Federal Court Cour fédérale

Date: 20230106

Docket: T-1631-16

Citation: 2023 FC 9

Ottawa, Ontario, January 6, 2023

PRESENT: The Honourable Madam Justice St-Louis

BETWEEN:

ELI LILLY CANADA INC., ELI LILLY AND COMPANY, LILLY DEL CARIBE, INC., LILLY, S.A. and ICOS CORPORATION

Plaintiffs/Defendants by counterclaim

and

TEVA CANADA LTD.

Defendant/Plaintiff by counterclaim

PUBLIC ORDER AND REASONS
(Confidential Order and Reasons issued January 6, 2023)

I. Introduction

[1] This Motion is brought by Teva Canada Limited [Teva] seeking directions as to costs associated with the liability phase of this proceeding as it relates to Canadian Patent No. 2,371,684 [the 684 Patent]. The requested awards also seek Teva's costs in defending the Plaintiffs' infringement claims in respect of Canadian Patent Nos. 2,492,540 [the 540 Patent] and

2,379,948 [the 948 Patent] incurred prior to the Plaintiffs dropping their claims of infringement of these Patents against Teva.

[2] For the reasons that follow, I will award Teva total costs of $371,260.50 inclusive of all fees, disbursements, and tax.

II. Parties' positions

[3] Teva brings this Motion pursuant to Rules 400 and 403 of the *Federal Courts Rules*, SOR/98-106 [the Rules]. Teva requests an award of costs:

a) Awarding Teva costs of $434,978, representing 37.5% of Teva's legal fees and $194,052 in reasonable disbursements;
b) In the alternative, an Order awarding Teva costs of $405,980, representing 35% of Teva's legal fees and $194,052 in reasonable disbursements;
c) In the further alternative, an Order awarding Teva costs of $347,983, representing 30% of Teva's legal fees and $194,052 in reasonable disbursements;
d) In the further alternative, an Order awarding Teva costs of $358,069 for assessable services calculated at the top of column V of Tariff B and $194,052 in reasonable disbursements;
e) In the further alternative, an Order awarding Teva costs of $273,844 for assessable services at the top of column IV of Tariff B and $194,052 in reasonable disbursements;
f) Costs of this motion in the amount of $1500.

[4] In support of its Motion, Teva relies on the affidavit of Ms. Jennifer Nahorniak, a law clerk employed by the firm Aitken Klee LLP. Ms. Nahorniak, who was not cross-examined, introduces 13 exhibits, some 500 pages of documents, including, *inter alia*, a copy of accounting

of Teva's legal spend in this file (Exhibit H), Bills of Costs calculated according to top of column IV and top of column V of Tariff B (Exhibit I), a copy of invoices for expert fees relating to Dr. Robert Williams and shared expert (Exhibits K and L), and a copy of an accounting for excluded legal spend relating to the 784 Patent (Exhibit M).

[5] At paragraph 15 of its written representations, Teva states that its actual legal spend in successfully defending the action was in excess of $1,37 million dollars, corresponding to the addition of $1,176,627 in legal fees and $194,052 in disbursements. It adds that legal fees related to the 784 Patent must be removed ($16,685 per Exhibit M).

[6] To establish the amount of its total legal fees at $1,176,627, Teva refers to Exhibit H to Ms. Nahorniak's affidavit. This document contains four columns outlining the date of an invoice, the number of the invoice, the amount invoiced, and the before tax fees. A review of some invoices (see for example invoices number 4085 and 4198) allows me to conclude that the numbers in the third column of Exhibit H, which Teva uses to calculate the actual legal fees, includes amounts corresponding to disbursements; it thus appears not to be limited to legal fees. However, as I will not award costs based on a percentage of Teva's actual legal fees, there is no need to discuss this further.

[7] Teva confirmed at the hearing and through a letter addressed to the Court that (1) the amount of $4,500 for the two motions for which the Plaintiffs were awarded costs should be set off against any costs awarded to Teva; (2) if the Court is inclined to award Teva costs based on Tariff B, Teva is no longer seeking costs for any of the motions set out at items 5 and 6 of Teva's

Draft Bill of Costs (these amounts total $28,275.00); (3) Teva no longer contests some reductions in Teva's disbursements, reductions totalling $4,053.52.

