

Federal Court



Cour fédérale

**Date: 20131218**

**Docket: T-1165-09**

**Citation: 2013 FC 1265**

**BETWEEN:**

**HOFFMAN-LA ROCHE LIMITED**

**Applicant**

**and**

**APOTEX INC. AND  
THE MINISTER OF HEALTH**

**Respondents**

**and**

**ROCHE PALO ALTO LLC**

**Respondent/  
Patentee**

**ASSESSMENT OF COSTS - REASONS**

**Bruce Preston – Assessment Officer**

[1] By way of Reasons for Judgment and Judgment dated July 13, 2011, the Court allowed the Application, with costs.

[2] On April 8, 2013, the Applicant [Roche] filed a Bill of Costs to be assessed. Further to the Directions of April 26, 2013 and June 25, 2013, the parties have filed their submissions concerning costs. Therefore, I will proceed with the assessment of the Applicant's costs.

[3] At paragraph 34 of Roche's Written Submissions, counsel submits that PM(NOC) applications are inherently complex and patent proceedings generally attract higher awards of costs due to the significant complexity of the proceedings. In support of this, counsel refers to *Sanofi-Aventis Canada Inc v Novopharm Limited*, 2009 FC 1139 [*Sanofi-Aventis*], and *Novopharm Limited v Eli Lilly and Company*, 2010 FC 1154. Counsel further submits that the Applicant in a PM(NOC) proceeding must address all of the allegations raised by the Respondent which requires a large amount of time and effort to prepare the evidence and argument. Counsel concludes by arguing that these factors suggest that Roche's request for costs at the upper end of Column III is eminently reasonable.

[4] At paragraph 12 of Apotex' Written Submissions, counsel submits that, unless the Court orders otherwise, the mid-level of Column III of the table to Tariff B should be applied to assessable services. In support of this, counsel refers to Rule 407 of the *Federal Courts Rules*, SOR/98-106 [*Federal Courts Rules*]. Counsel argues that Roche should not be entitled to fees at the high end of Column III simply because this was a patent matter. Counsel contends that Roche has failed to demonstrate why this particular matter was of greater than average importance or complexity to warrant increased costs. In support of this, counsel refers to *Merck & Co Inc v Apotex Inc*, 2006 FC 631 [*Merck & Co*], *Ludco Enterprises Ltd v Canada*, 2002 FCA 450, *Monsanto Canada Inc v Schmeiser*, 2002 FCT 439, *Ratiopharm Inc v Wyeth and Wyeth Canada*, 2007 FCA 361, *Consorzio del Prosciutto di Parma v Maple Leaf Meats Inc*, 2002 FCA 417 [*Consorzio*] and *Apotex Inc v Merck & Co*, 2008 FCA 371. Counsel's final submission is that Roche has not moved the Court for a special direction for increased costs; therefore, the assessment must be completed at the mid-level of Column III.

[5] In their Written Submission in Reply, counsel for Roche submits that the level of costs within Column III is within the discretion of the Assessment Officer and that a different level may be allowed for each Item claimed. In support of this, counsel refers to *Bayer Healthcare AG v Sandoz Canada Incorporated*, 2009 FC 691 [*Bayer Healthcare*] and *Nature's Path Foods Inc v Country Fresh Enterprises Inc*, 2007 FC 116 [*Nature's Path Foods*]. Counsel also argues that the importance and complexity of the issues are to be considered under Rule 400(3)(c) pursuant to the *Federal Courts Rules* and are not to be made in comparison with other matters and that patent litigation is inherently complex, with costs in patent litigation frequently assessed in Column IV. In support of this, counsel refers to *Conorzio , Eurocopter v Bell Helicopter Textron Canada Limitée*, 2012 FC 842 [*Eurocopter*], *Johnson & Johnson Inc v Boston Scientific Ltd*, 2008 FC 817 and others. The final submission of Roche is that greater than average complexity has been established, that Apotex had five experts necessitating four expert reports in response and that the Roche Application Record contained 13 volumes and approximately 3500 pages.

[6] Rule 407 of the *Federal Courts Rules* states:

Unless the Court orders otherwise, party-and-party costs shall be assessed in accordance with Column III of table to Tariff B.

[7] I find nothing in the wording of Rule 407 which limits the assessment of the assessable services claimed to the mid-point of Column III. Further, it has been decided on many occasions that each item is assessable in its own circumstances and it is not necessary to use the same point throughout in the range for items as they occur in the litigation. (See: *Bayer Healthcare, Nature's Path Foods* and *Starlight v Canada*, 2001 FCT 999 at paragraph 7). Also, in *Truehope*

*Nutritional Support Limited v Canada (Attorney General)*, 2013 FC 1153 [*Truehope*], the issue of scale was discussed at length. At paragraph 14, it was held:

Given that the Court has provided no specific direction concerning the range of Column III, I find that, as an Assessment Officer, I am able to determine the number of units to be allocated for each individual assessable service within the full range of Column III, recognizing that typically services are assessed around the mid-point except when circumstances dictate that a specific cost should be assessed at a level below or above the mid-point of Column III.

