

Federal Court



Cour fédérale

Date: 20201120

Docket: T-315-20

Citation: 2020 FC 1080

Toronto, Ontario, November 20, 2020

PRESENT: Case Management Judge Angela Furlanetto

BETWEEN:

**SUNOVION PHARMACEUTICALS
CANADA INC. AND SUMITOMO
DAINIPPON PHARMA CO., LTD.**

Plaintiffs

and

PHARMASCIENCE INC.

Defendant

ORDER AND REASONS

I. Background

[1] This is an action under section 6(1) of the *Patented Medicines (Notice of Compliance) Regulations* (“*PMNOC Regulations*”) relating to four patents involving the medicine lurasidone. This motion seeks various relief, relating to the affidavit of documents and productions delivered by the Plaintiff, Sumitomo Dainippon Pharma Co., Ltd. (“Sumitomo”).

[2] The Defendant Pharmascience Inc. (“Pharmascience”) contends that the content of the affidavit of documents includes incomplete identifying information (date, description, author and recipient) for the majority of its 5001 entries. As alleged by Pharmascience, 4211 entries lack a date; 1280 entries contain no description; 2667 entries are in Japanese or are described as being “gibberish”; over 1800 entries lack an author; and all 5001 entries lack a recipient. The deficiencies are compounded by the fact that of the 5001 documents produced, 3436 are in Japanese and require translation into English. Although the documents have been provided in electronic form, Pharmascience asserts that they are unable to search the documents as any metadata is in Japanese, instead of English. These difficulties in reviewing the documents render the use of any descriptive information in Sumitomo’s affidavit of documents allegedly more important.

[3] The second area of contention relates to the scarce number of documents (four) produced in respect of one of the four patents: the 265 Patent. Pharmascience asserts that it is incomprehensible that there would be only four documents in the possession, power and control of Sumitomo with respect to this patent, particularly as only one document was produced relating to the invention history and none relating to the examples of the patent.

[4] As a result of these perceived deficiencies, Pharmascience requests the following various relief:

- (a) An Order pursuant to Rule 225 of the Federal Courts Rules requiring the Plaintiffs to disclose in an Affidavit of Documents only the relevant documents that are in the possession, power and control of Sumitomo Dainippon Pharma Co Ltd. (“Sumitomo”);

- (b) An Order pursuant to Rules 223 and 227 of the *Federal Courts Rules* requiring the Plaintiffs to serve an accurate or complete Affidavit of Documents of Sumitomo and that contains information in English, including:
 - a. descriptions of the substance of each document so as to identify it;
 - b. The date of each document; and
 - c. The author, and where appropriate, recipient of each document.
- (c) An order pursuant to Rule 226 of the *Federal Court[s] Rules* requiring the Plaintiffs to produce the English translated version of all documents in the affidavit of documents of Sumitomo that are in a foreign language.
- (d) An Order pursuant to Rules 3 and 227 of the *Federal Courts Rule[s]* that should the Plaintiffs be unable to fulfil their obligations under the *Rules* as set out above at (b) and (c) with respect to any of the productions, any such production is to be removed from the Affidavit of Documents and cannot be relied upon by the Plaintiffs in this action.
- (e) An Order pursuant to Rule 227 of the *Federal Courts Rules* striking out all or portions of paragraphs 39-40, 43-44 and 47-48 of the Plaintiffs' Reply, without leave to amend, which paragraphs relate to the Canadian Patent No. 2,538,265 Patent (the "265 Patent"). In the alternative, an Order pursuant to Rule 227 of the *Federal Courts Rules* that the deponent of the Affidavit of Documents of Sumitomo be cross-examined.
- (f) Costs of this motion.

[5] It is noted that the parties find themselves in a predicament as significant time was requested at the outset of the proceeding for document collection. Timing of next steps, including through discovery, will be forced into a more accelerated schedule. Thus, there is a practical aspect to this motion. In considering the issues on this motion, I am mindful of Rule 3 of the *Federal Courts Rules* and the necessity to look for the just, most expeditious and least expensive

manner of proceeding, particularly in view of the time constraints imposed by the *PMNOC Regulations*.

II. The Form and Content of Sumitomo's Affidavit of Documents

[6] Rule 223(2) of the *Federal Courts Rules* set out the obligation of a party when compiling an affidavit of documents as follows:

(2) Contents – An affidavit of documents shall be in Form 223 and shall contain

(a) separate lists and descriptions of all relevant documents that

(i) are in the possession power or control of a party and for which no privilege is claimed,

(ii) are or were in the possession, power or control of the party and for which privilege is claimed,

(iii) were but are no longer in the possession, power or control of the party and for which no privilege is claimed, and

(iv) the party believes are in the possession, power or control of a person who is not a party to the action; ...

