

INDUSTRIAL PROPERTY LAW

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I. INTRODUCTION

The industrial property survey this year will be restricted to patents, but it is hoped that, next year, sections will be included on trade marks, copyright and industrial design, and unfair competition.

The patent cases discussed in this issue are not limited only to last year's, but instead cover the period from 1965 to the end of 1968. A few earlier cases are also discussed, where their inclusion is necessary to show development of a doctrine.¹ Some attempt has been made to summarize developments since the writing of any Canadian patent text in rules having general application to patent cases.

The survey has been divided into three main headings, namely infringement, validity and reissue. It was originally intended to include a discussion of conflicts and of licence, assignment and devolution, but this has not been done because of space limitation. A case presently pending before the Supreme Court is likely to change conflict practice considerably and it was felt advisable to delay a detailed consideration of this area. Assignment has been covered comprehensively in a recent article by G. F. Henderson,² while the problems of licencing encountered in recent cases have dealt mainly with the compulsory licencing provisions relating to pharmaceuticals, which are likely to be modified by a bill now before Parliament.³

During the period covered by the survey, no new texts on patent law have appeared in Canada, although existing texts are seriously outdated.⁴ The only new writing in the field has been in periodicals, notably those published by The Patent and Trademark Institute of Canada.⁵ The institute has also published a very useful index,⁶ which lists articles on patents, trade

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¹ Where possible, cases have been cited to the Canadian Patent Reporter (Can. Pat. R.) and to Fox's Reports of Patent, Trade Mark and Copyright Cases (Fox Pat. Cas.) rather than to the official reports. Many cases of interest, being interlocutory proceedings, are not reported in the official reports. Both series used have comprehensive headnotes and editorial comments which are of great help in summarizing the law on particular points.

² Henderson, *Problems Involving the Assignments of Patents and Patent Rights*, 1 OTTAWA L. REV. 37 (1966).

³ Bill C-105, 1968-69.

⁴ The basic text in Canada was published in its latest edition in 1948. Other texts of lesser importance were published in 1957 and 1960.

⁵ The BULLETIN OF THE PATENT AND TRADEMARK INSTITUTE is published at irregular intervals during the year, and the *Proceedings of the Annual Meeting* are printed and circulated to members.

⁶ PAT. & TRADEMARK INST. OF CANADA, CENTENNIAL INDEX, (1967).

marks, copyright and industrial design under subject headings and (in the case of patents and trade marks) under the appropriate sections of the Patent Act⁷ and the Trade Marks Act.⁸

The major reason for the lack of new text writing in the field of patents is that the Canadian patent system is presently undergoing a period of evaluation. A Royal Commission⁹ (known as the Ilsley Commission) examined the present patent system in a report handed down in December, 1959.¹⁰ Later, the Economic Council of Canada was asked by the federal government to review the whole question of combines, mergers, monopolies and restraint of trade, as well as patents, trade marks, copyright and industrial designs.¹¹ Although the Economic Council has not yet reported, some changes have already been proposed in licencing provisions for pharmaceuticals.¹² Once the Economic Council hands down its report, certain basic changes in the patent system may be made. A considerable amount of discussion has been raging as to the form of patent system which would best suit the Canadian economy, and it seems likely that our present system where the patent is given to the first person to invent anywhere in the world may be changed in the long term.

In the present context of the change and assessment of the patent system, it is of interest to consider the doctrines presently being enunciated by the courts, and to determine the effects that these will have if not modified by legislation. For this reason, the present article adopts an argumentative approach, and attempts to show places where the law is in need of change.

II. INFRINGEMENT

(a) *General*

The majority of patent cases which reach the courts deal with infringement. Infringement arises when a person makes use of the subject matter of a valid patent or does something which falls under the claims of that patent, without consent from the patentee. The lawyer whose client is hit with an infringement suit has two questions to consider. First, he must decide whether his client's product or process comes within the scope of monopoly granted by the patent. If this question is answered affirmatively, he then goes on to consider whether the patent is valid.

⁷ CAN. REV. STAT. c. 203 (1952) [hereinafter referred to as Patent Act].

⁸ CAN. REV. STAT. c. 49 (1952).

⁹ Royal Commission on Patent, Copyright and Industrial Designs, established June 10, 1954.

¹⁰ REPORT ON PATENTS OF INVENTION (1959). It is of interest that Mr. A.M. Laidlaw Q.C., the present Commissioner of Patents, was for some time secretary to this Royal Commission.

¹¹ The terms of reference of the Economic Council of Canada are given at 47 Can. Pat. R. 213.

¹² *Supra* note 3.

In theory, it is easy to decide whether a given device or process infringes the claims of a patent. It is only necessary to read the claims, and to apply them to the device or process. For each element or step recited in the claims, there must be a corresponding element or step actually present in the alleged infringement. It is, of course, necessary to remember that the claims can be interpreted by the disclosure portion of the patent,¹³ but if the claims are plain and unambiguous it will not be possible to expand or limit their scope by reference to the body of the disclosure.¹⁴

The only problems in deciding whether a particular claim is infringed or not should, therefore, be in the definition of the words in the claim, and in applying these words to a particular device. In certain cases this can be complicated¹⁵ but most of the interpretations hinge on the particular question of how the terminology is defined in the specification, so that findings on this point are of little value as precedents.

The problems in infringement arise mainly from particular doctrines which have arisen and which either extend or narrow the general rule for finding infringement set out above. Some of these doctrines which have been considered in recent cases will be discussed individually below. Additionally, an examination will be made of several recent cases which discuss the damages payable when infringement is found.

(b) *The "Pith and Marrow" doctrine*

There is authority for the view that an article can infringe a claim, even though all of the elements of the claim do not read on elements of the article, provided the differences between the article and the claim are only immaterial variations, or omissions of inessential elements.¹⁶ The reason for this is one of history. Initially, patents in Great Britain were granted solely on the basis of the name of the invention which the patentee claimed to have invented. Later, the patentee was required to provide a description of his invention, but it was not until 1883 that he was required to include claims as well. The early claims were rudimentary, and the courts often felt that they could go outside these claims to determine what was and what was not the substance of the invention, or, as it is often called, the "pith and marrow" of the invention.

¹³ *Western Elec. Co. v. Baldwin Int'l Radio*, [1934] Sup. Ct. 570; *B.V.D. Co. v. Canadian Celanese Ltd.*, [1936] Can. Exch. 139, *appeal allowed*, [1937] Sup. Ct. 221.

¹⁴ *B.V.D. Co. v. Canadian Celanese Ltd.*, [1937] Sup. Ct. at 237; *Minerals Separation N. Am. Corp. v. Noranda Mines Ltd.*, [1947] Can. Exch. 306, at 362. For a case where the broad terminology of a claim ("electric rotating machine") has been limited by what was shown and described in the remainder of the specification, see *Printed Motors Inc. v. Tri-Tech Inc.*, 54 Can. Pat. R. 200 (Exch. Ct. 1968).

¹⁵ See, e.g., *Libbey-Owens-Ford Glass Co. v. Ford Motor Co. of Canada*, Can. Exch. Thurlow, J., January 7, 1969 (unpublished).

¹⁶ The case law supporting this view is summarized in *McPhar Eng'r Co. v. Sharpe Instruments*, 35 Can. Pat. R. 105, 21 Fox Pat. Cas. 1 (Exch. Ct. 1960).

In the United Kingdom, the pith and marrow doctrine has been given a very restricted application, so that devices which do not meet the claim terminology have been held not to infringe even when they differ only slightly from it.¹⁷ In Canada, however, it is firmly established that a device or process which does not meet the claim terminology is an infringement if all that is missing is an inessential element.¹⁸ Recent cases in provincial courts have confirmed this. In *International Pediatric Products Ltd. v. Lambert*¹⁹ the doctrine was accepted by the British Columbia Court of Appeal, while it was accepted at first instance in a Quebec court in *Rodi & Wienenberger A.G. v. Jacques Kreisler (Canada) Ltd.*²⁰ It thus seems that the law in Canada has diverged from that of Britain, and that the doctrine of pith and marrow will be applied much more broadly by Canadian than by British courts.²¹

(c) Contributory Infringement

The United States patent laws declare that the making of an element which is especially adapted for use in an infringing combination is itself infringement,²² and that a person who actively induces infringement of a patent shall be liable as infringer.²³ There is no such statutory provision in either Canada or Great Britain, but the courts have held that a person who is not engaging in direct infringement may still be liable if certain conditions are met. For instance, if all parts of an infringing device are sold by the person in a form so that they can be put together easily to make the infringing device, that person will be liable.²⁴ Also, if two persons act in concert, so that each sells some of the parts necessary to make an infringing device, both will be liable for infringement.²⁵ Additionally, a person who knowingly induces or procures another to infringe a patent can be liable for such infringement.²⁶

¹⁷ *Van der Lely v. Bamfords*, [1961] R. Pat. Cas. 313 (C.A.), *aff'd*, [1963] R. Pat. Cas. 61 (H.L.); *Rodi & Wienenberger A.G. v. Henry Showell Ltd.*, [1966] R. Pat. Cas. 441 (C.A.). In *Van der Lely*, Lord Reid gave a vigorous dissent in which he argued that the doctrine should be retained in a broad form.

¹⁸ *Supra* note 16.

¹⁹ 34 Fox Pat. Cas. 16, 52 Can. Pat. R. 170 (B.C. Sup. Ct. 1965), *aff'd*, 50 Can. Pat. R. 265, 34 Fox Pat. Cas. 58 (B.C. 1966).

²⁰ 36 Fox Pat. Cas. 126 (Que. C.S. 1966).

²¹ For a summary of present Canadian position, see Hayhurst, *McPhar v. Sharpe: A Post Mortem*, 21 BULLETIN OF THE PAT. & TRADE MARK INST. OF CANADA 66 (1967).

²² 35 U.S.C. 271(c) (1952).

²³ 35 U.S.C. 271(b) (1952).