[8] Therefore, in keeping with *Truehope*, I find that in assessing the costs of Roche, I am able to determine the number of units to be allocated for each individual assessable service within the full range of Column III.

#### Assessable Services

[9] Roche has claimed 7 units under Item 1 for the preparation of its Notice of Application filed July 17, 2009. Although Apotex has not submitted an objection to this Item specifically, its objection concerning the scale of fees applies to this claim. I have reviewed the Notice of Application and the other materials filed by the Roche in support of the Application and find that Roche's claim is reasonable in the circumstances of this proceeding. Therefore, Item 1 is allowed at 7 units.

[10] Although not contested by Apotex, it is noted that Roche has submitted a claim under Item 2 for the preparation of their Application Record filed September 13, 2010. Item 2 may be claimed for the "preparation and filing of all defences, replies, counterclaims or respondents' records and materials". It has been held that, in the absence of submissions, an Assessment Officer should not step away from a position of neutrality but is not able to allow Items which

fall outside the authority of the Judgment or Tariff (see: *Dahl v Canada*, 2007 FC 192, at paragraph 2). As Roche is the Applicant to this proceeding, and having already allowed a claim under Item 1, I find that Roche is not entitled to a claim under Item 2. Therefore, the claim under Item 2 is not allowed.

[11] Roche has submitted 11 claims under Item 8 for the preparation for the cross-examination of the Roche affiants and the Apotex affiants. At paragraph 55 of the Roche's Written Submissions in Chief, counsel submits that while the Applicant acknowledges the difficulty in being awarded costs of second counsel for pre-hearing matters absent a direction of the Court, this proceeding is an appropriate situation for such costs due to the technical complexity and the large number of witnesses. Counsel argues that similar awards for second counsel have been made in similar proceedings and the same standard should be applied here.

[12] At paragraph 18 of Apotex' Written Submissions, counsel argues that Items 8 and 9 are silent as to a party's entitlement to claim fees for more than one counsel. Counsel submits that the Tariff contemplates a Court direction for an award for second counsel attendance at the hearing; therefore, it would follow that a direction would be required for any entitlement to second counsel under Items 8 and 9. As Roche did not seek a direction, second counsel should not be allowed on an assessment of costs. Specifically concerning Item 8, counsel submits that Roche is seeking second counsel for every cross-examination, regardless of whose witness is being examined.

[13] Roche provided no rebuttal concerning the submissions of Apotex.

[14] I have reviewed the Bill of Costs of Roche and note that although they list two counsel as having prepared for each cross-examination, they have only submitted one claim. Under these circumstances, I find that I do not have to consider second counsel. However, keeping in mind Apotex' submissions concerning the scale of fees, I find that a claim of 5 units for the preparation of Roche's witnesses is excessive. Although there would be a requirement to prepare the affiant, there would not be preparation to the extent there would be for the Apotex affiants. Therefore, for Roche affiants: Mark Catral, Ronald Thisted, Wayne Anderson, Ronald Sawchuck, Anthony Allison and William Lee, I allow 4 units for each claim under Item 8. For the five Apotex affiants, John Keana, Rita Alloway, Irving Johnson, Richard Borch and Edward Roberts, I allow 5 units for each claim under Item 8.

[15] Apotex made similar submissions concerning second counsel for Item 9 and Roche provided no rebuttal submissions.

[16] As was the situation under Item 8, I find that although counsel named two counsel as attending at the cross-examinations, they have submitted only one claim. Further, in keeping with my decision concerning Item 8, I find that in conducting the cross-examinations, the complexity and effort involved would be greater while examining the Apotex affiants than it would be while attending at the cross-examination of the Roche affiants. Therefore, Item 9 is allowed for 2 units per hour for the Roche Affiants and 3 Units per hour for the Apotex Affiants. As Apotex has not objected to the number of hours claimed, they are allowed as presented.

[17] Roche has submitted a claim under Item 15 for the preparation of Written Submissions on costs. At paragraph 21 of the Apotex' Written Submissions, counsel submits that the Court did not request written submissions on costs. Further, counsel submits that the submissions were filed as part of the costs assessment not as part of the underlying Application.

[18] In rebuttal, at paragraph 7 of its Written Submissions in Reply, Roche argues that Apotex has submitted no case law which states that a claim under Item 15 is impermissible for costs submissions. Counsel submits that Item 15 allows for costs for the preparation of written argument where requested or permitted by the Court, and that costs submissions were permitted by the Court.

[19] Item 15 allows for "preparation and filing of written argument, where requested or permitted by the Court". It has been decided that that Assessment Officers are not members of the Court (see: *Marshall v Canada*, 2006 FC 1017, at paragraph 6). As the Written Submissions on costs were filed further to a Direction of an Assessment Officer, and not the Court, Roche's claim under Item 15 is not allowed.

[20] It is noted that Roche has submitted a claim under Item 27 for the preparation of the Bill of Costs. It is also noted that there is no claim under Item 26 for the assessment of costs. As Apotex has not objected to the claim, I will allow the number of units claimed but under Item 26.

