

COURT FILE
NUMBER

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Clerk's Stamp

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

JUDICIAL CENTRE SASKATOON

PLAINTIFF

**MED-LIFE DISCOVERIES LP, by its
general partner MED-LIFE
DISCOVERIES GP INC.**

DEFENDANTS

**YOLBOLSUM CANADA INC.,
PRODROME SCIENCES INC.,
PRODROME HEALTH CENTERS
INC., DAYAN GOODENOWE (also
known as DAYAN GOODNOUGH),
MONTE GORCHINSKI, ERIKA
SHKLANKA, VIJITHA
SENANAYAKE (also known as
GAMARALLAGE SENANAYAKE),
YANQIU JIANG, AUDREY TRICE
(also known as AUDREY REIDT),
ELLEN LIANG (also known as
JIAQI LIANG), IAN WRIGHT, JOHN
RYAN, KEVIN PERROTT, JANA**

STATEMENT OF DEFENCE

1. Except as admitted herein, the Defendants deny each and every allegation of the Plaintiffs in the Statement of Claim.
2. The Defendants admit paragraphs 1-11, 15, 16 of the Statement of Claim.
3. Dr. Goodenowe invented a novel method of complex sample analysis in 1999 (the "Invention").
4. The Invention and associated enabling technology (the "YBCI Technology") are publicly described in detail in various patent

applications and issued patents and its use applications are owned by YBCI and protected by patents (the “YBCI Patents”).

5. YBCI licensed the Invention and Patents to PDI on December 15, 2001 enabling PDI to practice the Invention and develop and commercialize the technology (the “YBCI-PDI License”).
6. In the course of further developing and commercializing the YBCI Technology, PDI hired personnel and entered into employment agreements with them (the “PDI Employment Agreements”).
7. YBCI entered into a Management Services Agreement with PDI on February 1, 2002 (the “YBCI-MSA”). In accordance with the YBCI-MSA, Dr. Goodenowe provided services to PDI as President and CEO.
8. Dr. Goodenowe entered into a Non-Competition and Intellectual Property Agreement with PDI on April 22, 2003 which was further amended on April 18, 2011 (the “Goodenowe NCIP”).
9. On December 3, 2015 the Court of Queen’s Bench (the “Court”) appointed FTI Consulting as the interim receiver and manager of all the assets, undertakings and properties of PDI and PLSI.
10. On February 25, 2016, the Court appointed FTI Consulting as the receiver and manager of all the assets, undertakings and properties of PDI and authorized the Receiver to market the property of PDI and PLSI (the “PDI Property”) for sale.
11. Med-Life Discoveries LP, is a limited partnership registered to carry on business in the Province of Saskatchewan.
12. Med-Life Discoveries GP Inc., is a corporation registered to carry on business in Saskatchewan. Med-Life Discoveries GP Inc. is, or was at all material times, the general partner of Med-Life Discoveries LP. Both will be referred to as “Med-Life” unless the context indicates otherwise.
13. The owners of Med-Life Discoveries GP Inc. are:

- a) Golden Opportunities Fund Inc. (“GOFI”), who owns 50 Class A Shares;
 - b) Concorde Centres Inc. (“Concorde”), who owns 25 Class A Shares; and
 - c) PIC Flight Services Inc. (“PIC Flight”), who owns 25 Class A Shares.
14. Golden Opportunities Fund Inc. (“GOFI”), is a corporation registered to carry on business in the Province of Saskatchewan. GOFI was also a Shareholder in PDI.
15. Concorde Centres Inc. (“Concorde”) is a corporation registered to carry on business in the Province of Saskatchewan. Concorde was also a Shareholder in PDI.
16. PIC Flight Services Inc. (“PIC Flight”), is a corporation registered to carry on business in the Province of Saskatchewan. The Plaintiff, PIC Investment Group Inc. (“PIC Investment”), is a corporation registered to carry on business in the Province of Saskatchewan. PIC Investment is, or was at all material times, also a Shareholder in PDI.
17. PIC Investment is, or was at all material times, the sole shareholder in PIC Flight, and PIC Investment’s Directors and Officers are the Directors and Officers of PIC Flight. As such, PIC Flight is, or was at all material times, wholly controlled by PIC Investment. Unless the context indicates to the contrary, PIC Investment and PIC Flight will be referred to collectively as “PIC”.
18. Douglas Banzet, is an individual who resides in Saskatoon, Saskatchewan. Douglas Banzet is, or was at all material times:
- a) Director of PDI;
 - b) Director, Chief Financial Officer and Secretary of GOFI; and
 - c) Director and President of the Med-Life Discoveries GP Inc.

