Federal Court of Appeal | Cour d'appel fédérale

Date: 20210629

Docket: A-238-20

Citation: 2021 FCA 129

Present: **RENNIE J.A.**

BETWEEN:

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

Appellants

and

TEVA CANADA LIMITED

Respondent

Dealt with in writing without appearance of parties.

Order delivered at Ottawa, Ontario, on June 29, 2021.

REASONS FOR ORDER BY: RENNIE J.A.

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REASONS FOR ORDER

RENNIE J.A.

[1] The respondent Teva Canada Limited moves for an order precluding the appellants Eli Lilly Canada Inc., Eli Lilly and Company, Lilly Del Caribe, Inc., Lilly, S.A., and ICOS Corporation from referring to UK 1,404,340 Patent (UK patent) in their memorandum of fact and

law, including the UK patent in the joint book of authorities or placing the UK patent before the panel hearing the appeal.

[2] The appellants refer to the UK patent in their Memorandum of Fact and Law as follows:

> 33. In *Sanofi*, Rothstein J. quoted with approval a UK House of Lord's decision "*Witsipe's*", in which novelty was established because the patent at issue was a selection patent, despite not identifying the genus patent in the specification.[32]
>
> [32] *Sanofi* at ¶¶31-32; *Du Pont de Nemours (Witsiepe's) Application* [1982] FSR 303, HL; UK 1,404,340 Patent. [Emphasis added]

[3] The respondent contends that the UK patent is not an "authority" pursuant to Rules 348(1) and 70(1)*(e)* of the *Federal Courts Rules*, S.O.R./98-106 or a "regulation" pursuant to subsections 2(1), 3(1), and 35(1) of the *Interpretation Act*, R.S.C. 1985, c. I-21. It asserts that the UK patent constitutes evidence that was not before the Federal Court and can only be presented to this Court on a motion for fresh evidence pursuant to Rule 351 of the *Federal Courts Rules*.

[4] In response, the appellants argue that reference to the UK patent is permitted because the patent was cited in a House of Lord's decision quoted by the Supreme Court of Canada. Consequently, the patent is "an authority" within the meaning of the *Federal Courts Rules*. The UK patent also provides context to the comments made in the House of Lord's decision and informs, for the benefit of the panel of this Court that hears the appeal, the understanding of *Apotex Inc. v. Sanofi-Synthelabo Canada Inc.*, 2008 SCC 61, [2008] 3 S.C.R. 265 (*Sanofi*) and its application to the case at bar. Further, no motion to adduce fresh evidence on appeal is required as the use of the UK patent relates to a question of law, not a question of fact. In the alternative, the appellants contend that the question of admissibility of the patent is a matter

better left to the hearing panel (*Eli Lilly Canada Inc. v. Novopharm Limited*, 2010 FCA 130, 2010 CarswellNat 1424 at para. 10 (*Novopharm*)).

[5] I will address the latter argument first.

[6] This motion concerns a disputed reference to a single patent. It is preferable to settle the question at this early stage on a motion informed by thorough written arguments than it would be at the hearing of the appeal. Addressing it now also allows the parties to prepare for the appeal on a certain playing field. No date has yet been fixed for the hearing of the appeal, allowing the parties time to amend and re-file their materials if necessary. These factors weigh in favour of disposing of the issue at this point in time. *Novopharm*, relied on by the appellants, does not assist. In that case the Court deferred the admissibility of the foreign patent to the panel as the hearing was imminent. As I have mentioned, no date has been set for the hearing of this appeal.

[7] Turning to the substance of the motion, direct reference to the UK patent is not permitted. I say this for three reasons.

[8] First, the appellants rely on the UK patent to demonstrate that the House of Lords decision cited by the Supreme Court of Canada in *Sanofi* involved a selection patent that did not explicitly reference the genus patent in its specification. In doing so, the appellants are asking this Court to accept that which was admitted as evidence at the first instance court in the UK and reach our own conclusions on that evidence.

[9] The UK patent was admitted in evidence in the Patents Court. Although its construction and interpretation was a question of law in that court, the patent itself remained "evidence" throughout the proceedings in the UK. A patent does not metamorphose from evidence into law or jurisprudence simply by reason of the fact that it is construed by a court. This conclusion, based as it is on principles of evidence, is also consistent with Parliament's direction as to the use of foreign patents in Canadian courts. Section 14 of the *Patent Act*, R.S.C. 1985, c. P-4 states that "a patent granted in any other country" can only be "admitted into evidence" by way of a certified copy. The UK patent was evidence in the UK courts. It is evidence in the Canadian courts.

