

Jamaica

Pharmaceutical companies score another victory as Pfizer loses appeal

By **Dianne Daley** and **Nicole Foga**, Foga Daley

In 2009 Jamaican pharmaceutical companies Medimpex Jamaica Limited and Lasco Distributors Limited won a patent infringement battle over amlodipine besylate (also known as salts of amlodipine), in a case initiated by Pfizer Limited in 2002. However, their victory was shortlived as Pfizer successfully obtained a stay of execution of the judgment while it appealed the Supreme Court decision to the Court of Appeal.

Having waited seven years for the Supreme Court to hand down its judgment, the local pharmaceutical companies had to wait another three years for the Court of Appeal to rule on the matter. However, it was worth the wait as in May 2012 the appellate court upheld the Supreme Court's ruling that Pfizer's Jamaican letters patent for amlodipine besylate was invalid, given that a foreign letters patent for the same substance had expired before the Jamaican letters patent was granted.

However, the battle is not completely over as Pfizer, dissatisfied with the Court of Appeal's ruling, successfully obtained leave to appeal the decision before the Judicial Committee of the Privy Council in the United Kingdom – Jamaica's final appellate court.

Background

Through equivalent letters patents granted in several jurisdictions, Pfizer has held the monopoly in amlodipine besylate – a drug known to treat hypertension and marketed by Pfizer under the brand Norvasc.

Pfizer's Jamaican application for a letters patent was filed in 1992 but was granted only in January 2002, by which time the earliest patent

for amlodipine besylate, which had been granted in Egypt, had long expired. Local pharmaceutical distributors began to market generics containing the drug and were sued by Pfizer in 2002 for infringement of its Jamaican letters patent.

In their defence, Medimpex and Lasco argued that by virtue of Section 29 of Jamaica's Patent Act 1857, which essentially ties the subsistence of a Jamaican patent to the validity of the earliest foreign patent for the same invention, Pfizer's Jamaican patent was invalid and that they therefore needed no licence from Pfizer to distribute the drugs in Jamaica.

Pfizer, however, argued that Section 29 of the Patent Act applies only where the applicant for the Jamaican letters patent is the same as the applicant for an earlier equivalent foreign patent and that, in this case, the applicant for the Jamaican patent for amlodipine besylate was not the same as the applicant for the earlier patents, including the Egyptian patent which had expired in 1997.

The application for the Jamaican patent was filed by and in the name of attorney at law Maurice Robinson on Pfizer's instructions. In filing the application Robinson declared, as is settled practice in Jamaica, that the invention was communicated to him from abroad by Pfizer and that he was the 'first and true inventor'. On January 22 2002 the letters patent was granted to Robinson, who then assigned it to Pfizer for a nominal J\$2 consideration within days of recording it with the registrar. Based on Section 3 of the act, which provides that patents are granted for a term of 14 years, Pfizer believed that it had a valid Jamaican patent that would expire on January 22 2016.

Pfizer was initially successful when it obtained an interim injunction stopping the local distributors from marketing generic

versions of the drug until the trial of the action. However, it eventually lost the case when Justice Jones held that Pfizer's Jamaican patent was not valid and subsisting, as the Egyptian letters patent for the same substance had expired before the Jamaican letters patent had been granted. Consequently, the judge ruled in favour of the local distributors and ordered an inquiry as to the damages suffered by them further to the interim injunction.

Section 29 of the Patent Act, which took centre stage at the trial, provides that “[n]o applicant shall be deprived of his right to a patent in this Island upon the like proceedings being had in all respects as in case of an original application for his invention by reason of his having previously taken out Letters Patent therefor in any other country”, subject to three provisos.