[8] In support of its request for a lump sum of 37.5 % of its actual legal fees, Teva reviews the case law, namely *Bauer Hockey Ltd v Sport Maska Inc* (*CCM Hockey*), 2020 FC 862 at para 14 [*Bauer*], *Seedlings Life Science Ventures, LLC v Pfizer Canada ULC*, 2020 FC 505 at para 22 [*Seedlings*], and *Allergan Inc v Sandoz Canada Inc*, 2021 FC 186 [*Allergan*], as well as others as detailed at paragraph 25 of its written representations.

[9] Teva submits that its request is significantly lower than many recent costs awards. It adds that a lump sum award for legal fees is appropriate in the circumstances and that an award of lump sum costs of 37.5% of Teva's fees is justified in this case. It highlights the Rule 400(3) factors, particularly in regards to the importance and complexity of the issues, the amount of work, Lilly's conduct, and the fact that Lilly is a sophisticated party represented by multiple experienced counsel throughout the proceedings, including at trial.

[10] Teva argues that pharmaceutical patent cases are inherently complex and that the 684 Patent required the Court to address highly technical issues in the fields of urology and pharmacology. Teva also alleges that coordinating with the other Defendants required significant work for Teva. Moreover, "[a]lthough Lilly ultimately dropped the 540 Patent as against Teva, Teva was responsible for much of the work for his patent leading up to trial, including conducting all discoveries and preparing an expert report". Teva refers to the fluctuation in

number of patents at issue along with numerous cycles of expanding and contracting the scope of asserted claims necessarily added cost in defending against Lilly's allegations.

[11] Teva outlines its alternatives requests for lower percentage of its legal fees and for the Tariff. It states that an award based on column V of Tariff B would cover 30% of its legal fees, referring to the amount of $1,159,942 (excluding disbursements). This amount is the result of the total found in the third column of Exhibit H minus the total found in Exhibit M. I previously outlined problems accepting the totals in column three of Exhibit H as limited to legal fees, and will thus not calculate the actual legal fees on this basis.

[12] Lilly opposes the Motion, responding that the circumstances of this case do not warrant elevated or increased costs.

[13] Lilly has not opposed the Court's issuing direction as to costs in regards to the proceedings relating to the 540 Patent and the 948 Patent. Lilly, however, requests that any lump sum awarded to Teva should be reduced by the amount which corresponds to the work that Teva claims for the 540 Patent after April 13, 2018, i.e., after Lilly's letter requesting the API Batch Records should be disallowed. Lilly states that any lump sum awarded to Teva should have a direction to assess that amount.

[14] In support of their response, Lilly relies on the affidavit of Ms. Kathy Paterson, a law clerk at Borden Ladner Gervais LLP. Ms. Paterson introduces 69 exhibits. These exhibits include, *inter alia*, case management conference notes dated June 1, 2017 (Exhibit A) which,

contrary to Lilly's assertion, do not confirm, on their face, a formal undertaking by the Defendants to rely on the same experts. The exhibits also include Teva's Statement of Defence and Counterclaim raising an allegation of failure to comply with section 53 of the *Patent Act*, RSC 1985, c P-4.

[15] Lilly also includes a Bill of Costs with reductions for various items as its proposition (Exhibit MM). The Bill of Costs prepared by Lilly according to middle of column IV of Tariff B amounts to $93,990.00 before tax ($106,208.70, tax inclusive) and $89,611.06 in disbursements (before tax).

[16] In essence, Lilly submits that the conduct of the Defendants unnecessarily prolonged the length of the action and caused unnecessary work and that unsupported allegations of fraud must be sanctioned.

[17] Lilly alleges that the starting point of costs (37.5%) brought by Teva (*Allergan* decision) is new information and it should be disregarded for the purpose of costs awards at issue. Lilly stresses that predictability and consistency in the award of costs allows counsel to properly advise their clients so that they, in turn, may make informed decisions about litigation risks. Given that this starting point is new, it is Lilly's argument that it could not have guided them in their risk management while moving their case forward.

[18] Lilly adds that the Defendants bear the burden to demonstrate why it deserves an award above the Tariff. Lilly acknowledges that the top of column IV is considered to be reasonable

and appropriate in patent litigation, even recently. Lilly submits, *inter alia*, that (1) "[t]here is no trend toward awarding lump sum costs based on fees, including since *Nova*" (referring to *Nova Chemicals Corporation v Dow Chemical Company,* 2017 FCA 25 [*Nova*]); (2) the *Nova* decision was recently "[…] distinguished on the basis that the complexity in the two proceedings were not comparable. Costs were awarded at the top of column V of Tariff B even though a lump sum was sought" referring to *Georgetown Rail Equipment Company v Tetra Tech Eba Inc,* 2020 FC 1188; and (3) the Defendants submitted to the Case Management Judge that they would work efficiently together to avoid duplication in effort, witnesses and experts (relying on the Paterson affidavit, Exhibit A) so that essentially, it would be inappropriate and inequitable for Lilly to pay a lump sum to each of the Defendants.