[7] Form 223 sets out the framework for an affidavit of documents. As provided at paragraph 3 of Form 223, an affiant of an affidavit of documents is to swear or affirm that:

3. The affidavit discloses, to the full extent of my knowledge, information and belief, all of the documents relevant to any matter in issue in the action that are in my/*(name of party's)* possession, power or control, that were but are no longer in my/*(name of party's)* possession, power or control or that I believe are in the possession, power or control of a person who is not a party to the action.

[8] With respect to Schedule 1, the affiant is to list “all of the relevant documents, or bundles of relevant documents, that are in my/(*name of party’s*) possession, power or control and for which no privilege is claimed” and “(*Number each document or bundle consecutively. Set out the nature and date of the document or bundle and other particulars sufficient to identify it.*)”

[9] In this case, the Sumitomo affidavit of documents does not fully follow Form 223 and includes certain altered language. Instead of stating in paragraph 3 that the affidavit discloses “to the full extent of my knowledge, information and belief, all of the documents relevant to any matter in issue in the action...”, the affidavit qualifies the language to state “...all of the documents that may be relevant to any matter in issue in the action...”. It is also unsworn.

[10] Further, it is alleged that Schedule 1 does not include the recited information needed for identifying all of the documents listed therein, namely a date and description, and additionally the author and recipient. Information in many cases is in Japanese and not English.

[11] The Plaintiffs assert that they have complied with the requirements of the *Federal Courts Rules*. The general assertion is that the *Sedona Principles* apply to electronic productions and where a numeric identifier is provided for each of the documents, and in many cases metadata, obligations have been met.

[12] The Plaintiffs rely on a line of Ontario Court decisions, starting with and following the decision in *Solid Waste Reclamation Inc. v. Philip Enterprises Inc.*, 1991 CarswellOnt 428 (Sup.Ct.J. – Gen.Div.) (“*Solid Waste*”) (see *Mirra v. Toronto Dominion Bank*, 2002 CarswellOnt

1019; *Logan v. Harper*, 2003 CarswellOnt 3988; *Seifert v. Finkle*, 2020 CarswellOnt 656) in support of the proposition that a numeric identifier is the only necessary identifier for the affidavit of documents and that a further description of the document and its date is not necessary. I note that in *Solid Waste*, Schedule A of the affidavit of documents in dispute did include general descriptions of the documents; however, each document was not numbered. Much of the decision focussed on the importance and necessity of a unique numeric identifier. These decisions as well as the decision in *Cameco Corp. v. R*, 2014 TCC 45, do not exclude the possibility that other identifying information may also be useful and important in certain contexts, particularly where the information on the majority of the documents and any metadata that may be available is in a different language.

[13] In this case, a numeric identifier is not sufficient as a majority of the documents and any metadata for those documents are in Japanese and there is no other way to narrow documents except to undergo an extensive translation exercise. Proportionality and Rule 3 of the *Federal Courts Rules* must be considered.

[14] I agree with the Plaintiffs that the purpose of an affidavit of documents is not to describe the substance of each document or the basis for the document's perceived relevance: *Halford v. Seed Hawk Inc.*, 2001 CarswellNat 1195 at para 4; *Dynamic Control Systems v. Newnes Machine Ltd.*, 1995 CarswellNat 1401 ("*Dynamic Control Systems*"). However, the document description is there to help identify the document and its general nature: *Dynamic Control Systems* at para 20; Form 223 *Federal Courts Rules*. In this case, it is my view that a general description,

date and author would go a long way to identifying the key types of documents in the document pool.

[15] The Plaintiffs have indicated that they retained Japanese searchers to conduct a review of documents for the purpose of compiling the affidavit of documents. In the process of conducting this review some understanding of the nature of the documents has to have been made for the purpose of determining that they were relevant to be included in the affidavit of documents.

[16] That basic information, identifying the nature and general description of the document would not be privileged and falls within the requirements set out in Form 223; it should be included in the affidavit of documents.

