Year in Review: 2008

Intellectual Property Surveys

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This publication contains short excerpts from decisions referencing survey evidence used in intellectual property decisions from January to mid-December 2008.

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Market Analysis for Boardrooms & Courtrooms

There were very few surveys reported on the public record in 2008.

1. PATENT SURVEYS

***Solvay Pharma Inc. and Altana Pharma AG* [Applicant] *v. Apotex Inc. and The Minister of Health* [Respondent], 2008 FC 308**

In this case, the survey mandate went to describing the behaviour of physicians and pharmacists. However, the court finds that not just a description of behaviour is required, but rather a demonstration that the Respondent had done something to <u>cause</u> that behaviour.

This is an application brought under section 6(1) of the *Patented Medicines (Notice of Compliance) Regulations,* SOR/93-133 (the Regulations), by which the [Applicants]… seek an Order prohibiting the [Respondents] from issuing a Notice of Compliance under the *Food and Drug Regulations,* C.R.C., c. 870, to the [Respondent] for the production and marketing of enteric coated tablets of pantoprazole sodium…until after the expiration of Canadian Letters Patent…The [Respondents] intends to market its tablets under the trade name "Apo-Pantoprazole".

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…In their respective memoranda, the [Applicants] submit that the patent "discloses pantoprazole, has direct activity against *Hp* and describes the formulation that is best for this direct action", whereas [Respondents] construes the patent to relate to compositions, including those that are simultaneously resistant and not resistant to gastric juice, for combating *Hp* itself and thereby treating diseases of the stomach and intestine caused by *Hp*.

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In this case, [Respondent] alleges in its NOA that it will not be making, using or selling its tablets of sodium pantoprazole as part of the triple therapy combination…[Respondent] also alleges that claims… will not be infringed, since its Apo-pantoprazole tablets will not be marketed or promoted to doctors, pharmacists or others for use in combination with a HIAMA, or as part of a medicament package comprising said agent…

[Applicant] submits that it has established, on a balance of probabilities, through the evidence of [Applicant's surveys]… that direct infringement by doctors, pharmacists and patients will occur, should [Respondent] obtain an NOC and market its Apo-pantoprazole product in accordance with its proposed product monograph.

At the hearing, [Respondent] conceded that indeed the Court could assume that at least one or some pharmacists would dispense [Respondent's] 40 mg tablets of pantoprazole when filling prescriptions for triple combination therapy written by doctors, whether such prescriptions referenced Pantaloc or pantoprazole sodium…

*

… the [Applicant] filed two affidavits of [expert witness] who was asked to design and implement a survey of physicians in Ontario and Quebec to determine their prescribing practices in certain circumstances, and a survey of pharmacists in those same provinces to determine the extent to which pharmacists presented with a prescription for pantoprazole sodium (written as such, or
alternately as Pantaloc) in a triple therapy combination suitable for treating H pylori associated ulcer, would dispense the generic version, were such a generic available.

*

…the physicians' survey is not at all useful to establish a causal link between the type of prescription written in the context of the survey (where the physicians were asked to assume that a generic product existed and were read the indications in [Respondent's] proposed monograph over the phone) and [Respondent's] actions. This for several reasons, the most important being that those results cannot be compared to how these physicians would have written their prescriptions if no generic product had been on the market at all. In answer to a query from the Court, [Applicant] confirmed the absence of evidence on this point.

In the absence of such evidence, the Court cannot determine if, as it was argued by [Applicant], the indications in [Respondent's] proposed monograph could lead physicians to change their prescribing practices, or if what they wrote was influenced by their understanding of the indications in the monograph.

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With respect to the pharmacists' survey, nowhere does [Applicant's expert witness] say that her mandate was to test whether the indications read over the phone to the pharmacists without any details as to the dosage regimen proposed by the generic, had any real impact on their decision. Nevertheless, [Applicant] argues that the answers given to the open ended questions included in the survey (included verbatim in the material annexed to [expert witness's affidavit) give insight into the reasoning of the survey respondents and enable the Court to make the reasonable inference that any prescription written that would allow the dispensation of the proposed generic pantoprazole (and any dispensation of it by pharmacists) is the result of the information contained in the monograph that was read to the participants in the survey. The Court has very carefully reviewed all those answers as well as the cross-examination of [expert witness] and it is simply not satisfied that it should make such an inference.

*

… the Court is not able to conclude from the evidence before it that [Respondent] intends to market its tablets for use as part of the triple therapy regimen. [Applicant] has not otherwise established any causal link between [Respondent's] actions (and its proposed monograph) and the direct infringement the Court was asked to assume.

The court concludes that [Applicant] has not met its burden of establishing that the allegations of non-infringement in respect of those claims are unjustified.

***Nycomed Canada inc. and Nycomed GMBH* [Applicant] vs. *Novopharm Limited and the The Minister of Health* [Respondent], 2008 FC 454**

This is a motion by the [Respondent], pursuant to section 6(5)(b) of the *Patented Medicines Notice of Compliance Regulations* (*Regulations*), seeking dismissal of the application instituted by the [Applicant], on the grounds that the proceeding is redundant, frivolous or vexatious and otherwise an abuse of process.