[21] Roche has submitted a claim for 2.5 units under Item 28 for the services of a paralegal. At paragraph 22 of Apotex' Written Submissions, counsel argues that if the claim is for the preparation of the Affidavit in support of costs, it should not be allowed.

[22] In its Written Submission in Reply, counsel for Roche argues that Ms. McIntomny, the paralegal, assisted with the preparation of the Draft Bill of Costs, and the preparation of the Application Record and Authorities. In support of the claim, counsel refers to *Air Canada v Canada (Minister of Transport)*, [2000] FCJ No 101 [*Air Canada*], at paragraph 15.

[23] In keeping with the decision in *Air Canada*, I find that “the limit imposed by Item G28 is that the litigant to be indemnified cannot recover once for the supervising lawyer and again for the non-lawyer”. In keeping with this, I find that the services rendered by the paralegal may not be allowed as Roche has already claimed for the services under Item 1 for the Application Record and Item 27 (corrected to Item 26) for the Draft Bill of Costs. Therefore, the claim under Item 28 is not allowed.

[24] For the remaining assessable services claimed by Roche, Apotex has not presented any objections other than the scale of costs claimed in the Bill of Costs. I have reviewed the number of units claimed for Items 4, 10, 11, 13(a), 13(b) and 14(a) and find that in the circumstances of this proceeding, the claims are reasonable. Therefore, Items 4, 10, 11, 13(a), 13(b) and 14(a) are allowed as claimed.



### Disbursements

[25] Prior to addressing the individual disbursements claimed, Apotex has raised the issue of the sufficiency of the evidence presented by Roche in support of its disbursements. Counsel for Apotex submits that subsection 1(4) of Tariff B to the *Federal Courts Rules* provides that no disbursement, other than fees paid to the Registry of the Federal Court, shall be assessed or allowed unless it is reasonable and it is established by affidavit or by the solicitor appearing on the assessment. Then, at paragraph 26 of Apotex' Written Submissions, counsel argues:

...the failure on the part of Roche to confirm that the disbursements claimed were charged to it and were reasonable to incur ought to bar Roche from a full recovery for those expenses claimed. Roche has put the Assessment Officer in a position where he only has a "draft" Bill of Costs with selected supporting documentation. In these circumstances, Apotex submits that a conservative approach must be applied to avoid any prejudice that may be caused to Apotex.

[26] In reply, counsel for Roche submits that the affidavit of Erin McIntomny is more than sufficient for the purpose of satisfying subsection 1(4) of Tariff B as it establishes that the disbursements were made and payable by the party. Then at paragraph 12, counsel contends:

...the McIntomny evidence constitutes *prima facie* evidence of these disbursements. It must be taken as true and is dispositive of the existence of these disbursements in the absence of evidence to the contrary. This evidence, and thus Ms. McIntomny's credibility, cannot be attacked without the evidence being challenged on cross-examination. Thus, because Apotex chose not to cross-examine Ms. McIntomny, the *prima facie* evidence set out in her affidavit is sufficient to satisfy the subsection 1(4) requirement that the disbursements were made or are payable by Roche.

In support of this, counsel refers to *Abbott Laboratories v Canada (Health)*, 2008 FC 693, at paragraph 5. Further, counsel argues that for disbursements, such as photocopies, invoices are not necessary to establish a *prima facie* case.

[27] Counsel for Roche also argues that reasonableness is a matter within the purview of the Assessment Officer and that the Affidavit of Erin McIntomny provides sufficient basis for the assessment of the disbursements claimed. Counsel contends that for routine disbursements such as photocopying, for which no invoices were provided, an Assessment Officer is in an adequate position to recognize and assess the reasonableness of a given charge.

[28] I have reviewed the Affidavit of Erin McIntomny and I find that the evidence provided establishes that the disbursements were paid or payable by Roche. However, the disbursements for which no invoices were produced concern me. At paragraph 14 of her Affidavit, Ms. McIntomny suggests:

I determined the values for Quicklaw and Westlaw fees, courier charges, process servers, photocopying (internal and external), binding, prior art, fax charges and long distance by reviewing the total shown in our accounting system as being billed to the client for each disbursement type.

[29] Although this may be sufficient to establish *prima facie* evidence that the disbursements were incurred, in circumstances such as this proceeding, where there is a motion for which no costs were awarded, I am provided with no evidence that the disbursements related to that motion were deducted from the disbursements claimed. Further, as Roche claimed fees for said motion, I am led to conclude that the disbursements for the motion were included in the Bill of Costs. With this in mind, I turn to *Halford v Seed Hawk Inc*, 2006 FC 422 [*Halford*], at paragraph 160, where the Assessment Officer held:

... Although there is a considerable mass of invoices etc. in the evidence, the proof is less than absolute. The less that evidence is available, the more that the assessing party is bound up in the assessment officer's discretion, the exercise of which should be

conservative, with a view to a sense of austerity which should pervade costs, to preclude prejudice relative to the payer of costs...

