Date: 20070801

Docket: A-194-07

Citation: 2007 FCA 264

CORAM: **NADON J.A.**
SHARLOW J.A.
RYER J.A.

BETWEEN:

RATIOPHARM INC.

Appellant

and

WYETH, WYETH CANADA and THE MINISTER OF HEALTH

Respondents

Heard at Toronto, Ontario on June 25, 2007.

Judgment delivered at Ottawa, Ontario on August 1, 2007.

REASONS FOR JUDGMENT BY: SHARLOW J.A.

CONCURRED IN BY: NADON J.A.
RYER J.A.

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REASONS FOR JUDGMENT

SHARLOW J.A.

[1] Wyeth and Wyeth Canada (collectively, "Wyeth") have applied to the Federal Court for an order under the *Patented Medicines (Notice of Compliance) Regulations*, SOR/93-133 (the *NOC Regulations*) prohibiting the Minister of Health from issuing a notice of compliance (NOC) to Ratiopharm Inc. under the *Food and Drug Regulations*, C.R.C. c. 870, for venlafaxine hydrochloride extended release capsules until the expiry of Canadian Patent No. 2,199,778 (the 778 patent). The issue in this appeal is whether the prohibition application should be dismissed without a hearing on the merits on the basis that the 778 patent is not properly listed on the patent register maintained by the Minister under the *NOC Regulations*. For the following reasons, I have

concluded that the 778 patent is not properly listed and that the prohibition application should be dismissed.

[2] This case involves the relationship between the *NOC Regulations* and the *Food and Drug Regulations*. Before discussing the specific issues raised in the appeal and cross-appeal, I will outline the statutory framework. These reasons are set out under the following headings:

The *Food and Drug Regulations*

[3] A drug manufacturer who wishes to market a new drug in Canada (an “innovator”) is required by the *Food and Drug Regulations* to file a new drug submission (NDS) with the Minister.

The NDS must be accompanied by information that will enable the Minister to determine whether the new drug is safe and effective. Typically, the information filed in support of a NDS is voluminous and is obtained at considerable cost to the innovator.

[4] If the Minister is satisfied that the proposed new drug is safe and effective, permission to market the drug in Canada is granted in the form of a NOC stipulating among other things the medicinal ingredients, the brand name, the dosage form, the strengths, the route of administration, and the indicated uses of the drug. The Minister also approves a product monograph that gives medical professionals detailed information about the drug.

[5] The *Food and Drug Regulations* require a supplementary NDS (SNDS) to be filed if an innovator wishes to change almost anything about a drug for which a NOC has been issued. A SNDS is required if the proposed change relates to the drug itself or its use (for example, a change in the formulation, the dosage form, the strength, the indicated uses, or the method of administration), or involves a change in the name of the drug or the manufacturer, the packaging or the product monograph. Certain changes sought by means of a SNDS may require substantial information on the safety or effectiveness of the changed product which, like the initial information, may be voluminous and costly for the innovator to obtain. Other changes, such as a change of name, may require minimal supporting documentation.

[6] A SNDS that has implications for the safety or effectiveness of a drug is sometimes referred to as a “substantive” SNDS. A SNDS that does not have such implications (such as a change of

name) is sometimes referred to as an “administrative” SNDS. The distinction between a substantive SNDS and an administrative SNDS is important to the Minister in the administration of the *Food and Drug Regulations*, but is not particularly helpful in matters relating to the administration of the *NOC Regulations*. I will return to this point later in these reasons.

[7] If the Minister approves a change set out in a SNDS, a new NOC is issued. Generally, the new NOC is the instrument under which the innovator markets the drug once the changes are made. In that sense the new NOC reflects all prior approvals by the Minister.

[8] A drug manufacturer who wishes to market a generic version of an innovator’s drug for which a NOC has been issued may obtain its own NOC by filing an abbreviated NDS (ANDS) comparing its generic version to the innovator’s drug (the “Canadian reference product”). The description “abbreviated” is used because the safety and effectiveness requirements for the generic version are met if the Minister is satisfied that the generic version is equivalent to the Canadian reference product in specified respects. The production of satisfactory proof of equivalence may be complex and costly, but is generally less so than the production of the supporting information required of an innovator.

The *NOC Regulations*

[9] Prior to 1993, it was possible for a drug manufacturer to produce a generic version of a patented medicine and then compete with the innovator by taking advantage of the provisions in the *Patent Act*, R.S.C. 1985, c. P-4, for compulsory licensing. In 1993, Parliament determined that

medicinal patents warranted greater protection. To that end, a number of amendments were made to the *Patent Act*. Among the changes was the repeal of the provisions for compulsory licensing. The compulsory licensing provisions were replaced by the regime now in place, including section 55.2 of the *Patent Act* and the *NOC Regulations*.

[10] One objective of the new regime was to balance the enhanced statutory protection for medicinal patents with a provision that would permit generic drugs to be approved in time to compete with patented medicines as soon as possible after the expiry of the patent. That objective was addressed by the "early working exception" in subsection 55.2(1) of the *Patent Act*, which reads as follows:

55.2 (1) It is not an infringement of a patent for any person to make, construct, use or sell the patented invention solely for uses reasonably related to the development and submission of information required under any law of Canada, a province or a country other than Canada that regulates the manufacture, construction, use or sale of any product.	55.2 (1) Il n'y a pas contrefaçon de brevet lorsque l'utilisation, la fabrication, la construction ou la vente d'une invention brevetée se justifie dans la seule mesure nécessaire à la préparation et à la production du dossier d'information qu'oblige à fournir une loi fédérale, provinciale ou étrangère réglementant la fabrication, la construction, l'utilisation ou la vente d'un produit.

