

Federal Court of Appeal



Cour d'appel fédérale

Date: 20200316

**Dockets: A-338-18 (lead file);
A-326-16; A-328-16; A-329-18**

Citation: 2020 FCA 62

**CORAM: NADON J.A.
RIVOALEN J.A.
LOCKE J.A.**

BETWEEN:

**HOSPIRA HEALTHCARE CORPORATION, CELLTRION
HEALTHCARE CO., LTD., CELLTRION, INC. and
PFIZER CANADA INC.**

Appellants

and

**THE KENNEDY TRUST FOR RHEUMATOLOGY RESEARCH,
JANSSEN BIOTECH, INC., JANSSEN INC., CILAG GmbH
INTERNATIONAL and CILAG AG**

Respondents

Dealt with in writing without appearance of parties.

Order delivered at Ottawa, Ontario, on March 16, 2020.

REASONS FOR ORDER BY:

LOCKE J.A.

CONCURRED IN BY:

NADON J.A.
RIVOALEN J.A.

Federal Court of Appeal



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REASONS FOR ORDER

LOCKE J.A.

I. The Motion

[1] The appellants move, pursuant to Rule 397(1) of the *Federal Courts Rules*, SOR/98-106, for reconsideration of this Court's judgment and reasons issued on January 30, 2020 (2020 FCA

30). They argue that the Court overlooked their argument that claims 37 and 38 of the patent in suit should not have been included in the list of claims found to be infringed by the Federal Court because they were not among the claims asserted at trial. Though this Court did address other claims that the appellants had argued should not have been included in the list (claims 12, 15, 28 and 31), the reasons on appeal are silent on claims 37 and 38. The appellants note that paragraph 10 of the reasons on appeal states that 23 claims are in issue, and that this demonstrated that the Court implicitly excluded claims 37 and 38. In the Conclusion section of the reasons on appeal, paragraph 117 excludes some claims from those found to be infringing at trial, but fails to mention claims 37 and 38:

In view of my conclusion that there is no evidence to support a finding of infringement of claims 12, 15, 28 and 31 of the 630 Patent, I would, in the event that the claims in issue are found to be valid after reconsideration, amend paragraphs 5, 6(a) and 6(b) of the Judgment on the merits by removing those claims from the list of claims found to be infringed.

[2] The appellants cite the decision of this Court in *Chénier v. Canada (Minister of Veterans Affairs)*, [1991] F.C.J. No. 908, 136 N.R. 377 at 378 (*Chénier*), to support the principle that, where the judgment incorporates by reference the reasons for judgment, it is also possible to amend the reasons for judgment pursuant to Rule 397. The judgment of this Court in this appeal reads as follows:

The appeal is allowed with costs, the judgment of the Federal Court dated September 28, 2018 (2018 FC 259) is set aside and the matter is returned to the trial judge for reconsideration **in accordance with the Court's reasons.**

(Emphasis added)

II. The Response

[3] The respondents oppose the motion to reconsider on the basis that this Court's silence on claims 37 and 38 does not indicate that the issue was overlooked. In support of that position, they point to paragraph 15 of the reasons on appeal which states as follows:

Because of the number of sub-issues raised by the appellants, it will not be practical to address each one specifically. The reader should understand that I have considered **all** of the appellants' arguments, and **my silence on any of them does not indicate otherwise. I find no merit in the arguments that I have not addressed.**

(Respondents' emphasis)

[4] The respondents argue that this is a clear statement that all of the appellants' arguments were considered. They also argue that this paragraph would have no meaning if the appellants' position on this motion were correct.

[5] A further submission by the respondents is that claims 37 and 38 were indeed among the claims asserted at trial, and that the appellants' assertion to the contrary is incorrect. The respondents cite pleadings and an opening statement compendium handed up at trial in support of this position.

[6] Finally, the respondents argue that the motion should be dismissed on the basis that it seeks reconsideration not only of this Court's judgment but also of its reasons. The respondents rely on the decision in *Halford v. Seed Hawk Inc.*, 2004 FC 455, 31 C.P.R. (4th) 569, at paras. 10-13 (*Halford*), which cited *Chénier*, in support of their argument that Rule 397 is not the appropriate vehicle to supplement reasons.

III. The Reply

[7] Following the filing of the respondents' motion record, the appellants submitted a reply record. The reply record includes reply submissions and an affidavit of a law clerk with the appellants' counsel. Because of the inclusion of an affidavit, the reply record was not filed by the Court's registry. The registry seeks the direction of the Court as to whether the reply record should be accepted for filing.

[8] The respondents argue that the reply record should not be filed because (i) affidavit evidence in reply may not be filed without leave of the Court, which was not sought, and (ii) the reply submissions are not proper reply because they simply reargue an issue that was already addressed in the initial motion record: whether claims 37 and 38 were among the claims asserted at trial.

[9] With regard to the reply affidavit, the appellants point out, correctly, that it simply reproduces a number of documents that are already in the appeal book. The appellants assert that the reply affidavit is intended not to supplement the record, but rather for convenience of reference. The appellants conveniently provide a table indicating where each of the documents provided in the reply affidavit can be found in the appeal book. The appellants also request, to the extent it is necessary, leave to file the reply affidavit. With regard to the reply submissions, the appellants point out, correctly again, that they address the respondents' unexpected position that claims 37 and 38 were actually among the claims asserted at trial. The appellants argue that these submissions are therefore proper reply.