(also see: *Nature's Path Foods* at paragraph 23) Therefore, when assessing the disbursements for which no invoices were provided, I will use my discretion to ensure that Apotex is not prejudiced concerning any costs which may have arisen in relation to Roche's Motion to have this matter specially managed.

#### Expert Witnesses

[30] Roche has submitted claims for four expert witnesses; Dr. Catral, Dr. Thisted, Dr. Anderson and Dr. Sawchuk. As Apotex has not contested the amounts claimed for Dr. Catral and Dr. Thisted, these amounts are allowed as claimed at \$8,166.66 and \$10,156.04 respectively.

[31] Concerning Dr. Anderson and Dr. Sawchuk, at paragraph 41 of Roche's Submissions in chief, counsel submits that the Court relied upon the evidence that the prior art pointed away from the invention, as presented by Dr. Anderson and Dr. Sawchuk.

[32] Commencing at paragraph 28 of Apotex' Written Submissions, counsel contends that Roche should not recover, in full, the disbursements for Dr. Anderson and Dr. Sawchuk. Counsel submits that Dr. Anderson charged \$8,000.00 for sixteen hours for his cross-examination which lasted only 3 1/2 hours. In support of this, counsel refers to Exhibit "D" to the Affidavit of Lisa Ebdon sworn May 31, 2013. Counsel continues by submitting that the amounts claimed for Dr. Anderson and Dr. Sawchuk greatly exceeded the amounts charged for Dr. Catral and Dr. Thisted and that although Roche was free to engage the expert services of any individual, Roche

needs to justify the reasonableness of Dr. Anderson and Dr. Sawchuk, who charged approximately nine times the amount charged by Dr. Catral and Dr. Thisted. Counsel submits that the Court does not suggest that the evidence of one expert was more complex or important than the others and accordingly, the expert fees of Dr. Anderson and Dr. Sawchuk ought to be reduced significantly.

[33] By way of reply, counsel for Roche submits that Apotex has led no evidence that the amounts claimed for Dr. Anderson and Dr. Sawchuk are unreasonable. Then at paragraph 18 of Roche's Reply Submissions, counsel submits:

...Drs. Anderson and Sawchuk were Roche's primary experts in this case. As noted in Annex "B" to Justice O'Reilly's reasons, Drs. Anderson and Sawchuk both opined on each of the major overarching issues in the proceeding: obviousness, utility and construction. By contrast, Dr. Thisted was noted to have an affidavit opining on the "limited" issue of the statistical analysis of one of the examples in the patent, as well as responding to the criticisms of the narrow issue of the data in the patent provided by some of Apotex's experts. Dr. Catral was also noted to have a "limited" scope in his affidavit; in Dr. Catral's case, it was limited to the use and impact of medicines such as the one at issue and to comments on the tests and data provided in the patent. Unlike Drs. Anderson and Sawchuk, neither Dr. Thisted nor Dr. Catral were required to consider the entirety of the documents provided in Apotex's NOA and, in light of these voluminous productions, to provide opinions on the overarching issues of the case.

[34] Counsel for Roche continues by submitting that the invoices for Dr. Anderson and Dr. Sawchuk show the significant amount of time invested in reviewing the prior art. Counsel also argues that the Court commented on the reviews of the prior art conducted by Dr. Anderson and Dr. Sawchuk and explicitly contrasted their reviews with those of the Apotex experts. Concerning the relative importance of the Roche experts, counsel submits that the Court referred

to Dr. Anderson and Dr. Sawchuk four and five times respectively and cited Dr. Cattral and Dr. Thisted twice each.

[35] I have reviewed the Reasons for Judgment and Judgment of the Court, including Annex “B”, and find that the issues addressed by Dr. Anderson and Dr. Sawchuk were broader and that the Court referred to their evidence more than for Dr. Cattral or Dr. Thisted. Further, I have reviewed the experts respective affidavits and invoices and conclude that, as submitted by counsel for Roche, the review of the prior art and preparation of the affidavits of Dr. Anderson and Dr. Sawchuk were time consuming. Further, the only submission by Apotex which disputes a specific aspect of the amount claimed, relates to the cross-examination of Dr. Anderson. On that point, I find that the amount claimed for Dr. Anderson for his cross-examination is not reasonable; especially when it is considered that Roche has claimed a disbursement for Dr. Anderson in the amount of \$7,750.00 for 15.5 hours, the day prior to the cross-examination, for travel and meeting with counsel. Under these circumstances, I am not prepared to allow the \$8,000.00 claimed for the cross-examination of Dr. Anderson but will allow 4 hours at \$500.00 per hour, for his cross-examination on June 8, 2010.

[36] With the exception of the amount claimed for the cross-examination of Dr. Anderson, I find the amounts claimed to be reasonable. Therefore, the amount claimed for Dr. Sawchuk is allowed as claimed at \$63,975.46 and the claim for Dr. Anderson is allowed at \$84,056.18 to account for the reduction for his cross-examination.