[11] But for this provision, a generic drug manufacturer seeking to produce a generic version of a patented medicine could be found to infringe a claim of the patent if it were to commence the regulatory approval process for the generic version before the patent expired. The early working exception is intended to ensure that a generic drug manufacturer will not infringe a patent if it makes use of the patented invention during the life of the patent to the extent necessary to file an ANDS in time to obtain a NOC upon expiry of the patent.

[12] To reduce the risk of abuse of the early working exception, the Governor in Council was empowered by subsection 55.2(4) of the *Patent Act* to make regulations. Subsection 55.2(4) reads as follows:

55.2 (4) The Governor in Council may make such regulations as the Governor in Council considers necessary for preventing the infringement of a patent by any person who makes, constructs, uses or sells a patented invention in accordance with subsection (1), including, without limiting the generality of the foregoing, regulations	55.2 (4) Afin d'empêcher la contrefaçon d'un brevet d'invention par l'utilisateur, le fabricant, le constructeur ou le vendeur d'une invention brevetée au sens du paragraphe (1), le gouverneur en conseil peut prendre des règlements, notamment :
(*a*) respecting the conditions that must be fulfilled before a notice, certificate, permit or other document concerning any product to which a patent may relate may be issued to a patentee or other person under any Act of Parliament that regulates the manufacture, construction, use or sale of that product, in addition to any conditions provided for by or under that Act;	*a*) fixant des conditions complémentaires nécessaires à la délivrance, en vertu de lois fédérales régissant l'exploitation, la fabrication, la construction ou la vente de produits sur lesquels porte un brevet, d'avis, de certificats, de permis ou de tout autre titre à quiconque n'est pas le breveté;
(*b*) respecting the earliest date on which a notice, certificate, permit or other document referred to in paragraph (*a*) that is issued or to be issued to a person other than the patentee may take effect and respecting the manner in which that date is to be determined;	*b*) concernant la première date, et la manière de la fixer, à laquelle un titre visé à l'alinéa *a*) peut être délivré à quelqu'un qui n'est pas le breveté et à laquelle elle peut prendre effet;
(*c*) governing the resolution of disputes between a patentee or former patentee and any person who applies for a notice, certificate, permit or other document referred to in paragraph (*a*) as to the date on which that notice, certificate, permit or other document may be issued or take effect;	*c*) concernant le règlement des litiges entre le breveté, ou l'ancien titulaire du brevet, et le demandeur d'un titre visé à l'alinéa a), quant à la date à laquelle le titre en question peut être délivré ou prendre effet;

(*d*) conferring rights of action in any court of competent jurisdiction with respect to any disputes referred to in paragraph (*c*) and respecting the remedies that may be sought in the court, the procedure of the court in the matter and the decisions and orders it may make; and	*d*) conférant des droits d'action devant tout tribunal compétent concernant les litiges visés à l'alinéa c), les conclusions qui peuvent être recherchées, la procédure devant ce tribunal et les décisions qui peuvent être rendues;
(*e*) generally governing the issue of a notice, certificate, permit or other document referred to in paragraph (*a*) in circumstances where the issue of that notice, certificate, permit or other document might result directly or indirectly in the infringement of a patent.	*e*) sur toute autre mesure concernant la délivrance d'un titre visé à l'alinéa a) lorsque celle-ci peut avoir pour effet la contrefaçon de brevet.

[13] In 1993 the Governor in Council, acting under the authority granted by subsection 55.2(4), enacted the *NOC Regulations*. The *NOC Regulations* place the Minister at the intersection of the *NOC Regulations* and the *Food and Drug Regulations* by requiring the Minister to maintain a public patent register.

[14] The patent register is the linchpin of the *NOC Regulations*. It is essentially a list of patents relating to any drug for which a NOC has been issued to an innovator. The listed patents are those that contain a claim for which the innovator seeks the advantages of the *NOC Regulations* in addition to the rights of a patent owner or licensee under the *Patent Act*.

[15] The operation of the patent register may be summarized as follows. An innovator who files a NDS may at the same time file a patent list in respect of the proposed new drug. The patent list is a form containing prescribed information about a patent. The filing of the patent list with the

Minister is the innovator's application to have the patent listed on the patent register in respect of the new drug once the NOC is issued.

[16] Under the version of the *NOC Regulations* in force prior to October 5, 2006, the patent list must identify the NDS to which it relates (that aspect of patent listing is discussed below under the heading "The eligibility of a patent for listing"). It must also identify:

a) the dosage form, strength and route of administration of the drug,

b) any Canadian patent for which a listing is sought, that is owned by or licensed to the drug manufacturer, and that contains a "claim for the medicine itself" or a "claim for the use of the medicine" (as defined in section 2 of the *NOC Regulations*); and

c) the expiry date of the patent.

(See subsections 4(2) and 4(5) of the *NOC Regulations* as in force before October 5, 2006. The requirements for the contents of a patent list have been changed by amendments to section 4 of the *NOC Regulations* made by SOR/2006-242. Those amendments are not relevant to this appeal because they apply only to patent lists filed on or after June 6, 2006.)