[19] More particularly, Lilly submits that (1) Lilly was successful on most issues at trial (twelve out of fifteen issues for the 684 Patent); (3) the Defendants' conduct tended to lengthen the proceeding (abandoned standing allegation, validity issues, calling expert and expert objections, infringement not contested on the 684 Patent, allegations akin to fraud were made but not pursued, compendium allegations at trial, Teva made unfounded allegations pursuant to section 53 of the *Patent Act*); (4) Lilly took steps to make the proceeding shorter (narrowing their pleading following discovery, conducting follow-up discovery of the Defendants' corporate representatives in writing, bringing a motion in writing to compel); (5) the evidence includes claims for motions or issues for which costs were either not awarded or awarded to Lilly; and (6) some items should not be awarded by the Court under the Tariff.

[20] Lilly further alleges that Teva should have produced the batch records in its affidavit of documents. According to Lilly, a successful party's costs should be limited on the basis that this party failed to provide critical documents in their affidavit of documents. It stresses that "[…] Teva refused to provide critical document ('API Batch Records') related to the '540 claims, which Lilly requested multiple times at an early date". Lilly points out that it ultimately took three motions and a year and a half of time spent trying to obtain the API Batch Records before Teva finally provided Lilly with a sample of the API Batch Records. Lilly asserts that it then promptly dropped the 540 infringement allegations against Teva. Hence, it is Lilly's position that any costs that Teva incurred related to the 540 Patent after Lilly's April 13, 2018 letter requesting the API Batch Records should be disallowed. Lilly also alleges that Teva's claim ignores the Order awarding Lilly its costs, and specifically stated that Teva should bear any costs that arise from complying with the Court's Order.

[21] Additionally, Lilly points out that an award to Teva under column IV of the Tariff amounts to 24% of Teva's actual legal spend, which is practically identical to the 25% lump sum award in the cases cited by the Defendants, such as *Seedlings* and *Bauer* (prior to offer to settle). It is Lilly's position that an award to mid-column IV properly reflects Teva's more modest contribution to litigation. Lilly argues that Teva should be granted 195,819.76$ total under mi-column IV of the Tariff, representing $106,208.70, inclusive of tax, and disbursements of $89,611.06.

[22] In the alternative, if the Court disagrees with Lilly and believes a lump sum based on legal fees is still appropriate, then only the "lead" counsel should be awarded a lump sum. The

other counsel should receive the Tariff. As a result, Lilly submits that in this scenario Teva should be awarded an amount under the Tariff, given that it was not the lead counsel on any issue that went to trial.

[23] In the further alternative, if a lump sum is warranted, Lilly suggests that an appropriate percentage is 25% of Teva's legal fees, which amounts to $182,113.29 minus fees for the 540 Patent after April 13, 2018, plus disbursements in the amount of $89,611.06.

[24] In regards to a lump sum award, Lilly states that the percentage awarded on a lump sum award must be reasonable in the context of the litigation. It submits that the starting point is 25% and not 37.5% and it can go up or down from there (*Bauer* at para 14; *Seedlings* at para 22), duplicate work should not be compensated (multiple counsel per party at discoveries was unreasonable and numerous counsel per party attending trial was unreasonable), and some fees are non-compensable.

[25] Lilly alleges that various tasks have been included for lump sum payments for which Lilly should not have to pay the Defendants. Lilly highlights the Defendants' counsel fees which they could identify as inappropriate. As previously mentioned, it claims that no costs should be awarded on (1) the 540 Patent after April 13, 2018; (2) the 784 Patent as the trial has not yet occurred, and (3) the motions for which costs were either awarded to Lilly or not awarded. For example, Lilly points out that, while it was successful on a motion to strike Teva's pleading with costs, Teva has claimed the costs. It further mentions that Teva should not claim costs on Lilly's motion for further and better affidavit of documents, because the costs were awarded to Lilly, not

Teva. Moreover, the motion to compel Teva's supplier to produce the API Batch Records was silent as to costs. Therefore, Teva cannot claim its costs on this motion. Lilly claims that they had meticulously analyzed Teva's dockets and subtracting fees on this motion and that Lilly should be awarded costs for the work it had to do on this motion.