### Technical Consultants

[37] Roche has presented claims for Dr. Eugui, Dr. Williams III and Dr. Pankiewicz. Counsel for Roche submits that these experts provided technical assistance due to the complexity and technical nature of the proceeding. Counsel argues that the costs of experts not called to testify may be assessed if the experts are not clearly superfluous. In support of this counsel refers to, *Merck & Co v Apotex Inc*, 2002 FCT 842, at paragraph 29, *Mercury Launch & Tug Ltd v Texada Quarrying Ltd*, 2009 FC 331 [*Mercury Launch*] at paragraph 41 and, *Fournier Pharma Inc v Canada (Health)*, 2009 FC 1004 [*Fournier Pharma*] at paragraph 28. In support of the contention that “any assistance provided by an expert related to his or her area of expertise is justifiable”, counsel refers to *Adir v Apotex Inc*, 2008 FC 1070 [*Adir*], at paragraph 21. Finally counsel submits that Dr. Eugui, Dr. Williams III and Dr. Pankiewicz provided expert opinion and assisted in areas beyond the expertise of counsel and should not be precluded from recovery on assessment.

[38] Counsel for Apotex argues that the general rule is that costs associated with expert witnesses who do not testify at the hearing are not recoverable by the party. In support of this, counsel refers to *Adir*, at paragraph 5 to 9, *Eurocopter* at paragraph 54, *Apotex Inc v Wellcome Foundation Ltd*, [1998] F.C.J. No. 1736 [*Apotex v Wellcome*], at paragraph 63, affirmed at [2001] F.C.J. No. 37 and *Sanofi-Aventis* affirmed at 2012 FCA 26, at paragraph 18. Counsel also submits that there is no evidence of the necessity or reasonableness of the fees claimed for the assistance these non-testifying witnesses provided to counsel. Further, counsel argues that there was no circumstance so unusual that the Court ought to deviate from the general rule and allow the costs of these non-testifying experts. Finally, counsel submits that the inclusion of these

expert witnesses would exceed the limit of five experts per proceeding set out in section 7 of the *Canada Evidence Act*, RSC 1985, c C-5 [*Canada Evidence Act*].

[39] In Roche's Written Submissions in Reply, counsel contends that in *Sanofi-Aventis*, the Court declined to award costs for experts who did not appear at trial, but awarded costs for scientific experts who assisted counsel in "reviewing and understanding other experts' reports, preparing for cross-examination of opposing experts and, where applicable, assisting in preparation for discoveries". Counsel argues that the same principle is set out in *Eurocopter*. Counsel contends that all of the other cases referred to by Apotex relate to actions where potential expert witnesses at trial were not called upon to testify and that Apotex cites no case in which technical consultants were denied in PM(NOC) applications. Further, concerning necessity and reasonableness, counsel argues that paragraphs 6 through 9 of the McIntomny Affidavit speak to the work performed and the assistance provided by these technical consultants. Counsel also submits that Apotex' argument concerning section 7 of the *Canada Evidence Act* mischaracterizes Dr. Eugui, Dr. Williams III and Dr. Pankiewicz as experts when their role was that of technical consultant. Finally, Counsel for Roche contends that even if the technical consultants were classified as experts, Apotex applies the wrong legal test and is looking at the issue with hindsight rather than asking whether the disbursements were reasonable costs to be incurred at the time.

[40] Counsel for Roche asserted that fees for scientific experts who assist counsel in reviewing and understanding other experts' reports, preparing for cross-examination of opposing experts and, where applicable, assist in preparation for discoveries, are recoverable on an

assessment of costs. In support of this, counsel referred to *Eurocopter* and *Sanofi-Aventis*. At paragraph 54 of *Eurocopter*, the Court held:

The jurisprudence has established that, in principle, fees for the winning party's experts who appeared at trial or experts who assisted counsel in reviewing and understanding expert opinions is justifiable and should be recovered: *Sanofi II*, above, at paras 17-18; *Adir*, above, at paras 21-22.

[41] In reaching this decision, the Court relied on *Sanofi-Aventis* and *Adir*. At paragraphs 17 and 18 of *Sanofi-Aventis*, the Court held:

Novopharm seeks recovery of all fees and expenses for all experts, regardless of whether they appeared at trial. There is no question that fees for experts who appeared at trial should be recovered. In the Reasons, I observed that there was some duplication of expert testimony. Upon further review and reflection, I am satisfied that all of the experts provided assistance to the Court. However, I am not prepared to allow an award of costs for experts who did not appear at trial.

I am also prepared to allow costs for experts assisting counsel in reviewing and understanding other experts' reports, preparing for cross-examination of opposing experts and, where applicable, assisting in preparation for discoveries. Costs for attending at trial are recoverable only where the expert was attending to hear the testimony of an opposing party's expert, whose report and testimony responded to or addressed issues considered in his or her own expert report. (emphasis added)

[42] At paragraphs 21 and 22 of *Adir*, the Court held:

I am not prepared to limit the reimbursement of the experts as requested by Apotex. In my view, any assistance provided by an expert related to his or her area of expertise is justifiable. That would include assisting counsel in reviewing and understanding the expert reports from the other side and preparing for cross-examination. Until we have a trial process that allows experts to openly question each other on their reports, lawyers must be involved. And, the only meaningful way counsel can be prepared to act as such middlemen is to have the experts' assistance.