[17] When an innovator's drug is named as a Canadian reference product in an ANDS filed by a generic drug manufacturer, and a patent is listed in respect of the Canadian reference product, section 5 of the *NOC Regulations* requires the generic drug manufacturer to provide certain

information before the Minister may issue a NOC for the generic drug product. This is sometimes referred to as the obligation to "address" the listed patent or patents.

[18] A generic drug manufacturer may address a listed patent by stating that it is not seeking the issuance of a NOC for its generic version of the Canadian reference product prior to the expiry of the patent. Alternatively, the generic drug manufacturer may allege that the patent is not valid or that the patent will not be infringed by the making, constructing, using or selling of the generic drug product. If there is an allegation of invalidity or non-infringement, the generic drug manufacturer must serve the innovator with a notice of allegation (NOA) accompanied by a detailed statement of the factual and legal basis for the allegation.

[19] The innovator is not required to take any action in response to a NOA. However, if the innovator wishes to challenge an allegation of invalidity or non-infringement, subsection 6(1) of the *NOC Regulations* permits the innovator to apply to the Federal Court within 45 days for an order prohibiting the Minister from issuing a NOC for the generic product prior to the expiry of the patent.

[20] Once a prohibition application is commenced, the Minister is precluded by paragraph 7(1)(e) of the *NOC Regulations* from issuing a NOC to the generic drug producer for a period of 24 months. That period is subject to being shortened or lengthened by an order of the Federal Court, or it may be terminated early if the prohibition application is dismissed, withdrawn or discontinued. The automatic 24 month suspension of the drug approval process, sometimes called a "statutory stay", has been characterized as draconian because it functions as an interlocutory injunction that

comes into force without the patent holder being required to establish even a *prima facie* case of infringement: *Merck Frosst Canada Inc.* v. *Canada (Minister of National Health and Welfare)*, [1998] 2 S.C.R. 193, at paragraph 33 (per Justice Iacobucci, writing for the Court).

[21] One important aspect of the *NOC Regulations* is that a prohibition application cannot result in a final determination of the validity or infringement of a patent. The *NOC Regulations* operate in addition to the patent enforcement regime in the *Patent Act*. Regardless of the outcome of a prohibition application, the innovator has the right to sue a generic drug manufacturer for infringement, and a generic drug manufacturer has the right to impeach the patent. Nevertheless, the *NOC Regulations* spawn a great deal of litigation because the financial stakes are high, even in relation to what may amount to only a delay in the entry of a generic drug product into the market.

The eligibility of a patent for listing

[22] Pursuant to subsection 4(1) of the *NOC Regulations*, the right to have a patent listed on the patent register in respect of a certain drug may be exercised only by a drug manufacturer that has filed a NDS for that drug. That provision is enforced through subsection 4(5), which provides that a patent list must identify the NDS to which it relates and the date on which the NDS was filed. In addition, subsection 3(3) of the *NOC Regulations* provides that a patent cannot be listed until the NDS that is the basis for the listing application is approved by the Minister and a NOC is issued for the drug in response to that NDS. Thus, every patent listing is permanently tied to a specific NOC filed by the innovator and its originating NDS, as well as to the drug in respect of which the patent

is listed. For that reason, a particular patent listing may be identified as a listing “against” a certain NOC.

[23] There are time limits for applying for a patent listing. Pursuant to subsection 4(3) of the *NOC Regulations*, an application to list a patent must be made at the same time as the NDS on which it is based. By exception, subsection 4(4) of the *NOC Regulations* permits the listing of a patent issued after the filing of the NDS if two conditions are met. First, the patent application must have been filed before the NDS was filed. Second, the patent listing application must be filed within 30 days after the issuance of the patent.

[24] It was determined in *Apotex Inc. v. Canada (Minister of Health)* (1999), 87 C.P.R. (3d) 271 (F.C.), affirmed (2001), 11 C.P.R. (4th) 538 (F.C.A.), that the reference in section 4 of the *NOC Regulations* to a NDS includes a SNDS. Later cases refined that interpretation. It is now established that a SNDS may support a patent listing application only if the change reflected in the SNDS may be relevant to the potential infringement of a patent claim that is within the scope of the *NOC Regulations* (the jurisprudence is summarized at paragraphs 14 to 22 of *Hoffmann-La Roche Ltd. v. Canada (Minister of Health)*, 2006 FCA 335). Because of the time limits for patent listing applications, the question of whether a particular SNDS may support a patent listing is determined on the basis of the changes reflected in that SNDS, independently of any prior NOCs.

[25] The jurisprudence has not yet dealt with all possible scenarios for listing a patent on the basis of a SNDS, and I do not propose to attempt a comprehensive summary. Each case must be

determined on its own facts. For purposes of illustration, it is enough to note that, for example, a SNDS filed to reflect a change in the indicated use of a drug that contains a particular medicine may support the listing of a patent that contains a claim for that use of the medicine. On the other hand, a SNDS filed to reflect a change in the name of the drug or a change in the name of the drug manufacturer cannot support a patent listing.