[10] Because all of the documents provided in the reply affidavit are already in the appeal book, it would appear that very little turns on whether it is filed. However, the reply affidavit is a useful reference, and I can think of no practical reason that the filing of this affidavit would be problematic. Taking into account the appellants' request for leave to file the reply affidavit, and the decision of Stratas J.A. in *Amgen Canada Inc. v. Apotex Inc.*, 2016 FCA 121, 266 A.C.W.S. (3d) 12, I would grant leave to file the reply affidavit.

[11] I agree with the appellants that the reply submissions serve to confirm a point that seemed to be agreed before the respondents' submissions on the present motion: that claims 37 and 38 were not among the asserted claims at trial. None of the respondents' expert evidence at trial addressed claims 37 or 38, nor did their Closing Submissions. The respondents' submissions to the contrary in the present motion, based on pleadings and its opening statement at trial, are disingenuous.

IV. Analysis

[12] I would direct the registry to file the reply record. I would also grant the appellants' motion.

[13] It is clear from the reasons on appeal that this Court understood that claims 37 and 38 had not been among the claims in dispute before the Federal Court. It is also clear that this understanding was correct. Notwithstanding the respondents' disingenuous efforts to re-characterize the situation by selective reference to certain documents, it is clear that they did not argue before the Federal Court that claims 37 and 38 were infringed. It follows, equally clearly,

that these claims should not have been included in the list of infringed claims in the Federal Court's judgment.

[14] In the absence of any reason other than inadvertence for this Court to have failed to note this additional flaw in the Federal Court's decision, it is apparent that the issue concerning claims 37 and 38 was simply overlooked. This is precisely the kind of omission that Rule 397(1) is intended to address.

[15] With regard to this Court's statement at paragraph 15 of the reasons on appeal that all of the appellants' argument had been considered, and that silence did not indicate otherwise, I do not agree that this statement necessarily indicates that the appellants' argument on claims 37 and 38 was considered and dismissed. As stated by the appellants in their exchange with the respondents before the motion was filed, the statement does not foreclose the likelihood that addressing claims 37 and 38 was overlooked or accidentally omitted. I also disagree with the respondents' assertion that paragraph 15 would have no meaning if the appellants' position is correct. There were other arguments by the appellants on which the reasons on appeal remained silent.

[16] This Court's decision in *Chénier* supports the principle that reasons can be amended (or supplemented) pursuant to Rule 397 where the judgment incorporates the reasons by reference. The Federal Court decision in *Halford* does not, and cannot, override this Court's decision in *Chénier*. Though *Chénier* refers to a predecessor of Rule 397, which refers to a "pronouncement of judgment" rather than an "order", this difference is unimportant since, under Rule 2, an

“order” includes a judgment. The judgment in this case does incorporate the reasons by reference by use of the concluding words “in accordance with the Court’s reasons.”

[17] Considering now the overlooked argument, I see no need to amend the judgment on appeal, but I would supplement the reasons on appeal as follows:

1. I would add a section under “Patent infringement issues” entitled “Claims 37 and 38” in which I would state the following:

The appellants argue that claims 37 and 38 were not asserted by the respondents at trial. The respondents do not oppose this argument. In view of the Federal Courts’ explicit statements at paragraph 268 and Appendix B in the reasons at trial listing the claims in dispute (and not including claims 37 and 38), I conclude that the Federal Court erred in finding infringement of these claims.

2. I would amend paragraph 117 to read:

In view of my conclusion that there is no evidence to support a finding of infringement of claims 12, 15, 28 and 31 of the 630 Patent, **and my conclusion that claims 37 and 38 were not among the asserted claims**, I would, in the event that the claims in issue are found to be valid after reconsideration, amend paragraphs 5, 6(a) and 6(b) of the Judgment on the merits by removing those claims from the list of claims found to be infringed.

V. Costs

[18] Both sides seek their costs of this motion at the highest possible scale. The appellants seek an Order for costs payable forthwith.

[19] Rule 401(2) provides that the costs of a motion shall be payable forthwith where the Court is satisfied that the motion should not have been opposed. I am satisfied that the respondents should not have opposed the present motion.

[20] I also agree that elevated costs are justified. This motion, including both sides' motion materials and the Court's resources devoted to reviewing these materials and preparing these reasons, was clearly unnecessary. Elevated costs are necessary to express the Court's displeasure.

[21] I would order that the respondents pay the appellants' costs of the present motion in the all-inclusive amount of \$5000, payable forthwith.

“George R. Locke”

J.A.

“I agree.
M. Nadon J.A.”

“I agree.
Marianne Rivoalen J.A.”

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

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STYLE OF CAUSE: HOSPIRA HEALTHCARE
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INTERNATIONAL and CILAG
AG

MOTION DEALT WITH IN WRITING WITHOUT APPEARANCE OF PARTIES

REASONS FOR ORDER BY: LOCKE J.A.

CONCURRED IN BY: NADON J.A.
RIVOALEN J.A.

DATED: MARCH 16, 2020

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