19. L. David Dube, is an individual who resides in Saskatoon, Saskatchewan.
L. David Dube is, or was at all material times:
 - a) Director, President and Chief Executive Officer of Concorde; and
 - b) Director and Secretary of Med-Life Discoveries GP Inc.
20. Craig Bell, is an individual who resides in Saskatoon Saskatchewan. Craig Bell is, or was at all material times:
 - a) Director and Chief Operating Officer of PIC Investment;
 - b) Chief Operating Officer of PIC Flight; and
 - c) Director and Treasurer of Med-Life Discoveries GP Inc.
21. Shawn Ritchie, is an individual who resides in Saskatoon, Saskatchewan. Shawn Ritchie was Director of Discovery Research at PDI. Shawn Ritchie is the CEO of Med-Life Discoveries LP.
22. Tara Smith is an individual who resides in Saskatoon, Saskatchewan. Tara Smith was a Senior Scientist at PDI. Tara Smith is the VP of Therapeutics at Med-Life Discoveries LP.
23. The Receivership of PDI was initiated by GOFI.
24. FTI Consulting was selected by GOFI to be the Receiver of PDI.
25. The Receivership was financed by GOFI, Concorde, and PIC.
26. During the course of the Receivership, Douglas Banzet, L. David Dube, and Craig Bell, as representatives of GOFI, Concorde, and PIC, met with the Receiver on a regular basis.
27. In August 2016, Med-Life made an offer to the Receiver to purchase the PDI Property and on August 22, 2016, the Receiver accepted Med-Life's offer (the "Med-Life Purchase and Sale Agreement").
28. Although it had the right to do so, Med-Life did not request the transfer and assignment of the YBCI-PDI License from PDI to Med-Life as part of the Med-Life Purchase and Sale Agreement.

29. YBCI formally notified PDI on July 13, 2016 that it was in breach of the YBCI-PDI License due to non-payment of license fees. Neither PDI nor Med-Life paid YBCI the outstanding license fees.
30. Subsequent to Med-Life formally declining to transfer the YBCI-PDI License from PDI to Med-Life as part of the Med-Life Purchase and Sale Agreement, YBCI licensed the YBCI Technology to Prodrome Sciences.
31. Although it had the right to do so, Med-Life did not request the transfer and assignment of the YBCI-MSA from PDI to Med-Life as part of the Med-Life Purchase and Sale Agreement.
32. Although it had the right to do so, Med-Life did not request the transfer and assignment of the PDI Employment Agreements from PDI to Med-Life as part of the Med-Life Purchase and Sale Agreement.
33. At the time of the initial receivership order of December 3, 2015, PDI had enough cash on hand to terminate all of the PDI employees and fulfill all of PDI's employee severance obligations. However, upon the direction of Douglas Banzet and financial assurances of GOFI, Concorde, and PIC, the Receiver elected to continue the operations of PDI. On October 31, 2016, the Receiver terminated the PDI Employment Agreements. None of the PDI employee obligations were honored by either the Receiver or Med-Life. Accordingly, neither the Receiver nor Med-Life fulfilled PDI's fiduciary obligations to the PDI employees by ensuring that sufficient funds were available on October 31, 2016 to meet the known and outstanding employee obligations.
34. Med-Life did request, and was granted, the transfer and assignment of the Goodenowe-NCIP.
35. The Goodenowe-NCIP agreement narrowly describes the type of business activities that Dr. Goodenowe and PDI agreed that Goodenowe would not engage in for a period of 12 months after the termination of the agreement, "however caused" as "a business that offers the service using