²⁴ *United Telephone v. Dale*, 25 Ch. D. 778 (1884).

²⁵ *Incandescent Gas Light Co. v. New Incandescent Mantle Co.*, 15 R. Pat. Cas. 81 (1898).

²⁶ *Innes v. Short & Beal*, 15 R. Pat. Cas. 449 (Q.B. 1898); *Copeland-Chatterson Ltd. v. Hatton*, 10 Can. Exch. 224 (1906), *aff'd*, [1906] Sup. Ct. 651.

In *Slater Steel Industries Ltd. v. R. Payer Co.*,²⁷ the last of these situations was considered. The defendant had sold an essential element of a combination to a number of customers in Canada, knowing that the element could only be used to make the infringing combination. The defendant had also provided instructions on how to use the device in order to infringe the patent. The ultimate customers of both the defendant and plaintiff were large power companies set up as Crown corporations by provincial governments. In finding that the defendant did not infringe, Mr. President Jackett observed that, in order to have contributory infringement, there must be actual infringement by some party. Because the persons alleged to infringe were Crown corporations, it was quite possible that there was no infringement in fact,²⁸ but this point was specifically left open. The judge held that selling articles which can only be used for making an infringing combination is not sufficient to establish contributory infringement, nor is selling the device with instructions on how to use it to infringe. There must be "something more," for instance, the deliberate indication by the defendant that the plaintiff's patent rights had come to an end, or the giving by the defendant of an indemnity agreement to the actual infringer.

President Jackett seemed to be greatly influenced by the fact that the defendant was a small company²⁹ and that it was unlikely in the extreme that such a company could effectively "induce or procure" a giant power corporation to do anything. However, the decision restricts the meaning of "knowingly induces or procures to infringe" greatly, so that, for all practical purposes, contributory infringement arising in this way is probably not actionable in Canada. This will cause a difficulty where the patent owner is a manufacturer of part of the patented combination, and the infringer is a second manufacturer in competition with him in supplying that part. If the suit is brought against the other manufacturer, *Slater Steel* will imply that there is no liability unless some special circumstances, such as an indemnity, can be shown. If, however, the patentee brings his action against the ultimate user of the combination, he will be suing his own clientele, and the resulting ill will may cause damage to his business. Also, if he must sue each customer of the second manufacturer separately, he will be tied up in a never-ending parade of litigation, particularly if the articles are relatively small and inexpensive. For this reason, *Slater Steel* strikes a severe blow to the protection granted by combination patents.

²⁷ 55 Can. Pat. R. 61, 38 Fox Pat. Cas. 139 (Exch. Ct. 1968).

²⁸ See discussion of use of patents by the Crown *infra* at 231-33.

²⁹ The judge referred to it as a "one man show."

(d) *Admissions and Presumptions of Infringement*

The normal rule in infringement cases is that the burden is on the patentee to prove that his patent has been infringed.³⁰ However, it has on occasion been the practice for a defendant to admit infringement of a patent if valid, to save the expense of a long action dealing with infringement in a case where he considers that he has clearly infringed but the patent is invalid.

The effect of admissions made by a defendant was considered recently in *Libbey-Owens-Ford Glass Co. v. Ford Motor Co. of Canada*.³¹ In this case, a narrow scope was put on such admissions. It was held that a bare admission by the defendant that he has infringed a particular patent does not admit to infringement of all of the claims of that patent. If, however, the plaintiff's pleadings state precisely what the defendant did which constituted infringement of its rights, and which claims are alleged to be infringed, it would seem that the admission might be given effect as admitting that these acts were done and that they infringed the particular claims mentioned. However, it was held that even when the admission is to a particular claim and the period of infringement of that particular claim is specified, infringement is only established of that claim "save insofar as other evidence establishes the contrary."

Because of this holding, it seems incumbent on a plaintiff not to rely upon admissions made by the defendant to prove infringement. Instead, the plaintiff should be prepared to adduce his own evidence of infringement if the need arises, even though the defendant has made an admission of such infringement. It is difficult for the plaintiff to determine whether the need has in fact arisen to adduce evidence, as the judge may be annoyed if unnecessary evidence is led. On the other hand, if some of the evidence introduced by the defendant after the plaintiff has finished his case indicates that the claims have not in fact been infringed the judge may withdraw the effect of the admissions, and hold that no infringement has been made out. This would seem to put the plaintiff in a very difficult tactical position.

With respect to products made by a chemical process and intended for food and medicine there is a presumption of infringement, which modifies the rule previously mentioned that a patentee must prove that his patent has been infringed. Such products can not be covered by a product claim per se, and the only permitted method of claiming them is in association with the process by which they are made.³² If there were no presumption of infringement, the patentee would be faced with an immense practical problem as he would have to establish before he could make out infringement that

³⁰ e.g., *Libbey-Owens-Ford*, *supra* note 15.

³¹ *Id.*

³² Patent Act § 41(1).

the product had been made by the patented process. This would be difficult to do in most cases, as the process used would be within the knowledge of the infringer and could easily be concealed from the patentee.

To avoid this result, section 41(2) provides a presumption that, in the absence of proof to the contrary, a product intended for food or medicine and covered by a product-by-process claim is produced by the patented process. This puts the burden on the defendant to rebut the presumption. He is in the best position to lead evidence, having knowledge of his own process.

The question arose in one recent case³³ as to what happens when a product claim is drafted to refer to several different processes. In the Exchequer Court, Mr. Justice Thurlow held that there could be no presumption as to the process by which the patentee could require the defendant to disprove that he has used one of the patented processes. This holding was based on the idea that the section of the Patent Act raised no presumption that the product would be made by any particular one of the processes. On appeal, the Supreme Court held that the decision below in effect permitted the presumption to apply only when it could be shown that the substance was produced according to all of the various processes set out in the claims. This placed an impossible burden on the plaintiff, and defeated the object of the sub-section. Chief Justice Taschereau stated :

This s. 41(1) patent is for a substance produced by three methods or processes. This is permitted by s. 41(1). Section 41(1) does not make it necessary to have three separate applications for the same substance, one by each process. The action is brought for infringement and one of these processes is pleaded. There is no reason why when the plaintiff frames its action in this way that the presumption in s. 41(2) should not apply. We are all of the opinion that the learned trial judge was in error in holding that s. 41(2) is inapplicable where there is more than one process claimed and thus patented.³⁴

The Supreme Court decision has the effect of restoring the presumption of infringement in pharmaceutical cases. This presumption would have been effectively destroyed had the Exchequer Court decision been allowed to stand, as most section 41 patents refer to more than one process.

(e) Infringement of Process Claims by Importation

If a Canadian patent discloses a process for making a product, but has claims drawn only to the process and not to the product, the question may be asked whether importation of the product will infringe these claims. By

³³ Rhone-Poulenc v. Gilbert Ltd., 51 Can. Pat. R. 150, 34 Fox Pat. Cas. 156 (Sup. Ct. 1966), rev'g 31 Fox Pat. Cas. 31 (Exch. Ct. 1965).

³⁴ *Id.* at 152, 34 Fox Pat. Cas. at 158.

first principles, it would seem that it should not. The invention claimed is a process, and the patentee would have no right of stopping the vending of the article, as his invention (*i.e.*, the process) has been performed outside Canada, where the protection of the Canadian patent does not reach.

Although this conclusion seems logical and has been supported by several writers,³⁵ the courts have held that when a process which would infringe a Canadian patent is carried out in another country, and articles made by that process are imported into Canada, the process claims of the Canadian patent are infringed.³⁶ This doctrine has recently been affirmed. In *Union Carbide Canada Ltd. v. Trans-Canadian Feeds Ltd.*,³⁷ Mr. President Jackett followed the earlier decisions with extreme reluctance. He stated :

Inasmuch as the Canadian Act clearly contemplates a monopoly for a process and a separate monopoly for a product, and inasmuch as a monopoly under that Act operates only in Canada, it would seem to follow that a Canadian monopoly for a process would not be infringed by the sale or use in Canada of a product made by the process in a foreign country While I appreciate that the doctrine of *stare decisis* does not have the same application in this Court, which has jurisdiction in the Province of Quebec as well as the common law provinces, as it does in a common law Court, nevertheless, in my view where a question has been decided by the Court after argument, it is in the interest of the orderly and seemly administration of justice that that decision be followed when the same question arises subsequently in this Court, in the absence of special circumstances, the nature of which I am not prepared at this time to define While, as I see it, the question would be open for reconsideration in the Supreme Court of Canada, I propose, having regard to the views expressed above, to follow the decision rendered by Mr. Justice Burbridge in 1897 so long as its authority remains unimpaired by a decision of the Supreme Court of Canada.³⁸

In a later case, Mr. Justice Thurlow considered the point and merely remarked : "In the absence of any expression of opinion to the contrary by the Supreme Court, I would regard the point as settled in this Court."³⁹

³⁵ Cf. Lord Cawley, in [1958-59] PROCEEDINGS OF THE CHARTERED INST. OF PAT. AGENTS 655; Maybee, *Patents—New Process of Manufacture*, 35 CAN. B. REV. 86 (1957); Letter from G. Maybee to The Editor, 35 CAN. B. REV. 481 (1957); Johnston, *Infringement of Process Claims by Imported Articles Made According to the Process*, 20 BULLETIN OF THE PAT. & TRADE MARK INST. OF CANADA (1967).

³⁶ *Auer Incandescent v. O'Brien*, 5 Can. Exch. 243 (1897); *Auer Light Co. v. Colling*, 31 Ont. 18 (High Ct. 1898), following the British cases of *Elmslie v. Boursier*, [1870] L.R. 9 Eq. 217 and *Heyden v. Neustadt*, 14 Ch. D. 230 (1880).

³⁷ 49 Can. Pat. R. 7, 32 Fox Pat. Cas. 17 (Exch. Ct. 1965).

³⁸ *Id.* at 12-13, 32 Fox Pat. Cas. at 21-22.

