

*Conor Medsystems, Inc. v The University of British Columbia (No 3)* [2006] FCA 121 (Finkelstein J, 21 February 2006)

### ***Introduction***

This is a patents case. The holder of the Australian patents in suit alleged, that if a US patent were made and marketed in Australia, it would infringe claims in its patents. The patentee further claimed that documents in the research and development of the US patent could become relevant to the s 40 ground of sufficiency, being one of the grounds claimed for the invalidity by the US patent holder.

### ***The parties***

The applicant (Conor), had developed and sold outside of Australia, a stent, being a device commonly used to keep a blood vessel open (the 'CoStar stent'). Conor held a patent in the United States, which it claimed it began to develop in 2002.

The respondents (UBC), held several related patents in Australia and alleged that if the CoStar stent was manufactured and sold in Australia, it would infringe the claims in their patent for 'a tubular stent coated with paclitaxel or an analogue or derivative'.

### ***Sufficiency of description***

It was a ground of revocation upon which Conor relied, that the complete specification for UBC's patents in suit did not sufficiently describe the invention as required by s 40(2)(a) of the *Patents Act 1990* (Cth).

### ***Documents sought to be discovered***

UBC sought discovery of reports relating to the research and development of the CoStar stent, saying that these reports could have relevance to the issues before the court in relation to the patents in suit. Of UBC's contention of the possible relevance of these documents, his Honour said:

*'In particular [UBC] contend that it is relevant to know whether the applicant produced a prototype of the CoStar stent "without undue experimentation or inventive ingenuity" and that this information may be gathered from reports that relate to the research, development or experimental work leading to the production of a workable prototype of the CoStar stent...'*

### ***Basis to resist production***

Conor relied upon evidence of its founder, director and chief technical officer that neither UBC's patents nor their stent could have helped Conor in its research and development. In addition, Conor's chief executive officer gave evidence that it did not obtain a sample of the UBC stent until 2003, being a time after Conor claimed it designed its CoStar stent.

It was also contended by Conor, that considerable time and expense would be expended in providing further discovery.

### ***Decision***

His Honour ordered that Conor file and serve an affidavit “*verifying which (if any) of the documents that report, refer or relate to any research, development or experimental work conducted by or on behalf of the Applicant and/or licensees leading to a workable prototype of the CoStar stent contain information relating to the [sufficiency] issue ...*”

### ***Power to order production of particular documents – history***

#### *Former need for an admission*

His Honour considered briefly the history of the power to order the production of a particular document. He noted the old “a fundamental principle” that the Court could not order the production of a relevant document against the party unless the party had directly or by implication admitted having possession of it: *Daniell’s Chancery Practice* (7<sup>th</sup> ed, 1901) 1565; *Storey v Lennox* (1836) 1 Keen 341.

#### *Exception to the conclusiveness of the affidavit of documents*

His Honour noted the former conclusiveness of a parties oath that a document was irrelevant to a claim for discovery “*unless the court was reasonably satisfied from certain definite sources that the party had in his possession other relevant documents:* *Lyell v Kennedy* (1884) 27 Ch D 1, 20”

In those circumstances the Court could look to:

- the affidavit of documents itself (*Hall v Truman, Hanbury, & Co* (1885) 29 Ch D 307, 319);
- a document referred to in the affidavit (*Lyell v Kennedy*);
- the pleadings (*Jones v Monte Video Gas Co* (1880) 5 QBD 556); and/or
- documents referred to in answers to interrogatories.

This later was extended to include cases where an admission was made regarding the existence of a discoverable document; *British Association of Glass Bottle Manufacturers, Limited v Nettlefold* [1912] 1 KB 369.

#### *Former necessity to administer interrogatories*

A party would have to seek leave to administer interrogatories for the purpose of showing that the opponents affidavit of documents was deficient: *Jones v Monte Video Gas Co* (1880) 5 QBD 556, 558; *Newall v Telegraph Construction Company* (1866) LR 2 Eq 756.

Finkelstein J noted that: “...it was not possible to file a contentious affidavit to show that a party had not discovered all relevant documents: *Compagnie Financiere et Commerciale du Pacifique v Peruvian Guano Company (1882) 11 QBD 55, 61*”.

#### *Present position*

His Honour concluded that a rule was introduced which allowed the Court “to order specific discovery by requiring a party to state whether one or more specified documents are or have been in his possession or power: *White v Spaffard & Co [1901] 2 KB 241; Weir v Greening [1957] VR 296, 298*”. The rule is reflected in O15, r8 of the *Federal Court Rules*.

His Honour reviewed relevant cases and concluded that the party applying for the order must:

- identify the document in issue;
- satisfy the Court that there is a “reasonable ground for being fairly certain” certain that the document;
  - is relevant, and
  - is or has been in the possession of the other party:

(See *Beecham Group Ltd v Bristol-Myers Co [1979] VR 273, 278-282*).

#### *Application to facts*

Here, Conor claimed insufficiency, which the court said was a pure question of fact: “in respect of which there may be discovery: *F Hoffman-La Roche AG v Chiron Corporation (2000) 171 ALR 295, 299*.”

His Honour considered, that the question which s 40(2)(a) raised, was whether the “disclosure [will] enable the addressee of the specification to produce something within each claim without new inventions or additions or prolonged study of matters presenting initial difficulty”: *Kimberly-Clark Australia Pty Ltd v Arico Trading International Pty Ltd (2001) 207 CLR 1*: (Reasons at [4]).

Finkelstein J concluded that once it was shown that the stents were similar, the reports associated with the Co-Star stent development *may* have relevance as to what work a person skilled in the art might have to undertake. It was also a pre-requisite that it was shown that the knowledge of a skilled person in the relevant discipline in the United States was the same as it was in Australia as at the priority dates.

#### *Submission as to expense and delay*

Finally, his Honour rejected Conor’s time and expense evidence, saying that this evidence suggested that no search along these lines had been made by Conor in preparing its list of discovered documents or that it “may not have undertaken a sufficiently thorough examination of the documents that are in its possession to determine whether any might bear on sufficiency”: (Reasons at [9]).

## **Conclusion**

This decision provides valuable information in relation to the exercise of the Court's discretion in ordering particular discovery pursuant to O15, r8 of the *Federal Court Rules*.

In particular, examination of the history might be dismissed as interesting background, however the platforms which marked the development of the present rule, are in my submission useful tools to checklist some matters which should be considered in a contemplated application, such as:

- Has there been an admission directly or indirectly made in relation to the existence of a document/s?
- Is the response to a formal request regarding the documents, a satisfactory or unsatisfactory response?
- Should there be further communication to determine whether the responses are satisfactory or unsatisfactory?

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