the processes described in PCT Patent Application No. PCI/CA01/00111 filed February 1, 2001, as amended and described as ‘Method of Non-Targeted Complex Sample Analysis’”. On July 5, 2016, Dr. Goodenowe resigned from PDI. Prodrome Sciences did not purchase a mass spectrometer capable of executing the processes described in PCT Patent Application No. PCI/CA01/00111 until October 2017 and did not begin offering Non-Targeted Complex Sample Analysis services until 2018, which is after the agreed upon 12-month non-compete clause in the Goodenowe-NCIP. Accordingly, Dr. Goodenowe’s actions as President and CEO of Prodrome Sciences are in compliance with the Goodenowe-NCIP.

36. The Goodenowe-NCIP agreement also describes the type of Intellectual property that Dr. Goodenowe and PDI agreed that PDI would acquire from Dr. Goodenowe as “all intellectual property right to all writings, products, developments or services, inventions and improvements (whether or not patentable) (the “Works”) which Goodenowe makes, discovers or develops while Yol Bolsum Canada Inc. is under contract to the Corporation, whether during working hours or at any other time, which directly and specifically arise from any metabolic profiling data generated or produced by the Corporation”.
37. The Goodenowe-NCIP is the only agreement between Dr. Goodenowe and PDI that describes the intellectual property and non-competition obligations of Dr. Goodenowe to PDI.
38. During the time that Yol Bolsum Canada Inc. was under contract to PDI, Dr. Goodenowe created an extensive amount intellectual property for the benefit of PDI and its shareholders. Dr. Goodenowe developed a portfolio of intellectual property comprising twenty patent families. Dr. Goodenowe was the sole or co-inventor of sixteen of these patents and directly supervised the research that resulted in the other four patents.

39. Med-Life alleges that Dr. Goodenowe has breached his intellectual property obligations as described in the Goodenowe-NCIP by founding Prodrome Sciences Inc. and developing and offering diagnostic tests for colorectal cancer (Prodrome-CRC), pancreatic cancer (Prodrome-PAC), ovarian cancer (Prodrome-OVC), and dementia (Prodrome-Neuro). Specifically, in claim 44 of the Med-Life Statement of Claim, Med-Life claims that “each of the Med-Life Diagnostics...” “comprise trade secrets and/or confidential information owned by Med-Life”.
40. Med-Life alleges that Dr. Goodenowe has breached his intellectual property obligations as described in the Goodenowe-NCIP by founding Prodrome Sciences Inc. and by designing and developing plasmalogen precursor therapeutics. Specifically, in claim 47 of the Med-Life Statement of Claim, Med-Life claims that “each of the Med-Life Therapeutics...” “comprise trade secrets and/or confidential information owned by Med-Life”.
41. Med-Life further clarifies in claims 44 and 47 that Med-life is not making any claims of intellectual property infringement relating to patents, copyright, or trademarks.
42. Med-Life alleges in claim 49 that “Prodrome would not be in a position to offer the Prodrome Analogue Diagnostics or the Prodrome Analogue Therapeutics without using Proprietary Information.”
43. Med-Life further clarifies their use of the term “Proprietary Information” in claim 60 as “the Proprietary Information was confidential. The confidential nature and secrecy required in relation to the Proprietary Information was communicated to and was known to, YBCI, Goodenowe, and the PDI secondary Defendants.”
44. Proprietary information is correctly defined by Med-Life as information that a company wishes to keep secret. As per the Goodenowe-NCIP, PDI acquired the intellectual property rights of Dr. Goodenowe’s “Works” during the time that the YBCI-MSA was in effect. The decision as to the