³⁹ *Rhone-Poulenc v. Gilbert Ltd.*, 35 Fox Pat. Cas. 174, at 222 (Exch. Ct. 1967), *aff'd*, 38 Fox Pat. Cas. 203 (Sup. Ct. 1968).

In *American Cyanamid Co. v. Charles E. Frosst & Co.*,⁴⁰ decided before *Union Carbide*, Mr. Justice Noel had to consider a doctrine which goes even farther than the holding of infringement of a process claim by importation of the product. This is the so-called "Saccharin doctrine",⁴¹ which states that the importation of a product constitutes infringement of a process patent when the process has been used in the making of an intermediate stage of the product imported. *American Cyanamid* applied the doctrine in Canada for the first time. The Saccharin doctrine extends the law which President Jackett accepted with reluctance in *Union Carbide*, and it is regrettable that Judge Noel should have so extended the doctrine at a time when President Jackett was urging that it should not be followed at all, except for certainty.

The Saccharin doctrine may be considered an application of contributory infringement, as the patented process is only involved in making one of the stages in the final product which is imported. In view of the reluctance of the courts to find contributory infringement, it is surprising that the Saccharin doctrine should have been brought in as a part of the law in Canada.

The survival of the doctrine of infringement of a process claim by importation of a product (and its offshoot, the Saccharin doctrine) puts a severe burden on the Canadian importer. A person who purchases an unpatented product for importation into Canada will have the burden of inquiry before he imports it to see whether it is made by a patented process. Where he is not able to discover the process used and there are some patented processes for the making of that product, he can never know whether his importation will leave him open to a law suit.

The recent decisions, however, establish both doctrines firmly in the Exchequer Court. A decision of the Supreme Court of Canada will be needed before the situation can be cleared up and the difference in monopoly for process and monopoly for product clearly distinguished.⁴²

(f) *Use of Invention before Patent Issues*

A Canadian patent grants to the patentee the exclusive right to make, construct, use or vend to others the invention for which it is obtained.⁴³ The situation sometimes arises that a manufacturer sees an apparently unpatented product on the market, and begins to make that product himself.

⁴⁰ 47 Can. Pat. R. 215, 30 Fox Pat. Cas. 171 (Exch. Ct. 1965).

⁴¹ First developed in the British case of *Saccharin Corp. v. Anglo-European Chemical Works Ltd.*, 17 R. Pat. Cas. 207 (Ch. 1900).

⁴² In the United States, it has been held that importation of a product made by a patented process is not infringement of the process claim, *Re Amtorg Trading Corp.*, 75 F.2d 826 (C.C.P.A. 1935). A similar result was reached in South Africa when the court refused to follow the British cases, see *Aktiebolaget Astra v. Willows Frances Phar. Prod.*, (Ct. of Comm. Pat. S. Afr. 1957), noted in 36 CAN. B. REV. 135, *aff'd* on appeal in an unreported decision.

⁴³ Patent Act § 46.

After he has gone into full scale production and has a large number of the products on hand, a patent issues covering that product. Does the manufacturer have any right to dispose of the products which he had made before the patent issued?

Section 58 of the Canadian Patent Act provides that any person who has "purchased, constructed or acquired" any invention before the issue of a Canadian patent on that invention has the right of using and vending to others "the specific article, machine, manufacture or composition of matter" which he has acquired before the patent issued. Thus, the manufacturer described above could sell the articles which he had stockpiled without incurring liability to the patentee, although he could not make any more such articles after the issue of the patent.

Section 58 restricts the right of using and vending to "the specific article, machine, manufacture or composition of matter patented and so purchased, constructed or acquired before the issue of the patent therefor." *Libbey-Owens-Ford Glass Co. v. Ford Motor Co. of Canada*⁴⁴ dealt with the question of whether this section could be considered to protect the manufacturer who had begun to use a process before a patent for that process issued. The patent in the case contained claims to both an apparatus and a process. The apparatus claims were found not to be infringed by the particular apparatus used by the defendant, although it was found that the defendant was using the patented process. The process had begun to be used before the patent issued, and the defendant claimed that this gave him the right to continue using the process after issue of the patent.

Mr. Justice Thurlow accepted this contention and said that the term "article" within section 58 was broad enough to cover a process. His reasoning was based on the finding that "article" could mean both a tangible object and something intangible, and upon the argument that "article" would have to be given a wide meaning in order not to be co-extensive with the remaining terms used in section 58, and to cover the same scope as the word "invention" used in section 2(d) of the Patent Act.⁴⁵ He further held that, where a process has been used before a patent issues, merely changing the apparatus with which the process is carried out after the patent issued, does not put an end to the user's right to continue using that process, as the same process is being used, even though with different apparatus.

This holding is presently under appeal to the Supreme Court of Canada. If maintained, it will destroy the usefulness of many Canadian patents as a protection for their holder's competitive positions. The difference between

⁴⁴ *Supra* note 15.

⁴⁵ Why Thurlow, J., thought that all types of "invention" covered by § 2(d) must also be covered by § 58 is not clear from the decision.

a process and the other types of invention covered under section 58 is that all the other types are discrete objects, of finite number. If a manufacturer stockpiles such objects before a patent issues, he will sooner or later dispose of all of these objects. As he will not be able to make any more after issue of the patent without being liable for infringement, his stock is limited and his possibility of competing with the patentee will eventually cease.

The situation with a patented process is in direct contrast to this. If a manufacturer who has begun to use the process before issue of the patent is permitted to continue to use it, he will be able to produce objects continuously by means of it, and will thus be a continuous competitor to the patentee. Furthermore, the holding of Mr. Justice Thurlow is silent as to whether the process can only be used at a rate not exceeding that at which it was used before the patent issued, or whether the rate can be increased. Unless some decision clarifies this point, it would seem that a manufacturer might start to use a process one day before the patent issued, and in that day produce ten product units. After the patent issued, he could then increase the quantity of his apparatus, until he was making thousands of product units per day, but the patentee would be unable to sue him for infringement. Additionally, if there is a conflict involving process claims, it is necessary that each party to the conflict have at least invented the process (and hence be likely to have used it) in order to take part in the conflict. Therefore, if this holding is supported by the Supreme Court, there will be no purpose to winning a conflict involving process claims, as every other party to the conflict will also be able to use the process defined by those claims once the successful party has a patent issued.

Until the Supreme Court decision on the extension of section 58 to processes is known, certain practical steps can be taken by patent draftsmen. It would seem advisable not to issue a patent containing process claims, if the process can be protected reasonably well by claims to its products or by claims to the apparatus needed to carry it out. If it is absolutely necessary to obtain process claims to protect an invention, it is advisable not to use, disclose, or attempt to licence the invention before the patent issues, as this will give to persons other than the patentee knowledge which, in the absence of confidential relationship, those other persons would be able to use in setting up a competing process.⁴⁶ A net result of this procedure, however, would be to encourage suppression of information as to new inventions. This nullifies a basic purpose of the Patent Act, which is to encourage disclosure of inventions in return for a period of protection to be granted to the patentee.

⁴⁶ In *Libbey-Owens-Ford*, Thurlow, J., also held that it is immaterial for the purposes of § 58 whether knowledge of the invention came from the patentee or not. This is in accord with the very scanty earlier Canadian authority on § 58.

(g) *Use of Patents by the Crown*

A Canadian patent is a grant of the Crown to a subject⁴⁷ and grants to the patentee "the exclusive right, privilege and liberty of making, constructing, using and vending to others to be used the said invention."⁴⁸ Frequently the Government of Canada wishes to make use of a patented invention, and the question then arises as to whether the patent grant is or is not operative against the Crown.

In the absence of a statutory provision, it seems that the Crown could use a patent without paying any compensation to the patentee, as it has been held that a grant by the Crown does not operate against the Crown unless there are express words to that effect contained in it.⁴⁹ In Canada, however, a statutory provision giving compensation to the patentee for such use is found in section 19 of the Patent Act. By this provision, the Government of Canada may use any patented invention, but the patentee can apply to the Commissioner of Patents for compensation, which compensation is fixed by the Commissioner and is appealable to Exchequer Court. This section has been interpreted to give compensation only for the use of a valid patent, so that if the Crown does not admit validity of the patent, the patentee must first get a declaration of validity from the Exchequer Court before applying to the commissioner for compensation.⁵⁰

It was recently considered whether section 19 applies to a Crown corporation established by the Canadian Parliament. The corporation in question was Polymer Corporation, a company of which all shares except the director's qualifying shares were held by the Minister of Defence Production. The Government Companies Operation Act, which applies specifically to Polymer Corporation, provides that it is for all purposes an agent of the Crown.⁵¹ An infringement suit was brought in the Ontario courts against Polymer Corporation, and was defended by Polymer on the ground that, as an agent of the Crown, it could not infringe. The Supreme Court of Canada held that Polymer Corporation fell under section 19 of the Patent Act, and hence could not be sued for infringement.⁵² Thus, a federal Crown corporation cannot be sued successfully for infringement, even though it is a corporation which is in competition with the private sector, and which operates in most respects like any commercial company. The Court also held that the right given to the Crown in section 19 to use an invention extends to the commercial sale of that invention as well.

⁴⁷ See the form of grant used on all patents granted by the Canadian Patent Office.

⁴⁸ Patent Act § 46.

⁴⁹ *Feather v. The Queen*, 6 B. & S. 257, 122 Eng. Rep. 1191 (K.B. 1865).

⁵⁰ *Bradley v. The King*, [1941] Can. Exch. 1, at 19-20, *aff'd*, [1941] Sup. Ct. 270.

⁵¹ CAN. REV. STAT. c. 133, § 3(1) (1952).

⁵² *Formea Chemicals Ltd. v. Polymer Corp.*, 44 Can. Pat. R. 38, 38 Fox Pat. Cas. 116 (Sup. Ct. 1968).

