Federal Court of Appeal  Cour d'appel fédérale

Date: 20121205

Docket: A-81-12

Citation: 2012 FCA 323

CORAM: **NADON J.A.**
SHARLOW J.A.
DAWSON J.A.

BETWEEN:

APOTEX INC.

Appellant

and

WARNER-LAMBERT COMPANY LLC
AND PARKE, DAVIS & COMPANY LLC

Respondents

Heard at Toronto, Ontario, on December 5, 2012.

Judgment delivered from the Bench at Toronto, Ontario, on December 5, 2012.

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

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(Delivered from the Bench at Toronto, Ontario, on December 5, 2012)

NADON J.A.

[1] We are all agreed that the application judge erred in allowing the respondents' motion to dismiss part of an impeachment action commenced by the appellant on August 4, 2009, in which the appellant seeks, *inter alia*, a declaration that patents 1,341,330 ("the 330 patent") and 1,331,615 ("the 615 patent") are invalid. In concluding as he did, the judge ordered that the appellant's action be dismissed to the extent that it was based on the 615 patent.

[2] Because the 615 patent expired in August 2011, the parties agreed, and the judge so held, that to the extent that the appellant's action is grounded thereon, it is moot. However, the appellant asserts that its action should be allowed to continue in regard to both patents since an adversarial context mains between the parties. More particularly, the appellant says that a dismissal of its action will affect the rights which it intends to assert in an action to be commenced pursuant to *An Act Concerning Monopolies and Dispensation with Penal Laws, etc.*, RSO 1897, c. 323 (the "*Statute of Monopolies*"), and in proceedings for damages under section 8 of the *Patented Medicines (Notice of Compliance) Regulations*, SOR/93-133 ("the *PMNOC Regulations*").

[3] In other words, the appellant argues that a declaration of invalidity of the 615 patent is a necessary condition to the success of the proceedings which it intends to commence. Consequently, the appellant says that its action ought to be allowed to go to trial and judgment on the merits.

[4] In our view, the judge erred in failing to state a conclusion with regard to the effect of the dismissal of the appellant's action on its rights under the *Statute of Monopolies*.

[5] In *Gilbert Surgical Supply Co. Ltd. and Gilbert v. Frank W. Horner Ltd.* (1960), 34 C.P.R. 17 ("*Gilbert*"), where the invalidity of a patent was the basis upon which an action had been commenced under the *Statute of Monopolies*, the Ontario Court of Appeal concluded that although the action was a novel one, it could not be said that it was bereft of any possibility of success. We see no basis to take a position which differs from the view taken by the Ontario Court of Appeal in *Gilbert*.

[6] Counsel for the respondents brought to our attention the decision of *Peck v. Hindes* (1898), 15 R.P.C. 113 ("*Peck*"), a decision of the Queen's Bench division of the English High Court of Justice. Counsel for the respondents says that that decision, rendered on January 15, 1898, stands for the proposition that an action of the type which the appellant seeks to commence under the *Statute of Monopolies*, (which statute, according to the Ontario Court of Appeal, "reproduces in somewhat altered form, the original *Statute of Monopolies* enacted in 1624, 21 Jac. I, c. 3, which appeared as c. 1 of the Statutes of Upper Canada, 1792" (*Gilbert*, page 20)), is bound to fail.

[7] Be that as it may, that decision does not change our view that we see no basis to take a position contrary to that taken by the Ontario Court of Appeal in *Gilbert* and, hence, that the appellant's action is not one that cannot possibly succeed.

[8] Had the judge considered the effect on the appellant's rights, in the light of the *Statute of Monopolies* and the decision of the Ontario Court of Appeal in *Gilbert*, he would, in our respectful opinion, have had to conclude that the appellant's rights would be affected by a dismissal of its action and that it was appropriate, in the circumstances, to allow it to continue with the impeachment action of both the 330 and the 615 patents.

[9] We are satisfied that the use of scarce judicial resources does not outweigh the effect of the dismissal of the applicant's action on its rights arising under the *Statute of Monopolies*.

[10] As a result, we need not address any of the issues argued with respect to the interpretation of section 8 of the *PMNOC Regulations*.

[11] We will therefore allow the appeal, set aside the judgment of the Federal Court, and rendering the judgment which ought to have been rendered, we will dismiss the respondents' motion for the dismissal of the appellant's action. The appellant shall have its costs throughout.

"M. Nadon"

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET:	A-81-12
(APPEAL FROM A JUDGMENT OF THE HONOURABLE MR. JUSTICE LEMIEUX OF THE FEDERAL COURT, DATED FEBRUARY 10, 2012, IN DOCKET NO. T-1252-09)	
STYLE OF CAUSE:	APOTEX INC. v. WARNER-LAMBERT COMPANY LLC AND PARKE, DAVIS & COMPANY LLC
PLACE OF HEARING:	Toronto, Ontario
DATE OF HEARING:	December 5, 2012
REASONS FOR JUDGMENT OF THE COURT BY:	(NADON, SHARLOW & DAWSON JJ.A.)
DELIVERED FROM THE BENCH BY:	NADON J.A.

APPEARANCES:

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