management, protection, and exploitation of the intellectual property contained within Dr. Goodenowe's Works was entirely the responsibility of PDI. The protection and exploitation of scientific intellectual property, such as Dr. Goodenowe's Works falls into two categories – Trade Secrets or Patents. Trade Secret protection and Patent protection of intellectual property are mutually exclusive. Typically, intellectual property that is deemed to be insufficiently novel to meet the threshold of patentability is protected as a trade secret and intellectual property that is deemed sufficiently novel to meet the threshold of patentability is protected by filing a patent application. Trade secret protection requires that the intellectual property remain proprietary. Any intellectual property that is publicly disclosed by a company is no longer proprietary and is no longer a trade secret. Patent protection of intellectual property is the exact opposite of trade secret protection of intellectual property. A company that wishes to protect intellectual property with a patent is obligated to publicly disclose the intellectual property in sufficient detail that the public can practice the invention when the patent exclusivity period expires. In exchange for publicly disclosing the intellectual property (i.e. making the intellectual property non-proprietary), the patent applicant seeks to obtain certain exclusive rights contained within the disclosed intellectual property. These specific intellectual property rights are defined in the patent claims. For clarity, the only intellectual property rights contained within a patent application are the issued claims - all other intellectual property disclosed by the patent applicant becomes public domain the moment the patent application is published.

45. Under Dr. Goodenowe's supervision, the YBCI technology was successfully used by PDI to identify putative diagnostic biomarkers of colorectal cancer, pancreatic cancer, ovarian cancer and dementia. As per the Goodenowe-NCIP, Dr. Goodenowe shared and disclosed all of his Works relating to the diagnosis of these diseases to PDI. PDI subsequently decided to seek formal intellectual property protection for

specific novel inventions made by Dr. Goodenowe through the filing of various patent applications in which PDI publicly disclosed Dr. Goodenowe's Works in exchange for specific rights of exclusivity as described in the various patent claims. For clarity, the intellectual property publicly disclosed by PDI in its patent applications is no longer proprietary PDI intellectual property.

46. On September 12, 2006 PDI filed PCT Application No. CA2006/001502 titled "Methods for the Diagnosis of Colorectal Cancer and Ovarian Cancer Health States". This application was published on March 3, 2007 as PCT Publication No. 2007/030928. This patent application publicly discloses all of the PDI intellectual property related to the discovery and validation of biomarkers useful for the diagnosis of colorectal cancer and ovarian cancer. In addition, the patent application further publicly discloses all of the PDI intellectual property associated with the methodology used by PDI to measure these biomarkers. If it is the position of Med-Life, as Med-Life alleges in its Statement of Claim, that the practice of the PDI inventions disclosed in PCT 2007/030928 requires the additional use of undisclosed proprietary PDI intellectual property, then Med-Life is publicly admitting in its Statement of Claim that the patent applications and issued patents that are derived from PCT 2007/030928 do not sufficiently describe the invention such that the invention described in the patent claims could be practiced by someone "skilled in the art", such as Dr. Goodenowe. Patents that do not sufficiently describe how to practice an invention such that a person "skilled in the art" can practice the invention as claimed in the patent claims are deemed to be invalid due to lack of enablement.
47. On October 1, 2010 PDI filed PCT Application No. CA2010/001565 titled "Serum-based biomarkers of pancreatic cancer and uses thereof for disease detection and diagnosis". This application was published on April 7, 2011 as PCT Publication No. WO2011/038509. This patent

application publicly discloses all of the PDI intellectual property related to the discovery and validation of biomarkers useful for the diagnosis of pancreatic cancer. In addition, the patent application further publicly discloses all of the PDI intellectual property associated with the methodology used by PDI to measure these biomarkers. If it is the position of Med-Life, as Med-Life alleges in its Statement of Claim, that the practice of the PDI inventions disclosed in PCT WO2011/038509 requires the additional use of undisclosed proprietary PDI intellectual property, then Med-Life is publicly admitting in its Statement of Claim that the patent applications and issued patents that are derived from PCT WO2011/038509 do not sufficiently describe the invention such that the invention described in the patent claims could be practiced by someone “skilled in the art”, such as Dr. Goodenowe. Patents that do not sufficiently describe how to practice an invention such that a person “skilled in the art” can practice the invention as claimed in the patent claims are deemed to be invalid due to lack of enablement.