Section 19 refers specifically to "the Government of Canada," and it is unclear what the rights of provincial governments or provincial Crown corporations are with respect to the use of patents. It could be argued that, as there is no statutory provision abrogating the common-law rights of the Crown,⁵³ the provincial governments should be able to use inventions without compensation of any sort to the patentee. The question has never been decided. It was considered briefly by President Jackett in *Slater Steel*,⁵⁴ but he did not find it necessary to decide the issue in order to dispose of the case.

A contractor who is engaged in supplying materials to the Crown clearly does not come under the Crown privilege, unless he is acting in circumstances which make him an agent of the Crown.⁵⁵ However, section 20 of the Defence Production Act⁵⁶ permits the Minister of Defence Production to contract with any person that the Crown will relieve that person from any claims for infringement, and further provides that any person with whom the minister so contracts will not be liable to an infringement suit. Instead, a patentee whose invention is being used by such person is required to reach agreement with the minister for compensation or, if this is impossible, to petition that compensation be fixed by the Commissioner of Patents in a manner analogous to that followed under section 19 of the Patent Act.

In *Curtiss-Wright Corp. v. The Queen*,⁵⁷ President Jackett had to interpret this section when the person supplying the minister had entered into an agreement not to contest the validity of the patent. He found that no such agreement had in fact been entered into, but went on to consider what effect such an agreement would have had. His remarks, though obiter, are closely reasoned and would probably be followed by any future court seized of the problem. He stated that the Crown was not required to pay compensation for the use of an invalid patent. If the patentee were to bring an infringement suit under an invalid patent against the person with whom it had an agreement not to contest validity, he would win the suit, as the validity of his patent would not be in issue. However, the person, being protected by the provisions of section 20, could not be sued for infringement. Thus, the patentee, to obtain compensation, would have to demand compensation under section 20; to do this, he would have to establish the validity of his patent. Thus, the net result is that the covenant not to contest validity would be of no practical effect.

⁵³ *Supra* note 49.

⁵⁴ *Supra* note 27.

⁵⁵ *Dixon v. London Small Arms Co.*, L.R. 10 Q.B. 130 (1875), *rev'd*, 1 Q.B.D. 384 (C.A. 1876), *trial judgment restored*, 1 A.C. 632 (1876).

⁵⁶ CAN. REV. STAT. c. 62 (1952).

⁵⁷ 53 Can. Pat. R. 144, 37 Fox Pat. Cas. 153.

A Supreme Court decision on the case will be handed down shortly and should clarify the practice further.

(h) *Damages*

Assuming that infringement is made out, it is necessary to decide to what damages the patentee is entitled.⁵⁸ In general, the successful plaintiff in an infringement suit can choose either damages or an accounting of the defendant's profits. If he chooses damages, the measure of damages is the profits which he himself would have made on the defendant's sales had he made them, plus a reasonable royalty on any of the sales which he would not himself have made.⁵⁹ If he chooses to take the defendant's profits, there is some authority (although in a trade mark case) to the effect that he can waive a part of the period of infringement in which the defendant suffered a loss.⁶⁰

When the patented article is sold as part of a combination, the damages or profits should be based on the whole combination, not merely on the patented part.⁶¹ However, if the patented part is merely an accessory rather than an integral part of the combination, the damages may be given only for the patented part.⁶² It seems, however, that each case depends on its own facts.⁶³ In theory, it should be important also to determine how the invention is defined by the claims (*i.e.*, whether the claims define merely the accessory or a larger combination of which the accessory is part), although this question has not received the attention of the courts. On a recent accounting of profits in a trade mark case,⁶⁴ only the amount of the defendant's profit which was attributable to the use of the trade mark was assessed rather than the entire profit on the infringing article.

It is possible to go beyond the starting date of the action in assessing damages. In one trade mark case,⁶⁵ the accounting period was carried beyond the date of judgment, and right up to the time of assessing damages.

⁵⁸ The subject of damages has been recently treated by Evans, *Damages in Infringement Cases*, 23 BULLETIN OF THE PAT. & TRADE MARK INST. OF CANADA 18 (1968).

⁵⁹ *Watson, Laidlaw & Co. v. Pott, Castles & Williamson*, 31 R. Pat. Cas. 104 (H.L. 1914), particularly the judgment of Lord Shaw.. *Hamilton Cosco Inc. v. Featherweight Aluminum Prod. Co.*, 47 Can. Pat. R. 40, 34 Fox Pat. Cas. 31 (Exch. Ct. 1965).

⁶⁰ *Dubiner v. Cheerio Toys & Games Ltd.*, 49 Can. Pat. 155, 32 Fox Pat. Cas. 76 (Exch. Ct. 1966).

⁶¹ *Feldstein & Storecraft v. McFarlane Gendron Mfg. Co.*, 52 Can. Pat. R. 127, 34 Fox Pat. Cas. 113 (Exch. Ct. 1966); *Meters Ltd. v. Metropolitan Gas Meters Ltd.*, 28 R. Pat. Cas. 157 (C.A. 1910).

⁶² *Clement Talbot Ltd. v. Wilson*, 26 R. Pat. Cas. 467, at 470 (H.L. 1909). However, this case was distinguished in *Feldstein* on the ground that there was no sale of either the combination or the accessory in England and that the infringement consisted in the use of the patented device in England after its importation from abroad, 52 Can. Pat. R. 127, at 138-39, 34 Fox Pat. Cas. 113, at 123-24.

⁶³ 52 Can. Pat. R. 127, at 133, 34 Fox Pat. Cas. 113, at 118-19.

⁶⁴ *Supra* note 60.

⁶⁵ *Id.*

III. VALIDITY

(a) *General*

A patent is valid when it meets the statutory conditions imposed by the Patent Act,⁶⁶ and those conditions which have been grafted onto the statute by successive generations of courts. The question of validity arises in the great majority of actions in which patents are involved.⁶⁷ Invalidity forms the major issue in an impeachment action⁶⁸ and forms a defence in an infringement action.⁶⁹

The principles governing the question of validity have been clear for some time. The recent cases have applied these principles to situations which had not previously arisen, but have, with one or two exceptions, broken little new ground.

The right of a party to question the validity of a patent has been considered in two cases. The words of section 62(1) that an action for impeachment may be brought "at the insistence of any interested person" were considered in *E.I. du Pont de Nemours & Co. v. Montecatini-Societa Generale d'Industria Mineraria e. Chimica*.⁷⁰ The plaintiffs did not plead that any act of manufacture or sale that they actually did or contemplated doing would infringe the patent of the defendant. Instead, they merely alleged that the defendant's patent prevented them from using some subject matter which was covered under the claims of their own earlier patent. The defendants argued that this raised only a hypothetical issue, which the court should refuse to hear. Mr. Justice Gibson, in rejecting the contention of the defendants, said that the words "interested person" should be given a wide meaning, and that even though the plaintiffs' purpose in carrying on the law suit was not immediately apparent from the face of the proceedings, they would be permitted to maintain the action if there was nothing to show that they were bringing it mala fides. In *Manitoba, Rymland v. Regal Bedding*,⁷¹ an action for account under a licence, held that a licensee could not dispute the validity of his licensor's patent unless the licence agreement contained an express warranty by the licensor that the patent was valid. In the case, no such express warranty was found, and there was an express covenant by the licensee that he would not challenge validity. This case is in accordance with the common law governing licences, which holds that a licensee, even in

⁶⁶ These conditions, although not set out clearly in any one place, can be derived from §§ 2, 28, 29 and 63 of the act.

⁶⁷ Conflict actions under § 45(8) form a notable exception to this. The validity of the claims in conflict cannot be considered in a conflict action. *Branchflower v. Akshun Mfg. Co.*, Practice Note, 49 Can. Pat. R. 249, 33 Fox Pat. Cas. 86 (Exch. Ct. 1966).

⁶⁸ Patent Act § 62(1).

⁶⁹ Patent Act § 61.

⁷⁰ 49 Can. Pat. R. 209, 32 Fox Pat. Cas. 137 (Exch. Ct. 1966).

⁷¹ 34 Fox Pat. Cas. 145 (Man. 1966).

the absence of an express covenant not to contest validity, is estopped by his act of taking a licence from disputing the validity of the patent.⁷² This has led to numerous situations where an unwary licensee, who did not insist on having a covenant as to validity placed in the licence, has been forced to continue paying royalties even when the patent has been held invalid by a court in other proceedings.

The person attacking the patent has an onus to provide a preponderance of evidence that it is invalid, as there is an initial presumption of validity. This is clear from the Patent Act⁷³ and has been affirmed either explicitly or implicitly in several recent cases.⁷⁴ If the patentee chooses to say nothing when evidence against validity is led, the court will decide whether the evidence adduced is sufficient to upset the presumption. The frustration of the court in such a circumstance is well summed up by President Jackett in *Union Carbide* :

At this point, it may be well to comment upon the somewhat unrealistic situation in respect of which the Court is being required to make a finding on the question of inventive ingenuity. The patent is "*prima facie* valid" by virtue of s. 48 of the Patent Act. The defendant must therefore bring evidence to show lack of inventive ingenuity. (In the ordinary course of events, the defendant is unlikely to have access to evidence concerning the actual situation that gave rise to the Fuller process being devised or to evidence of how it was actually devised.) He brought evidence (the admissibility of which was not challenged by the plaintiff) that is sufficient, considered by itself, for the Court to draw certain inferences although these inferences, if the whole truth were known, may or may not have any relation to reality. The Plaintiff, who is more likely to have access to evidence of the history of events leading up to the Fuller patent, has left the Court in the dark as to what actually happened. In these circumstances the Court must come to the best conclusion that it can, recognizing that its conclusions may be completely divorced from reality.⁷⁵

The validity of a patent can be attacked in several ways. It can be said that the subject matter is not "invention" as defined by section 2(d) of the Patent Act, not new, not useful, or not within one of the statutory categories such as "art, process, machine, manufacture, or composition of matter." Alternatively, the invention may not meet the conditions of section 28. This section requires that the subject matter must not have been

⁷² See, e.g., *Louden v. Consolidated-Mounton Trimmings Ltd.*, 25 Can. Pat. R. 77, 15 Fox Pat. Cas. 167 (Ont. Senior Master 1956).