*

[Applicant] application was brought under section 6(1) of the *Regulations* to obtain an order prohibiting the Respondent, from issuing a Notice of Compliance (NOC) under the *Food and Drug Regulations* to the [Respondent] for the production and marketing of enteric coated tablets of pantoprazole sodium… until after the expiration of Canadian Letters Patent…

[Respondent] submits that [Applicant's] prohibition application constitutes an abuse of process because [Applicant] is attempting to relitigate issues that have been decided in *Solvay Pharma Inc. et al v. Apotex Inc. et al*., 2008 FC 308…

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[Expert witness A], a survey expert, confirms the materiality of [Expert witness B] surveys in the main Application, and states that it is "reasonable to infer" that the [Respondent] Product Monograph will induce doctors and pharmacists to prescribe and dispense the [Applicant] proposed pantoprazole tablets to treat *H. pylori* related ulcers.

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In light of the facts that [Applicant's] position with respect to infringement was found to be untenable in the Apotex Decision, and that [Applicant] has not adduced any materially different evidence in this proceeding, I conclude that the application should be dismissed as an abuse of process.

2. DISTINCTIVENESS SURVEYS

***Shell Canada Limited* [Applicant] *v. P.T. Sari Incofood Corporation* [Respondent], 2008 FCA 279**

The trier of fact in this case determines that survey evidence is unnecessary.

This is an appeal by the [Applicant] from a decision…from…(the Federal Court Judge) wherein he dismissed the [Applicant's] appeal from a decision of the Registrar of Trade-marks (the Registrar) refusing the [Applicant's] opposition to the trade-mark application filed by the [Respondent] for the trade-mark JAVACAFE.

*

…The [Respondent]… applied for registration of the trade-mark JAVACAFE for use in association with a large number of food and beverage wares ranging from coffee products to chilli sauces, cake mixes and bubble gum…

…The basis for the [Applicant's] opposition is that the trade-mark JAVACAFE is neither registrable nor distinctive in respect of these wares because the trade-mark is clearly descriptive or deceptively misdescriptive of such wares and it should therefore be available for all traders to use in respect of their coffee products.

*

After noting that [Applicant's] strongest ground of opposition was that the immediate impression of JAVACAFE on a Canadian Francophone would be that the associated coffee products come from Java… the Registrar held that the evidence fell short of supporting this contention… there was no evidence that an ordinary Canadian Anglophone recognizes Java as a place known for its coffee…even if the word "java" is understood by an ordinary Canadian Anglophone as coffee and the word "café" is similarly understood, the mark as a whole, JAVACAFE, is not clearly descriptive of the wares in issue.

*

I do not believe that additional evidence (in the form of a survey or other such evidence) is required in order to come to this conclusion. While, the word "java", when used in isolation, can evoke more than one meaning in the French language such that a survey might be required in order to identify the meaning that comes to mind to the average French-speaking Canadian as a matter of first impression, no such issue arises when the word JAVA is used together with CAFE as in the proposed mark JAVACAFE.

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…As such, for the purposes of considering descriptiveness… the trademark is effectively two words, namely "JAVA" and "CAFE". Again no survey is required to establish this point as the proposed mark in the French language cannot be sounded otherwise.

*

For these reasons, I would allow the appeal, set aside the decision of the Federal Court Judge and giving the decision which he ought to have been given, I would allow the [Applicant's] opposition and direct that the Registrar refuse the trade-mark application… on the ground that the mark applied for in respect of these wares is clearly descriptive and not distinctive.

3. COPYRIGHT SURVEY

Canadian Private Copying Collective **[Applicant]** ***and Canadian Broadcasting Corporation, Retail Council of Canada, Canadian Association of Broadcasters, Canadian Storage Media Alliance, Canadian Wireless Telecommunications Association and Dataware Corporation***

[Respondent]

Canadian Copyright Board of Canada Commission

Copying for Private Use; Copyright Act, subsection 83(8) File: Private Copying 2008-2009

This case involves routine use of surveys for tariff determination before the Copyright Board.

… the [Applicant] filed a statement of proposed levies for 2008 and 2009, to be collected in respect of the reproduction for private use of musical works embodied in sound recordings, of performers' performances of these works or of sound recordings in which such works and performances are embodied ("private copying")… the Board published in the *Canada Gazette* the proposed tariff and a notice concerning the right to object…

The [Respondents] filed timely objections to the proposed tariff…

*

… In *Private Copying IV*, the Board set at 6 per cent the amount of copies from paid downloads and 3 per cent the amount of promotional tracks. This time, [Applicant] puts those numbers at 3 and 2 per cent respectively. These percentages become 3 and 3 per cent when only leviable media are considered.

We conclude however that the adjustment should be higher. As indicated in the Music Monitor Survey the percentage of copies from paid downloads is calculated based on the number of tracks bought on the Internet….

… [Applicant's] calculations assume that on average, individuals copy 47 tracks per CD. If that number and all others used in calculating the CD levy are correct, then 2.1 billion private copies were made on CDs in 2006-2007. This is much higher than the 700 million such copies reported to have been made in the Music Monitor Survey.

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Using [Applicant's] revised Tables… the average number of tracks per CD thus obtained is 18.4… This number will ensure that the number of remunerated private copies is not disproportionate to the number of copies reported in the Music Monitor Survey.

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This decision leaves the rate for audio cassettes at 24¢ but increases it from 21 to 29¢ for CDs…