48. On February 28, 2007 PDI filed PCT Application No. CA2007/000313 titled “Methods for the diagnosis of dementia and other neurological disorders”. This application was published on September 7, 2007 as PCT Publication No. WO2007/098585. This patent application publicly discloses all of the PDI intellectual property related to the discovery and validation of biomarkers useful for the diagnosis of dementia and other neurological disorders. In addition, the patent application further publicly discloses all of the PDI intellectual property associated with the methodology used by PDI to measure these biomarkers. If it is the position of Med-Life, as Med-Life alleges in its Statement of Claim, that the practice of the PDI inventions disclosed in PCT WO2007/098585 requires the additional use of undisclosed proprietary PDI intellectual property, then Med-Life is publicly admitting in its Statement of Claim that the patent applications and issued patents that are derived from PCT WO2007/098585 do not sufficiently describe the invention such that the

invention described in the patent claims could be practiced by someone “skilled in the art”, such as Dr. Goodenowe. Patents that do not sufficiently describe how to practice an invention such that a person “skilled in the art” can practice the invention as claimed in the patent claims are deemed to be invalid due to lack of enablement.

49. On August 27, 2007 PDI filed PCT Application No. CA2007/001472 titled “Methods for the treatment of senile dementia of the Alzheimer’s Type”. This application was published on June 20, 2008 as PCT Publication No. WO2008/095275. This patent application publicly discloses all of the PDI intellectual property related to the discovery, synthesis and validation of alkyl-acylglycerols (natural plasmalogen precursors) for the treatment of senile dementia of the Alzheimer’s Type. Since alkyl-acylglycerols are naturally occurring molecules, their composition cannot be patented, only specifically defined uses. If it is the position of Med-Life, as Med-Life alleges in its Statement of Claim, that the practice of the PDI inventions disclosed in PCT WO2008/095275 requires the additional use of undisclosed proprietary PDI intellectual property, then Med-Life is publicly admitting in its Statement of Claim that the patent applications and issued patents that are derived from PCT WO2008/095275 do not sufficiently describe the invention such that the invention described in the patent claims could be practiced by someone “skilled in the art”, such as Dr. Goodenowe. Patents that do not sufficiently describe how to practice an invention such that a person “skilled in the art” can practice the invention as claimed in the patent claims are deemed to be invalid due to lack of enablement.
50. On December 18, 2009 PDI filed PCT Application No. CA2009/001853 titled “Plasmalogen compounds, pharmaceutical compositions containing the same and methods for treating diseases of the aging”. This application was published on July 1 2010 as PCT Publication No. WO2010/071988. This patent application publicly discloses all of the PDI

intellectual property related to the discovery, synthesis and validation of non-natural sn3-substituted alkyl-acylglycerols for the treatment of diseases of the aging. If it is the position of Med-Life, as Med-Life alleges in its Statement of Claim, that the practice of the PDI inventions disclosed in PCT WO2010/071988 requires the additional use of undisclosed proprietary PDI intellectual property, then Med-Life is publicly admitting in its Statement of Claim that the patent applications and issued patents that are derived from PCT WO2010/071988 do not sufficiently describe the invention such that the invention described in the patent claims could be practiced by someone “skilled in the art”, such as Dr. Goodenowe. Patents that do not sufficiently describe how to practice an invention such that a person “skilled in the art” can practice the invention as claimed in the patent claims are deemed to be invalid due to lack of enablement.

51. On November 16, 2012 PDI filed PCT Application No. CA2012/001064 titled “Methods for the synthesis of plasmalogens and plasmalogen derivatives, and therapeutic uses thereof”. This application was published on May 23 2013 as PCT Publication No. WO2013/071418. This patent application publicly discloses all of the PDI intellectual property related to the discovery, synthesis and validation of non-natural vinyl ether cyclic phosphoethanolamines. If it is the position of Med-Life, as Med-Life alleges in its Statement of Claim, that the practice of the PDI inventions disclosed in PCT WO2013/071418 requires the additional use of undisclosed proprietary PDI intellectual property, then Med-Life is publicly admitting in its Statement of Claim that the patent applications and issued patents that are derived from PCT WO2013/071418 do not sufficiently describe the invention such that the invention described in the patent claims could be practiced by someone “skilled in the art”, such as Dr. Goodenowe. Patents that do not sufficiently describe how to practice an invention such that a person “skilled in the art” can practice

the invention as claimed in the patent claims are deemed to be invalid due to lack of enablement.