⁷³ Patent Act §§ 48, 61 and 62.

⁷⁴ *Union Carbide Canada Ltd. v. Trans-Canadian Feeds Ltd.*, 49 Can. Pat. R. 29, at 53, 32 Fox Pat. Cas. 145, at 166 (Exch. Ct. 1966); *Rhone-Poulenc v. Gilbert*, 35 Fox Pat. Cas. 174, at 212, 55 Can. Pat. R. 207 (Exch. Ct. 1967) *aff'd*, 38 Fox Pat. Cas. 203, 55 Can. Pat. R. 207. (Sup. Ct. 1968); *Printed Motors Inc. v. Tri-Tech Inc.*, 54 Can. Pat. R. 200 (Exch. Ct. 1968). It is interesting to find that in two of the three cases where *prima facie* validity was stressed, the patent was held invalid.

⁷⁵ 49 Can. Pat. R. 29, at 53, 32 Fox Pat. Cas. 145, at 166 (Exch. Ct. 1966).

known at the time of the patentee's invention of it,⁷⁶ must not have been used in Canada more than two years before the actual application date in Canada, must not have been published anywhere in the world more than two years before the actual filing date in Canada, and must not have been disclosed in a prior patent to the same inventor unless the prior patent falls within the exceptions given in section 28(2). Again, a patent will be invalid if the subject matter is an obvious variation on something already known.⁷⁷

Besides these requirements as to subject matter, there are also formal requirements to patentability. A patent is invalid if any material allegation in the petition is untrue, or if the specification and drawings contain more or less than is necessary, and such omission or addition is wilfully made for the purpose of misleading.⁷⁸ Additionally, the disclosure of the invention must be full and complete and the invention must be distinctly claimed.⁷⁹

The only interesting developments in recent cases have occurred in relation to prior use of the invention in Canada, prior publication in Canada, obviousness and sufficiency of disclosure and claims.

(b) *Prior Use*

Prior use of the invention in Canada was considered by the court in *Gibney v. Ford Motor Co. of Canada*.⁸⁰ Use of the invention in an experimental sense, where the experiment is needed to perfect the invention, has long been held not to void a patent under this statutory bar.⁸¹ To qualify for this exception, care must be taken to keep the invention secret, although the precise precautions taken would seem to depend on the nature of the invention.

The *Gibney* case dealt with a shield to exclude dirt, water and oil from the generators of Ford cars. Prior to the invention, such generators frequently burned out because of the entry of contaminants through air intakes. The inventor improvised a shield from a piece of stovepipe for a customer who came to his garage. According to his evidence, he asked the customer to "come back . . . if it did any good." The customer, who was not personally known to the inventor, came back about a year later and said that

⁷⁶ See Patent Act § 63 for an interpretation of this requirement.

⁷⁷ This requirement was developed from judicial interpretation of the Patent Act. A good discussion of the requirement is found in H. FOX, CANADIAN PATENT LAW AND PRACTICE 151-211 (3d ed. 1948).

⁷⁸ Patent Act § 55(1). There is very little case law on this §.

⁷⁹ Patent Act § 36(1). The requirements for a full disclosure and distinct claims were set out in the landmark case of *Minerals Separation N. Am. Corp. v. Noranda Mines Ltd.*, [1947] Can. Exch. 306, 6 Fox Pat. Cas. 130.

⁸⁰ 52 Can. Pat. R. 140, 35 Fox Pat. Cas. 143 (Exch. Ct. 1967).

⁸¹ *Elias v. Grovesend Tinsplate Co.*, 7 R. Pat. Cas. 455, at 466 (C.A. 1890).

the device had worked well. The time of the customer's return was still more than two years before the filing date of the Canadian application. When the customer returned, the makeshift shield was left on his car.

Mr. Justice Noel had no difficulty in holding that the shield made from a piece of stovepipe had all of the essential features of the invention as described in the patent application, and that it therefore constituted a use of the invention. The patentee argued, however, that the use was experimental. The judge held that the burden was on the patentee to establish that the use was experimental only and nothing else.⁸² He then held that the use was not experimental, as the customer was under no restriction or injunction to secrecy, either when he first came to the inventor and had the shield affixed, or later, after he had returned. Applying the test of *Taylor's Patent*,⁸³ one single use would be sufficient to establish prior user. In the circumstances, it was quite probable that a number of people had seen or heard of the shield, and this probability was not rebutted as the customer, who was never identified, was not available to testify.

Gibney provides a clear warning to inventors to take very careful steps to insure that any use which they make of the invention, before deciding definitely whether to patent it or not, should be clearly characterized as experimental. It seems likely that, in the case, the inventor did not at first think of his device as an invention, and that he only began to do so once the customer had returned and had told him how effective the shield had proven. Hence, innovators should take great care to keep all uses of *any* new device or process confidential, at least until the patentability of that device or process has been assessed fully.⁸⁴

An interesting English case,⁸⁵ decided after *Gibney*, would seem to be directly contrary to it. Public use was alleged on the fact that mattresses made according to the claimed construction had been sent for testing to two hospitals prior to the relevant date which would void the claims under English law. The evidence established that no burden of confidentiality had been imposed on the hospitals. However, Mr. Justice Lloyd-Jacob held that there had been no public use of the mattresses, as it was not established that the hospital authorities were aware that they were not bound to keep the details of the mattress construction confidential. This decision is contrary to the weight of authority,⁸⁶ which has been reaffirmed by a more recent case

⁸² 52 Can. Pat. R. at 162, 35 Fox Pat. Cas. at 163.

⁸³ 13 R. Pat. Cas. 482, at 487 (Ch. 1896).

⁸⁴ For one other recent Canadian case also dealt with prior use of an invention, see *Houle v. Moncton Publishing Co.*, 36 Fox Pat. Cas. 174 (Exch. Ct. 1967). No new law was laid down, however, as it was clear that the invention was used substantially in the form patented in a public manner for a number of years before the patent application.

⁸⁵ *Price Bros. & Co.'s Opposition*, [1968] Fleet Street Pat. L.R. 264 (Pat. App. Trib.).

⁸⁶ *Humperson v. Syer*, 4 R. Pat. Cas. 407, at 413 (C.A. 1887); *Fomento Indus. S.A. v. Mentmore Mfg. Co.*, [1956] R. Pat. Cas. 87 (C.A.).

in a higher court dealing with the analogous matter of prior publication.⁸⁷ In the latter case, Lord Parker observed: "If the information, whether in documentary form or in the form of the invention itself, has been communicated to a single member of the public without inhibiting fetter that is enough to amount to a making available to the public" ⁸⁸

(c) *Prior Publication*

Union Carbide,⁸⁹ although decided on the basis of obviousness, provides an interesting point applicable to practice under section 28(1)(c), the section dealing with prior publications as statutory bars. In that case, a publication was being considered which was not a statutory bar under section 28, as it did not disclose the full invention. However, it could have been argued that the invention was obvious in view of the publication, and the question arose as to whether the publication became available to the public as of the date on which it was published. The problem was that publication had occurred in Italy at a time when Italy and Canada were at war. Jackett held that the date of publication was the correct date to consider, as there was no reason to suppose that information taught by the patent could not have passed by ordinary means of communication in technical circles from Italy to a neutral country and then to Canada. This holding would almost certainly apply as well in the case of patents or publications falling under section 28(1)(c) of the Patent Act, and these patents would be considered as citable as of their date of publication whether or not they were published in a country at war with Canada.

(d) *Obviousness*

With respect to obviousness, one statement by President Jackett in *Union Carbide* causes some concern:

In the absence of any help from counsel as to what legal principle required the Court to deem both foreign and Canadian patents to have been available to the ordinary skilled workman when there is no evidence as to what information was in fact available to him. I have great difficulty in deciding whether a state of war creates an exception to the principle.⁹⁰

It is submitted that the information actually available to the inventor is irrelevant, as obviousness is to be judged on the basis of what knowledge a practitioner in the art might be expected to have as a part of his technical equipment, whether or not the patentee knew it or not.⁹¹

⁸⁷ Bristol-Myers Co.'s Application, [1968] Fleet Street Pat. L.R. 407 (Q.B.).

⁸⁸ *Id.* at 414.

⁸⁹ *Supra* note 74.

⁹⁰ 49 Can. Pat. R. at 45, 32 Fox Pat. Cas. at 159.

⁹¹ Automatic Coil Winder & Elec. Equip. Co. v. Taylor Elec. Instruments Ltd., 61 R. Pat. Cas. 41, at 43 (C.A. 1943); Martin & Biro Swan Ltd. v. Millwood Ltd., [1956] R. Pat. Cas. 125 (H.L.).

Aside from this obiter observation, *Union Carbide* forms almost a textbook case of a patent being held invalid on the ground of obviousness. President Jackett concluded that the ordinary skilled workman would have had to make only "obvious adjustments" to previously known processes to reach the patentee's result.⁹² The patentee argued that undoubted commercial success of the process should be taken to show that it was not obvious. President Jackett held that the commercial success did not add credence to the inventive ingenuity, as there was no indication of any problem which remained unsolved although there was an obvious need for a solution. On the facts of the case, the commercial success appeared to have followed closely upon the introduction of a new plastic, polyethylene, into the market and it seemed clear that the process was derived with this new plastic in mind.

In *The General Tire & Rubber Co. v. Phillips Petroleum Co.*,⁹³ the Supreme Court considered the question of the obviousness of a known method when applied to a new material. The case dealt with a new rubber compound to which a known method of processing was applied to add a known softener. The new process resulted in immediate commercial success. The Supreme Court, following its holding in *Commissioner of Patents v. Ciba Ltd.*,⁹⁴ held that a process comprises both a method and a material on which that method is carried out, and that the application of an old method to a new material can constitute invention.

