

Federal Court of Appeal



Cour d'appel fédérale

Date: 20230119

Docket: A-205-22

Citation: 2023 FCA 11

Present: GLEASON J.A.

BETWEEN:

PHARMASCIENCE INC.

Appellant

and

**JANSSEN INC. and JANSSEN
PHARMACEUTICA N.V.**

Respondents

Dealt with in writing without appearance of parties.

Order delivered at Ottawa, Ontario, on January 19, 2023.

REASONS FOR ORDER BY:

GLEASON J.A.

Federal Court of Appeal



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REASONS FOR ORDER

GLEASON J.A.

[1] I have before me a motion brought by the appellant (Pharmascience) to settle the contents of the appeal book in the context of an appeal from the judgment of the Federal Court in *Janssen Inc. v. Pharmascience Inc.*, 2022 FC 1218, [2022] F.C.J. No. 1233 (QL), in which the Federal Court held that one of the patents of the respondents (whom I collectively term Janssen) was not invalid (the Validity Judgment).

[2] This motion arises in somewhat unusual circumstances.

[3] The Federal Court had before it an action brought by Janssen under the *Patented Medicines (Notice of Compliance) Regulations*, S.O.R./93-133. The Federal Court bifurcated the issues of infringement and validity and decided them in separate judgments. Both determinations were made by Justice Manson.

[4] The infringement issue was decided first, following a motion for summary trial on the infringement issue brought by Pharmascience. All the evidence in that matter was in writing. The Federal Court dismissed Pharmascience's motion for summary trial in *Janssen Inc. v. Pharmascience Inc.*, 2022 FC 62, 190 C.P.R. (4th) 1 (the Infringement Summary Trial Judgment), finding that Pharmascience had infringed Janssen's patent.

[5] Pharmascience has appealed the Infringement Summary Trial Judgment to this Court in Court File No. A-69-22. That appeal has been perfected and is awaiting scheduling.

[6] Counsel representing Pharmascience in Court File No. A-69-22 have requested that such appeal be heard by the same panel immediately before or after the appeal in Court File No: A-36-22, which is a similar appeal brought by Apotex Inc. from another similar judgment issued by Justice Manson in respect of the same patent in *Janssen Inc. v. Apotex Inc.*, 2022 FC 107, 190 C.P.R. (4th) 96, in which he reached a similar conclusion on infringement in the case of Apotex.

[7] In this appeal, Janssen alleges that Pharmascience is taking inconsistent positions in its Notice of Appeal on the issue of the construction of certain claims in the patent in suit from those taken by Pharmascience during the infringement summary trial before the Federal Court and on the appeal of the Infringement Summary Trial Judgment. Janssen says that it needs to file additional materials to demonstrate this inconsistency.

[8] More specifically, Janssen seeks to file the following materials in this appeal, which are contested by Pharmascience:

- (a) the public and confidential versions of the Infringement Summary Judgment and Reasons for Judgment;
- (b) the evidence that was before the Federal Court in respect of the summary trial motion brought by Pharmascience in the underlying action between Janssen and Pharmascience;
- (c) Pharmascience's Confidential Memorandum of Fact and Law filed before the Federal Court on the summary trial motion brought by Pharmascience in the underlying action in the present case;
- (d) the confidential transcript of the hearing before Justice Manson in the summary trial motion in the underlying action in the present case. The transcript consists only of the parties' arguments and the comments made by Justice Mason as there was no *viva voce* evidence;

- (e) the confidential DARS recording of the hearing before Justice Manson in the summary trial motion brought by Pharmascience in the underlying action in the present case; and
- (f) Pharmascience's Confidential Memorandum of Fact and Law filed in Federal Court of Appeal File No. A-69-22 in respect of Pharmascience's appeal of the Infringement Summary Trial Judgment.

[9] Pharmascience submits that none of the foregoing materials should be filed because they were not before Justice Manson on the trial of the validity issues. It also contests that it has changed its position on the issue of the construction of claims in the patent in suit. It further says that Janssen should have brought a motion under Rule 351 of the *Federal Courts Rules*, S.O.R./98-106 to have these materials added to the appeal book, but has not done so. In the absence of such a motion, Pharmascience submits that the appeal book should only contain the materials it has agreed should be included.

[10] This final point may be summarily dismissed. In my view, in the circumstances of this motion, it would be unduly formalistic to require Janssen to bring a motion under Rule 351. Pharmascience is fully aware of Janssen's position on the contents of the appeal book, and I have before me all the materials required to settle its contents. Moreover, those of the items in dispute that were before the Federal Court in the summary trial are not really fresh. They were before Justice Manson in the context of the same action that gives rise to this appeal.

[11] In many, if not most, cases, the issues of infringement and validity would not have been bifurcated, and this Court would have access to the relevant evidence pertaining to both the issues of infringement and validity on appeal. It is only because Pharmascience chose to bring its unsuccessful summary trial motion that the evidentiary record before this Court in respect of the validity issues might be different.

[12] Thus, I conclude that the fact that Janssen has not brought a motion under Rule 351 is of no moment.