52. In addition to the published intellectual property described in the above patent applications, PDI published numerous research papers, poster, and abstracts and presented oral presentations at numerous scientific conferences that describe in detail the various aspects of the PDI diagnostics and PDI therapeutics, now owned by Med-Life.
53. None of the diagnostic tests described in the Med-Life Statement of Claim is performed by Prodrome Sciences Inc. and none is performed in Canada.
54. None of the therapeutic molecules described in the Med-Life Statement of Claim is manufactured, sold, or distributed by Prodrome and none of these activities are performed in Canada.
55. The scientific equipment purchased and used by Prodrome Sciences is of different makes and models than the scientific equipment owned by PDI. All operational procedures and methods are new and were developed by Dr. Goodenowe after November 1, 2017.
56. The triple extraction procedure used by Prodrome to extract metabolites from biological specimens is new and was developed by Dr. Goodenowe after November 1, 2017.
57. The plasmalogen precursors under development at Prodrome are new and were designed by Dr. Goodenowe after November 1, 2016. In addition, the synthetic procedures used by Prodrome to manufacture the Prodrome Plasmalogen Precursors are new and were developed by Dr. Goodenowe after November 1, 2017.
58. Based on the foregoing, the Defendants, deny that any PDI Proprietary Information was used in the development of the Prodrome Diagnostics.
59. Based on the foregoing, the Defendants, deny that any PDI Proprietary Information was used in the development of the Prodrome Therapeutics.

60. The information contained within this Statement of Defense has been communicated in various forms to the Plaintiff. In addition, the principals of Med-Life are former shareholders, directors, and senior employees of PDI and as such have intimate knowledge of the PDI intellectual property and the various strategies used by PDI to protect and exploit Dr. Goodenowe's Works.
61. Med-Life has a well-documented history of spreading false and defamatory information about Dr. Goodenowe and Prodrome.
- a) On November 30 2016, Shawn Ritchie sent an email to Dr. Nancy Braverman in which he stated that Dr. Goodenowe was terminated from PDI. This is provably false.
 - b) On November 30 2016, Shawn Ritchie sent an email to Dr. Nancy Braverman in which he stated that Dr. Goodenowe tainted the Receivership sale process. This is provably false.
 - c) On November 30 2016, Shawn Ritchie sent an email to Dr. Nancy Braverman in which he stated that "the last thing that anyone at PDI should have been doing was giving false hope or inaccurate timeframes for the study". This is provably false. In fact, the PDI plasmalogen precursor program was closer to human trials in 2016 than the Med-Life plasmalogen precursor program is in 2019.
 - d) In or about November 2016, Tara Smith communicated to Dr. George Robertson false statements similar to those in the November 30, 2016 Shawn Ritchie email including that Dr. Goodenowe was terminated from PDI. This is provably false.
 - e) On July 5, 2018, Shawn Ritchie sent an email to Tomo Tominago, the president of NK Medico, which is one of Prodrome's distributors in which he states "I have also attached the claims of our colorectal and pancreatic patents that are issued in Japan. You could look up the entire patents as well in Japanese – their official

numbers are 5696152, 6173274, (both for pancreatic), and 5038311 for colorectal and ovarian. If the Prodrome tests that you are offering measure ANY of the masses listed in these patents, it is blatant infringement.” This is provably false. Med-Life and Shawn Ritchie are fully aware that Prodrome processes its diagnostic tests in the USA. They are also fully aware that Japanese patent claims do not apply to the USA. For example, several months earlier, on March 1, 2018, Med-Life sent to Prodrome a letter alleging that Prodrome was infringing upon Canadian patents 2,619,732, 2,772,688, 2,881,326, 2,774,869, 2,797,941. On March 12, 2018, Prodrome responded, stating, “The entire basis of your client’s allegations appear to be the news postings on my client’s website. There is nothing in the postings your client refers to that suggests in any way that my client is infringing on the above referenced patents. In fact, in the postings my client does not even describe the state of colorectal and pancreatic cancer in Canada. All references made are to the United States. Surely, your client is not suggesting that the above Canadian patents somehow gives your client worldwide exclusivity. My client demanded that your client provide us with evidence of the alleged infringing activities of my client. Once again, your client has failed to produce any evidence whatsoever for my client to rebut. This is not surprising because there is no infringing activity taking place. Indeed, your March 1, 2018, letter simply confirms to my client that your client’s allegations described in your February 13, 2018, letter were frivolous and without merit.”

