

July 19, 2017

ARTICLE

Intellectual Property Weekly Abstracts Bulletin — Week of July 17, 2017

Patent Decision

Proposed prosecution bar in addition to protective order denied due to insufficient evidence
[Abbvie Corporation v. Samsung Bioepis Co., Ltd., 2017 FC 675](#)
Drug: Adalimumab

In this case, AbbVie brought an application against Samsung pursuant to the *NOC Regulations*. The parties agreed that a protective order was needed; however, Samsung wanted additional protections for its confidential information. It sought provisions that would prevent outside counsel and in-house counsel for both parties from engaging in patent prosecution activities relating to the patents in suit or Adalimumab for one year after the proceeding or any other relevant litigation.

The Court held that Samsung had not adduced sufficient evidence to show that the Proposed Prosecution Bar (PPB) was necessary or reasonable. In making this determination, the Court also held that the test for a 'counsel's eyes only' (CEO) protective order was not the appropriate test to use. Moreover, Samsung was held not to have met this test.

The Court held that the PPB was more similar to a restrictive covenant or a restraint of trade than to a CEO protective order. In the employer/employee context there is a presumption that restrictive covenants are *prima facie* unenforceable. However, a reasonable one will be upheld. The onus of showing the reasonableness of the restrictive covenant is on the party seeking to enforce it. The Court held that the protective order provides a serious obligation not to use or disclose confidential information other than for the purposes of this proceeding. Thus, it is not reasonable to find that the PPB should be granted without concrete evidence to prove, on a balance of probabilities, that counsel are at risk to misuse the confidential information disclosed to them.

Copyright Decision

Interim tariff found to be enforceable; copying made under the university's guidelines did not constitute fair dealing
[Canadian Copyright Licensing Agency v. York University, 2017 FC 669](#)

In the main action, the Canadian Copyright Licensing Agency ("Access") sought to enforce an Interim Tariff issued by the Copyright Board with respect to copying activities engaged by York University ("York") employees for a set period. By counterclaim, York sought a declaration that any reproductions made fell within York's Fair Dealing Guidelines and therefore constituted the exception for "fair dealing" under section 29 of the *Copyright Act*.

After a thorough review of the facts and witnesses, the Court addressed the issues on the main action concerning whether the Interim Tariff was enforceable against York. York argued that the Interim Tariff was not an approved tariff because: 1) it did not result from a tariff certification process, and 2) it was not published in the Canada Gazette. York submitted that since the Interim Tariff is not approved, it could not be enforced and is only binding on a user that consents to it.

The Court disagreed and found that the Interim Tariff was mandatory and enforceable against York. In the views of both Access and the Court, "the legislative history, and particularly the development of the modern enforcement provisions, confirm the legislative intent to provide collectives with effective enforcement mechanisms against users who are not subject to an agreement and who reproduce, without authority from owners or without the benefit of an exception (e.g., fair dealing), copyright protected works covered by the collectives."

The Court found that York's defence that the Interim Tariff was not enforceable since it is not an approved tariff, was essentially a collateral attack of the Copyright Board's decision. The Court noted that York was in a position to apply to judicially review the Board's decision, but chose not to do so. The Court also dismissed York's final point in the main action that there was no breach of the Interim Tariff and, if there was, York is not responsible for the breaches of the Interim Tariff. The evidence showed that there was unauthorized copying that triggered obligations under the Interim Tariff, and that these obligations belong to York.

In the counterclaim, the Court had to determine whether any copying that fall within York's Fair Dealing Guidelines constituted fair dealing pursuant to s.29 of the Act. York's Guidelines were modelled on those developed by the Association of Universities and Community Colleges, which represented the interests of York. Applying the two-part test laid down by Supreme Court of Canada jurisprudence, the Court found that the dealing was for the allowable purpose of education.

The Court then turned to the fairness analysis in the second step of the test. The Court first distinguished the Supreme Court case in *CCH Canadian Ltd v Law Society of Upper Canada*, 2004 SCC 13, for various reasons including that: the copying done at the Great Library in *CCH* was for others, not for the Library itself; the copying at issue in *CCH* was not the mass copying of portions of books, texts, articles, entire artistic works or portions of collections, nor was it the multiple copying of those materials into coursepacks or digital formats, as was the circumstances for this case. Moreover, a number of positive features of the policy in *CCH* were absent in the York situation, which pointed to the unfairness of the Guidelines at issue.

The Court then weighed the fairness factors and concluded that the Guidelines were not fair in either their terms or their application when considering the whole of the issue of fair dealing within the context of the facts of this case.

Industry Update

Health Canada released the Therapeutic Products Directorate Statistical Report 2016/2017 for the *Patented Medicines (Notice of Compliance) Regulations* and Data Protection. The report includes information regarding trends in the eligibility of patents for listing on the Patent Register, the eligibility of drugs for listing on the Register of Innovative Drugs, and related court activity.

By: [Chantal Saunders](#), [Beverley Moore](#), Adrian J. Howard

Services: [Intellectual Property](#), [Copyright](#), [Licensing](#), [Patents](#), [Trademarks](#)