[26] Lilly argues that Teva has provided no justification as to why it should be entitled to 37.5% of its costs, when Apotex and Mylan only seek 30%. According to Lilly, awarding 37.5% of Teva's fees is not consistent with the goal of predictability. Lilly relies on Teva's admission that it did not do the majority of the work, and Teva has provided no basis on which it should receive an increased percentage as a lump sum compared to Mylan and Apotex who have only requested, at a maximum, 30% of their fees.

[27] Lilly objects to many of the disbursements as they include claims to matters that are not compensable or recoverable, including (1) costs for books, articles, online databases; (2) "expert" fees for Dr. Porst; (3) attendances and discovery costs; (4) expert testimony of Dr. Williams; (5) disbursements for motions; and (6) travel and accommodations costs. Lilly submits that Teva should be entitled to disbursements in the amount of $89,611.06 (plus tax), which is $82,115.94 less than what Teva initially requested. At the hearing and in a letter sent to the Court, Teva agreed to reduce its disbursements by $4,053.52.

III. Principles

[28] The law of costs is not an exact science. In adjudicating costs, courts attempt to strike an appropriate balance between three main objectives: compensation, providing incentive to settle,

and dissuasion of abusive conduct in litigation. In this exercise, Rule 400(1) of the Rules provides that the Court "shall have full discretionary power over the amount and allocation of costs and the determination of by whom they are paid".

[29] Rule 400(3) provides a non-exhaustive list of considerations. With respect to quantum, Rule 407 provides that column III of Tariff B is the "default" scale (*Consorzio del Prosciutto* at para 9). However, the Court's broad discretion includes the power to order an assessment under a different column of Tariff B or to permit a departure from the Tariff (*Philip Morris Products SA v Marlboro Canada Limite*d, 2015 FCA 9 at para 4 [*Philip Morris*]). Rule 400(4) allows the Court to fix costs and award a lump sum in lieu of an assessment of costs pursuant to Tariff B.

[30] Following the discussion I had with the parties during the hearing, I confirm that I consider myself bound by the Federal Court of Appeal [FCA] decisions in *Raydan Manufacturing Ltd v Emmanuel Simard & Fils* (1983) Inc, 2006 FCA 293 and *Illinois Tool Works Inc v Cobra Anchors Co*, 2003 FCA 358, and find that success with respect to only some grounds of invalidity, does not constitute "divided success" or "mixed results" as warranting divided costs (*Allergan* at para 31).

[31] Chief Justice Crampton outlined the applicable Rules as well as the general principles that must guide the Court in deciding an award of costs (*Allergan*). I adopt these principles, and note particularly the following statement of paragraph 27:

> For essentially the same reasons identified immediately above, it is also increasingly common in intellectual property cases to award a significant lump sum amount "well in excess of the Tariff": Vengo, above, at para 85; *Bauer Hockey Ltd v Sport*

> *Maska Inc*, 2020 FC 862 at para 12 [*Bauer*]. In this regard, a lump sum award in the range of 25-50% of actual fees, plus reasonable disbursements, is often made: *Nova v Dow*, above, at paras 17 and 21; *Seedlings*, above, at para 6; *Bauer*, above, at para 13. See also *Loblaws Inc v Columbia Insurance Company*, 2019 FC 1434 at para 15. In approaching this assessment, it should be kept in mind that determining the level of a lump sum award "is not an exact science": *Nova v Dow*, above, at para 21.

[32] On the topic of a lump sum, I wish to stress the FCA's comments at paragraph 11 of its Nova decision, indicating that lump sum costs awards further the objective of the Rules of securing "the just, most expeditious and least expensive determination" of proceedings (Rule 3) and that, when a court can award costs on a lump sum basis, granular analyses are avoided and the costs hearing does not become an exercise in accounting.

[33] The FCA adds that "[l]ump sum awards may be appropriate in circumstances ranging from relatively simple matters to particularly complex matters where a precise calculation of costs would be unnecessarily complicated and burdensome: *Mugesera v. Canada (Minister of Citizenship & Immigration*), 2004 FCA 157, at para. 11" (*Nova* at para 12). At paragraph 15 of the decision *Mugesera v Canada (Minister of Citizenship and Immigration)*, 2004 FCA 157, the FCA outlined that "[…] the Court should be guided, as much as possible, by the standards established in the table to Tariff B when awarding a lump sum in lieu of assessed costs".