- f) On July 9, 2018, Shawn Ritchie sent a follow-up email to the July 5, 2018 email referenced above in which he states, “We have previously communicated our concern about IP infringement to Prodrome about some of their past press releases relating to the tests, but not surprisingly our requests were ignored.” This is

provably false. In fact, in a letter received March 3, 2017 from Med-Life falsely asserting that that the Prodrome website was claiming that Med-Life's products were the same as the Prodrome products. In response to this letter, Prodrome added disclaimers to its website such as, "Dr. Goodenowe's research on plasmalogens is readily available through several open-source publications such as here and here. Specifically relating to the latter publication, the use of 1-alkyl, 2-acylglycerol plasmalogen precursors with lipoic acid at sn-3 has been extensively studied and numerous publications relating to its use is available in the literature. These plasmalogen precursor molecules are not naturally occurring and are not being pursued by Prodrome Sciences Inc." and "On or about November 1, 2016, all intellectual property owned by Phenomenome Discoveries Inc. related to plasmalogen restoration was purchased by Med-Life Discoveries LP. Dr. Goodenowe is not associated in any way with the further development or commercialization of this intellectual property by Med-Life Discoveries LP. Research results or writings made by or supervised by Dr. Goodenowe while Dr. Goodenowe was the CEO of Phenomenome Discoveries Inc. in no way represents an endorsement of nor does Dr. Goodenowe accept any responsibility for the utility of any plasmalogen related molecules, synthetic procedures used in their manufacture, laboratory detection methods, quality assurance procedures, or technology which may or may not be under development by Med-Life Discoveries LP. All therapeutic products and technology under development by Dr. Goodenowe and Prodrome Sciences Inc. were conceived of after Dr. Goodenowe resigned from PDI and are not part of the intellectual property purchased by MLD." And "On or about November 1, 2016, all intellectual property owned by Phenomenome Discoveries Inc. related to the diagnosis of certain

cancers and other diseases was purchased by Med-Life Discoveries LP. Dr. Goodenowe is not associated in any way with the further development or commercialization of this intellectual property by Med-Life Discoveries LP. Research results or writings made by or supervised by Dr. Goodenowe while Dr. Goodenowe was the CEO of Phenomenome Discoveries Inc. in no way represents an endorsement of nor does Dr. Goodenowe accept any responsibility for the performance of the laboratory methods, quality assurance procedures, or technology used by Med-Life Discoveries LP. All diagnostic products and technology under development by Dr. Goodenowe and Prodrome Sciences Inc. were conceived of after Dr. Goodenowe resigned from PDI and are not part of the intellectual property purchased by MLD.”

- g) On July 9, 2018, Shawn Ritchie threatened Prodrome’s distributor, NK Medico with legal action if it did not terminate its license with Prodrome, “We therefore suggest that NK Medico terminate its relationship with Prodrome, and that you request that Prodrome remove any reference to NK Medico and the products from its website. This would settle the matter between Med-Life and NK Medico without any legal involvement. I can, however, ensure that any continued infringement of Med-Life’s IP by Prodrome or other distribution partners will be met with legal action.”
 - h) In September 2018, Med-Life down-sized its laboratory operations and moved into a small office/lab. However, as late as June 2019, Med-Life was still representing to the public, using pictures of their former laboratory space and pictures of the front of the building of their former facility, that it still had a large laboratory operation.
62. Extensive written communications have occurred between Prodrome and Med-Life on March 3, 2017, March 7, 2017, April 4, 2017, April 10, 2017, February 13, 2018, February 15, 2018, March 1, 2018, March 12, 2018,

and March 28, 2019 in which Med-Life has made various vague and unfounded allegations of intellectual property infringement. In each instance, Prodrome responded to Med-Life in detail.

