

Federal Court



Cour fédérale

Date: 20190711

**Docket: T-1527-18
T-1529-18**

Citation: 2019 FC 921

Ottawa, Ontario, July 11, 2019

PRESENT: The Honourable Mr. Justice Barnes

T-1527-18

BETWEEN:

**CELGENE INC. AND
CELGENE CORPORATION**

**Plaintiffs
(Defendants by Counterclaim)**

and

NATCO PHARMA (CANADA) INC.

**Defendant
(Plaintiff by Counterclaim)**

T-1529-18

AND BETWEEN:

**CELGENE INC. AND
CELGENE CORPORATION**

**Plaintiffs
(Defendants by Counterclaim)**

and

NATCO PHARMA (CANADA) INC.

**Defendant
(Plaintiff by Counterclaim)**

ORDER AND REASONS

[1] This is a motion by Natco Pharma (Canada) Inc. [Natco] seeking an order to require the Plaintiffs (collectively “Celgene”) to produce the deposition transcripts for two of the inventors named in the patents that are the subject of this litigation. Those transcripts contain testimony given by Dr. George Muller and Dr. Markian Jaworsky in patent litigation in the United States challenging the validity of related United States patents.

[2] This is the second time that Natco has sought production of these transcripts. Earlier this year, Natco’s motion to produce this evidence was rejected by Case Management Judge Martha Milczynski on the following basis:

With respect to item 1(d), Natco sought extensive production from proceedings conducted in the United States, including affidavits, transcripts from depositions, cross-examinations, witness statements and trial transcripts. This request was narrowed at the hearing of the motion to the deposition and trial transcripts of the named inventors that gave participated in the U.S. action (3 on the crystal/polymorph patents and 1 on the use patent). Natco submits that it is “reasonable to suppose” that this material will relate to the development process of the crystal/polymorph patents and the claimed inventions. At paragraph 54 of their written representations, Natco asserts that the requested transcripts and affidavits “will serve to focus the parties on the issues and streamline the discovery process”, and that production will reduce unnecessary duplication of issues already canvassed in these earlier proceedings. It is unclear, however, how this can be the case. As noted by Celgene, and I agree:

- The inventors will be examined in and for the purposes of the within proceeding;

- It cannot be readily assumed that a foreign patent “corresponds” to a Canadian patent;
- There are differences in claims construction, which is a matter of law;
- Admissions made in foreign litigation expressly for that litigation cannot be relied upon in proceedings in Canada;
- Trial testimony and depositions can only be used to impeach a witness at trial, and as such, need not be produced on discovery; and
- Discovery from another proceeding is subject to the implied undertaking.

In light of the above, I am not satisfied that the requested material from the U.S. proceedings is relevant and admissible for the purposes of the within action. This part of the motion is dismissed.

[3] No appeal was taken from the above decision and Celgene argues that issue estoppel prevents the matter from being relitigated. Celgene also argues that foreign testimony is inadmissible in these proceedings and, in any event, the motion is no more than a “fishing expedition”. Celgene concedes that this prior testimony could be used to impeach a witness who testifies in this proceeding but it is not admissible in its own right. In the result, if either of these inventors appears at trial as a witness, it would be open to the Court to order the production of the prior testimony at that time for that limited purpose.

[4] For its part, Natco acknowledges that problems of admissibility may arise in connection with this evidence. However, it says that factual statements made by the inventors could be of some assistance to it in preparation for trial.

[5] While Natco does acknowledge that issue estoppel is a *prima facie* obstacle to the requested relief, it argues that the Court should exercise its residual discretion to order production. The primary justification for doing so is said to lie in the Case Management Judge's caveat that each of the inventors was, at that time, subject to a pending examination in this proceeding. That expectation, it says, has been substantially defeated by the current inability of Dr. Muller to testify for medical reasons and by Dr. Jaworsky's "failed" memory.

[6] I am not satisfied that, in these circumstances, the Court should effectively over-ride the Case Management Judge's previous ruling on the point. Although an inventor is subject to examination under Rule 237(4) of the *Federal Courts Rules*, SOR/98-106, the scope of that Rule does not extend to the production of evidence taken in a foreign action. The admissibility of a document is not determinative of whether it must be disclosed but the document must still be shown to be relevant. This type of evidence has been held to be irrelevant and generally not compellable at the discovery stage: see *Hospira Healthcare Corporation v Kennedy Institute of Rheumatology*, 2015 FC 1292 at paras 91-95, 261 ACWS 3d 57, and *Apotex Inc v Sanofi-Aventis Canada Inc*, 2011 FC 52 at para 66, [2011] FCJ No 402.

[7] I am also not satisfied that Dr. Muller's inability to testify or Dr. Jaworsky's poor memory are a sufficient change of circumstance for issue estoppel not to be applied. The record discloses that, in advance of the previous motion, Natco was aware that Dr. Muller was unwilling to testify in this case such that his examination was doubtful. On proof of a medical incapacity at trial, it may be open to Natco to move for the introduction of Dr. Muller's previous testimony on the basis of necessity but we are clearly not at that point. On the record before me, I am also

not persuaded that Dr. Jaworsky was being evasive particularly where the events in question date back many years and where, before the previous motion, he had advised counsel that he had no knowledge or information relevant to this case.

[8] Although Natco takes issue with the quality of Dr. Muller's Canadian evidence, that is a problem that vexes many litigants. In the face of Case Management Judge Milczynski's previous order, this is not a basis for authorizing the production of his foreign testimony.

[9] For the foregoing reasons, this motion is dismissed with costs of \$3,000.00 payable to Celgene in any event of the cause.

ORDER IN T-1527-18 AND T-1529-18

THIS COURT ORDERS that this motion is dismissed with costs of \$3,000.00 payable to Celgene in any event of the cause.

"R.L. Barnes"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1527-18
T-1529-18

STYLE OF CAUSE: CELGENE INC. AND CELGENE CORPORATION v
NATCO PHARMA (CANADA) INC.

PLACE OF HEARING: TORONTO, ON

DATE OF HEARING: JUNE 18, 2019

ORDER AND REASONS: BARNES J.

DATED: JULY 11, 2019

APPEARANCES:

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