The *General Tire* case seems to advance the law somewhat. In *Ciba*, both the method and the material to which it was applied had existed for a long time, but no one had applied the method to the material. Thus, it could be argued that the application of the method to the material was not obvious. In *General Tire*, however, the material was new, and was apparently not known to many persons. Thus, a strong argument for obviousness can be made, particularly since three different inventors who became aware of the material applied the same method to it, which resulted in a conflict case which ultimately brought the situation before the court. Previous processes involving the application of old methods to a newly-developed material were only held to be inventive in cases where there was some difficulty to overcome by the inventor in applying the method,⁹⁵ and no special difficulties appeared to arise in this case. If the Supreme Court's thinking in *General Tire* were to be applied to the facts in *Union Carbide*, President Jackett's finding of obviousness could not be maintained, as polyethylene was a new material at the time and therefore any old process used with it would seem to have been patentable.

⁹² 49 Can. Pat. R. at 52, 32 Fox Pat. Cas. at 159-60.

⁹³ 48 Can. Pat. R. 97, 36 Fox Pat. Cas. 166 (Sup. Ct. 1967).

⁹⁴ [1959] Sup. Ct. 378, 27 Can. Pat. R. 82, 17 Fox Pat. Cas. 3.

⁹⁵ *Acetylene Illumination Co. v. United Alkali Co.*, 22 R. Pat. Cas. 145, at 155 (H.L. 1905).

If the *General Tire* decision remains part of the law of Canada it would seem that each time a new material is discovered, every old method which can be used with that material could then be repatented in respect of it. This would be a great hindrance to the adoption of new materials by manufacturers and, hence, a detriment to the commercial development of new products in Canadian industry. It is therefore to be hoped that *General Tire* will be modified and explained by future cases.⁹⁶

One interesting point concerning obviousness arose in *Gibney*.⁹⁷ Mr. Justice Noel observed that, in considering the question of obviousness or inventiveness, unsuspected and unimportant advantages were "not too helpful."⁹⁸ This seems to be in accord with authority, as the question of obviousness is to be considered as of the patentee's date of invention, and it would seem immaterial whether or not additional advantages are found later.

(e) *Sufficiency of Disclosure and Claims*

The sufficiency of the disclosure and claims has received searching examination in many recent Canadian cases. A number of meritorious inventions have been denied protection because of insufficient description or indefinite claims. In contrast, United States courts have followed a more liberal approach to sufficiency.

The Canadian courts have continued to require high standards of disclosure in pharmaceutical cases. Pharmaceutical disclosures must give not only a description of the compound and how to make it, but also a clear expression of the utility of that compound as a pharmaceutical, including a showing of why it is useful, and how it is to be used. A mere statement that the compounds have an effect on a particular biological condition is not sufficient; the courts note that compounds will be useless as therapeutics unless instructions are given for their safe administration. Such detailed descriptions are required because in the courts' view any pharmaceutical process and the compound resulting from that process can be considered as "obvious" since most of such processes use known procedures. What constitutes the novelty in the invention is the discovery of unexpected usefulness of the new products; hence, the description must include a description of the use of the substances as contemplated by their inventor.⁹⁹ The courts have developed this philosophy in a series of cases beginning with the British case of *Re May & Baker Ltd.*¹⁰⁰ and the Canadian case of *C.H. Boehringer Sohn v. Bell-*

⁹⁶ It is possible that the statements regarding obviousness in *General Tire* can be distinguished away. *General Tire* was a conflict case, and there is authority for the proposition that the consideration of validity in conflict actions is covered by special rules. See *supra* note 67.

⁹⁷ *Supra* note 80.

⁹⁸ 52 Can. Pat. R. at 165, 35 Fox Pat. Cas. at 166.

⁹⁹ 44 Can. Pat. R. 298, 35 Fox Pat. Cas. at 199.

¹⁰⁰ 65 R. Pat. Cas. 255, at 279-80 (Ch. 1948).

*Craig Ltd.*¹⁰¹ These cases have made it unlikely that the majority of the pharmaceutical patents presently existing in Canada would be held valid if considered by a court. This problem, coupled with the severe restrictions placed on the claiming of pharmaceuticals by section 41 of the Patent Act and the harsh way in which the courts construe pharmaceutical claims, has made protection for pharmaceuticals in Canada virtually non-existent.¹⁰²

In considering the question of sufficiency, a court asks itself whether the instructions in the patent are sufficient to enable a person skilled in the art to use the process or to make the article. It was affirmed in *Union Carbide* that the court will require evidence before holding that the disclosure is not sufficient, unless the instructions are "obviously inadequate."¹⁰³ It was also affirmed that it is not necessary for the patentee to give every operable combination of parameters in order to meet the requirements for sufficiency of disclosure, as he is entitled to rely on the skill of the person operating the process if he has described it sufficiently well so that a skilled person should be able to understand it. President Jackett held that the fact that an expert witness could understand the process concerned after reading the patent was of weight in helping to convince him that the instructions were not insufficient.

A well-established principle states that the inclusion of an inoperative embodiment in a claim voids the claim, even though the embodiment is one which no one skilled in the art would be likely to use.¹⁰⁴ This was affirmed recently in *Union Carbide* and in *Société des Usines Chimiques Rhone-Poulenc v. Jules R. Gilbert Ltd.*¹⁰⁵ In *Union Carbide*, the claim read "a thermoplastic material," and it was shown that only one thermoplastic, nitrocellulose, would not work. Witnesses for both sides agreed that no sensible person would think of using nitrocellulose in the process, as it was known to be a very dangerous explosive. The court held, however, that the claim was void. This may be considered to be taking the doctrine to an extreme, as it has been stated by Lord Killowen in *Electrical & Musical Industries Ltd. v. Lissen Ltd.* that "if possible, a specification should be construed so as not to lead to a foolish result or one which the patentee could not have contemplated."¹⁰⁶ In *Rhone-Poulenc*, the claims in suit were held invalid as covering salts of a pharmaceutical product although some of the salts would not have been useful because they would probably have been poisonous. It is notable that the claim was merely a claim for a process which comprised one step in the making of the pharmaceutical or

¹⁰¹ [1962] Can. Exch. 201, 41 Can. Pat. R. 1, 22 Fox Pat. Cas. 190.

¹⁰² Even if a patent for a pharmaceutical were to be held valid, any manufacturer could obtain a licence under the compulsory licencing provisions of § 41(3) of the Patent Act.

¹⁰³ 49 Can. Pat. R. at 53, 32 Fox Pat. Cas. at 167.

¹⁰⁴ See *Minerals Separation N. Am. Corp. v. Noranda Mines Ltd.*, *supra* note 79.

¹⁰⁵ *Supra* note 39.

¹⁰⁶ 56 R. Pat. Cas. 23, at 39 (H.L. 1939).

its salts. The process itself, as described in the claim, would merely have made one particular salt of the compound, which salt would not have been poisonous, at least in so far as the evidence showed. The mere indication in the claim that the process was for the making of a new compound "and its salts" was held sufficient to render the claim bad, despite the fact that further reactions would have had to be carried out to make any salts which were poisonous.¹⁰⁷ A further disturbing holding by the Exchequer Court in *Rhone-Poulenc* was that a claim specifying three starting materials and three end products, (but not saying which end product came from which starting material) was invalid as indefinite. This holding was made even though each starting material could chemically only have given one of the products. Mr. Justice Thurlow said that "in claiming processes for production of say *A* isomer from *B* or *C* starting materials, the claim exceeds any invention the inventor may have made."¹⁰⁸ It seems that the statement of Lord Killowen quoted above could properly have been invoked to avoid a holding of invalidity on this point.

A claim was held invalid on an unusual ground in *Laboratoire Pentagone Ltée v. Parke Davis & Co.*¹⁰⁹ The court was required to decide whether a pharmaceutical invention came within section 41(1) of the Patent Act, which relates to "substances prepared or produced by chemical processes and intended for food and medicine." This section prohibits claims for the substance itself, except as made by a claimed process. The question was whether a process of extraction, where a solvent containing the desired product is shaken together with another solvent to remove impurities, is a chemical process. Some evidence showed that it would not be considered as a chemical process according to the scientific definition, but other evidence was led to show that it was equivalent to another process known as adsorption, which could be considered chemical. The party attacking the claims also argued that solvent extraction was a chemical process because it utilized the chemical properties of a chemical product. This contention was adopted, particularly as it had been advanced by the applicant himself in a Swiss proceeding, where the law is that non-chemical processes for making medication are not patentable.

The interest in this decision arises in that a process which any chemist would have defined as non-chemical was held by the Supreme Court to be chemical, for the purposes of the case. It had previously been held that another process which was technically chemical was not a "chemical process" within section 41,¹¹⁰ as the public would not have considered it chemical.

¹⁰⁷ This holding was subsequently affirmed by the Supreme Court, 38 Fox Pat. Cas. 203 (1968).

¹⁰⁸ 35 Fox Pat. Cas. 174, at 208.

¹⁰⁹ 53 Can. Pat. R. 236, 37 Fox Pat. Cas. 186 (Sup. Ct. 1968).

¹¹⁰ *Continental Soya Co. v. J.R. Short Milling Co.*, [1942] Sup. Ct. 187, at 191, 2 Fox Pat. Cas. 103, at 108. The process involved was one of baking bread.

Thus, it seems that a scientific test for a "chemical process" has been firmly rejected, and that some test based on the nebulous concept of public recognition has been substituted. This poses serious problems for the patent draftsman in a borderline case, as he will not know whether or not his claims should be drafted to conform to section 41.¹¹¹ A further point of interest is that evidence of proceedings before a foreign patent office was admitted, although the question of admissibility was not argued. The Exchequer Court had held previously¹¹² that admissions before a foreign patent office could not be used to construe the scope of an invention, and the question arises whether such holdings will still be good law in the light of this Supreme Court decision.

