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# CANADIAN PATENT ACT ANNOTATED SECOND EDITION

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The Canadian Patent Act Annotated, Second Edition, is your one-stop source, bringing together commentary and current case law interpreting patent legislation. This includes all of the relevant statutes, regulations and rules you need to provide your client with the best patent advice available.

### What's New in this Update:

This release features updates to Appendix L1. Quantum Table – Remedies for Patent Infringement. This release features the addition of the PMPRB Interim Guidance, and the PMPRB's Notice and Comment – Amendment to the Interim Guidance re: New Medicines. This release also features the addition of the June 2023 revisions to the Manual of Patent Office Practice (MOPOP). This release also features updates to Appendix V1. Patent Fees.

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#### **Highlights:**

Quantum Table — Remedies for Patent Infringement — **Punitive Damages** — Justice Grammond explained that the situations of Skotidakis and Frimasco must be analyzed separately. Skotidakis knowingly infringed Fromfroid's patent. It could not have been unaware of the existence of this patent, which Fromfroid had repeatedly highlighted in its written communications. However, Justice Grammond noted that allegations of willful and knowing infringement are alone insufficient to support a claim to punitive damages. However, Justice Grammond noted that there were aggravating circumstances that warranted punitive damages. In particular, Skotidakis sought to conceal the infringement by presenting various pieces of evidence intended to mislead the Court as to the date the cells were made. Justice Grammond concluded that was highly reprehensible misconduct. Justice Grammond concluded that a number of factors suggested that a substantial amount should be awarded. The highly reprehensible was clearly deliberate and motivated by the desire to obtain patented technology at low cost. It lasted over three years, from the initial dealings with Frimasco until the patent expired. Skotidakis sought to conceal its conduct and mislead the Court. As well, Justice Grammond noted that Skotidakis was a large company, with annual sales of \$200 million. Although caution should be exercised in considering the Defendant's financial means, those may be relevant when assessing the amount necessary to achieve deterrence. Justice Grammond explained that if a Defendant is only ordered to pay a sum equivalent to the profits or savings resulting from the infringement, this could be seen as an incentive to run the risk of being caught. The amount of compensatory damages was of the same order of magnitude as the savings Skotidakis made by ordering the cells from Frimasco rather than Fromfroid. An additional amount was therefore needed to deter anyone who might be tempted to engage in similar conduct. Justice Grammond explained that the attempt to mislead the Court was serious and should be severely denounced. Fromfroid had not shown that Skotidakis's conduct adversely affected its business. Justice Grammond ordered Skotidakis to pay \$200,000 in punitive damages. Justice Grammond observed that the evidence did not show that Frimasco was aware of the patent. Fromfroid was, nevertheless, claiming punitive damages in order to denounce Frimaco's participation in concealing the infringement. Justice Grammond believed that Frimasco's involvement in the cover-up was just as reprehensible as that of Skotidakis. Given that this was the only allegation against Frimasco and

that Frimasco did not appear to have benefited from this involvement, Justice Grammond believed that \$50,000 in punitive damages was sufficient, given the size of the company: Fromfroid SA v. 1048547 Ontario Inc., 2023 CarswellNat 2336, 2023 CarswellNat 2337, 2023 FC 925, 2023 CF 925 (F.C.).

- PMPRB Notice and Comment Amendment to the Interim Guidance re: New Medicines In order for the PMPRB to move forward with implementing the basket of comparator countries, the Board proposes to amend the Interim Guidance to give early guidance and greater predictability to certain New Medicines (i.e., medicines without a MAPP or NEAP as of July 1, 2022) regarding their review status. The Board proposes that the provisions of the Interim Guidance related to the patented medicines without a MAPP or projected NEAP be amended to indicate that they will be considered as reviewed if their list price is below the median international price for the PMPRB11 countries. New Medicines that do not meet this criterion will continue to be under review until new guidelines are in place.
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