Recovery of the reasonable fees charged by the experts who then appeared at trial to provide this service is appropriate.

Reimbursement for experts not called at trial is more problematic. I do not know how many experts were retained or whether their reports were relevant to the issues. I will not permit recovery for experts who were not called at trial. (emphasis added)

[43] By referring to these decisions it is clear that in *Eurocopter*, the Court intended that the “experts who assisted counsel in reviewing and understanding expert opinions” would be the same experts who then appeared at trial to address issues in his or her own report. To find otherwise would be inconsistent with *Sanofi-Aventis* and *Adir* in which the Court found that it was “not prepared to allow an award of costs for experts who did not appear at trial”.

[44] At this point, it is important to note that in situations where there was an intention to call an expert but, due to the circumstance of the particular case, the expert was not ultimately called to testify, it has been held that the expert fees, including providing assistance to counsel in reviewing and understanding other expert’s opinions, may be allowed. (See: *Merck & Co*, at paragraph 40, *Mercury Launch*, at paragraph 17 and 41, and *Fournier Pharma* at paragraph 9 and 28)

[45] With this in mind, I find that the interpretation given by counsel for Roche is flawed due to a misinterpretation of the phrase “experts who appeared at trial or experts who assisted counsel” (emphasis added). Counsel for Roche interpreted this as suggesting that expert fees would be recoverable if the service rendered met either of the situations mentioned. Contrary to this interpretation, I find that the use of the word “or” provides for the circumstance mentioned above where there was an intention to call an expert and the expert was not ultimately called to

testify but the services provided prior to hearing are allowable. Further, if the Court had used the word “and” in *Euocopter*, it would have created the situation where an expert would have to appear at trial and assist counsel to be justifiable for costs. This would have created a situation which was too restrictive and was not in line with prior jurisprudence. (See: *Apotex v Wellcome*, (*above*))

[46] Considering the above, counsel for Roche has presented no evidence that there was ever an intention to call Dr. Eugui, Dr. Williams III or Dr. Pankiewicz as expert witnesses. There is no evidence that any of the technical consultants prepared an affidavit nor is there any evidence that there had ever been consideration given to the possibility of Dr. Eugui, Dr. Williams III or Dr. Pankiewicz preparing an expert affidavit. Under these circumstances, I find that the claims for Dr. Eugui, Dr. Williams III and Dr. Pankiewicz do not meet the requirements set out in *Eurocopter*, *Sanofi-Aventis* and *Adir*. Therefore, the claims for Dr. Eugui, Dr. Williams III and Dr. Pankiewicz are not allowed.

#### Dr. Allison and Dr. Lee

[47] Concerning Dr. Allison and Dr. Lee, counsel for Roche submits that given the number and complexity of the issues, it was appropriate to retain and utilize their expertise in support of the Application. At paragraph 42 of Roche’s Written Submissions in Chief, counsel argues:

...the factual evidence provided by two of the co-inventors was ... relied upon by the Trial Judge when analyzing whether the invention was obvious. Specifically, Dr. Lee was relied upon to show that extensive effort was required in order to arrive at the invention, including research on over a hundred MPA analogues. Similarly, the work done by Dr. Allison was cited, with Justice O’Reilly noting that the process for arriving at the invention took more than five years.

[48] At paragraph 39 of Apotex Written Submissions, counsel argues that the claims for Dr. Allison and Dr. Lee are inappropriate as both doctors were not tendered as expert witnesses but were put forward as fact witnesses to speak to the purported invention in suit. Counsel submits that as fact witnesses the costs associated with them should be reduced to nil or to a nominal rate to allow for reasonable disbursements charged by the witnesses.

[49] In Roche's Written Submissions in Reply, counsel submits that costs for fact witnesses are recoverable and that Dr. Allison and Dr. Lee provided expertise that was valuable to the judge in finding that the invention was not obvious. Counsel argues that Dr. Allison and Dr. Lee were best suited to provide evidence as to the development of the invention and their costs should be recoverable. In support of this, counsel refers to *Wenzel Downhole Tool Ltd v National-Oilwell Canada Ltd*, 2011 FC 1323 [Wenzel], at paragraph 218.

[50] It is clear that Roche is presenting claims for Dr. Allison and Dr. Lee as factual witnesses. In *Wenzel*, the Court held:

The Plaintiffs submit that the Defendants should not be awarded costs for the expert witness, Mr. Finnie, and the fact witness, Mr. Kanak. I do not agree. Mr. Finnie's expertise in digital media was useful in establishing the genesis of the 3103 assembly, a question that was, to a large degree, essential to my findings in this matter. Mr. Kanak's factual evidence addressed an issue in the trial. While Mr. Kanak's evidence did not, at the end of the day, become necessary, the parties could not have known that when he appeared to testify. In the circumstances, the relevant costs of both of these witnesses should be recoverable.

