of his decision, to clarify the purpose of examinations for discovery, as follows:

8 The purpose of discovery, whether oral or by production of documents, is to obtain admissions to facilitate proof of all the matters which are relevant and properly in issue between the parties. The prevailing trend today favours broadening the avenues of fair and full disclosure to enable the party to advance his own case or to damage the case of his adversary. Discovery can serve to bring the issues more clearly into focus, thus avoiding unnecessary proof and additional costs at trial. Discovery can also provide a very useful tool for purposes of cross-examination.

[9] At paragraph 8 of the first order, the prothonotary reproduced the six principles set out by Justice McNair regarding the relevance of questions.

[10] For the purposes of this decision, principles 1, 2 and 3, excerpted from paragraph 11 of *Reading & Bates*, are particularly appropriate:

1. The test as to what documents are required to produce 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 Financière 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 Canada 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 rather than on its relevance to facts which the plaintiff proposes to prove to establish the facts constituting the cause of action. . . .

[11] Quoting from *Faulding Canada Inc. v. Pharmacia S.p.A.* (1999), 3 C.P.R. (4th) 126 and Rule 242 of the *Federal Courts Rules* on objections to questions in an examination for discovery, the prothonotary reiterated the need to maintain a balance between the broadest possible examinations for discovery and the fishing expeditions some parties engage in, particularly in the field of intellectual property, which the Court should not encourage.

[12] In addition, the prothonotary relied on *Philips Export B.V. v. Windmere Consumer Products Inc.*, (1986) 8 C.P.R. (3d) 505 to state that [TRANSLATION] “a party cannot be required in an examination for discovery to answer a question that forces the party to express . . . an expert opinion, its interpretation of a patent or its beliefs”. (Prothonotary’s Order, 2009 FC 836, paragraph 13)

[13] Although the general principles established in the case law are useful, they do not provide a magic formula that is applicable to all situations. In such matters, it is necessary to follow the case-by-case rule.

[14] Moreover, I believe it is useful to note the remarks of Justice Hugessen in *Montana Band v. Canada*, [2000] 1 F.C. 267 at paragraph 5:

[5]The general purpose of examination for discovery is to render the trial process fairer and more efficient by allowing each party to inform itself fully prior to trial of the precise nature of all other parties' positions so as to define fully the issues between them. It is in the interest of Justice that each party should be as well informed as possible about the positions of the other parties and should not be put at a disadvantage by being taken by surprise at trial. It is sound policy for the Court to adopt a liberal approach to the scope of questioning on discovery since any error on the side of allowing questions may always be corrected by the trial judge who retains the ultimate mastery over all matters relating to admissibility of evidence; on the other hand any error which unduly restricts the scope of discovery may lead to serious problems or even injustice at trial.

[15] In my opinion, the very purpose of examinations for discovery weights in favour of broad flexibility in examination and the production of documents.

[16] It is therefore in light of the above that we must consider the prothonotary's orders regarding the questions that are the subject of this appeal and the merits of the judge's subsequent intervention.

[17] As mentioned above, the nature of the prothonotary's decisions in those files is not in issue. They are interlocutory, discretionary decisions. Consequently, the judge had to restrict her intervention to the standard set forth in *Canada v. Aqua-Gem Investments Ltd.* (C.A.), 1993

CanLII 2939 (F.C.A.), [1993] 2 F.C. 425, and reformulated in *Merck & Co., Inc. v. Apotex Inc.*, 2003 FCA 488 (CanLII), 2003 FCA 488 (*Merck v. Apotex*).

[18] Therefore, in this case, the judge ought not to disturb the orders unless “they are clearly wrong, in the sense that the exercise of discretion by the prothonotary was based upon a wrong principle or upon a misapprehension of the facts”. (according to *Merck v. Apotex*)

[19] In my opinion, in the circumstances, the judge’s intervention was partly warranted.

[20] Regarding questions 5 to 10 and 12 to 14 in file A-466-09, the prothonotary deemed them to be questions that forced the witness to [TRANSLATION] “express an opinion, be it an expert opinion, [his] interpretation of a patent or [his] beliefs”. (Prothonotary’s Order, 2009 FC 836, paragraph 13)

[21] The prothonotary agreed with Bell’s contentions that the terms used in the questions asked elicited an interpretation of the claims of Patent 787 and required expert evidence.

[22] In fact, the questions asked, although dealt out piecemeal, referred specifically and generally to the terms and phrases found in the patent and particularly in its description at page 15.

[23] In my opinion, the interpretation and the scope of the patent are questions for the trial judge to decide, who could benefit from expert opinions at that time. Those questions are clearly the domain of experts, and the prothonotary was correct to sustain the objections made.