[26] Some of the cases use the term “substantive” to describe the kind of change that must be reflected in a SNDS before it is capable of supporting a patent listing. In that context, “substantive” must be understood to refer to something substantive in relation to the patented invention or the patent claims. A SNDS that is properly characterized as “substantive” for the purposes of the *Food and Drug Regulations* (because it seeks a change that may have implications for the safety or effectiveness of the drug) will not necessarily be capable of supporting the listing of a patent. Similarly, evidence that a particular SNDS was costly to prepare and required a great deal of supporting information cannot by itself establish that the SNDS is capable of supporting a patent listing. On the other hand, evidence that a SNDS is properly characterized as an administrative SNDS for the purposes of the *Food and Drug Regulations* probably will indicate that it cannot support a patent listing.

[27] *AstraZeneca Canada Inc. v. Canada (Minister of Health)*, [2006] 2 S.C.R. 560, is also instructive on the issues raised in this appeal. In *AstraZeneca*, the Minister was found to have been correct to issue a NOC to a generic drug manufacturer for a copy of an innovator’s drug without requiring the generic drug manufacturer to address the patents listed in respect of the innovator’s

drug because, on the facts, the generic drug manufacturer could not possibly have taken advantage of the early working exception in subsection 55.2(1) of the *Patent Act*. To require the generic drug manufacturer to address the listed patents in those circumstances would have extended the reach of the *NOC Regulations* beyond their intended purpose. On that point, see also *Bristol-Myers Squibb Co. v. Canada (Attorney General)*, [2005] 1 S.C.R. 533.

[28] *AstraZeneca* may provide a basis for finding the *NOC Regulations* to be inapplicable in any situation where the early working exception is not in play. It does not follow, however, that where early working is established, the innovator must automatically be given the advantage of the *NOC Regulations*. That is because the *NOC Regulations* do not assist the innovator unless the patent is properly listed.

[29] This appeal deals with the propriety of a patent listing. The part of *AstraZeneca* that is most relevant to that issue is the part explaining that the listing of a patent on the basis of a SNDS requires a certain link between the change reflected in the SNDS, the NOC issued in response to that SNDS, and the patent sought to be listed. On this point I agree with the Judge (see paragraph 22 of his reasons).

[30] I also agree with the Judge that *AstraZeneca* reverses part of the reasoning for the decision of this Court in *Eli Lilly Canada Inc. v. Canada (Minister of Health)* (C.A.), [2003] 3 F.C. 140. The part of the *Eli Lilly* reasoning that cannot stand with *AstraZeneca* is the proposition that a patent

containing a claim for the medicine in a drug is listed generally against the drug, rather than against a specific NOC issued in response to the NDS or SNDS upon which the patent listing is based.

[31] The *Eli Lilly* case involved a dispute between the Minister and Eli Lilly, an innovator, as to whether a patent containing a claim for a lactose formulation of the medicine in Tazidime could be listed in respect of Tazidime even though Tazidime did not contain lactose. No generic drug manufacturer was a party to the proceeding, and there was no evidence of any actual use of the early working exception by anyone. This Court held that the patent should be listed. Following *AstraZeneca*, however, Eli Lilly would not have a sound basis for a prohibition application under the *NOC Regulations* if a generic drug manufacturer were to file a NDS comparing its generic version to Tazidime, because there will have been no early working of the patented invention. In those circumstances, a dismissal motion under paragraph 6(5)(a) of the *NOC Regulations* probably would succeed.

[32] On October 5, 2006, the *NOC Regulations* were amended to confirm the right of an innovator to list a new patent on the basis of a SNDS and to govern that right. Those amendments are not relevant to this case because they apply only to patent listing applications made on or after June 17, 2006 (SOR/2006-242, sections 2 and 6).

Motion to dismiss a prohibition application where the patent is not eligible for listing

[33] This Court has held that a generic drug manufacturer cannot, by means of an application for judicial review, obtain an order requiring the Minister to remove an improperly listed patent from

the patent register: *Apotex Inc. v. Canada (Minister of National Health and Welfare)* (2000), 3 C.P.R. (4th) 1 (F.C.A.). However, once a prohibition application is commenced, the *NOC Regulations* provide a means for removing an improperly listed patent from consideration in that application.

[34] Thus, a generic drug manufacturer initially may be required to address every patent listed in respect of the Canadian reference product to which the proposed generic version is compared, whether or not the patent is properly listed. If there is an allegation of invalidity or non-infringement, the NOA may lead to a prohibition application and the commencement of the automatic 24 month statutory stay. However, the generic drug manufacturer may move under paragraph 6(5)(a) of the *NOC Regulations* for an order dismissing the prohibition application entirely, or dismissing it in relation to the improperly listed patent or patents.

[35] Paragraph 6(5)(a) (as amended effective October 5, 2006 by SOR/2006-242) reads as follows:

6. (5) In a proceeding in respect of an application under subsection (1), the court may, on the motion of a second person, dismiss the application in whole or in part	6. (5) Lors de l'instance relative à la demande vise au paragraphe (1), le tribunal peut, sur requête de la seconde personne, rejeter tout or partie de la demande si, selon la case :
(a) in respect of those patents that are not eligible for inclusion on the register […].	a) les brevets en cause ne sont pas admissibles à l'inscription au registre […].

(The phrase "proceeding in respect of an application under subsection (1)" means a prohibition application; the "second person" is the generic drug manufacturer.)