[17] Further, I do not agree with the Plaintiffs that the language of Form 223 is discretionary and may be altered to suit the particular case. The obligation on the affiant is to attest to the documents included in the affidavit of documents as being, to their knowledge, information and belief, the relevant documents in the party's possession, power and control. Such a statement is not an admission that the documents listed are authentic or admissible in the action (Rule 231 of the *Federal Courts Rules*) or as to why the document was identified as relevant for the affidavit of documents.

[18] If it is clear to the Plaintiffs that certain documents have been listed that are not relevant or that redundancy exists, such aspects should be dealt with in the revised affidavit of documents provided. If the affiant is unable to ascertain if the documents identified in the affidavit of

documents are to the best of their knowledge, information and belief, relevant, then they have not fulfilled their duty. The language of the affidavit should be as set out in Form 223.

[19] Pursuant to Rule 227 of the *Federal Courts Rules*, a further and better affidavit of documents will be ordered.

III. The Request for Translations

[20] In addition to the asserted deficiencies in the affidavit of documents, Pharmascience contends that it should be given English translations of all of the Japanese documents produced. This is estimated to be 3436 documents.

[21] The Plaintiffs assert that there is no obligation to provide any translation other than those that are currently in the possession, power and control of Sumitomo.

[22] Both sides rely on the language used in Pharmascience's documentary discovery plan, which states:

To the extent that documents are produced in a language other than English, Pharmascience expects any English translations of said documents also to be produced. Pharmascience also expects to be promptly provided with any English translations of said documents that are translated after the exchange of the Affidavit of Documents, as required by Rule 226 of the *Federal Courts Rules*.

[23] In my view, nothing turns on this statement. If a translation of a document listed in the affidavit of documents was in existence that translation would itself be a relevant document and would be required to be produced. Any translations that might be prepared following the

exchange of affidavit of documents would be required to be produced pursuant to Rule 226 of the *Federal Courts Rules* and a party's obligation of continuing disclosure. These obligations exist and do not rely on the language set out in Pharmascience's discovery plan.

[24] Similarly, it is equally clear that any document *to be filed* in a proceeding must be in one of the Court's two official languages – English or French – or be accompanied by a translation in English or French with an affidavit attesting to the accuracy of the translation (Rule 68(1) of the *Federal Courts Rules*).

[25] However, the critical issue raised by Pharmascience's motion is whether a party should be obligated to create a translation of a foreign document at the discovery stage where the translation does not otherwise exist and where there might not be any intention to tender the document as evidence at trial.

[26] In my view, this proposed obligation is not supported by the *Federal Courts Rules*, the relevant jurisprudence or the principles of proportionality in this case.

[27] Rule 223 of the *Federal Courts Rules* requires only that a party list those documents that are or were in the party's possession, power and control and those that the party believes are in the possession, power and control of a third party. There is no obligation in the *Rules* to create documents for the purpose of meeting one's discovery obligations.

[28] As stated in *Eli Lilly Canada Inc. v. Sandoz Canada Inc.* 2009 FC 345 at para 15

(“*Eli Lilly*”):

The Plaintiffs are not entitled to demand that Sandoz provide translations of documents written in a foreign language. To the extent a translation exists, that translation is likely itself a relevant document to be disclosed. However, where a translation does not exist, the producing party is not required to create one unless and until it tenders the document as evidence in the proceeding.

[29] This is the only Federal Court case cited by either party on this issue.

[30] Pharmascience refers to two decisions from the Superior Court where translations were addressed: one from Ontario, *Deutsche Postbank AG v. Kosmayer*, 2016 ONSC 7138 (“*Deutsche Postbank*”); and one from Alberta, *Attila Dogan v. AMEC Americas*, 2011 ABQB 794 (“*Attila Dogan*”). However, neither of these decisions is binding or overrides the principles set out in *Eli Lilly* and even if the principles are applied, would justify requiring Sumitomo to translate the 3436 Japanese documents produced. Further, such decisions must also be considered with other decisions from the same Courts, which favour the recipient bearing the costs of translation: *Kellogg Co. v. Imperial Oil* (1996), 29 O.R. (3d) 70 (Ont. Gen. Div.); *Jasper Millwork Ltd. v. Borden Co.*, 1996 CarwellAlta 1014.