[34] In the context of patent litigation, the Court also have accepted as appropriate the top of column IV (*Sanofi-Aventis Canada Inc v Apotex Inc,* 2009 FC 1138 at para 14; *Adir v Apotex Inc*, 2008 FC 1070 at paras 10-12; *Eurocopter v Bell Helicopter Textron Canada Limitée*, 2012

FC 842 at para 22 [*Eurocopter*], aff'd 2013 FCA 220; *Apotex Inc v H. Lundbeck A/S*, 2013 FC 1188 at para 10).

[35] In addition, some circumstances warrant increased costs. Under the general discretionary power, the two most common justification for increased costs are (1) to sanction reprehensible conduct; and (2) to use when the default scale would provide inadequate compensation for particularly costly or complex litigation. Regarding the costly and complex litigation, the court has to consider if the default Tariff scale would be unjust because it would leave the successful party insufficiently compensated (*Crocs Canada Inc v Holey Soles Holdings Ltd,* 2008 FC 384 at para 2).

[36] The FCA in *Nova* does acknowledge the existence of a trend, in regards to the award of a lump sum costs as a percentage of actual costs reasonably incurred, citing *Philip Morris, H-D U.S.A., LLC v Berrada*, 2015 FC 189, and *Eli Lilly and Company v Apotex Inc*, 2011 FC 1143.

[37] In *Nova* at paragraph 15, the FCA also examines the evidentiary considerations mentioning that "[a]n award of costs on a lump sum basis must be justified in relation to the circumstances of the case and the objectives underlying costs. It is not a matter of plucking a number or percentage out of the air". The FCA examines the evidentiary considerations of legal fees (*Nova* at paras 16-19).

[38] In regards to the evidentiary burden, the parties should provide both a Bill of Costs and evidence demonstrating the fees actually incurred (*Nova* at para 18). "What is required is

sufficient evidence of the nature and extent of the services provided so that a party can make an informed decision whether to settle the fees or contest and that the Court can be satisfied that the actual fees incurred and the percentage awarded are reasonable in the context of the litigation" (*Nova* at para 18).

[39] Concerning the disbursements, "[w]here disbursements are outside of the knowledge of the solicitor, they should generally be accompanied by an affidavit such that the Court can be satisfied that they were actually incurred and were reasonably required" (*Nova* at para 20). As set forth in subsection 1(4) of Tariff B, no disbursement shall be assessed or allowed under the Tariff B unless it is reasonable and it is established by affidavit or by the solicitor appearing on the assessment that the disbursement was made or is payable by the party. The FCA repeated that principle, stating that a party is allowed to recover disbursements when reasonable and necessary for the conduct of the proceeding (*Exeter v Canada (Attorney General)*, 2012 FCA 153 at para 13, citing *Merck & Co Inc v Apotex Inc*, 2006 FC 631).

[40] Moreover, the FCA specified that disbursements cannot be awarded without actual proof: "[w]ith no evidence other than the fact that these costs must ordinarily be incurred in connection with legal proceedings, it is difficult for me to judge whether the disbursements sought were necessary and reasonable" (*Bell v Canada (Minister of Indian and Northern Affairs)*, 2000 CanLII 15565 (FCA) at para 5). The FCA also states that "[t]he assessment of whether a claim for disbursements was permissible, actually incurred and reasonable cannot be sacrificed on the altar of simplicity" (*Apotex Inc v Shire LLC*, 2021 FCA 54 at para 28 [*Shire*]). Citing paragraph

20 of *Nova*, the FCA reiterates that a claim for disbursements should be supported by evidence in the form of an affidavit (*Shire* at para 28).

IV. Application to the facts of the case

A. *Motion for directions*

[41] I note from the outset that the parties have opined that the present Motion under Rule 403 is appropriate. Given the circumstances of the case and in light of the relevant case law (see for example *Consorzio del Prosciutto di Parma v Maple Leafs Meats Inc*, 2002 FCA 417 [*Consorzio del prosciutto*]; *Apotex Inc v Bayer AG*, 2005 FCA 128; *Maytag Corp v Whirlpool Corp*, 2001 FCA 250), I agree that it is appropriate.

B. *Costs to each Defendant*

[42] I have not been convinced that the Defendants' reliance on the Court's decision in *Packers* is flawed and I am satisfied that each Defendant is entitled to its award of costs. I note that the evidence submitted by Lilly in Exhibit A to the Paterson affidavit refers to an attempt to by all Defendants to rely on the same witnesses and experts reports – not to a firm engagement.