[36] A motion under paragraph 6(5)(a) is not analogous to a motion for summary judgment or a motion to strike proceedings, and cannot be governed by the principle from *David Bull Laboratories (Canada) Inc. v. Pharmacia Inc.*, [1995] 1 F.C. 588 (F.C.A.) that an application normally will not be struck out on a motion before the hearing. The purpose of a paragraph 6(5)(a) motion is to remove from consideration in a prohibition application any patent or patents that should not have been listed. That purpose can be achieved only if the motion is made and dealt with prior to the hearing on the merits of the application.

The facts

[37] Wyeth is an innovator. In 1994, Wyeth obtained a NOC for a drug named Effexor in tablet form for use as an antidepressant. The medicinal ingredient in Effexor is venlafaxine hydrochloride. In 1996, Wyeth filed a SNDS to obtain a new NOC to change the dosage form of its venlafaxine hydrochloride drug to extended release capsules, to be marketed under the name Effexor XR. On February 16, 1998, the Minister issued Wyeth a NOC for Effexor XR. Wyeth says, and Ratiopharm does not dispute, that Effexor XR embodies one or more of the claims in the 778 patent.

[38] The 778 patent is owned by Wyeth. The patent application was filed on March 12, 1997 with a claimed priority date of March 25, 1996 based on a U.S. patent application. The patent was issued on December 20, 2005 and will expire 20 years after the filing date (section 44 of the *Patent Act*).

[39] Because Wyeth filed the SNDS for Effexor XR before filing the application for the 778 patent, Wyeth could not use that SNDS as the basis for an application to list the 778 patent in respect of Effexor XR. However, Wyeth succeeded in having the 778 patent listed in respect of Effexor XR on the basis of six other SNDSs that were filed later. The particulars of those listings are summarized as follows:

SNDS	**NOC Date**	**Description**
082937 February 21, 2003	March 14, 2003	Change in the name of the manufacturer
074443 October 10, 2001	June 13, 2003	New indication: Social phobia (social anxiety disorder)
088901 November 14, 2003	December 10, 2004	Description of clinical trial in the treatment of social anxiety disorder for up to six months
094252 September 22, 2004	September 1, 2005	New indication for the symptomatic relief of panic disorder
070529 August 9, 2000 (or March 1, 2001)	April 25, 2003	Revised indication: For maintenance treatment of major depressive disorder
083387 February 25, 2003	September 13, 2004	Updates to the product monograph re: nausea reduction

[40] Ratiopharm, a generic drug manufacturer, filed an ANDS for venlafaxine hydrochloride capsules using Effexor XR as the Canadian reference product. In a NOA dated December 23, 2005, Ratiopharm made allegations of invalidity and non-infringement in respect of the 778 patent. Wyeth then commenced a prohibition application under subsection 6(1) of the *NOC Regulations*. The only patent in issue in that proceeding is the 778 patent.

[41] On December 18, 2006, Ratiopharm filed a motion under paragraph 6(5)(a) of the *NOC Regulations* to dismiss the prohibition application on the basis that the 778 patent is not eligible for listing in respect of Effexor XR. The motion was heard on March 26, 2007. Wyeth conceded in the Federal Court that, on the basis of the *Hoffmann* line of cases referred to above, the 778 patent should not have been listed against the first NOC listed above (dated March 14, 2003). The other five listings remained in issue.

[42] The Judge found that the 778 patent was eligible for listing against the fifth and sixth NOCs listed above (dated April 25, 2003 and September 13, 2004), but not the second, third and fourth NOCs (dated June 13, 2003, December 10, 2004 and September 1, 2005).

[43] The Judge dismissed Ratiopharm's motion in an order dated March 29, 2007 (2007 FC 340) that reads as follows:

> For the Reasons given, THIS COURT ORDERS that**:**
>
> 1. The motion is dismissed in respect of EFFEXOR XR capsule NOCs issued April 25, 2003 and September 13, 2004;
>
> 2. The motion is granted in respect of such NOCs dated March 14, 2003; June 13, 2003; December 10, 2004 and September 1, 2005 and the Minister is directed to de-list Canadian Patent No. 2,199,778 in respect of those NOCs.
>
> 3. No order as to costs.

The appeal and cross-appeal

[44] Ratiopharm appeals the March 29, 2007 order on the basis that the Judge erred in finding that the SNDSs relating to the NOCs dated April 25, 2003 and September 13, 2004 are capable of supporting the listing of the 778 patent in respect of Effexor XR. Ratiopharm argues that the Judge should have granted its motion to dismiss the prohibition application. Wyeth argues that, as the Judge correctly found that the listing of the 778 patent is properly supported by at least one SNDS, the Judge was correct to permit the prohibition application to continue.

[45] Wyeth also cross-appeals on the basis that the Judge should have found that the 778 patent was validly listed against all of the NOCs listed above (except the NOC dated March 14, 2003).

[46] In addition, Wyeth argues in its cross-appeal that the Judge erred in ordering the Minister to de-list the 778 patent in relation to the NOCs dated March 14, 2003, June 13, 2003, December 10, 2004 and September 1, 2005. The Minister and Ratiopharm agree with Wyeth on that point.

The eligibility of the 778 patent for listing in respect of Effexor XR

[47] The motion of Ratiopharm under paragraph 6(5)(a) of the *NOC Regulations* requires a determination, for each SNDS upon which a listing was obtained, as to whether there is a sufficient link between the SNDS, the NOC that resulted from the SNDS, and the patented invention or the patent claims. My analysis of that question for each SNDS in issue in this case is set out below.

