

# Intellectual Property Weekly Abstracts Bulletin — Week of February 27, 2017

March 01, 2017

## Patent Related Decisions

Decision to not Remove Solicitors as Counsel for the Defendants Upheld on Appeal  
[Sike v. Encana Corporation, 2017 FCA 37](#)

The Federal Court of Appeal upheld a decision of the Federal Court dismissing an appeal from the Prothonotary's order wherein he refused to remove counsel as solicitors of record for the Defendants. In the underlying motion, the Plaintiffs had argued that when they were seeking counsel for this proceeding they had imparted confidential information to the solicitors who are now counsel to the Defence (Prothonotary's decision: [2016 FC 110](#), our summary here; Federal Court's decision: [2016 FC 671](#), our summary here).

The Court of Appeal reviewed the Prothonotary's decision and found that the conclusion that no information relevant to the matter in issue had been conveyed was open to the Prothonotary on the evidence before him. Therefore, the Court of Appeal concluded that the Federal Court judge had no reason to intervene, and that the appeal should accordingly be dismissed.

Federal Court Orders Additional Amount of \$100,000.00 as Security for the Defendant's Costs  
[Regents of the University of California v. I-MED Pharma Inc., 2016 FC 975](#)

Following TearLab's unsuccessful motions for interim and interlocutory injunctions, the Federal Court ordered that TearLab deposit an additional amount of \$100,000.00 as security for the Defendant's costs.

The Court found that the Defendant had established that there was a significant gap between the security of \$100,000.00 posted and the actual costs of \$141,101.00 awarded in its favour following the unsuccessful interim and interlocutory injunction motions. The Court was also not satisfied that TearLab, an ordinarily resident outside of Canada, had any assets of value in Canada. Additionally, there was no suggestion that TearLab was impecunious or that an order for increased security for costs would create a financial burden rendering it impossible to carry on the action.

The Court concluded that an additional amount of \$100,000.00 should be posted by TearLab as security for the Defendant's costs. This amount took into account the cost awards already made in favour and against each party to date and the steps that remain to be taken by the parties in order to complete examinations for discovery.

#### Judicial Review of Commissioner's Decision Refusing to Amend Priority Date Dismissed

[Bayer Cropscience LP v. Canada \(Attorney General\), 2017 FC 178](#)

The Federal Court dismissed Bayer's application for judicial review of the Commissioner of Patents' decision refusing Bayer's request to amend the priority date for Canadian Patent Application No 2,907,271 (the '271 Application).

In this case, Bayer had filed a PCT Patent Application (the '888 PCT Application) and could claim a prior filing date based on the filing date of a previous application (the '691 US Priority Application). At the time of filing the '888 PCT Application, the filing date for the '691 US Priority Application was recorded as April 19, 2012. The filing date of the '691 US Priority Application was later amended to April 3, 2012. However, the filing date for the '888 PCT Application was never successfully amended.

In August 2015, the '888 PCT Application entered the national phase in Canada as the '271 Application. Bayer requested that it be given a filing date of April 3, 2012 on the basis that it was claiming priority from the '691 US Priority Application. The Commissioner denied Bayer's request, concluding that the Bayer's August 2015 request was not within the 16-month period following the filing date of the '691 US Priority Application.

The Federal Court concluded that the Commissioner correctly interpreted the Patent Rules in finding that Bayer's request to amend the priority date was out of time. The application for judicial review was dismissed with costs.

#### Trademarks Decisions

**Court of Appeal Affirms Re-determination – Individual Defendant is Still Jointly and Severally Liable for \$64,000 in Damages and \$250,000 in Punitive Damages for Selling Knock-off Chanel Products**

[Lam v. Chanel S. de R.L., 2017 FCA 38](#)

This was an appeal of the Federal Court's re-determination of a motion for summary trial ([2016 FC 987](#), previously summarized here).

In the original decision ([2015 FC 1091](#)), the Federal Court awarded judgment against the Defendants for the infringement of several Chanel trademarks. The Defendants were selling knock-off Chanel merchandise out of their condominium unit and in a strip mall. The Defendants were ordered to pay, jointly and severally, \$64,000 in damages, plus \$250,000 as punitive and exemplary damages, plus \$66,000 in costs. On appeal, the Court of Appeal in [2016 FCA 111](#) set aside the trial judge's decision as it related to the personal Defendant and remitted the summary trial motion for re-determination. The Court of Appeal wanted the Judge to resolve the ambiguity in the decision related to whether the individual Defendant was liable for three or four acts of infringement. This

affected the quantum of damages and costs awarded and this Defendant's joint and several liabilities.

At the re-determination, the Federal Court confirmed the original judgment, including the compensatory damages award, the punitive damages award and the costs award. The Federal Court expressly confirmed that the individual Defendant was personally liable for all four infringements.

In this appeal, the Appellant did not contest the findings of liability, confining her appeal to the awards of compensatory and punitive damages and costs. The appeal was dismissed on all grounds. On the issue of punitive damages, the Court of Appeal noted that the Judge's assessment of the amount of damages was largely focused on the Defendants' conduct and the conclusion that compensatory damages alone would not be a deterrent; this was consistent with the case law. As the appeal was without merit and no substantive ground or challenge to the judgment was advanced, the Court of Appeal awarded costs on a solicitor-client basis.

## **Industry News**

Health Canada has released a [Notice to announce a meeting of Health Canada's Scientific Advisory Panel on Opioid Use and Contraindications \(SAP-OUC\)](#). The website indicates that the meeting will take place on March 24, 2017. The detailed agenda for the SAP-OUC meeting will be posted at a later date.

By

[Chantal Saunders](#), [Beverley Moore](#), [Adrian J. Howard](#), [Jillian Brenner](#)

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### BLG Offices

#### Calgary

Centennial Place, East Tower  
520 3rd Avenue S.W.  
Calgary, AB, Canada  
T2P 0R3

T 403.232.9500  
F 403.266.1395

#### Ottawa

World Exchange Plaza  
100 Queen Street  
Ottawa, ON, Canada  
K1P 1J9

T 613.237.5160  
F 613.230.8842

#### Vancouver

1200 Waterfront Centre  
200 Burrard Street  
Vancouver, BC, Canada  
V7X 1T2

T 604.687.5744  
F 604.687.1415

#### Montréal

1000 De La Gauchetière Street West  
Suite 900  
Montréal, QC, Canada  
H3B 5H4

T 514.954.2555  
F 514.879.9015

#### Toronto

Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto, ON, Canada  
M5H 4E3

T 416.367.6000  
F 416.367.6749

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