IV. REISSUE

(a) *General*

If a patentee inadvertently obtains a patent which, for some reason, does not cover his invention adequately, he is not necessarily left without recourse. Section 50 of the Patent Act permits under certain conditions the reissue of a Canadian patent. The new patent then acts as a continuation of the original patent in respect of all of its claims which are identical to those of the original patent, and any new claims which have been added in the reissue have effect from the date of grant of the reissue.

There have been few Canadian cases involving reissue patents. United States law is similar to that of Canada on this subject, and when Canadian reissue problems have arisen, there has been a tendency to look to American case law for guidance.¹¹³

Two recent Supreme Court cases have clarified many of the problems of reissue practice, but have also created some further problems.

In *Farbwerke Hoechst Aktiengesellschaft v. Commissioner of Patents*,¹¹⁴ the original patent had process claims which covered a broad class of pharmaceutical products known as sulfonyl ureas as well as product claims which

¹¹¹ The practice of the Patent Office is not to permit ordinary product claims and claims to product-by-process under § 41 to issue in the same application. By electing to advance claims under § 41, the draftsman must forego product claims to the composition when produced by any method.

¹¹² *Lovell Mfg. Co. v. Beatty Bros.*, 41 Can. Pat. R. 18, at 29-41, 23 Fox Pat. Cas. 112, at 123-34 (Exch. Ct. 1962) and cases reviewed there.

¹¹³ Cf. *In re Leonard* 14 Can. Exch. 351, at 363 (1913); *Farbwerke Hoechst Aktiengesellschaft v. Commissioner of Patents*, 50 Can. Pat. R. 220, at 254-55, 33 Fox Pat. Cas. 99, at 108 (Sup. Ct. 1966).

¹¹⁴ 50 Can. Pat. R. 220, 33 Fox Pat. Cas. 99 (Sup. Ct. 1966).

referred back to the process claims.¹¹⁵ One of the product claims covered a specific sulfonyl urea of great pharmaceutical value, which was known as tolbutamide.

The patentee sued for infringement, alleging that tolbutamide had been made by the defendant. During the trial, it became obvious that the Exchequer Court was likely to hold the patent invalid, on the ground that a process claim which included within its scope processes for making a number of different products was insufficient to provide a basis for a product-by-process claim directed to a single product. Before the decision was handed down, a petition for reissue was filed with the Commissioner of Patents. The petition was rejected and the case came to court on appeal. The reissue was not allowed.

*Curl-Master Manufacturing Co. v. Atlas Brush Ltd.*¹¹⁶ involved a curling broom. The inventive feature of the broom was a set of shorter straws surrounding the main set of straws. A subsidiary feature was the provision of a loose binding around the main set of straws, which binding was attached to an upper, tighter, binding by cords which resulted in the loose binding being suspended from the tighter one. In the reissue, this latter feature was alleged as the main invention. The reissue patent was granted by the Commissioner of Patents, but it was held invalid by the Exchequer Court in a subsequent infringement suit on the ground that it was for an invention different from that claimed in the original patent. The Supreme Court reversed the Exchequer Court's ruling and held that the reissue patent was both valid and infringed.

(b) *Problems Settled by Recent Decisions*

In *Hoechst*, the Supreme Court decided that a reissue application is an "application" within section 42 of the Patent Act and that an appeal lay to the Exchequer Court under the provisions of section 44 of that act.¹¹⁷ It thus gave tacit approval to the usual Patent Office practice of treating an application for reissue as any other patent application. Thus, applications for reissue are put in conflict when their claims read on the same subject

¹¹⁵ By virtue of § 41(1) of the Patent Act, patents directed to foods or medicines are not permitted to claim a product per se. Instead, product claims must be dependent upon process claims.

¹¹⁶ 52 Can. Pat. R. 51, 36 Fox Pat. Cas. 84 (Sup. Ct. 1967).

¹¹⁷ Patent Act §§ 42 and 44 read as follows:

42. Whenever the Commissioner is satisfied that the applicant is not by law entitled to be granted a patent he shall refuse the application and, by registered letter addressed to the applicant or his registered agent, notify such applicant of such refusal and of the ground or reason therefor. 1935, c. 32, s. 41.

44. Every person who has failed to obtain a patent by reason of a refusal or objection of the Commissioner to grant it may, at any time within six months after notice as provided for in sections 42 and 43 has been mailed, appeal from the decision of the Commissioner to the Exchequer Court and that Court has exclusive jurisdiction to hear and determine such appeal. 1935, c. 32, s. 43.

matter as those of another pending application.¹¹⁸ Similarly, it would seem that inventorship of the reissue application should be changeable according to the provisions of section 33 which deal with the case where an application was filed with incorrect inventorship.

The Supreme Court, in considering the meaning of "application" in section 42,¹¹⁹ looked to the Patent Rules' definition of "application."¹²⁰ Thus, the Court was using a definition found in rules made by Order-in-Council to construe the same word found in the statute under which the rules were set up. This seems contrary to the normal canons of statutory interpretation.

Another point which has been settled by the recent decisions is that a reissue patent need not issue within four years. Section 50(1) of the Patent Act provides that "the Commissioner may, upon the surrender of such patent within four years from its date . . . cause a new patent to be issued." In *Curl-Master*, it was contended that, although the application for reissue had been made within the prescribed four-year period, the reissue patent had not issued within that time. By section 50(2) of the Patent Act, the surrender of the old patent only takes effect upon the issue of the new one, so it was argued that the old patent had not been surrendered within the four-year period.

The Court dismissed this contention, on the ground that the surrender of the patent required under section 50(1) refers to the step taken by the applicant when he makes his application for a reissue patent. This is the step which must be taken within the stipulated four year period but the surrender would only become effective when the new patent issued. Mr. Justice Martland noted: "[s]ubsection (1) is clearly referring to a step to be taken by the applicant within a limited time. He cannot be charged with non-compliance with the provision because of any subsequent delays which are beyond his control."¹²¹

This is the only view which would be fair to the applicant. If the Court had required that the applicant have his patent granted before the four years expired, each reissue applicant would be at the mercy of the procedural delays which occur in the Patent Office. Not infrequently, an application is not acted upon by the Patent Office for a period of a year to eighteen months and it frequently takes upwards of three years for an application to be issued

¹¹⁸ This procedure appears to have received the approval of the Exchequer Court. See *Printed Motors Inc. v. Tri-Tech Inc.*, where a conflict case involving a reissue application was decided on its merits without consideration of the question of whether a reissue can properly be put into conflict, 54 Can. Pat. R. 200 (Exch. Ct. 1968).

¹¹⁹ 50 Can. Pat. R. at 252, 33 Fox Pat. Cas. at 106.

¹²⁰ P.C. 1954-1855, § 2(c).

¹²¹ 52 Can. Pat. R. 51, at 74, 36 Fox Pat. Cas. 84, at 103.

to patent after it has been filed. The uncertainties surrounding this period would prevent reissue from being sought except when the patent had just issued, and the four year period would be limited to practically nothing if the date of the reissue grant were taken as the date of surrender according to section 50(1).

It is true that the present decision imposes some hardship on persons other than the patentee, as they have no way of knowing whether an application for reissue of a patent is pending, and whether they may therefore infringe reissue claims by manufacturing operations which they intend to undertake. If the grant had to be made within four years, a competitor of the patentee could be certain that, if four years had elapsed, there was no possibility of the patent being reissued to cover his product. However, the same end could be achieved and a solution reached which would be fair both to patentee and to competing manufacturer, if section 11 of the Patent Act were modified. This section presently permits an inquiry when a corresponding patent has issued in any country as to whether a corresponding Canadian application is pending. It would be simple to amend the section so that an inquiry could be made with regard to any issued Canadian patent to find out whether a reissue application for that patent was pending. In practice, the section is presently used to determine the existence of a reissue application when a corresponding foreign patent has issued by making an inquiry based on the foreign patent.¹²²

Curl-Master also established that a reissue patent can be granted to the assignee of record at the time of application for reissue. The defendant argued that section 50(1) requires reissue to the *patentee*, and does not permit the assignee to apply for the reissue where the patentee has assigned his rights after issue of the original patent.¹²³ The Court stated that the assignee was the person "for the time being entitled to the benefit" of the

¹²² In the United States, the problem has been solved in a different way. 35 U.S.C. § 252 (1952) provides :

No reissued patent shall abridge or affect the right of any person or its successors in business who made, purchased or used prior to the grant of a reissue anything patented by the reissued patent to continue the use of, or to sell to others to be used or sold, the specific thing so made, purchased or used, unless the making, using or selling of such thing infringes a valid claim of the reissued patent which was in the original patent. The court before which such matter is in question may provide for the continued manufacture, use or sale of the thing made, purchased or used as specified, or for the manufacture, use or sale of which substantial preparation was made before the grant of the reissue, and it may also provide for the continued practice of any process patented by the reissue, practice, or for the practice of which substantial preparation was made, prior to the grant of the reissue, to the extent and under such terms as the court deems equitable for the protection of investments made or business commenced before the grant of the reissue.

¹²³ Patent Act 50(1) provides that the commissioner may "cause a new patent, in accordance with an amended description and specification made by such patentee to be issued to him."

patent, and is therefore within the definition of patentee within section 2(h) of the Act.¹²⁴

The decision on this point is to be welcomed as settling a previously unclear point of practice, but it raises one danger. It may be that an inventor will assign his patent to a company, and that the company may be able to apply for reissue with broader claims. The company would then obtain a wider scope of protection than the inventor had intended to assign to it, without being required to pay to the inventor any additional compensation. In such circumstances, it might even be possible that the inventor would be prevented by the widened claims from making some article or carrying on some process to which he had intended to keep his rights. Such a situation is prevented by legislation in the United States,¹²⁵ but in Canada no legislation guards the inventor. However, the courts, if they are vigilant, can protect him by requiring his testimony as to whether the claims were made narrow in scope deliberately, or by "accident, inadvertence or mistake" as required for reissue.