In coming to his decision Jones relied on Section 25 of the English Patent Law Amendment Act 1852, which he considered to be the genesis of Section 29 of the Jamaican act, as an aid to interpreting the section. The judge also relied on the English case of *Daw v Eley* as to the purpose and objectives of Section 25, and concluded in favour of the local distributors. He concluded that on a proper construction of Section 29:

- a letters patent can co-exist with a letters patent issued in a foreign country where the invention is the same in both Jamaica and in the foreign country;
- the Jamaican patent for the invention should not continue in force or be valid if the foreign patent for the invention has expired;
- the second and third provisos to Section 29 apply to letters patents obtained elsewhere in respect of any invention irrespective of who is the patentee or applicant for the foreign patent; and
- the third proviso [which states that “no Letters Patent for or in respect of any invention for which any such patent or like privilege as aforesaid shall have been obtained elsewhere, and which shall be granted in this Island after the expiration of the term for which such patent or privilege was granted or was in force shall be of any validity”] makes it clear that a Jamaican patent is not valid and subsisting if granted after a patent for the same invention has expired elsewhere in the world.

The trial judge agreed with Pfizer's counsel's arguments that Robinson was the first and true inventor within the meaning of Section 3 of the Patent Act. However, based on his interpretation of Section 29, this did not change his ruling on the validity of the patent.

Appeal and counter appeal

Pfizer appealed the ruling on validity of the patent; Medimpex and Lasco appealed the ruling that Robinson applied for the patent as the true and first inventor.

Counsel for Pfizer argued that the corollary to the finding that Robinson was the true and first inventor was that the patent would be valid and subsisting. According to counsel, the applicant for the letters patent in Jamaica had not applied for a letters patent in any other country and therefore Section 29 would not apply. They submitted that it is only patents obtained by an applicant elsewhere that serve to limit the term of the patent that the same applicant has taken out in Jamaica. Further, Section 29 focuses on the applicant, not the assignee – and Pfizer was the assignee in this matter. The Jamaican applicant held the letters patent in his own right and as the first and true inventor thereof, and he could have assigned it to any other Pfizer entity and he also had the legal power to assign it to any good faith purchaser for value.

Pfizer's counsel did not agree with the trial judge's use of the English Patent Act 1852 and English cases to aid the interpretation of the Jamaican act because, in their view, Section 25 of the English act was not similar to Section 29 of the Jamaican act as the English act emphasises similarity of invention, whereas the Jamaican act emphasises similarity of applicant. Moreover, as the law of patents is wholly statutory, the judge was wrong in relying on cases and statutory provisions which are not similar to the Jamaican act. They argued that since *Daw v Eley* had been decided on Section 25 of the English act, which is substantially different from the Jamaican act, it could not aid in the interpretation of Section 29.

In their counter-appeal Medimpex and Lasco argued that the trial judge had focused on the wrong question – whether Robinson was the true and first inventor of the invention – as this was not the central issue since it was

accepted by the parties that he was. The proper question was “whether in obtaining the said Letters patent Mr. Robinson had applied as attorney for [Pfizer] within the meaning of the Patent Act”. Section 3 of the Patent Act, they argued, “created two categories of applicants, first the applicant who is either the original inventor or has learnt about an existing foreign invention and applies in his own right” and second, when he is an absentee and applies via his attorney. Both parties agreed that the contentious issue between them related to the question: to which of these two categories did Robinson belong?

They submitted to the court that “when Mr. Robinson obtained the Letters Patent he did so as the agent or alter ego of Pfizer who was the real owner of the invention and stood in his shoes. He therefore held the grant as trustee for the Claimant and the assignment was done in fulfillment of the said trust”. Consequently, he could not assign it to any other party or deal with the grant except in accordance with the claimant’s directions.

Medimpex and Lasco agreed with Jones’s reliance on *Daw v Eley* to obtain guidance as to the purpose and objectives of Section 25 of the English act, the object being “to prevent the English manufacturer from being fettered while the foreigner remains free”. They also agreed that, according to Section 29, the patent should not continue in force or be valid if that foreign grant has expired, and that the second and third limbs of Section 29 apply to letters patents or like privileges obtained elsewhere in respect of any invention irrespective of who is the patentee or the applicant of the foreign patents. Further, fatal to Pfizer’s claim, was the fact that the final proviso of Section 29 deprives a Jamaican patent of any validity if granted after a patent for the same invention – which was granted elsewhere – has expired.

Court of Appeal decision

The appeal and counter-appeal were heard by a panel of three senior judges, who in a decision rendered in May 2012 unanimously found in favour of the local distributors.