63. As a co-inventor on US Patent 10,024,857 (Serum-based biomarkers of pancreatic cancer and uses thereof for disease detection and diagnosis), Shawn Ritchie was fully aware that the intellectual property rights granted to Med-Life DO NOT include the masses listed in the patents referenced in his July 5, 2018 email to NK Medico. Despite this knowledge, Med-Life sent Prodrome a letter on March 28, 2019 alleging infringement of US Patent 10,024,857. On April 10, 2019, Dr. Goodenowe responded to the March 28, 2019 letter as follows: “Your client has been harassing me with unfounded, illogical, and just plain stupid claims of infringement for over 2 years now. I have attached copies of previous correspondence for your records. With respect to the intellectual property purchased by Med-Life from Phenomenome, I am well aware of the patents purchased by Med-Life from the PDI Receiver. Are you? Have you even read the patents referenced in your letter? Have you reviewed the disallowed claims and the examination history of the patents that you reference in your letter? It is your responsibility to know what you are talking about. You are making allegations that are blatantly false. More importantly, these allegations are known to be false by your client. Your client has been communicating these knowingly false accusations to Prodrome’s business partners with the sole intent of damaging my personal reputation and the reputation and the business interests of Prodrome. Your client and all parties that have aided and abetted them in these acts will be held responsible at the appropriate time. Your client’s actions as shareholder’s in my previous company is currently the subject of a lawsuit in Canada. I have attached the statement of claim for your records. I am aware of the rabid and frivolous litigious reputation of your client. We have built a new IP portfolio knowing that this kind of temper tantrum behavior from your client was possible. It is not my responsibility to educate you or your

client on your own IP. However, in the interest of preventing you and your client from digging an even deeper libelous and slanderous hole for yourselves, claim 1 of the “857’ patent states:

What is claimed is:

1. An analytical method for diagnosing pancreatic cancer in a patient, comprising the steps of:
 - a) performing a mass spectrometry assay on at least one blood sample from said patient using a Fourier transform ion cyclotron resonance, time of flight, magnetic sector, quadrupole or triple quadrupole mass spectrometer to obtain a collision induced dissociation (CID) MS/MS fragmentation pattern for one or more than one metabolite marker and to obtain quantifying data for said one or more than one metabolite marker;

Your own letter acknowledges that we do not use any of the mass spectrometers listed in claim 1. Furthermore, the claim is restricted to the use of the specified mass spectrometers to perform a specific type of mass spectrometric analysis – ‘To obtain a collision induced dissociation (CID) MS/MS fragmentation pattern’, not chemical ionization (CI), not electron impact (EI), not electron capture dissociation (ECD), not Infrared MultiPhoton Dissociation (IRMPD), and not full scan parent ion MS analysis – ONLY CID. We do not use collision induced dissociation (CID) in any of our methods. In fact, the use of CID would destroy all of our data. It is not possible to generate our data using CID. This claim teaches AWAY from our methods. Your client KNOWS this! Our methods also deviate from other portions of the claims as well, but this is more than sufficient to illustrate the baselessness of your patent ‘857 infringement claims...”

64. Despite clear and unambiguous and repeated communications and evidence of no intellectual property infringement, Med-Life has continued to intentionally and with impunity, spread false information about Dr.

Goodenowe and Prodrome and has attempted to directly harm Prodrome's Business interests.

65. The allegations put forth by Med-Life in the June 7th Statement of Claim are false and were known to be false by Med-Life at the time of filing.

WHEREFORE the Defendants pray that the Plaintiffs' claim be dismissed with costs.

NOTICE

If you intend to make a reply to this Statement of Defence, you must serve and file the reply within 8 days after service of the Statement of Defence.

DATED at the City of Saskatoon, in the Province of Saskatchewan this _____ day of _____, 2017.

WMCZ Lawyers

Per: _____
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