(1) NOC dated March 14, 2003

[48] Wyeth correctly conceded in the Federal Court that the listing against the NOC dated March 14, 2003 is improper because a SNDS for a change in the name of the manufacturer is not capable of supporting a patent listing.

(2) NOCs dated June 13, 2003, December 10, 2004 and September 1, 2005

[49] The Judge accepted uncontradicted evidence that there is nothing in the 778 patent that relates to the new indication for social phobia or social anxiety disorder, the description of a clinical trial in the treatment of social anxiety disorder, or the new indication for the symptomatic relief of social anxiety disorder (see paragraph 32 of his reasons). There is no basis for disturbing that finding. I agree with the Judge's conclusion that the 778 patent is not eligible for listing against the NOCs dated June 13, 2003, December 10, 2004 and September 1, 2005.

(3) NOCs dated April 25, 2003 and September 13, 2004

[50] The Judge concluded that the 778 patent was properly listed against the NOCs dated April 25, 2003 and September 13, 2004. He said at paragraph 38 of his reasons that, where there is a reasonable dispute as to the facts and opinions necessary to establish whether there is a sufficient relationship between a patent sought to be listed and the SNDS upon which it is based, the Federal Court should presume that the Minister has undertaken the factual deliberations mandated by the law and should defer to the Minister unless it is clear that there is no such relationship in fact.

[51] Paragraph 37 of the Judge's reasons explains how he assessed the factual elements of the Minister's decision to list the 778 patent. There he refers to paragraph 21 of *Abbott Laboratories v. Canada (Minister of Health)* (2004), 31 C.P.R. (4th) 321, which deals with the standard of review of a judicial decision as established by *Housen v. Nikolaisen*, [2002] 2 S.C.R. 235. The Judge considered himself obliged to apply that standard of review to the Minister's decision to list the 778 patent. As he could not conclude, with respect to the listing of the 778 patent against the April 25, 2003 NOC and the September 13, 2004 NOC, that the Minister had made a palpable and overriding factual error in finding the requisite relationship, he considered himself bound to conclude that the requisite relationship exists. On that basis he declined to find the patent ineligible for listing and dismissed the motion to dismiss the prohibition application.

[52] Ratiopharm argues that the Judge erred in law in deferring to the Minister's listing decisions rather than making his own determination as to whether the patent was eligible for listing. The Minister supports the argument of Ratiopharm on that issue.

[53] I agree with Ratiopharm and the Minister. In my view, the Judge erred in his interpretation of paragraph 6(5)(a) of the *NOC Regulations* and thus in his approach to Ratiopharm's motion in relation to the NOCs dated April 25, 2003 and September 13, 2004. Paragraph 6(5)(a) is quoted above but I repeat it here for ease of reference:

6. (5) In a proceeding in respect of an application under subsection (1), the court may, on the motion of a second person, dismiss the application in whole or in part	6. (5) Lors de l'instance relative à la demande vise au paragraphe (1), le tribunal peut, sur requête de la seconde personne, rejeter tout or partie de la demande si, selon la case :

(a) in respect of those patents that are not eligible for inclusion on the register […].	a) les brevets en cause ne sont pas admissibles à l'inscription au registre […].

[54] A motion under paragraph 6(5)(a) requires the Judge to determine, on the basis of the evidence presented in the motion, whether the patent in issue is eligible for listing. The evidence that the Minister took into account in deciding to permit the patent to be listed may or may not be the same as the record on the motion. The parties may or may not present to the Federal Court the evidence upon which the Minister acted, and they are free to present evidence that was not before the Minister. It is not correct to treat such a motion as analogous to a judicial review of the Minister's listing decision, much less as an appellate review as though the listing of the patent was the result of a judicial decision. In a motion under paragraph 6(5)(a), the fact that the Minister concluded that the patent was eligible for listing is not relevant.

[55] It follows that a motion under paragraph 6(5)(a) entails no standard of review. It is a judicial decision as to the sufficiency of the relationship between an innovator's application to list a particular patent and the NDS or SNDS upon which that application is based. Where, as in this case, the patent listing application was made before June 17, 2006, the eligibility for listing is governed by section 4 of the *NOC Regulations* as in force prior to October 5, 2006 and the relevant jurisprudence including (in this case) the line of cases culminating in the 2006 decision of this Court in *Hoffmann*, and the decision of the Supreme Court of Canada in *AstraZeneca*. If necessary, the patent claims must be construed as a question of law, informed as required by expert opinion as to the manner in which the patent would be read by persons skilled in the art.

[56] The factual elements of the motion must be decided on the basis of the normal standard of proof in civil matters, the balance of probabilities. As to the burden of proof, it lies where it normally does, on the party filing the motion (the generic drug manufacturer). However, to the extent that the respondent (the innovator) fails to produce relevant evidence that is under its sole control, there may be a basis for drawing an adverse inference.

[57] Given these conclusions, it is necessary to determine whether the motion should be returned to the Federal Court for reconsideration in relation to the NOCs dated April 25, 2003 and September 13, 2004, or whether the eligibility of the 778 patent for listing against those NOCs should be considered *de novo* by this Court. As the hearing of the prohibition application on the merits is scheduled for early September, it seems to me to be more efficient for this Court to deal with the issues.