[31] In *Deutsche Postbank*, the Court noted that there was no specific rule that dealt with the issue of translation of documents from an affidavit of documents. It relied on Rule 1.04 of the *Rules of Civil Procedure* to analogize the situation with that presented under its Rule 34.09, which dealt with obligations of the parties where interpretation was required on an oral examination for discovery. The Court held at para 15:

.... In keeping with Rule 1.04 which encourages the just, most expeditious and economic resolution, it would certainly appear, and common sense dictates, that defence counsel should be provided with a translation. Given that plaintiff's counsel does not understand the documents contained in his client's Affidavit of Document, and given that he himself is going to require a translation of some sort in order to attend at his client's examination for discovery, the defendants are entitled to understand the case they have to meet and in practical terms that requires that they receive translated documents.

[32] The Court in *Deutsche Postbank* also went on to consider proportionality, noting conversancy of counsel in the language in question as a relevant factor as well as the volume of documents to be translated, and the costs associated with doing so. In *Deutsche Postbank*, the plaintiff, unlike the defendant, was a large financial institution with employees conversant in both English and the language in issue. 647 foreign documents were produced, with the relevant subset being narrowed to 290. Costs for translation were estimated at between \$9300 and \$21500.

[33] In this case, no such power imbalance exists. Further, a significantly larger volume of documents are in issue. The only estimate as to costs is provided by Pharmascience, who submits an estimate through the affidavit of its law clerk: the estimate suggests that costs for translation of all Japanese documents would run just short of \$1M (\$857,000) with the time estimate being 4 to 5 months.

[34] In my view it is neither proportionate nor in the spirit of Rule 3 of the *Federal Courts Rules* to require either party to translate 3436 documents, particularly in such a time sensitive proceeding as one under the *PMNOC Regulations*. The more appropriate approach is to try to

narrow the number of documents that might be needed for translation. With the provision for an updated affidavit of documents with English-language identifying information, the number of key documents should be more easily identified. Indeed, as admitted by Plaintiffs' counsel in argument, this approach may assist to narrow the document pool.

[35] In *Attila Dogan*, the Court noted authorities stating that the party seeking the documents should bear the costs of translation; however, it sought a practical solution to further the management of the case. It encouraged the plaintiff to provide any translations it might have prepared for the purpose of compiling the affidavit of documents, even if not an official translation. The Court held that absent exceptional circumstances, any expenses incurred in translating of documents was a taxable disbursement and required the plaintiff to post additional security for any anticipated costs for translation.

[36] In this case, there is no motion for security for costs before me. However, the right to claim any costs incurred for translation as a taxable disbursement remains available to Pharmascience.

[37] In line with *Attila Dogan*, I also agree that a practical solution is needed.

[38] Sumitomo is required to produce any translations of their documents that they now have and any others they may obtain in future, on an ongoing basis. This will extend to both official and unofficial translations, to the extent that privilege does not attach. If privilege is asserted, Sumitomo is required to list the details in Schedule 2 of its affidavit of documents.

[39] Also, in the spirit of Rule 3 and case management, I will also impose a time limit for providing translations to ensure sufficient time to allow for discovery of any additional documents. To the extent Pharmascience has questions now relating to details that may be included in documents that will be produced through translation they are also encouraged to lay down as much groundwork as they can now to minimize delay.

[40] It is noted that these provisions are not intended to obviate the need that may exist for Pharmascience to retain Japanese-speaking consultants to assist with the preparation of their discovery and case for trial. However, they seek to address the most proportionate and efficient way to proceed in view of the current situation.

IV. The 265 Patent

[41] The Defendant contends that there is an apparent gap in the Plaintiffs' productions as there are only four documents produced relating to the 265 Patent, only one of which relates to the invention history of the patent and none of which relate to the work underlying the examples in the patent. It asserts that the Sumitomo affidavit of documents is clearly deficient and asks the Court to invoke Rule 227 of the *Federal Courts Rules* to either strike those paragraphs of the Plaintiffs' Reply relating to the 265 Patent or to allow it to cross-examine the Sumitomo affiant on the perceived gap in the productions.

[42] The Plaintiffs acknowledge that few documents have been located relating to the 265 Patent. They attribute this deficiency to the inability to locate documents without the assistance of the inventors of the patent who were no longer with the company when searches

were conducted and would not agree to assist with searches. They assert that Sumitomo has met its obligations under the *Rules* and that the Defendant's attack is not grounded by any evidence that any further documents exist or that any searches have been overlooked.

[43] The proposed remedy to strike the impugned paragraphs of the Reply is a drastic remedy that should not be granted unless it is clear that there has been some conduct constituting an abuse of process: *H. Smith Packing v. Gainvir Transport*, 1991 CarswellNat 261. Here, the Defendant has provided no evidence that Sumitomo has withheld documents. Rather, it appears to question whether a thorough search has been conducted and whether additional documents could be found.

