

Intellectual Property Weekly Abstracts Bulletin — Week of March 7

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Copyright and Trademark Decisions

Struck claims to copyright infringement and passing off sent back to the Federal Court for re-determination Sadhu Singh Hamdard Trust v. Navsun Holdings Ltd., 2016 FCA 69

The Federal Court of Appeal has reversed the dismissal of Sadhu Singh Hamdard Trust's claims of copyright infringement and for passing off. (The Federal Court decision is found at 2014 FC 1139.)

The appellant is the owner and publisher of an Indian Punjabi-language daily newspaper called the "Ajit Daily", a paper that has been published in India since 1955 and is well-known among the Punjabi population in India. The Bains Defendants own and publish a Canadian Punjabi-language newspaper called the "Ajit Weekly", a free newspaper that has been published in Canada since 1993 and that is distributed at the front of supermarkets and other stores. Both have an online presence.

For the copyright claim, the Court of Appeal found three errors. First, the Court of Appeal held that the Federal Court should have interpreted the partial settlement agreement (PSA) between the parties even though it had a clause providing that it is to be governed by the laws of New York and that the New York courts retain jurisdiction over the interpretation and implementation of the PSA. It further stated that any lack of evidence about American law is not an impediment because a court faced with interpreting a contract that contains a choice of foreign law clause should apply domestic law if it has no evidence as to the content of the foreign law.

Second, the Court of Appeal found that the PSA only covered a part of the claimed 3year time period so the PSA could not be a reason to dismiss the claim in its entirety.

Third, the choice of forum provision contained in the PSA does not provide a basis for the dismissal of the copyright claim because the parties in this case attorned to the jurisdiction of the Federal Court for adjudication of the copyright claim through their pleadings and no party objected to the Federal Court's jurisdiction by reason of the choice of forum clause in the PSA. The Federal Court was found to have erred in deferring the dispute to the New York courts on its own motion.

For the passing off claim, the Court of Appeal held there was a legal error made when use of a mark in Canada was held to be a pre-condition for the existence of goodwill. Further errors were identified, including a failure to consider facts supporting the originality of the stylized Ajit Daily mark and its reputation, factors that may have contributed to the mark's acquiring distinctiveness.

In the end, the Court of Appeal remitted the case back to the Federal Court because disposing of the action against the Bains Defendants would require reassessment of the relevant facts, a task that was inappropriate for the Court of Appeal to undertake on appeal in this case.

Supreme Court – Upcoming Leave to Appeal Decisions AstraZeneca Canada Inc. et al. v. Apotex Inc. et al. (F.C.) (Civil) (By Leave) (36654)

The Supreme Court will announce the result of a leave application which asks the correct applicable standard for patent utility in Canada and whether a promised utility doctrine properly exists. 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.

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