[58] I note the submission of Wyeth that Ratiopharm, in the course of developing and filing its ANDS, has early worked the patented invention in the 778 patent, or in other words has made use of the patented invention in a manner that would infringe one or more of the patent claims but for subsection 55.2(1) of the *Patent Act*. I am prepared to assume without deciding that there was such early working, and therefore this is a case in which the *NOC Regulations* may apply. The outcome of this appeal will turn solely on the propriety of the listing of the 778 patent against the NOCs dated April 25, 2003 and September 13, 2004.

(3.A) Maintenance treatment

[59] The NOC dated April 25, 2003, was issued in response to a SNDS seeking a revised indication for the maintenance treatment of major depressive disorder. Claims 23 to 30 of the 778 patent contain claims for the use of the extended release formulation of venlafaxine hydrochloride for the treatment of major depressive disorder. Wyeth argues that maintenance treatment is a subset of treatment, and therefore claims 23 to 30 of the 778 patent should be interpreted as including claims for the maintenance treatment of major depressive disorder.

[60] Ratiopharm argues the contrary. Its argument is supported by the affidavit of Dr. Lon S. Schneider, a professor of psychiatry, who expresses the opinion that a clinical trial for the effective maintenance treatment of major depressive disorder requires 26 to 52 weeks. The disclosure in the 778 patent refers to clinical trials in relation to the treatment of major depressive disorder, but only for periods of 8 or 12 weeks. On that basis, Dr. Schneider opines that a person skilled in the art (a person that Dr. Schneider describes as a psychiatrist or physician) would not interpret the patent or any of its claims as relating to the use of the extended release formulation of venlafaxine hydrochloride in the maintenance treatment of major depressive disorder. The evidence of Dr. Schneider is not contradicted.

[61] It seems to me that in theory, if Dr. Schneider's construction of the patent claims is correct, there is no relevant connection between the 778 patent and the NOC issued April 25, 2003. The question, then, is whether to prefer Dr. Schneider's opinion to the argument of Wyeth, which asserts without the support of expert opinion that the word "treatment" in the use claims should be

interpreted to include “maintenance treatment”. I note that Wyeth, in responding to the motion of Ratiopharm, would have been served with the affidavit of Dr. Schneider and was aware of his opinion. Counsel for Wyeth cross-examined Dr. Schneider, but presented no evidence to contradict his interpretation of the patent claims. In these circumstances, I prefer the opinion of Dr. Schneider. I conclude that the 778 patent is not eligible for listing against the NOC issued April 25, 2003.

(3.B) Nausea reduction

[62] The NOC dated September 13, 2004, was issued in response to a SNDS seeking the Minister’s approval to add certain statements to the product monograph relating to nausea reduction, and also to change the permitted dosage. The Minister did not approve the dosage change but did approve the change to the product monograph.

[63] The NOC dated September 13, 2004 involves no change to the dosage form or formulation of Effexor XR, or to any indication for the use of Effexor XR. Effexor XR capsules and their use were the same before and after the issuance of the NOC on September 13, 2004. The only difference is that after September 13, 2004, Wyeth was permitted to say in the product monograph that Effexor XR extended release capsules are an improvement over Effexor because of the reduced incidence of nausea and vomiting.

[64] The changes to the product monograph that were permitted by the NOC dated September 13, 2004 appear in the product monograph dated September 7, 2004. The preceding monograph is dated June 4, 2003. Both are 100 pages long (not including the bibliography). Nausea is mentioned

in the product monograph dated June 4, 2003 at page 38 (Appeal Book, Volume 2, page 443), where nausea and vomiting are named as adverse reactions to Effexor (immediate release tablets) and nausea is named as an adverse reaction to Effexor XR (extended release capsules).

[65] In the product monograph dated September 7, 2004, the additions permitted by the NOC dated September 13, 2004 appear in the part of the product monograph entitled "Indications and Clinical Use". They consist of one sentence added to page 6 and two sentences added to page 11 of the product monograph.

[66] The sentence added to page 6 is part of a discussion under the heading "Multiple-Dose Pharmacokinetic Profile (Immediate Release Tablets and Extended Release Capsules)". Two of the nine paragraphs in that section compare immediate release tablets and extended release capsules. Those two paragraphs are quoted below. The sentence added pursuant to the NOC dated September 13, 2004 is underlined (Appeal Book Volume 2, page 304):

> When equal daily doses of venlafaxine were administered as either an immediate release tablet or an extended release tablet, the exposure (AUC, area under the concentration curve) to both venlafaxine and ODV [O-desmethylvenlafaxine, the only major active metabolite] was similar for the two treatments, and the fluctuation in plasma concentrations was slightly lower following treatment with the extended release capsule. Therefore, the Effexor XR capsule provide a slower rate of absorption, but the same extent of absorption (i.e., AUC), as the venlafaxine immediate release tablet.
>
> <u>Results of testing in healthy volunteers demonstrated differences in the gastrointestinal tolerability of different formulations of venlafaxine. Data from healthy volunteers showed reduced incidence and severity of nausea with Effexor XR Capsules, compared with immediate release tablets.</u>

[67] The second change appears in the section of the product monograph dealing with clinical trials, under the heading “Depression”. Two of the subheadings under “Depression” are “Venlafaxine Immediate Release Tablet Formulation” and “Effexor XR Capsules (Extended Release)”. There is no mention of nausea under the first subheading. Under the second subheading there is a paragraph describing a certain clinical trial. That paragraph is quoted below. The two sentences added by the NOC dated September 13, 2004 are underlined (Appeal Book Volume 2, page 309).

