Intellectual Property Weekly Abstracts Bulletin — Week Of March 14

March 16, 2016

Patent Decisions

Motion challenging the listing of a patent on the patent register filed before the 2015 amendments to the *PM(NOC) Regulations* is decided on the basis of the old regulations
Gilead Sciences, Inc. v. Canada (Health), 2016 FC 231

Apotex has successfully challenged the listing of a patent on the Patent Register pursuant to paragraph 4(2)(a) of the *PM(NOC) Regulations*.

The patent does not claim both active ingredients in the approved drug. It only claims one of the active ingredients.

In 2015 the *PM(NOC) Regulations* were amended to provide that "a patent that contains a claim for the medicinal ingredient is eligible even if the submission includes, in addition to the medicinal ingredient claimed in the patent, other medicinal ingredients."

However, Apotex filed this motion challenging the listing before this amendment came into force. Therefore, the Court had to determine which version of the *PM(NOC) Regulations* applied, the version in force when Apotex filed its motion, or the amended version in force at the time of the hearing and issuance of the reasons. This issue was important because Apotex did not make submissions on whether the patent was eligible for listing on the Patent Register under the amended regulations.

The Court held that the transitional provision only allowed for the amended regulations to apply if the motion was filed after May 2, 2015, but since Apotex's motion was filed before that date, on March 6, 2015, the old regulations applied.

Applying the facts to the old regulations, the Court held that the patent was ineligible to be included on the Patent Register.

Pleading amended to refer to prior art that may not be proven to be prior art
Canplas Industries Ltd. v. Airturn Products Inc., 2016 FC 109

The Defendants sought to amend their Statement of Defence to include reference to a product referred to as prior art in support of their allegation of obviousness. The Plaintiff opposed the amendment on the basis that the Defendants could not prove that the product was disclosed to the public so as to make it prior art. The Court noted that the Defendants continue to seek evidence establishing the product is prior art and refusing the amendment would prevent them from finding and introducing relevant evidence. The Plaintiff did not assert that the amendment would cause prejudice and the Court stated that "[w]here a proposed amendment creates no *de facto* prejudice, it will almost always be in the interests of justice to err on the side of allowing it."

Trademark Decisions

Licensing the use of a website is found to relate to wares, not services, as the licence is an intangible good
Specialty Software Inc. v. BEWATEC Kommunikationstechnik GmbH, 2016 FC 223

In 1992, Specialty Software Inc. registered the trademark "MEDINET" in association with computer software programs in relation to wares rather than services. The mark was assigned to Medinet Health Systems Inc. in 2011.

Bewatec sought expungement of the mark for non-use, Specialty failed to file any evidence of use between November 22, 2010 and November 22, 2013, and the Registrar granted Bewatec's application.

Specialty now appeals and has presented fresh evidence of use that was not contested.

Bewatec argues that the mark has been used in relation to services, not wares. The Court noted that Specialty used to sell its software in a tangible form on disks. This is no longer necessary. Clients can now obtain access to the software over the internet from Specialty's computer server after installing an icon on their computers. Bewatec argues Specialty's clients do not download or install or physically acquire anything, but merely obtain access to a service that Specialty provides over the internet.

The Court disagreed that there was any real change in what Specialty was selling. Specialty has always been selling a license to use the software, which is an intangible good. The earlier disks merely represented the means by which the transfer of the goods occurred.

On this basis, Specialty met the fairly low threshold that a registered owner must meet to demonstrate that its mark is not merely "deadwood" on the register.

Copyright Decisions

Publication of a work essentially identical to the CSA Code is found to infringe its copyright
Canadian Standards Association v. P.S. Knight Co. Ltd., 2016 FC 294

The Applicant, the CSA, brought this application seeking relief in respect of alleged infringement by the Respondents. The CSA produces a publication called the CSA Code. At one time, the parties had a working relationship, which deteriorated over time. The Respondents produced and indicated that they would distribute a work that the

CSA alleges is essentially an identical copy of its 2015 CSA Code. The Respondents did not deny that its work, referred to as the Knight Code in the decision, is a substantial copy of the 2015 CSA Code.

The Respondents challenged copyright in the 2015 CSA Code on a number of bases, which were all rejected by the Court. The Respondents also argued that the licence between the parties beginning in the 1960s could not be unilaterally revoked by the CSA because it was given for consideration. The Court disagreed. Finally, the Respondents alleged fair dealing but the Court noted that one of the considerations set out by the Supreme Court of Canada in the *CCH* decision was the extent of copying. The Court stated "[w]hen 100% of a work is copied, the dealing cannot be fair." The Court further rejected the argument that the copying was for educational purposes. A permanent injunction and delivery up was ordered, and statutory damages in the amount of $5,000 were ordered. The Court did not find personal liability of the individually named Respondent.

Supreme Court Leave to Appeal Granted

AstraZeneca Canada Inc. et al. v. Apotex Inc. et al. (F.C.) (Civil) (By Leave) (36654)

The Supreme Court has granted AstraZeneca leave to appeal in its application which asks the correct applicable standard for patent utility in Canada and whether a promised utility doctrine properly exists. This is an appeal from the Federal Court of Appeal in 2015 FCA 158. The following summary was provided by the Supreme Court.

Intellectual property — Patents — Medicines — Utility — Validity of patent for drug used in treatment of gastric acid conditions challenged in infringement and impeachment action — Whether "promise" in patent of improved pharmacokinetic and metabolic properties for improved therapeutic profile demonstrated or soundly predicted at time patent filed — What is the correct applicable standard for patent utility in Canada? — Whether a promised utility doctrine properly exists.

The applicants, (collectively, "AstraZeneca") owned the Canadian '653 patent for the compound, esomeprazole, a proton pump inhibitor used in the reduction of gastric acid, reflux esophagitis and related conditions. It was sold under the name Nexium, and was a very successful drug for AstraZeneca. The respondents (collectively, "Apotex") applied to the Minister of Health to obtain a Notice of Compliance which would allow it to sell its generic version of the drug. In response, AstraZeneca brought a prohibition application under the Patented Medicines (Notice of Compliance) Regulations, SOR/93-133 to prevent Apotex from entering the market until after the expiry of the '653 patent. In 2010, that application was dismissed and Apotex received its Notice of Compliance and commenced sales of its generic esomeprazole. AstraZeneca brought an action against Apotex for patent infringement. Apotex counter-claimed to impeach the '653 patent on several grounds.

Other Industry News

Health Canada has published for consultation a Draft Guidance Document — Disclosure of Confidential Business Information under Paragraph 21.1(3)(c) of the *Food and Drugs Act*. The consultation is open until May 24, 2016.

By

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Expertise

Intellectual Property, Copyright, Patents, Trademarks, Licensing

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