[51] While it is clear that in *Wenzel* the Court has exercised its discretion in allowing costs for a fact witness, assessment officers are not members of the Court. In *Balisky v. Canada* [2004]

F.C.J. No. 536 at paragraph 6, the assessment officer states:

Rule 400(1), which vests full discretionary power in the Court over awards of costs, means that orders and judgments must contain visible directions that costs have been awarded. Given the *Federal Courts Act* ss.3 and 5(1) defining the Court and Rule 2 of the *Federal Courts Rules, 1998* defining assessment officer, the absence of that exercise of prior discretion by the Court leaves me without jurisdiction under Rule 405 to assess costs.

[52] In the present matter, the Court has not exercised its discretion to award costs of fact witnesses as was the case in *Wenzel*. Further, in *Halford*, at paragraph 103, it was held:

I acknowledge the shift in circumstances leading to the involvement of these fact witnesses respected, however, for their special knowledge in this particular field and which made their potential testimony prudent and relevant. I have no doubt whatsoever that, without an inducement by way of payments for their time, counsel for the Seed Hawk Defendants would not have been able to get them to come within our jurisdiction. That said, I do not think, regardless of my views of the extent of my jurisdiction or discretion as a function of various authorities, or even recourse to the remedial provisions of the *Interpretation Act*, s. 12, that the provisions of tariffs cited before me permit me to overcome the application and limitation of Federal Court Tariff A3(1) regarding fact witnesses, ie. by permitting the contractual or otherwise expenses for their time. As well, my decision to limit them to witness fees (the Manitoba allowance) was not influenced by what some might view as their leveraging of the circumstances: it is all simply beyond my jurisdiction.

[53] In keeping with *Halford*, I find that the maximum amount allowable under Tariff A3(1) of the *Federal Courts Rules* is the amount allowable under Tariff A of the *Rules of Civil Procedure* for the Province of Ontario, being \$50.00 per day of necessary attendance at the hearing plus reasonable travel expenses. However, given that Dr. Allison and Dr. Lee provided

affidavit evidence and did not attend the hearing to provide viva voce evidence in Court, I find that I am not able to allow any of the disbursements claimed to the services they provided.

Therefore, the claims for Dr. Allison and Dr. Lee are not allowed.

[54] Roche has claimed \$87,100.31 for travel disbursements. In support of this claim, counsel for Roche submits that travel disbursements for second counsel should be allowed due to the volume and technical complexity of the work involved in the proceeding. Although Apotex makes no submission concerning travel disbursements for second counsel, counsel for Apotex submits that claims for alcoholic beverages, in room movies, coffee at airports, rental cars and parking while travelling and lavish meals with only a credit card receipt and no breakdown concerning what the meal included, should not be allowed.

[55] It is noted that Apotex has not disputed any of the trips made by counsel or the fact that two counsel travelled. Concerning Apotex submissions, I have reviewed the receipts for travel included in the Affidavit of Erin McIntomny and find that there are several instances where alcoholic beverages were included in the meal. I also found several receipts for “lavish meals” which did not include a breakdown of what the meal included. Also, there is no evidence concerning who was present at the meals. This is of concern as it has been decided that travel and meals for clients are not recoverable (see: *Janssen-Ortho Inc. v. Novopharm Ltd* 2006 FC 1333 at paragraph 24 and *Allied Signal Inc. v. Dupont Canada Inc.* (1998), 81 C.P.R. (3rd) 129 at paragraph 111 and *Bayer AG v Novopharm Ltd*, 2009 FC 1230, at paragraphs 77 and 78).

Given that alcoholic beverages and travel disbursements for clients may not be claimed and the

lack of particularity in the evidence provided by Roche, I turn to *Merck & Co v Apotex Inc*, 2008, FCA 371, at paragraph 14, where the Court of Appeal held:

In view of the limited material available to assessment officers, determining what expenses are "reasonable" is often likely to do no more than rough justice between the parties and inevitably involves the exercise of a substantial degree of discretion on the part of assessment officers. Like officers in other recent cases, the Assessment Officer in this complex case, involving very large sums of money, gave full reasons on the basis of a careful consideration of the evidence before him and the general principles of the applicable law.

From the evidence before me, and in keeping with the approach in *Merck & Co, Nature's Path Foods and Halford*, I find it reasonable to reduce the amount claimed for travel so as not to reimburse for expenses not properly claimed or supported by the evidence. Therefore, for the above reasons, the amount claimed for travel is allowed at \$84,500.00.

[56] Concerning the remaining disbursements, I find it useful to reiterate paragraph 14 of the Affidavit of Erin McIntomny, which states:

I determined the values for Quicklaw and Westlaw fees, courier charges, process servers, photocopying (internal and external), binding, prior art, fax charges and long distance by reviewing the total shown in our accounting system as being billed to the client for each disbursement type.