The judges held that the trial judge’s ruling on whether Robinson was the true and first inventor was “neither here nor there, as he was not asked to make such a finding”. The trial

judge was asked to determine whether Robinson had applied for the letters patent as attorney for Pfizer and, in their view, it was clear that he had. First, it was agreed that the invention was communicated to him from abroad, and after he was granted the patent he assigned it to Pfizer “for a mere \$2.00”. The judges observed that had Robinson not been acting in a representative capacity for Pfizer, it would be difficult to explain why he would be assigning such a valuable commodity for a nominal sum.

Justice Harrison agreed with counsel for the local pharmaceutical distributors that Section 29 of the Jamaican act focuses on the invention and not the original inventor, owner, assignee or importer of the invention and dismissed Pfizer’s counsel’s argument on that point. On the question of whether the trial judge ought to have relied on the English act in coming to an interpretation on Section 25 of the Jamaican act, Harrison opined that there was “no need to look at [that] Act”, as Section 29 makes it quite clear that “a patentee is not deprived of his right to a patent in respect of his invention merely because he previously obtained letters patent for the same invention in another country”.

According to the judge the provisos of Section 29, when correctly interpreted, mean that:

- the invention must not have been introduced into public and common use in Jamaica prior to the application for a patent therein;
- if the patent has expired elsewhere, the patent cannot continue in force in Jamaica;
- where more than one patent has been obtained abroad, then immediately upon the expiration of the term of the one to expire first, the patent granted in Jamaica ceases to be in force; and
- if a patent for an invention has been obtained elsewhere but the term for that patent has expired, no letters patent granted in Jamaica after the expiration of that term in respect of that invention shall have any validity.

Harrison stated that “in my view, the occurrence of any of the circumstances in the provisos will result in the loss of the validity of the patent.” In light of the agreed fact that

Pfizer had obtained a letters patent for the same drug in several countries – some of which had expired prior to the grant of the Jamaican patent – the trial judge had been correct in concluding that the Jamaican letters patent was invalid.

The appellate judges therefore dismissed Pfizer's appeal, allowed the counter appeal by the local distributors and affirmed judgment in their favour with costs. They also directed that an inquiry be conducted into the damages to be paid to Medimpex and Lasco further to the undertakings Pfizer had given as a condition of the grant of the injunction.

Battle not yet over

The Court of Appeal decision was not well received; Pfizer promptly applied to the court for and was granted leave to bring the matter before the Judicial Committee of the Privy Council.

Pfizer's counsel also sought a stay in the assessment of damages, arguing that as Pfizer has a good prospect of success it would be premature to proceed with the assessment which could ultimately serve to ruin its local operations. Refuting Pfizer's position, counsel for Medimpex and Lasco argued that based on the interpretation of Section 29, it was doubtful that Pfizer has a real prospect of success and noted that in the seven years since the injunction was granted to Pfizer, the local distributors had already suffered extensive losses as a result of the disruption in their operations, and any further delay in the assessment of damages would not be in the best interest of justice.

The appellate judges were unconvinced by Pfizer's arguments given the strong financial position of its local operations and, in a decision handed down on July 31 2012, the panel refused the stay in the assessment of damages.

Local distributors are no doubt breathing a sigh of relief as they are now much closer to recovering some of the damages that they sustained from being forced to stop marketing the drug.

It seems unlikely that the judicial committee will overturn the Court of Appeal's decision. A contrary ruling would effectively mean that any foreigner could by the same means as Pfizer (ie, through an agent) hold patents for inventions in countries which apply

only local novelty for a potentially perpetual period even where the original patent has expired. This would run counter to the objective of Section 29, which is arguably the same as Section 25 of the English act – namely, that Jamaican pharmaceutical companies would continue to be fettered while foreign pharmaceutical companies remain free to exploit an expired patent.

Nevertheless, it remains to be seen what the judicial committee will decide. **iam**

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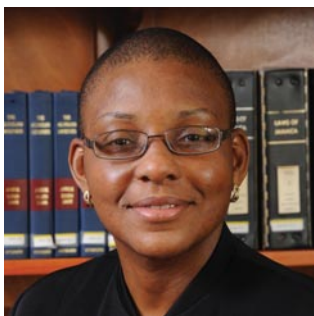


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