[43] In *Packers*, even though the actions had been consolidated, the judge concluded that the defendants should receive individual lump sum cost awards calculated at 40% of fees, plus reasonable disbursements (*Packers* at 3). The Court firstly examined if the defendants should be granted individual costs (*Packers* at 3). The plaintiffs, or defendants by counterclaim Packers, argued that "[…] the defendants should be awarded a collective amount for costs in light of the

shared interests among them and the efficiencies that resulted from a consolidated trial" (*Packers* at 3). Packers also argued that, because the defendants' interests were aligned, there was no risk of conflict among them and they could all have been represented by the same counsel. According to Packers, it would be improper to compensate for overlapping costs (*Packers* at 4).

[44] The Court disagreed with Packers and concluded that the defendants were entitled to separate cost awards (*Packers* at 4). The Court outlined that the consolidation order simply achieved a merger of the validity issues and associated costs in order that they could be litigated together. There was no provision in the order establishing a single set of costs (*Packers* at 4). Concerning Packers' argument on the defendants' interests aligned, the Court disagreed (*Packers* at 4). The judge concluded that a lump sum was more appropriate given the complex nature of the case (*Packers* at 5). The Court also stated that this "[…] approach would effect an arbitrary discount of the defendants' fees and yield a reimbursement of only 10% of the defendants' taxable costs" (*Packers* at 5).

[45] In this case, given the evidence and the facts at hand, I am satisfied, as was the judge in *Packers*, that each Defendant is entitled to its award of costs.

C. *Lump sum*

[46] After considerations of the circumstances of the case, I am satisfied that an award of costs in the form of a lump sum is justified. As the FCA stated at paragraph 11 of *Nova*, it will avoid granular analyses and an exercise in accounting.

D. *Elevated costs as a percentage of the actual legal fees*

[47] I am not prepared to grant Teva's request for more than 30% of its actual legal fees as I am satisfied the circumstances do not warrant it.

[48] It appears that all of Teva's alternative requests do not actually represent elevated costs, i.e., in excess of the calculation under the Tariff, and it is therefore not necessary for me to address this topic further.

E. *Costs according to Tariff*

[49] Given the factors to be considered and the parties' representations, I am satisfied that costs that are akin to column V of Tariff B are appropriate. Therefore, I find that a Bill of Costs based on the top of column V of Tariff B is a good point of comparison for determining the lump sum costs award. Teva's fee calculation under the top of column V amounts to $358,069, inclusive of tax. Teva is no longer seeking costs for any of the motions set out at items 5 and 6 of its Bill of Costs. The amount claimed by Teva is thus reduced by $28,275.00.

[50] In addition, Lilly contests a number of items under the Tariff.

[51] I agree that several aspects of Teva's Bill of Costs should not be compensated or be reduced, including (1) item 14(a); (2) items 10 and 11 for motions on which Lilly was successful and was awarded costs or for which no costs were awarded; (3) item 12; (4) item 26 claims costs on this motion when Teva already sought costs on this motion; and (5) under item 27 for

responses to undertakings or for reviewing responses to undertakings received (*Camso Inc. v Soucy International Inc.*, 2019 FC 816 at para 39(c)).

[52] Teva also agreed that the amount of $4,500 for the two motions for which the Plaintiffs were awarded costs should be set off against any costs awarded to Teva.

[53] Accordingly, an amount of $270,000.00 inclusive of tax is justified.

F. *Disbursements*

[54] According to the letter sent after the hearing, Teva seeks total disbursements of $167,673.48 (plus tax).

[55] Three figures require the Court's adjudication as Lilly disputes (1) potential fact witness fees of Dr. Porst ($4,312.50); (2) Dr. Williams Expert Fees ($69,445.44); and (3) costs of two rooms during trial for one counsel ($4,340.54). Lilly submits that Teva should be entitled to disbursements in the amount of $89,611.06 (plus tax).

[56] Lilly's position is that Teva's witness and experts who did not appear at trial or were unhelpful should not be reimbursed. I agree. The case law cited by Lilly supports its position: "The jurisprudence has established that, in principle, fees for the winning party's experts who appeared at trial or experts who assisted counsel in reviewing and understanding expert opinions is justifiable and should be recovered: *Sanofi II*, above, at paras 17-18; *Adir*, above, at paras 21-

22" (*Eurocopter* at para 54). Unnecessary and unhelpful expert testimony should not be reimbursed (*Swist v MEG Energy Corp*, 2021 FC 198).

[57] I find Lilly's arguments persuasive and the disbursements they highlighted not to be reasonable. The amount allowed under the disbursements is thus reduced to $101,260.50, inclusive of tax.