[57] At paragraph 42 of Apotex Written Submissions, counsel argues:

Roche seeks reimbursement of \$21,852.26 for photocopying, transcripts, fax charges, process servers, long distance charges, binding and computer charges. There is no evidence from Roche as to what these charges relate to or why they were incurred. Roche has failed to produce invoices (let alone an explanation) for all of these charges. Surprisingly, Roche chose not to adduce invoices into evidence even for those items for which receipts ought to exist. Absent any back-up documentation to establish that these

costs were, in fact, incurred and paid for by Roche and absent any evidence as to the necessity and reasonableness of those charges, such claims should not be allowed.

[58] By way of reply, at paragraph 16 of Roche's Reply Written Submissions, counsel submits that the charges for photocopying, transcripts, fax charges, process servers, long distance charges, binding and computer charges are reasonable and typical in complex patent litigation cases. Counsel argues that disbursements for day-to day expenses in such a case should not be denied.

[59] Concerning the claim for transcripts, I have reviewed the Affidavit of Erin McIntomny and confirmed that Roche provided invoices for all but two of the transcripts claimed. However, I have reviewed Roche's Application Record and confirmed that the Transcripts for which no invoices were provided were included in the Record. Therefore, the claim for transcripts is allowed as presented at \$6,086.55.

[60] Roche has claimed \$1,288.86 for Quicklaw and Westlaw fees. The only evidence provided is the statement at paragraph 14 of the Affidavit of Erin McIntomny. Counsel did not provide a copy of a printout from the accounting system referred to by Ms. McIntomny.

Commencing at paragraph 122 of *Truehope Nutritional Support Ltd v Canada (Attorney General)*, 2013 FC 1153, there is an extensive review of the jurisprudence concerning on-line searches. At paragraph 124 this review concludes with the following:

From the case law submitted, there appears to be a trend toward limiting or eliminating allowances for on-line computer research. Although Courts have found circumstances when online research could be seen as part of overhead and not a necessary disbursement to be passed along on a party and party assessment, I find that there are still circumstances when it may be a justifiable claim. As was

held in *Aram Systems Ltd v Novatel Inc (supra)*, I consider disbursements for electronic legal research similar to disbursements for photocopying. However, in keeping with *Janssen Inc v Teva (supra)*, I find that there is also a requirement to provide evidence that the research is relevant. Further, considering that the charges for on-line research can mount up, the justification for on-line charges claimed is essential.

Then at paragraph 128 of *Truehope*, it is held that, as the Respondents had not provided evidence of relevance and necessity, on-line searches could not be allowed. Similarly, given the lack of evidence provided by Roche, it is impossible to reach a determination concerning relevance or necessity of the on-line searches. Therefore the claim for Quicklaw and Westlaw fees is not allowed.

[61] Concerning courier, process server, binding, fax charges and long distance, I have been provided no evidence other than paragraph 14 of the Affidavit of Erin McIntomny. This makes it impossible to reach a determination concerning necessity as there is no evidence concerning to which step in the proceeding these charges relate. I find that it is not enough to simply state that these charges were incurred since there are steps for which no costs have been allowed. On the other hand, even though Roche has provided no particularity concerning these disbursements, from a review of the Court Record it is clear that expenses would have been incurred in the process of the litigation. Therefore, I will allow courier, process server, binding, fax charges and long distance for a total lump sum of \$500.00.

[62] Roche has claimed \$12,296.65 for photocopies produced in-house at the law firm and \$3,611.27 for photocopies produced by an external service provider. Although no substantiation or invoices have been provided, I have reviewed the Court Record and it is clear that a



substantial amount of photocopying was required in the process of this proceeding. In keeping with *Merck & Co* and *Nature's Path Foods*, the amount claimed for photocopying is allowed for a total of \$10,000.00.

[63] As the amounts claimed for court reporting, registry fees and prior art have not been opposed, they are allowed as claimed.

[64] The final submission of Apotex concerns HST. At paragraph 43 of Apotex' Written Submissions counsel argues that HST should only be applied to assessable services after July 2010, the date HST came into force. Roche makes no submissions concerning this point.

[65] I have confirmed that HST came into force in July 2010; therefore, Roche's claim for HST will be adjusted accordingly.

[66] Finally, as Apotex made no submissions concerning Post Judgment Interest, it will be allowed as claimed by Roche, from the date of judgment until the date of payment.

For the above reasons, the Bill of Costs of Roche is assessed and allowed at \$302,177.96 plus post judgment interest at 5% from July 13, 2011 until the date of payment. A Certificate of Assessment will be issued.

“Bruce Preston”  
\_\_\_\_\_  
Assessment Officer

Toronto, Ontario  
December 18, 2013

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-1165-09

**STYLE OF CAUSE:** HOFFMANN-LA ROCHE LIMITED  
V  
APOTEX INC. AND THE MINISTER OF HEALTH  
V  
ROCHE PALO ALTO LLC

**ASSESSMENT OF COSTS IN WRITING WITHOUT PERSONAL APPEARANCE  
OF THE PARTIES**

**PLACE OF ASSESSMENT:** Toronto, Ontario

**REASONS FOR ASSESSMENT  
OF COSTS:** Bruce Preston,

Assessment Officer

**DATED:** December 18, 2013

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