Federal Court of Appeal | Cour d'appel fédérale

Date: 20110214

Docket: A-258-10

Citation: 2011 FCA 57

CORAM: **SEXTON J.A.**
LAYDEN-STEVENSON J.A.
STRATAS J.A.

BETWEEN:

APOTEX INC.

Appellant

and

THE MINISTER OF HEALTH

Respondent

and

JANSSEN-ORTHO INC. and
DAIICHI SANKYO COMPANY, LIMITED

Respondent

Heard at Toronto, Ontario, on February 14, 2011.

Judgment delivered from the Bench at Toronto, Ontario, on February 14, 2011.

REASONS FOR JUDGMENT OF THE COURT BY: STRATAS J.A.

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REASONS FOR JUDGMENT OF THE COURT
(Delivered from the Bench at Toronto, Ontario on February 14, 2011)

STRATAS J.A.

[1] This is an appeal and a cross-appeal from the order of Justice Hughes of the Federal Court: 2010 FC 711.

[2] Two matters were before the judge: a redetermination ordered by this Court of an issue, and a motion for dismissal of the proceedings before the Court on account of mootness. The judge found the proceedings to be moot and exercised his discretion against allowing the proceedings to continue. However, he ordered them to be "terminated" rather than dismissed. The significance of this will shortly be seen.

[3] In brief, the history of this complicated matter is as follows.

A. The Application

[4] The respondents, Janssen-Ortho Inc. and Daiichi Sankyo Company, Limited (the "respondents") brought an application to the Federal Court (file T-1508-05) under subsection 6(1) of the *Patented Medicines (Notice of Compliance Regulations*, SOR/93-133, as amended. They sought an order prohibiting the Minister from issuing a notice of compliance to Apotex for its Apo-levofloxacin tablets until after the expiration of Patent No. 1,304,080.

B. The events leading up to the redetermination

[5] On June 17, 2008, Justice Shore granted the prohibition order sought by the respondents. Apotex appealed that decision to this Court. On June 22, 2009, this Court allowed the appeal and remitted the prohibition application to the Federal Court for redetermination.

[6] The redetermination ultimately came before Justice Shore. He decided to recuse himself and the redetermination was referred to Justice Hughes for decision.

[7] In the meantime, the respondents appealed to this Court Justice Shore's decision to recuse himself from the redetermination (file A-240-10). Today this Court has dismissed that appeal.

[8] Given our dismissal of the appeal in file A-240-10, the redetermination was properly before Justice Hughes.

C. The Respondents' cross-appeal

[9] The respondents' cross-appeal concerns whether Justice Hughes should have refrained from acting until this Court heard the appeal in file A-240-10. As we have dismissed that appeal, there was no reason for Justice Hughes to refrain from acting. Therefore, we dismiss the cross-appeal.

D. The events leading up to the motion for dismissal on account of mootness

[10] One day after this Court ordered the matter to be redetermined (June 23, 2009) the '080 Patent expired. On the following day (June 24, 2009), the Minister granted Apotex its notice of compliance for its Apo-levofloxacin tablets.

[11] Apotex then brought a motion for dismissal of the respondents' application for prohibition. In its view, since the '080 Patent had expired and since the Minister had granted the notice of compliance, the application no longer served any practical purpose. The motion for dismissal on account of mootness came on for hearing before Justice Hughes.

E. The dismissal on account of mootness

[12] Justice Hughes held that the application for prohibition indeed was moot. He exercised his discretion against hearing it. In this Court, no one challenges these rulings.

[13] However, in this Court, Apotex challenges the order he made. Rather than dismissing the application, the order "terminates" the application.

[14] It is evident that the order uses the word "terminates" in order to prevent Apotex from bringing a later action under section 8 of the Regulation. Section 8 of the Regulation allows an action to be brought where the application for prohibition under subsection 6(1) is "dismissed by the court hearing the application" ("est rejetée par le tribunal qui en est saisi"). By "terminating" the proceeding rather than "dismissing" it, the judge seems to have intended to prevent Apotex from later bringing a section 8 action.

[15] In our view, this was an error. The motion to dismiss for mootness raised only narrow issues. The parties filed memoranda of fact and law on that basis. Also, as the court recognized, a section 8 action by Apotex was "speculative" at the time the mootness motion was before the court. Despite this, the court investigated during oral argument whether Apotex could later bring a section 8 action after a decision that its prohibition application was moot and should not be heard on its merits.

[16] In our view, that investigation went beyond the limited scope of the motion before the court. We also find that in these circumstances the court's investigation of the availability of a section 8

action was unfair to Apotex. In our view, Apotex could not have reasonably expected that its narrow motion for a dismissal of the prohibition application on account of mootness would extend to the issue whether a later section 8 action was available.

[17] The availability of a section 8 action in these circumstances should be considered only if a section 8 action is brought. Only then, on full oral and written argument made on a motion to dismiss or at trial, should these arguments be entertained.

[18] It follows, then, that the order disposing of the motion for mootness should have dismissed the application rather than terminate it. Dismissal is the usual disposition on a successful motion for mootness and counsel provided no cases in which other dispositions, such as a "termination" of the application, were made in circumstances such as these.

F. The redetermination

[19] Justice Hughes did not deal with the redetermination. In paragraph 38 of his reasons for order, he held that in a redetermination ordered by this Court he is "allowed to bring to bear all the normal considerations" in the redetermination, including mootness. Since the matter was moot and since he exercised his discretion against hearing the matter, he did not engage in that redetermination.

[20] In this Court, the respondents submitted that the matter should have been redetermined, as ordered by this Court. We disagree. We agree with Justice Hughes' reasons on this point.

G. Disposition

[21] Therefore, we would allow the appeal, dismiss the cross-appeal, set aside the Federal Court's order "terminating" the application in court file T-1508-05 and, instead, dismiss that application. The appellant shall have its costs both here and below.

"David Stratas"

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET:	A-258-10
(APPEAL FROM AN ORDER OF THE HONOURABLE MR. JUSTICE HUGHES, DATED JUNE 29, 2010, DOCKET NO. T-1508-05)	
STYLE OF CAUSE:	JANSSEN-ORTHO INC. and DAIICHI SANKYO COMPANY, LIMITED v. APOTEX INC. and THE MINISTER OF HEALTH
PLACE OF HEARING:	TORONTO, ONTARIO
DATE OF HEARING:	February 14, 2011
REASONS FOR JUDGMENT OF THE COURT BY:	(SEXTON, LAYDEN-STEVENSON & STRATAS JJ.A.)
DELIVERED FROM THE BENCH BY:	STRATAS J.A.

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