[44] The relief requested is exceptional and the Defendant could not point to any case where an affidavit of documents was struck under Rule 227. I do not consider that the evidence before me supports my invoking this exceptional remedy in these circumstances.

[45] The alternative relief of allowing Pharmascience to cross-examine the deponent of Sumitomo's affidavit of documents, in my view, may provide an appropriate means to explore the type of searches that have been conducted, the absence of likely productions for this patent and the lack of corresponding listings in schedules 3 and 4 of relevant documents that should exist, but have been lost or are in a third party's possession.

[46] In this case, I agree with the Defendant that it can be inferred that documents would have been created relating to the development of the invention of the 265 Patent. The deficiency

highlighted here is more than just mere speculation, intuition and guesswork (*Havana House Cigar & Tobacco Merchants Ltd. v. Naeini*, 1998 CarswellNat 506 at para 19), but is apparent in the context of this case.

[47] I note that argument was made at the motion regarding the evidence presented by the Plaintiffs as to the steps taken to prepare the affidavit of documents relating to the 265 Patent. Rather than provide an affidavit from someone involved in the searching, an affidavit from a law clerk was provided on the information of counsel. Effectively, this shields any questions from being asked on cross-examination of the motion relating to the facts associated with the search. Little weight can be given to such evidence. Pharmascience should have the right to explore the nature of the searching conducted, particularly where the number of documents produced is so thin.

[48] Accordingly, I will allow the Defendant the right to cross-examine the affiant for Sumitomo in writing or by video with respect to the nature of the searching and documents produced for the 265 Patent.

V. Costs

[49] The Defendant has asked for costs on a solicitor and client basis for this motion. While I do not disagree that a motion needed to be brought to address some of the issues relating to Sumitomo's affidavit of documents, I consider the Defendant to have overreached on some of the relief requested, thus resulting in the outcome being of divided success.

[50] As no party proposed a quantum of costs for the award, I will not award costs in any fixed amount. Costs will be awarded to the Defendant, in any event of the cause.

ORDER in T-315-20

THIS COURT ORDERS that:

1. The motion is allowed in part.
2. The Sumitomo Plaintiff shall serve, within fourteen (14) days of the date of this Order a further and better affidavit of documents that is sworn and includes, for each document listed in the affidavit of documents, a general description of the document and its nature, in the English-language, and its date and author, if known. To the extent that the Sumitomo affiant determines, through this exercise, that any documents that are currently listed are not relevant or are duplicative, they shall amend the affidavit of documents to remove such documents.
3. The Sumitomo Plaintiff shall list and produce all official and unofficial translations (to which privilege is not claimed) in its possession, power and control relating to the documents listed, and if privilege is asserted for an unofficial translation, shall list such translation in a privilege log in Schedule 2 of the affidavit of documents.
4. Any further translations of documents listed in the Sumitomo Plaintiff's affidavit of documents shall be produced as soon as they are made and in any event all such translations that are intended to be tendered at trial shall be produced by no later than two months before the date for delivery of the expert reports in chief.
5. The Defendant is granted the right to cross-examine the affiant of the Sumitomo affidavit of documents on the search and production made in respect of the 265 Patent, either in writing or by video at Sumitomo's expense.

6. The remainder of the relief requested is dismissed.
7. Costs are awarded to the Defendant in any event of the cause.

"Angela Furlanetto"
Case Management Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-315-20

STYLE OF CAUSE: SUNOVION PHARMACEUTICALS CANADA INC.,
AND SUMITOMO DAINIPPON PHARMA CO., LTD.
v PHARMASCIENCE INC.

PLACE OF HEARING: HELD BY ZOOM VIDEO AT TORONTO, ONTARIO

DATE OF HEARING: NOVEMBER 12, 2020

ORDER AND REASONS: CASE MANAGEMENT JUDGE ANGELA
FURLANETTO

DATED: NOVEMBER 20, 2020

APPEARANCES:

James Holtom FOR THE PLAINTIFFS
Bohdana Tkachuk

Belle Van FOR THE DEFENDANT
Jahdiel Larraguibel

SOLICITORS OF RECORD:

McCarthy Tétrault LLP FOR THE PLAINTIFFS
Barristers and Solicitors
Toronto, Ontario

Fineberg Ramamoorthy LLP FOR THE DEFENDANT
Barristers and Solicitors
Toronto, Ontario