V. Conclusion

[58] For the aforementioned reasons, I will award Teva total costs of $371,260.50 inclusive of all fees, disbursements, and tax.

ORDER IN T-1631-16

THIS COURT'S ORDER is that:

1. Teva is awarded total costs of $371,260.50 inclusive of all fees, disbursements and tax; and;

2. No costs are awarded on this Motion.

"Martine St-Louis"
Judge

ANNEX

The Rules 400, 401, 402 and 403 are reproduced in annex to allow for an easier reading:

Discretionary powers of Court	**Pouvoir discrétionnaire de la Cour**
400 (1) The Court shall have full discretionary power over the amount and allocation of costs and the determination of by whom they are to be paid.	400 (1) La Cour a le pouvoir discrétionnaire de déterminer le montant des dépens, de les répartir et de désigner les personnes qui doivent les payer.
Crown	**La Couronne**
(2) Costs may be awarded to or against the Crown.	(2) Les dépens peuvent être adjugés à la Couronne ou contre elle.
Factors in awarding costs	**Facteurs à prendre en compte**
(3) In exercising its discretion under subsection (1), the Court may consider	(3) Dans l'exercice de son pouvoir discrétionnaire en application du paragraphe (1), la Cour peut tenir compte de l'un ou l'autre des facteurs suivants :
(a) the result of the proceeding;	a) le résultat de l'instance;
(b) the amounts claimed and the amounts recovered;	b) les sommes réclamées et les sommes recouvrées;
(c) the importance and complexity of the issues;	c) l'importance et la complexité des questions en litige;
(d) the apportionment of liability;	d) le partage de la responsabilité;
(e) any written offer to settle;	e) toute offre écrite de règlement;
(f) any offer to contribute made under rule 421;	f) toute offre de contribution faite en vertu de la règle 421;
(g) the amount of work;	g) la charge de travail;
(h) whether the public interest in having the proceeding litigated justifies a particular award of costs;	h) le fait que l'intérêt public dans la résolution judiciaire de l'instance justifie une adjudication particulière des dépens;

(i) any conduct of a party that tended to shorten or unnecessarily lengthen the duration of the proceeding;

i) la conduite d’une partie qui a eu pour effet d’abréger ou de prolonger inutilement la durée de l’instance;

(j) the failure by a party to admit anything that should have been admitted or to serve a request to admit;

j) le défaut de la part d’une partie de signifier une demande visée à la règle 255 ou de reconnaître ce qui aurait dû être admis;

(k) whether any step in the proceeding was

k) la question de savoir si une mesure prise au cours de l’instance, selon le cas :

(i) improper, vexatious or unnecessary, or

(i) était inappropriée, vexatoire ou inutile,

(ii) taken through negligence, mistake or excessive caution;

(ii) a été entreprise de manière négligente, par erreur ou avec trop de circonspection;

(l) whether more than one set of costs should be allowed, where two or more parties were represented by different solicitors or were represented by the same solicitor but separated their defence unnecessarily;

l) la question de savoir si plus d’un mémoire de dépens devrait être accordé lorsque deux ou plusieurs parties sont représentées par différents avocats ou lorsque, étant représentées par le même avocat, elles ont scindé inutilement leur défense;

(m) whether two or more parties, represented by the same solicitor, initiated separate proceedings unnecessarily;

m) la question de savoir si deux ou plusieurs parties représentées par le même avocat ont engagé inutilement des instances distinctes;

(n) whether a party who was successful in an action exaggerated a claim, including a counterclaim or third party claim, to avoid the operation of rules 292 to 299;

n) la question de savoir si la partie qui a eu gain de cause dans une action a exagéré le montant de sa réclamation, notamment celle indiquée dans la demande reconventionnelle ou la mise en cause, pour éviter l’application des règles 292 à 299;

(n.1) whether the expense required to have an expert witness give evidence was justified given

n.1) la question de savoir si les dépenses engagées pour la déposition d’un témoin expert étaient justifiées compte tenu de l’un ou l’autre des facteurs suivants

(i) the nature of the litigation, its public significance and any need to clarify the law,

(ii) the number, complexity or technical nature of the issues in dispute, or

(iii) the amount in dispute in the proceeding; and

(o) any other matter that it considers relevant.

Tariff B

(4) The Court may fix all or part of any costs by reference to Tariff B and may award a lump sum in lieu of, or in addition to, any assessed costs.

Directions re assessment

(5) Where the Court orders that costs be assessed in accordance with Tariff B, the Court may direct that the assessment be performed under a specific column or combination of columns of the table to that Tariff.

