

Date: 20080409

Docket: A-485-07

Citation: 2008 FCA 131

**CORAM: EVANS J.A.
PELLETIER J.A.
RYER J.A.**

**Court file No.
(T-3197-90)**

BETWEEN:

APOTEX INC.

**Appellant
(Plaintiff)**

and

THE WELLCOME FOUNDATION LIMITED

**Respondent
(Defendant)**

and

NOVOPHARM LTD.

**Respondent
(Plaintiff)**

**Court File No:
(T-2624-91)**

AND BETWEEN:

**INTERPHARM INC. and
APOTEX INC. and ALLEN BARRY SHECHTMAN**

**Appellants
(Defendants)**

and

**THE WELLCOME FOUNDATION LIMITED and GLAXO WELLCOME
INC.**

**Respondents
(Plaintiffs)**

Heard at Ottawa, Ontario, on April 9, 2008.

Judgment delivered from the Bench at Ottawa, Ontario, on April 9, 2008.

REASONS FOR JUDGMENT OF THE COURT BY:

EVANS J.A.

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**REASONS FOR JUDGMENT OF THE COURT
(Delivered from the Bench at Ottawa, Ontario, on April 9, 2008)**

EVANS J.A.

[1] This is an appeal by Apotex Inc. from a decision of Justice Hugessen of the Federal Court, dated October 17, 2007, upholding an order of Prothonotary Lafrenière, dated October 1, 2007, refusing Apotex' motion to require the corporate representative of the respondents, The Wellcome Foundation and Glaxo Wellcome Inc. ("GSK") to answer a question on discovery. The question asked for the production of GSK's month-end bank accounts for seventeen years, commencing January 1, 1990.

[2] The motion arises from a reference to assess the damages payable by Apotex to GSK as a result of Apotex' infringement of a patent held by GSK. One of the heads of damages claimed by GSK is for the loss of opportunity to reinvest in the ordinary and usual course of business the profits which, but for Apotex' infringement, it would have earned by exploiting the patent. Apotex alleges in response to this claim that GSK had ample assets (cash and equity) available to it for this purpose; instead, it retained large cash balances in its bank accounts which earned a much lower return than that now claimed by GSK for loss of opportunity.

[3] Despite the apparently mandatory nature of rule 240 of the *Federal Courts Rules, 1998*, ordering questions to be answered on discovery involves an exercise of discretion. A party is not entitled to discovery merely by showing that the answer might be relevant to prove material facts. The generality and breadth of a question, the extent of the burden that would be imposed by requiring an answer, the degree of relevance of the requested information, and the availability of other potential evidence of the facts in question, are among the factors to be considered in the exercise of discretion. See *Merck & Co. v. Apotex Inc.*, 2003 FCA 438, (2003), 28 C.P.R. (4th) 491 at paragraphs 10 and 13.

[4] As the case management prothonotary of this complex and protracted litigation, including an extensive discovery involving thousands of questions, Prothonotary Lafrenière was best placed to determine whether, in all the circumstances, it was appropriate to require the question in dispute to be answered. Accordingly, despite the absence of reasons (and we note here that the Prothonotary was asked to rule on 225 questions in this and related motions), the Prothonotary's decision is

entitled to considerable deference: *Merck & Co. v. Apotex Inc.*, *supra*, at paragraph 12; *Apotex Inc. v. Merck & Co.* 2007 FC 250 at paragraphs 13 and 15, and should be set aside on appeal only if it was based on an erroneous principle of law or was plainly wrong on the facts. Justice Hugessen regarded the broad and general nature of the question as a sufficient basis for upholding the exercise of the Prothonotary's discretion.

[5] We are not satisfied that, on the basis of the extensive record before him, the Prothonotary committed any error in the exercise of his discretion not to require an answer to the question in dispute which the Motions Judge ought to have intervened to correct.

[6] For these reasons, the appeal will be dismissed with costs.

“John M. Evans”

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET: A-485-07

STYLE OF CAUSE: APOTEX INC.

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PLACE OF HEARING: Ottawa, Ontario

DATE OF HEARING: April 9, 2008

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DELIVERED FROM THE BENCH BY: Evans J.A.

APPEARANCES:

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APPLICANT

Ms. Josée Gravel

FOR THE RESPONDENT

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