[10] The point of law for which a case stands is no greater than the facts on which it is based. The appellants' argument obscures this principle. To understand the ratio of a case, a court necessarily looks to the facts on which it is predicated. The proposition is not novel – it is as old as the hills – and Lord Halsbury's articulation of it 120 years ago is as true today as it was then (*Quinn v. Leathem*, [1901] A.C. (H.L.) 495 at page 81):

> […] every judgment must be read as applicable to the particular facts proved or assumed to be proved, since the generality of the expressions which may be found there are not intended to be expositions of the whole law, but are governed and qualified by the particular facts of the case in which such expressions are to be found. The other is that a case is only authority for what it actually decides.

[11] On the appellants' argument, the distinction between facts and law is lost. Evidence and law are merged and the line between the facts on which the case is based, as opposed to the principle of law for which it stands, is blurred.

[12] Second, Rules 70(1)*(e)* and 348(1) of the *Federal Courts Rules* requires parties to provide a list of "authorities". Authorities are statutes, jurisprudence and other legal writings that set out or explain laws or legal principles (*AstraZeneca Canada Inc. v. Apotex Inc.*, 2003 FCA 487, [2004] 2 F.C.R. 364 at paras. 6-11). A patent is none of these. While the UK patent may inform the result that the House of Lords reached, it does not explain the law or a legal principle. Even when dealing with legislative facts, which may also provide helpful context, courts are cautious to ensure that something which is evidence should be subject to the rigors of proof and not be brought in through the backdoor (see, *e.g.*, *Public School Boards' Assn. (Alberta) v. Alberta (Attorney General)*, 2000 SCC 2, [2000] 1 S.C.R. 44).

[13] Finally, the appellants counter that as the UK patent is issued under letters patent, it is a regulation, and as a regulation, it qualifies as an authority. This argument fails. Although subsection 2(1) of the *Interpretation Act* defines a "regulation" to include "letters patent", that definition is restricted to Canadian patents.

[14] Section 2 of the *Interpretation Act* defines "regulation" to include "letters patent […] made or established (a) in the execution of a power conferred by or under the authority of an Act, or (b) by or under the authority of the Governor in Council." As the respondent points out, an "Act", as defined in the *Interpretation Act*, "means an Act of Parliament", not legislation of a foreign country, to which I would add that "Governor in Council", as defined in the *Interpretation Act*, "means the Governor General of Canada," and not the Sovereign sitting with his or her ministers, theoretically, in Westminster.

[15] In sum, a foreign patent does not fit within the definition of “authority” recognised by this Court.

[16] I have three observations in closing.

[17] First, the UK patent was not admitted as evidence at trial in the Federal Court; consequently, the appellants must move to have it admitted as fresh evidence on appeal pursuant to Rule 351. I do not have a Rule 351 motion before me and make no comment on its merits should one be brought.

[18] My second observation is that, as a practical matter, the appellants are free to read or draw to the attention of the panel hearing the appeal all or any of the portions of the decisions of the UK courts that it considers necessary to advance their position. This would include any portions of the UK patent referred to in the UK decisions.

[19] The third point is equally obvious. The panel hearing this appeal has full discretion to determine how the appeal before it proceeds, including the power to allow evidence, fresh or otherwise, with or without a formal motion and to receive any document that it considers helpful in its deliberation. A decision of a panel of this Court has precedence over that of a single judge sitting as a motions judge *(Sport Maska Inc. v. Bauer Hockey Corp.*, 2016 FCA 44, [2016] 4 F.C.R. 3 at para. 37; *Apotex Inc. v. Canada (Health)*, 2017 FCA 160, 36 Admin. L.R. (6th) 110 at para. 16). For that reason, I decline to grant the respondent’s request that the appellants be precluded from placing the patent before the panel.

[20] I would therefore grant the motion in part. As both the appellants and respondent requested costs in the amount of $5,000.00 if successful, costs are fixed at $5,000.00.

"Donald J. Rennie"

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET:	A-238-20
STYLE OF CAUSE:	ELI LILLY CANADA INC., ELI LILLY AND COMPANY, LILLY DEL CARIBE, INC., LILLY, S.A. AND ICOS CORPORATION v. TEVA CANADA LIMITED

DEALT WITH IN WRITING WITHOUT APPEARANCE OF PARTIES

REASONS FOR ORDER BY:	RENNIE J.A.
DATED:	JUNE 29, 2021

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