Further discretion of Court

(6) Notwithstanding any other provision of these Rules, the Court may

(a) award or refuse costs in respect of a particular issue or step in a proceeding;

(b) award assessed costs or a percentage of assessed costs up to and including a specified step in a proceeding;

(i) la nature du litige, son importance pour le public et la nécessité de clarifier le droit,

(ii) le nombre, la complexité ou la nature technique des questions en litige,

(iii) la somme en litige;

o) toute autre question qu'elle juge pertinente.

Tarif B

(4) La Cour peut fixer tout ou partie des dépens en se reportant au tarif B et adjuger une somme globale au lieu ou en sus des dépens taxés.

Directives de la Cour

(5) Dans le cas où la Cour ordonne que les dépens soient taxés conformément au tarif B, elle peut donner des directives prescrivant que la taxation soit faite selon une colonne déterminée ou une combinaison de colonnes du tableau de ce tarif.

Autres pouvoirs discrétionnaires de la Cour

(6) Malgré toute autre disposition des présentes règles, la Cour peut :

a) adjuger ou refuser d'adjuger les dépens à l'égard d'une question litigieuse ou d'une procédure particulières;

b) adjuger l'ensemble ou un pourcentage des dépens taxés, jusqu'à une étape précise de l'instance;

(c) award all or part of costs on a solicitor-and-client basis; or

c) adjuger tout ou partie des dépens sur une base avocat-client;

(d) award costs against a successful party.

d) condamner aux dépens la partie qui obtient gain de cause.

Award and payment of costs

Adjudication et paiement des dépens

(7) Costs shall be awarded to the party who is entitled to receive the costs and not to the party's solicitor, but they may be paid to the party's solicitor in trust.

(7) Les dépens sont adjugés à la partie qui y a droit et non à son avocat, mais ils peuvent être payés en fiducie à celui-ci.

Costs of motion

Dépens de la requête

401 (1) The Court may award costs of a motion in an amount fixed by the Court.

401 (1) La Cour peut adjuger les dépens afférents à une requête selon le montant qu'elle fixe.

Costs payable forthwith

Paiement sans délai

(2) Where the Court is satisfied that a motion should not have been brought or opposed, the Court shall order that the costs of the motion be payable forthwith.

(2) Si la Cour est convaincue qu'une requête n'aurait pas dû être présentée ou contestée, elle ordonne que les dépens afférents à la requête soient payés sans délai.

Costs of discontinuance or abandonment

Dépens lors d'un désistement ou abandon

402 Unless otherwise ordered by the Court or agreed by the parties, a party against whom an action, application or appeal has been discontinued or against whom a motion has been abandoned is entitled to costs forthwith, which may be assessed and the payment of which may be enforced as if judgment for the amount of the costs had been given in favour of that party.

402 Sauf ordonnance contraire de la Cour ou entente entre les parties, lorsqu'une action, une demande ou un appel fait l'objet d'un désistement ou qu'une requête est abandonnée, la partie contre laquelle l'action, la demande ou l'appel a été engagé ou la requête présentée a droit aux dépens sans délai. Les dépens peuvent être taxés et le paiement peut en être poursuivi par exécution forcée comme s'ils avaient été adjugés par jugement rendu en faveur de la partie.

Motion for directions

Requête pour directives

403 (1) A party may request that directions be given to the assessment officer respecting any matter referred to in rule 400,

(a) by serving and filing a notice of motion within 30 days after judgment has been pronounced; or

(b) in a motion for judgment under subsection 394(2).

Motion after judgment

(2) A motion may be brought under paragraph (1)(a) whether or not the judgment included an order concerning costs.

Same judge or prothonotary

(3) A motion under paragraph (1)(a) shall be brought before the judge or prothonotary who signed the judgment.

403 (1) Une partie peut demander que des directives soient données à l'officier taxateur au sujet des questions visées à la règle 400 :

a) soit en signifiant et en déposant un avis de requête dans les 30 jours suivant le prononcé du jugement;

b) soit par voie de requête au moment de la présentation de la requête pour jugement selon le paragraphe 394(2).

Précisions

(2) La requête visée à l'alinéa (1)a) peut être présentée que le jugement comporte ou non une ordonnance sur les dépens.

Présentation de la requête

(3) La requête visée à l'alinéa (1)a) est présentée au juge ou au protonotaire qui a signé le jugement.

FEDERAL COURT

SOLICITORS OF RECORD

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