

***AbbVie Corporation, AbbVie Deutschland GmbH & Co. KG and AbbVie  
Biotechnology Ltd. v. Janssen Inc.***, 2014 FC 489  
(Federal Court of Canada, 29 May 2014)

**Case summary**

In *AbbVie v. Janssen*, the Canadian Federal Court granted a limited injunction that prevented the defendant from any further marketing activity for an infringing product but allowed the selling of the same infringing product to patients in the absence of an alternative supplier. The decision is important for the treatment of patent holders that do not use their invention (“non-practicing entities”).

**The facts**

The plaintiff (AbbVie) holds a patent on “Human antibodies that bind human IL-12 and methods for producing” for the treatment of psoriasis (i.e. an inflammation of the skin due to an overly strong reaction of the immune system). AbbVie does not make the patented product. Instead, it produces a medicine (“HUMIRA”) that also consists of a human antibody to treat psoriasis but that functions differently, i.e. it does not inhibit human IL-12 to prevent immune reactions. The only available product to bind human IL-12 as described in the plaintiff’s patent is “STELARA” by the defendant (Janssen). According to medical doctors, certain patients depend on the availability of STELARA, for which other psoriasis treatments such as HUMIRA offer no genuine alternative.

The Federal Court in January 2014 found that the defendant by marketing STELARA infringed certain claims of the plaintiff’s patent, which the court considered valid. Following this finding, the plaintiff requested a permanent injunction to prevent the defendant from marketing STELARA. However, taking into account the fact that for certain patients, there exists no alternative treatment, the plaintiff conceded that Janssen should be entitled to continue supporting existing treatments and to address even new patients provided there is a medical need.

The Court granted the injunction accordingly. It enjoined Janssen from any further marketing activity for STELARA, but allowed the defendant to continue selling the product to existing patients. The Court also authorized Janssen to sell STELARA to new patients, provided their own physicians deemed such treatment necessary. Janssen was also expressly allowed to disseminate scientific information on the use of STELARA and to respond to any request from the Canadian government to supply STELARA to the public. By contrast, Janssen was enjoined from undertaking past-marketing Phase IV clinical trials, as this would require the recruitment of new patients and thereby undermine the terms of the granted injunction.

**The legal issues**

The Court had to decide whether the granting of a permanent injunction is the normal remedy after a finding of infringement of a valid patent, and whether permanent injunctions are subject to the same requirements as interlocutory (i.e. provisional) injunctions.

Referring to case law precedent, the Court considered permanent injunctions the normal remedy following a finding of patent infringement. It stated that injunctions in such cases should be refused only “in rare circumstances”.<sup>1</sup> In the Court’s view, considerations applicable in the case of interlocutory injunctions, such as irreparable harm in case the injunction is rejected, are not *per se* relevant to the decision to grant a permanent injunction, but may inform the decision. The main consideration should be whether or not the claimant has established its legal rights.<sup>2</sup>

The particularity in the present case was the fact that only the defendant makes the patented product, for which, at least for certain patients, there is no alternative treatment. A permanent injunction of the defendant to supply such patients with STELARA would have resulted in an effective denial of treatment and would have prevented physicians from switching patients from other psoriasis treatments to the more promising STELARA. On the other hand, the Court did not consider these circumstances as sufficiently “rare” to reject an injunction altogether. It considered as legitimate the patent holder’s interest in using its exclusive rights to negotiate more profitable prices with wholesalers, which would not be possible under an agreement to leave STELARA in the market against the payment of damages. Thus the Court granted a limited injunction that would strike an appropriate balance between the patent holder’s right to prevent others from marketing its product and the need of the public to ensure access to a needed treatment.

### **Points of significance**

- In Canada, a permanent injunction is the usual remedy following a finding of patent infringement. It may be rejected only in rare circumstances.
- However, in deciding if an injunction is appropriate, the courts must take into account the need of the public to access certain medicines. The grant of an unlimited injunction may be inappropriate where the patent infringing product cannot be replaced, even by the patent holder itself.
- The reason for the Court to grant the – albeit limited – injunction was its view that the patent holder had a legitimate interest in using its exclusive rights as a negotiating tool to arrive at higher sales prices. In comparison, the United States Supreme Court in its 2006 decision *EBay v. MercExchange* adopted a tougher approach toward non-practicing entities, deciding that there is no automatic right to an injunction in case of patent infringement, but that the patent holder must establish a number of factors in its favor such as *inter alia* the presence of irreparable harm, the inadequacy of monetary compensation, and that the interest of the public has been duly taken into account.<sup>3</sup>

### **Key words**

Injunction; non-practicing entity.

### **Available at**

<http://decisions.fct-cf.gc.ca/fc-cf/decisions/en/71845/1/document.do>

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<sup>1</sup> Para 36 of the judgment, referring to an exceptional case where the patent term was close to expiry; the patentee did not make the product, but a competing product; and the defendant’s patent infringing product was made by disabled people who were otherwise unemployable.

<sup>2</sup> *Ibid*, para 38.

<sup>3</sup> See the summary of the *Ebay* case in this database.