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PUBLIC INTEREST – RARE CASES WHERE PATENT INJUNCTIONS DECLINED

By: Jonathan Woolley

In patent litigation, when a defendant is found to have infringed a plaintiff's patent, the court typically awards a monetary remedy, either in the form of damages or an account of profits. Damages are measured by the plaintiff's loss, while profits are measured by the defendant's gain. The court will also usually issue an injunction by which the infringing defendant is ordered to stop the infringing activity. The court's authority for issuing an injunction is found in Section 57 of the *Patent Act*:

> *57*(1) In any action for infringement of a patent, the court, or any judge thereof, may, on the application of the plaintiff or defendant, make such order as the court or judge sees fit,
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> *(a)* restraining or enjoining the opposite party from further use, manufacture or sale of the subject-matter of the patent, and for his punishment in the event of disobedience of that order, or
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> ...
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> *and generally, respecting the proceedings in the action.*

The language of Section 57 is permissive, not mandatory. So, when would a court decline to issue an injunction, and allow the defendant to carry on the activity that was found to be infringing? In a recent decision, *Abbvie Corp. v. Jamp Pharma Corp.[1]*, the Federal Court of Canada declined to issue an injunction against an infringing defendant when it found it would be against the public interest to do so.

The case concerned the defendant, Jamp's pharmaceutical product known as SIMLANDI. It was alleged to have infringed certain patents pertaining to the plaintiff AbbVie's drug HUMIRA, which was used to treat a range of autoimmune disorders. Jamp was found to have infringed one of the patents, and AbbVie sought an injunction that would have barred Jamp from making, using, promoting, or selling SIMLANDI in Canada until the relevant patent expired in 2028. AbbVie also sought an order requiring existing SIMLANDI patients to transition to an appropriate alternative within a 6-month period, and for Jamp to deliver up or destroy its

inventory of infringing products.

The Federal Court confirmed that Section 57 of the *Patent Act* gives the Court the discretion to grant an injunction, meaning that the Court could decline to grant an injunction even where infringement is found. However, that discretionary power is usually granted unless there is an equitable reason not to, such as delay, a lack of clean hands, unconscionability, and triviality.

The Court found that this was one of the rare cases in which an injunction would be inappropriate in view of the public interest. Among the relevant considerations was that Jamp's SIMLANDI product was the only 80 mg formulation among biosimilar products that was available in Canada, and removing it from the market would force all SIMLANDI patients to switch to an alternative drug with a higher injection volume and possibly containing citrate, a buffer thought to cause injection site pain. The Court accepted Jamp's argument that it was not in the public interest to force SIMLANDI patients to switch to another product. The Court observed that AbbVie could be compensated by a reasonable running royalty, and this was preferable to taking SIMLANDI off the market.

AbbVie's royalty was to be determined in the next phase of the bifurcated trial. However, the Court noted that the royalty rate should be easily determined by reference to licensing agreements that AbbVie had negotiated with seven other biopharmaceutical companies.

AbbVie has appealed the Federal Court's decision. The anticipated decision of the Federal Court of Appeal will likely provide further guidance on the extent to which a court can consider the public interest in exercising its discretion to grant an injunction. In the meantime, the Federal Court's decision stands as a useful illustration of the discretionary nature of the Court's jurisdiction under Section 57 of the *Patent Act*, and the type of considerations that may be brought to bear.