

R IP UPDATE

CANADIAN PHARMACEUTICAL INTELLECTUAL PROPERTY LAW NEWSLETTER

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Federal Court Addresses Timing Issues Regarding Motions for Production of Samples in *Patented Medicines (Notice of Compliance)* Proceedings

Recently, in *AB Hassle v. Apotex Inc.* ("AB Hassle") (2004 FCA 255), the Federal Court of Appeal confirmed that, in proceedings under the *Patented Medicines (Notice of Compliance) Regulations* (the "*Regulations*"), when a generic manufacturer tests samples of its proposed product and files evidence regarding the results of the testing, an innovator has the right to immediately bring a motion for production of samples with which to conduct its own testing.

The issue arose as a result of a motion brought by AstraZeneca to file an expert affidavit analyzing samples of omeprazole magnesium tablets produced by Apotex. Earlier in the proceedings, Apotex filed an affidavit relating to the testing of samples of its proposed product. AstraZeneca requested the samples during the cross-examination of one of Apotex' affiants, and was provided with the samples following that cross-examination.

The Prothonotary denied AstraZeneca's motion to file an expert affidavit, finding that AstraZeneca had failed to bring the motion for the production of samples in a timely manner (2004 FC 694). A motions judge allowed AstraZeneca's appeal, finding that evidence based on testing is vital and that both parties were responsible for the delay, and allowed the expert affidavit to be filed (2004 FC 762). Apotex appealed this decision to the Federal Court of Appeal.

The Court of Appeal dismissed Apotex' appeal, finding that the motions judge was correct in allowing the expert affidavit, and stated:

[6]...Subsection 6(7) of the Regulations allows a party to compel the production of samples where such samples have been filed with the Minister as part of an applicant's regulatory submissions (NDS). Since the appellant did not submit samples of its product to the Minister, Astra could not exercise the right conferred by subsection 6(7) and compel production.

Further, the Court indicated, "The Prothonotary has cited no authority, and I know of none, to support the conclusion that Astra could and should have sought production of the samples at an earlier stage than it did and, therefore, should be blamed for the delay which resulted from its failure to do so... At best, the law is unclear and uncertain on the issue. At worst, Astra had no right to compel the production of the samples prior to cross-examination". The Court continued:

[11]...In my view, in circumstances where the disclosure process envisaged in subsection 6(7) of the Regulations cannot be resorted to because the samples have not been provided to the minister and where the second person proceeds to their testing and file affidavit evidence of the results of these tests in the prohibition proceedings, expediency, fairness and the overall interest of justice give the first person the right to, immediately after such filing, seek by motion the production of these samples for a testing of its own. This should remedy the unfortunate

delay encountered in the present proceedings. The first person can then be held accountable for its failure to proceed promptly.

The Court's decision confirms that:

- an innovator cannot obtain production of samples pursuant to section 6(7) of the *Regulations* unless the samples have been filed with the Minister; and
- an innovator has the right to bring a motion for production of samples immediately after a generic manufacturer files an affidavit regarding testing of its proposed product.

This decision is significant because in certain cases under the *Regulations* the issue of infringement may turn on the evidence of testing conducted on samples of the generic manufacturer's proposed product.

Heather E. Tonner

Supreme Court of Canada Leave Applications

Janssen-Ortho v. The Minister of Health (fentanyl transdermal patch (DURAGESIC)), August 26, 2004

Leave has been denied. Janssen-Ortho had sought leave to appeal a decision of the Federal Court of Appeal, which dismissed an applications judge's decision. The judge had dismissed its application for judicial review of a Minister's decision to remove a patent from the Patent Register, finding that the DURAGESIC patch (in particular the release membrane, the drug reservoir, and the backing) does not fall within the definition of "medicine" for the purposes of the *Regulations*. The Federal Court judgments were reported in the <u>March 2004</u> issue of *Rx IP Update*.

Recent Court Decisions

Patented Medicines (Notice of Compliance) Regulations

Apotex v. GlaxoSmithKline (paroxetine (PAXIL, APO-PAROXETINE)), July 23, 2004

Prothonotary dismisses GlaxoSmthKline PLC (Glaxo UK) and SmithKline Beecham Corporation (Glaxo US)'s motion for an order striking these defendants as parties to the action, on the basis that the *Apotex v. Eli Lilly* decision (2004 FC 502) upon which GSK relies is under appeal and the *Eli Lilly* decision resulted from a summary judgment motion whereas the present motion is tantamount to a motion to strike, which is a stringent test.

Full Judgment (2004 FC 1035)

Abbott v. Pharmascience (clarithromycin (BIAXIN BID)), July 29, 2004

Judge dismisses Pharmascience's appeal of a Prothonotary's Order, extending the twenty-four month period specified in section 7(1)(e) of the *Regulations*.

Full Judgment (2004 FC 1049)

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New Court Proceedings

Patented Medicines (Notice of Compliance) Regulations

Medicine: ramipril (ALTACE)

Applicants: Aventis Pharma Inc and Aventis Pharma Deutschland GmbH

Respondents: Laboratoire Riva Inc, The Minister of Health and Schering Corporation

Date Commenced: July 23, 2004

Comment: Application for Order of prohibition until expiry of Schering's Patent

No. 1,341,206 and Aventis' Patents Nos. 1,246,457 and 2,023,089. Riva alleges

non-infringement and invalidity.

Medicine: ibandronate sodium (BONDRONAT)

Applicant: Hoffmann-La Roche Limited

Respondents: The Minister of Health and The Attorney General of Canada

Date Commenced: August 11, 2004

Comment: Application for declaration that Patent No, 2,141,964 is eligible for listing on the

Patent Register.

Other Proceedings

Medicine: etidronate disodium (DIDROCAL)

Applicants: The Procter & Gamble Company and Procter & Gamble Pharmaceuticals

Canada Inc

Respondent: The Commissioner of Patents

Date Commenced: July 23, 2004

Comment: Application for judicial review of a decision of the Commissioner, refusing to

correct a clerical error, and seeking an Order requiring the Commissioner to correct the re-issue date of Patent No. 1,338,376 to read June 18, 1996 (rather than June 11, 1996). Procter & Gamble pleads that the patent has been the subject of legal proceedings under the *Regulations* in which respondents have alleged that the patent was not properly listed on the Patent Register on the basis that the listing was not done within 30 days after June 11, 1996, the

erroneous re-issue date.

Medicine: omeprazole (LOSEC)

Plaintiffs: AstraZeneca Canada Inc and Aktiebolaget Hässle

Defendant: Apotex Inc **Date Commenced:** July 30, 2004

Comment: Infringement action relating to Patents Nos. 1,292,693 and 1,302,891.

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Trade-mark: IXEL

Applicants: SmithKline Beecham Corporation

Respondents: The Registrar of Trade-marks and Pierre Fabre Médicament

Date Commenced: August 9, 2004

Comment: Application for an Order quashing the Registrar's Notice of Allowance regarding

the trade-mark IXEL. The Registrar had issued the Notice of Allowance following a judge's decision, rejecting SmithKline Beecham's opposition to registration of the trade-mark IXEL. The Registrar had issued the Notice of Allowance prior to the expiration of time for the filing by SmithKline Beecham of a Notice of

Appeal of the judge's decision.

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