

An Ethical Dilemma

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A recent decision (*Varco Canada Limited v. Pason Systems Corp.* 2011 FC 467 (F.C.)) of the Federal Court deals with the ethical dilemma that counsel for the plaintiff found themselves in relating to evidence that had been presented to the Court as part of the plaintiff's claim.

The Facts

The plaintiff's action asserted a claim for patent infringement. The defendants, as part of their attack on the validity of the patent in issue, asserted that there had been inequitable conduct by the plaintiff's predecessors that invalidated the patent. In substance, it was alleged that the Canadian Patent Office was misled on the issue of prior art because the United States Patent and Trademark Office ("USPTO") was given deliberately false and misleading evidence by the inventor. The alleged fraud on the USPTO resulted in the Canadian Patent Office being misled as well.

The defendant asserted that the inventor retained a patent agent in Texas who then raised prior art that was adverse to the plaintiff's claim. It was suggested that as a result, the inventor went to another patent agent, failed to disclose the prior art that had been disclosed and filed an application without making any disclosure.

At trial the inventor testified that while he had a minor telephone conversation with the first agent, he did not meet with him or provide him with any documents. As a result of unrelated litigation in Texas, the defendant obtained the first agent's file. This file suggested a different version of the events than that before the Court relating to the nature and extent of the contact between the inventor and the first agent and information disclosed including drawings, notes and other items.

After the trial in the action was concluded and the decision was under reserve, the defendants became aware of the first agent's file and brought it to the attention of counsel for the plaintiff.

Rules of Professional Conduct

The Rules of Professional Conduct provide that when acting as an advocate, a lawyer must represent the client resolutely and honourably within the limits of the law, while treating the Court with candour, fairness, courtesy, and respect. In addition, when acting as an advocate, a lawyer must not knowingly assist or permit the client to do anything that the lawyer considers to be dishonest or dishonourable.

Rule 4.01(5) of the Rules provides that a lawyer who has unknowingly done something that if done would have been in breach of the rules and who discovers it, shall disclose the error or omission and do all that can reasonably be done in the circumstances to rectify it.

Faced with this dilemma, plaintiff's counsel wrote to the court and advised that pursuant to rule 4.01(5), they wished to correct evidence which, unknowingly, had been presented to the Court and which had since been discovered to be potentially inaccurate. It was also said that as a result of reviewing the first agent's file, the inventor had a different recollection of the events than his testimony before the Court disclosed. The letter went on to describe the inventor's revised evidence based on the first agent's file and an explanation for his faulty memory.

Motion To Re-Open The Trial

The defendant brought a motion to re-open the trial and compel the inventor to testify and be subject to cross-examination.

The Trial Judge observed it would be curious if the Rules of Professional Conduct imposed an obligation on counsel to advise the court of inaccurate evidence and the Court was not expected to take action to ensure the accuracy of the trial record. A letter from counsel concerning the corrected evidence might not be sufficient where cross-examination should take place and the Court would be required to assess credibility of the witness on this new recollection.

There are no cases dealing on the issue of re-opening a trial after argument but before judgment and reasons have been given. However, there are cases that deal with the situation after a judgment has been pronounced.

In such cases it has been established that re-opening is a matter of broad discretion but one which must be exercised sparingly and cautiously. In this regard, two of the factors considered are:

1. Would the evidence, if presented at trial, change the result?
2. Could the evidence have been obtained before trial by the exercise of reasonable diligence?

After reviewing these factors, the Trial Judge indicated that the primary concern must be the integrity of the trial process and allowed the trial to be re-opened.

Comment

It is difficult to be critical of counsel for the plaintiff in not vigorously seeking the first agent's file since they relied on their client's story that it was not relevant. The defendants' counsel asserted invalidity and the onus of proof was on the defendant to prove it. It would be in the interest of all the parties to have the first inventor's file produced at the earliest opportunity.