> In the 12-week study comparing immediate release tablets with Effexor XR capsules, once daily, Effexor XR was significantly more effective at weeks 8 and 12, compared with immediate release tablets given twice daily for treating major depression. Analysis of safety data from this trial showed that the incidence of treatment-emergent nausea and nausea severity over time were lower with Effexor XR than with immediate release tablets. Additionally, the incidence of vomiting was lower with Effexor XR than with immediate release tablets.

[68] Wyeth submitted evidence suggesting that the SNDS requesting these changes to the product monograph was substantive and not administrative. That evidence relates to the characterization of the SNDS for the purposes of the *Food and Drug Regulations*. As explained above, the fact that a SNDS is substantive in the sense that it may have implications for the safety or effectiveness of the drug (or, as in this case, that it may require the Minister to assess the reliability of a representation proposed to be made in a product monograph) says nothing about whether the SNDS is one that can support a patent listing.

[69] Ratiopharm's challenge to this listing is based on the fact that the NOC changes only the representations about Effexor XR, without any change to Effexor XR itself. The argument of Wyeth is that the 778 patent contains claims for the use of an extended release formulation of venlafaxine hydrochloride for the treatment of depression with diminished levels of nausea and emesis, so that the subject matter of the SNDS seeking the changes to the product monograph is part of the patent claims.

[70] I do not find Wyeth's argument persuasive because it is premised on a particular construction of the patent claims that has no foundation in the evidentiary record except the patent itself. I am not prepared to conclude, on the basis of my own reading of the patent, that nausea reduction is intended to be an element of the claimed use of venlafaxine hydrochloride extended release capsules. A literal reading of the patent claims (which is all the record permits) suggests that the reference to nausea reduction is merely descriptive of the effect of the extended release of venlafaxine hydrochloride in the body. For that reason, I am unable to accept the argument of Wyeth that the SNDS dated February 25, 2003 supports the listing of the 778 patent. I conclude that the 778 patent is not eligible for listing against the NOC dated September 13, 2004.

(4) Conclusion on the eligibility of the 778 patent for listing

[71] In summary, I conclude that none of the SNDSs upon which Wyeth relied to list the 778 patent were capable of supporting the listing. It follows that Ratiopharm's motion under paragraph 6(5)(a) of the *NOC Regulations* should have been allowed and Wyeth's prohibition application should have been dismissed.

The order to de-list the 778 patent

[72] Wyeth argues, and the Minister and Ratiopharm agree, that the March 29, 2007 order should be set aside in so far as it requires the Minister to de-list the 778 patent in relation to four NOCs. The de-listing order refers to the listing that Wyeth concedes was improper, and the three additional listings that the Judge found to be improper.

[73] It is not difficult to understand why the Judge ordered the de-listing. Having found certain of the listings to be improper (indeed, the impropriety of one listing was conceded by Wyeth), it is difficult to see why it would not follow, as night follows day, that the improper listings should be removed.

[74] In my view, the reason why that remedy cannot follow in this case is a matter of procedure. The motion of Ratiopharm did not seek an order directing the Minister to remove the 778 patent from the patent register. Wyeth and the Minister were not given notice that the Judge was considering making that order and had no opportunity to make submissions on whether or not the order should be made. For that reason only, the portion of the Federal Court order that requires the Minister to de-list the 778 patent should be set aside.

[75] I express no opinion on the question of whether it would have been open to Ratiopharm to seek such an order in its motion under paragraph 6(5)(a) of the *NOC Regulations*. I would note, however, that Ratiopharm may have no further interest in whether the 778 remains listed. Its motion to dismiss the prohibition application was made (and could have been made) only after Ratiopharm

had served Wyeth with a NOA setting out its allegations of invalidity and non-infringement. The continued listing of the 778 patent might represent a future disadvantage to other generic drug manufacturers, but not to Ratiopharm.

[76] I would add that the Minister has the discretion under section 3 of the *NOC Regulations* to remove any improperly listed patent from the register. That discretion is not limited by these proceedings or by anything in these reasons.

Disposition of appeal

[77] For these reasons, I would allow the appeal, set aside the March 29, 2007 order, and grant the motion of Ratiopharm to dismiss the prohibition application. I would allow the cross-appeal only in relation to the portion of the order that orders the de-listing of the 778 patent. As between Ratiopharm and Wyeth, the costs of the appeal and the cross-appeal should be borne by Wyeth. I would award no costs to or against the Minister.

"K. Sharlow"

J.A.

"I agree
M. Nadon J.A."

"I agree
Michael C. Ryer J.A."

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET:	A-194-07
(APPEAL FROM AN ORDER OF THE HONOURABLE MR. JUSTICE HUGHES DATED MARCH 29, 2007, NO. T-243-06)	
STYLE OF CAUSE:	Ratiopharm Inc. v. Wyeth, Wyeth Canada and The Minister of Health
PLACE OF HEARING:	Toronto, Ontario
DATE OF HEARING:	June 25, 2007
REASONS FOR JUDGMENT BY:	Sharlow J.A.
CONCURRED IN BY:	Nadon J.A. Ryer J.A.
DATED:	August 1, 2007

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