

Federal Court of Appeal



Cour d'appel fédérale

Date: 20130311

Docket: A-187-12

Citation: 2013 FCA 77

**CORAM: BLAIS C.J.
SHARLOW J.A.
STRATAS J.A.**

BETWEEN:

ASTRAZENECA CANADA INC.

Appellant

and

APOTEX INC.

Respondent

Heard at Toronto, Ontario, on March 11, 2013.

Judgment delivered from the Bench at Toronto, Ontario, on March 11, 2013.

REASONS FOR JUDGMENT OF THE COURT BY:

SHARLOW J.A.

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REASONS FOR JUDGMENT OF THE COURT
(Delivered from the Bench at Toronto, Ontario, on March 11, 2013)

SHARLOW J.A.

[1] Astrazeneca Canada Inc. is appealing the judgment of Justice Hughes dated May 11, 2012 (2012 FC 559). The judgment was made in an application by Apotex Inc. for damages under section 8 of the *Patented Medicines (Notice of Compliance) Regulations*, SOR/93-133. After a lengthy hearing, Justice Hughes resolved a number of legal issues before ordering the matter to proceed to the assessment stage. In this appeal, Astrazeneca is challenging only two of the conclusions reached

by Justice Hughes. After considering the written submissions of the parties and the oral submissions of Astrazeneca on those two issues, we have concluded that this appeal should be dismissed.

[2] Justice Hughes stated the facts in detail in his reasons, and they need not be repeated. It is sufficient to set out the two questions that Astrazeneca believes were incorrectly answered by Justice Hughes. They are:

1. Is it relevant to the section 8 claim that Astrazeneca has sued Apotex for infringement of the patent in issue and the infringement trial has not yet been completed?
2. Is it relevant to the section 8 claim that during the period in respect of which section 8 damages are claimed, Apotex intended to manufacture its product at a manufacturing site other than the one mentioned in its then pending regulatory submission?

[3] Justice Hughes concluded that in the circumstances of this case, the answer to both questions is no.

[4] The first question arose when Astrazeneca asked Justice Hughes to delay the determination of section 8 damages in this case because its claim against Apotex for damages for infringement has not yet been determined. We note the jurisprudence to the effect that in assessing section 8 damages, the judge has the discretion under subsection 8(5) to reduce the damages based on an

argument of *ex turpi causa* which could include an infringement claim (*Apotex Inc. v. Merck & Co. Inc.*, 2011 FCA 364, at paragraphs 36 to 38). In this case, however, there has been no judicial determination that Apotex has infringed the patent, or would have done so but for the mandatory statutory stay during the prohibition proceedings.

[5] Justice Hughes had the discretion to refuse the request of Astrazeneca to delay the proceedings, and he did so. We have not been persuaded that the record discloses any basis upon which this Court should intervene.

[6] The fundamental reason for Justice Hughes' decision on this point is stated as follows at paragraph 148 of his reasons:

A Court hearing the pending infringement action, if it concludes that the patent is valid and has been infringed by Apotex in making the omeprazole drug that is the subject of these proceedings, can at that time craft a remedy that is appropriate, having in mind any compensation awarded in these proceedings.

[7] We agree with this statement. It will be for the judge trying the infringement action to ensure that overall, taking both proceedings together, a party is compensated for its provable loss, if any, on proper principles, no more and no less.

[8] As to the second question, the answer turns on the factual findings of Justice Hughes. He found that during the period relevant to the claim for section 8 damages, Apotex could have manufactured its product at either of its two manufacturing facilities, and that nothing in the applicable regulatory regime would have precluded it from doing so. Those findings of fact were

reasonably open to Justice Hughes on the evidence before him. Again, the record discloses no basis for the intervention of this Court.

[9] For these reasons, the appeal will be dismissed with costs.

“K. Sharlow”

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET: A-187-12

APPEAL FROM A JUDGMENT OF THE HONOURABLE MR. JUSTICE HUGHES OF THE FEDERAL COURT DATED MAY 11, 2012 IN DOCKET NO. T-2300-05.

STYLE OF CAUSE: ASTRAZENECA CANADA INC. v.
APOTEX INC.

PLACE OF HEARING: TORONTO, ONTARIO

DATE OF HEARING: MARCH 11, 2013

REASONS FOR JUDGMENT OF THE COURT BY: (BLAIS C.J., SHARLOW J.A. AND
STRATAS J.A.)

DELIVERED FROM THE BENCH BY: SHARLOW J.A.

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