[24] The judge made an error of law in overturning the prothonotary's decision. This Court must therefore intervene and restore his decision.

[25] Regarding questions 17, 18 and 19 in file A-466-09, I believe that the judge's intervention was warranted. The purpose of those questions was to verify whether, in using the landing gear configuration claimed in Patent 787, Bell Helicopter had been able to remove the dampers and shock absorbers, two mechanisms designed to eliminate the ground resonance phenomenon. The judge considered those questions to be relevant and, in so doing, was not clearly wrong in setting aside the prothonotary's decision.

[26] With regard to the other questions in issue, that is, questions 24 and 25 in file A-466-09 and questions 22, 24, 25 to 27, 28, 61, 64 to 66 and 76 in file A-467-09, all of those questions relate to documentation and belong to two broad categories: the documents provided to Transport Canada and the internal documents related to development and tests carried out on Bell Helicopter's landing gear assemblies.

[27] In general, the prothonotary agreed with Bell Helicopter's position on the irrelevance of those questions and the documents that related to them. In particular, he took Bell Helicopter's submissions at face value, that is, primarily that the information was not relevant to the issue of

infringement, that the respondent was engaging in a fishing expedition by asking those questions and that the documents sent to Transport Canada could not contain relevant information.

[28] In setting aside the prothonotary's decision on those questions, with the exception of question 61, the judge found that [TRANSLATION] "the test information and the correspondence between Bell and Transport Canada are relevant . . . to show that the new landing gear of the Bell 429 'would perform substantially the same function in substantially the same way to obtain substantially the same result' as that described by patent '787". (Decision 2009 FC 1141, paragraph 10)

[29] Furthermore, she found that the documents related to the development of the landing gear assembly within Bell Helicopter's research program were also relevant because that program had led to the development of the Bell 429. (Decision 2009 FC 1141, paragraphs 46-47)

[30] She dismissed Bell Helicopter's argument that the relevance of the documents should be appreciated in relation to the date of publication of the patent, in accordance with the Supreme Court of Canada's decision in *Free World Trust v. Électro Santé Inc.*, [2000] 2 S.C.R. 1024, 194 D.L.R. (4th) 232.

[31] According to the judge, [TRANSLATION] "although it is necessary to establish that the similarity would have been obvious on the date of publication of the patent, the fact remains that the applicant must, before reaching that step, establish that this similarity does exist". (Decision 2009 FC 1141, paragraph 10)

[32] She therefore found that the prothonotary's decision regarding those questions was incorrect and that she had to intervene.

[33] Like the judge, I am of the opinion that the questions and documents would directly or indirectly enable the respondent to advance its own case or to damage the case of its adversary. At a hearing, where all of the exhibits, witnesses and relevant documents will have been considered and taken into account, it will be up to the trial judge to establish the degree of relevance that should be applied to the documents that are the subject of this decision.

CONCLUSION

[34] To conclude, I would allow the appeal in part with regard to questions 5 to 10 and 12 to 14 in file A-466-09 in the appellant's favour, set aside the judge's decision on those questions and restore, in their regard, the order made by Prothonotary Morneau. I would dismiss the appeal as to the remainder, and order costs in the cause.

[35] With regard to file A-467-09, I would dismiss the appeal with costs.

"Pierre Blais"
Chief Justice

"I agree.
Gilles Létourneau J.A."

"I agree.
J.D. Denis Pelletier J.A."

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKETS:

A-466-09 and A-467-09

Appeals of orders made on November 9, 2009, by Madam Justice Tremblay-Lamer (2009 FC 114) and (2009 FC 1142).

STYLE OF CAUSE:

Bell Helicopter Textron Canada
Limitée v. Eurocopter
(Simplified Joint Stock
Company)

PLACE OF HEARING:

Montréal, Quebec

DATE OF HEARING:

May 17, 2010

REASONS FOR JUDGMENT BY:

BLAIS C.J.

CONCURRED IN BY:

LÉTOURNEAU J.A.
PELLETIER J.A.

CONCURRING REASONS BY:

DISSENTING REASONS BY:

REASONS DATED:

June 8, 2010

APPEARANCES:

Louis Gratton
Julie Jairon

FOR THE APPELLANT

Marek Nitoslawski
Chloé Latulippe

FOR THE RESPONDENT

SOLICITORS OF RECORD:

Ogilvy Renault, L.L.P.
Montréal, Quebec

FOR THE APPELLANT

Fasken Martineau DuMoulin L.L.P.
Montréal, Quebec

FOR THE RESPONDENT