[13] Turning to the merits of Janssen's position, while Pharmascience is correct in asserting that, generally speaking, the materials before this Court on an appeal should be limited to those that were before the court below and normally should not include the parties' arguments, additional materials may be put before this Court where "[...] the opposing party has a reasonable basis for believing that it may wish to rely on [them] to support one of its argument on appeal" as Justice Sharlow noted in *Bojangles' International, LLC v. Bojangles Café Ltd.*, 2006 FCA 291 at para. 6, 55 C.P.R. (4th) 192. Further, where they are relevant to an issue on appeal, the arguments before the court below may be placed before this Court in the appeal: *McBride v. Canada (National Defence)*, 2008 FCA 111 at paras. 3–4, 166 A.C.W.S. (3d) 7.

[14] I have determined that circumstances exist here that would allow for the filing of all but one of the materials that Janssen seeks to include. The issue of the proper construction of certain claims in the patent in suit arises in this appeal in light of the issues outlined by Pharmascience in

its Notice of Appeal. This Court should know if Pharmascience is taking inconsistent positions on construction.

[15] As correctly noted by Janssen, the same construction of a patent applies for purposes of both infringement and validity (*Whirlpool Corp. v. Camco Inc.*, 2000 SCC 67 at paras. 43, 49(b), [2000] 2 S.C.R. 1067; *Free World Trust v. Électro Santé Inc.*, 2000 SCC 66 at para. 19, [2000] 2 S.C.R. 1024). If Pharmascience has taken or will take contradictory positions on the issues related to the construction of the patent in suit in this appeal as opposed to what it asserted in respect of the infringement issues, there may well be an impact on the availability of certain arguments to Pharmascience and on the merits of those arguments in this appeal.

[16] While it is not possible at this stage to definitively conclude whether Pharmascience has taken or will take inconsistent positions as it has yet to file its memorandum of fact and law, the issues set out in the Notice of Appeal as compared to positions taken by Pharmascience in the summary trial do raise a real possibility of such inconsistency. In the circumstances of this appeal, I believe such possibility is sufficient to allow for the filing of most of the materials in dispute as Janssen has established that it has a reasonable basis for determining that it may wish to rely on them.

[17] At this stage, it is not necessary for me to be convinced as to the success of the arguments on inconsistency that Janssen intends to make. That is a matter for the panel seized with the appeal to decide. I need only be convinced that the materials Janssen wishes added to the appeal book are relevant to arguments that Janssen indicates it likely will make.

[18] I am so convinced with respect to all but one of the items that Janssen wishes to include in the appeal book. In short, it would be hard, if not impossible, for Janssen to establish an inconsistency without evidence of the positions previously taken by Pharmascience.

[19] The final determination of the utility and relevance of the materials Janssen wishes to include in the appeal book will be made by the panel hearing the appeal. If it turns out that Janssen has been overly zealous and included materials that are unnecessary to its arguments, this could be addressed by that panel as part of its costs award.

[20] The one exception to granting Janssen's request for additional documents beyond those agreed to by Pharmascience involves the confidential DARS recording. In my view, the confidential DARS recording is superfluous because it is duplicative of the confidential transcript of the hearing. It is therefore unnecessary.

[21] The contents of the appeal book will accordingly be as proposed by Janssen, with the exception of the confidential DARS recording. Those of the additional materials that are subject to this Court's Confidentiality Order of December 6, 2022 shall be included in the confidential version of the appeal book.

[22] While Janssen has sought its costs in respect of this motion and was largely successful, I believe it appropriate to award that they be in the cause because the panel hearing the appeal will finally determine whether the additional documents Janssen seeks to include were in fact necessary.

[23] Finally, it seems that it might be sensible if this appeal were to be heard by the same panel either immediately before or after that in A-69-22 and, possibly, also the appeal in A-36-22. At least some of the counsel in the latter file are the same as those who represent Pharmascience in this appeal.

[24] I will accordingly issue a Direction, requesting the parties and Apotex Inc. to advise the Court, via letter addressed to the Judicial Administrator, within 30 days of the date of these Reasons, as to whether it would be more expeditious, save resources and be fair to their clients if some or all of these three appeals were to be heard by the same panel, on the same date(s), one after the other.

"Mary J.L. Gleason"

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET: A-205-22
STYLE OF CAUSE: PHARMASCIENCE INC. v.
JANSSEN INC. and JANSSEN
PHARMACEUTICA N.V.

MOTION DEALT WITH IN WRITING WITHOUT APPEARANCE OF PARTIES

REASONS FOR ORDER BY: GLEASON J.A.

DATED: JANUARY 19, 2023

WRITTEN REPRESENTATIONS BY:

H.B. Radomski FOR THE APPELLANT
Andrew Brodkin
Daniel Cappe

Peter Wilcox FOR THE RESPONDENTS
Marian Wolanski
Megan Pocalyuko

SOLICITORS OF RECORD:

Goodmans LLP FOR THE APPELLANT
Barristers and Solicitors
Toronto, Ontario

Belmore Neidrauer LLP FOR THE RESPONDENTS
Toronto, Ontario