(c) *Unsettled Problems of Law*

While they have settled a number of small points, the two recent Supreme Court cases have left unsettled several of the major problems of reissue. This is not because the questions have not been dealt with, but rather because they appear to have been treated in different ways in the two cases, with the result that the practitioner is faced with difficulty in determining what attitude the Court would take in future cases.

(i) *Reissue of an Invalid Patent*

Prior to *Hoechst and Curl-Master*, the last Supreme Court pronouncement on reissue was *Northern Elec. Co. v. Photo Sound Corp.*¹²⁶ In the Exchequer Court decision in that case,¹²⁷ Mr. President Maclean commented :

This provision of the Act, it will be seen, is designedly rigid, and the reason is obvious. It would look as if the original patent must be invalid before an amended patent can issue, because the words "whenever any patent is deemed defective or inoperative" must imply I think invalidity, that is to say, if the patent is inoperative it is invalid, and if the description or specification is insufficient it is again invalid, but in the absence of argument by counsel, precisely on this point, I do not propose pronouncing any definite opinion thereon. If the patentee claimed more (or less, under the present Act) than he had a right to claim as new, the situation would be different.¹²⁸

¹²⁴ According to § 2(h) "patentee" means the person for the time being entitled to the benefit of a patent for an invention.

¹²⁵ 35 U.S.C. § 251(4) (1952).

¹²⁶ [1936] Sup. Ct. 649, [1936] 4 D.L.R. 657.

¹²⁷ [1936] Can. Exch. 75.

¹²⁸ *Id.* at 88.

The Supreme Court in *Northern Electric* did not comment on President Maclean's remark although it upheld his decision. However, Sir Lyman Duff noted :

It is essential therefore to enable the applicants to invoke the section, that the original patent should have been deemed defective by reason of insufficiency of description or specification arising from inadvertence, accident or mistake [A]t the lowest, the statute must contemplate some kind of reasonable grounds of apprehension on the part of the original patentee to the patent is defective in the sense of the section.¹²⁹

It thus seemed that as a result of *Northern Electric*, there must be some reason for invalidity before a patent could be reissued.

The question of invalidity was canvassed again in *Hoechst*. The Supreme Court, through Mr. Justice Martland, stated : "Section 50 deals only with a patent which is defective or inoperative. In my opinion it contemplates the existence of a valid patent which requires reissue in order to become fully effective and operative."¹³⁰

Thus, *Hoechst* implicitly reversed President Maclean's position by holding that a patent, to be the subject of a valid reissue, must be valid. As, in *Hoechst*, the application for reissue had been filed before the patent was held invalid in other proceedings, it seems that the requirement was that the patent must have been intrinsically valid. This would mean that a patent which was held invalid after the beginning of reissue proceedings could not be validly reissued, and indeed this was the situation in *Hoechst*.

Curl-Master, decided only a year after *Hoechst*, puts this conclusion of law into question. The applicant in *Curl-Master* admitted in the petition for reissue that "claim 1 of the patent . . . is probably somewhat too broad in view of U.S. Patent: Struve—1,115,225—October 27, 1914."¹³¹ He explained how he found out about the "new facts" in the light of which the reissue claims were framed :

That knowledge of the new facts stated in the amended disclosure and in the light of which the new claims have been framed was obtained by Your Petitioner on or about the last days of December 1958, in the following manner : At that time an official action had been received from the U.S. Examiner citing the Struve U.S. Patent mentioned above against the Patentee's corresponding U.S. patent application Serial No. 640, 676 dated February 18, 1957. Copy of this patent was ordered from the Patent Office and it was then discovered that it showed the stepped construction of Applicant's U.S. claim 1 which at that time somewhat corresponded to claim 1 of the Canadian Patent. In December 1958, the Canadian Patent was already

¹²⁹ [1936] Sup. Ct. at 653, [1936] 4 D.L.R. at 659.

¹³⁰ 50 Can. Pat. R. 220, at 256, 33 Fox Pat. Cas. 99, at 109 (Sup. Ct. 1966).

¹³¹ 52 Can. Pat. R. 51, at 60-61, 36 Fox Pat. Cas. 84, at 92-93 (Sup. Ct. 1967).

issued. In view of the situation of the U.S. patent application at that time, it was decided to await the issue of the U.S. Patent before initiating re-issue procedure in the Canadian Patent.¹³²

It seems from the patentee's own admissions that at least claim 1 of his original patent was broader than that which he had invented, and would therefore have been invalid.¹³³ On the question of invalidity, the Supreme Court said :

The main question in issue on this appeal is, therefore, whether there was, in relation to Patent No. 554,826, a complete failure to disclose Marchessault's invention, so as to render that patent invalid, as failing to disclose an invention, or whether there was an imperfect description of the appellant's invention which would render the patent defective, but still capable of correction by reissue, if such imperfection resulted from error or mistake.¹³⁴

The Supreme Court is thus talking about examining the patent to determine whether it is invalid *as failing to disclose an invention*. Mr. Justice Martland, speaking for the Court, does not attempt to examine the validity of each claim of the original patent, but merely looks to see whether some patentable invention is present, although not necessarily claimed.

The only way to reconcile *Hoechst* and *Curl-Master* on this point is to say that the patent, to be reissued, must not be "invalid" in the sense that it must show an invention. It would not be essential that all claims of the original patent be valid, and it is possible that no claim need be valid, so long as an "invention" is shown, although not claimed. As will be seen, however, this view raises serious questions in respect of the statutory requirement that the reissue patent be for "the same invention" as the original patent.

(ii) "*The Same Invention*"

The clause in section 50 that a reissue patent may be issued "for the same invention . . . for which the original patent was granted" was construed restrictively in *Hoechst*. The Exchequer Court held that the patent could not be reissued to cover only tolbutamide, as tolbutamide (a species) was not "the same invention" as the genus to which it belonged, which had been claimed in the original patent.¹³⁵ This reasoning, although neither used as the ratio nor repudiated in the Supreme Court's decision, has formed the ratio in previous infringement decisions of the Exchequer Court¹³⁶ and the House of Lords.¹³⁷

¹³² *Id.*

¹³³ *Minerals Separation N. Am. Corp. v. Noranda Mines Ltd.*, [1947] Can. Exch. 306, at 352, 6 Fox Pat. Cas. 130, at 176.

¹³⁴ 52 Can. Pat. R. at 66-67, 36 Fox Pat. Cas. at 98-99.

¹³⁵ *Farbwerke Hoechst Aktiengesellschaft Vormals Meister Lucius v. Commissioner of Patents*, 31 Fox Pat. Cas. 64 (Exch. Ct. 1965).

¹³⁶ *C. H. Boehringer Sohn v. Bell-Craig Ltd.*, [1962] Can. Exch. 201, 39 Can. Pat. R. 201, 22 Fox Pat. Cas. 190, *aff'd on different grounds*, [1963] Sup. Ct. 410, 25 Fox Pat. Cas. 36.

¹³⁷ *In re May*, 67 R. Pat. Cas. 23 (H.L. 1950).

The Supreme Court had previously held in *Northern Electric* that a patent which discloses several inventions but claims only one of them cannot be reissued to cover one of the inventions which had not previously been protected.¹³⁸

After these decisions, it seemed that there must be words in the original patent which showed an intention to claim as an invention the thing which the reissue was sought to cover. Indeed, in *Hoechst*, the Commissioner of Patents, in his decision rejecting the application, said: "It must appear from the face of the instrument that what is covered by the reissue was intended to have been covered and secured by the original."¹³⁹

In *Curl-Master*, however, the Supreme Court took a different view. The statement of invention at the beginning of the patent¹⁴⁰ did not mention the feature which the Court later found to be the invention on which the reissue patent could be supported. Besides, of the four claims of the original patent,¹⁴¹ claims 1 and 2 did not mention this feature at all. Claims 3 and 4 only mentioned it in combination with the feature originally alleged to be inventive, and which was later admitted to be non-inventive over the prior art patent to Struve.¹⁴²

As interpreted in *Curl-Master*, "for the same invention" would appear to mean that the invention for which reissue is obtained must be the invention which the patentee intended to claim in the original patent. Whether or not that invention was actually claimed in the original patent is immaterial, as long as the patentee had intended to claim it. Mr. Justice Martland explained:

In the present case, Marchessault did intend to protect the invention which he had actually made. The patent which he obtained was defective in that it failed sufficiently to describe it. He was not an engineer, and had had

¹³⁸ [1936] Sup. Ct. at 661, [1936] 4 D.L.R. at 667.

¹³⁹ 50 Can. Pat. R. 220, at 251, 33 Fox Pat. Cas. 99, at 105.

¹⁴⁰ The specification of the patent is reproduced at 52 Can. Pat. R. at 54-57, 36 Fox Pat. Cas. at 87-89. The statement of invention reads in translation as follows:

Within the goals stated the invention consists in a flat bundle of long vegetable fibers fixed at one end to handle. The bundle is in two stages as the exterior fibers do not extend to the end. As in all brooms, at a short distance from the anchorage to the handle the bundle of fibers comprises several transverse bindings which are hidden underneath a band of canvas. The fibers extending to the end of the broom include additionally a transverse binding hidden by the external fibers. This last binding is tied by cords to the bindings above it so that it cannot be displaced.

In the reissue the inventive feature was alleged to be that the lower binding fitted loosely around the fibers extending to the end of the broom, and was suspended from the upper binding.

¹⁴¹ The claims are reproduced at 52 Can. Pat. R. 51, at 57, 36 Fox Pat. Cas. 84, at 89.

¹⁴² The mere fact that a feature is mentioned in a claim does not mean that it is inventive. A claim must define an operative device and to do so, it usually describes a combination of old and new objects. There is no requirement that the patentee separate the old from the new in his claim. See *Baldwin Int'l Radio Co. of Canada v. Western Elec. Co.*, [1934] Sup. Ct. 94.

no prior experience in relation to patents. He was a broom manufacturer, who had made a useful invention, which he sought to protect through the services of a patent attorney.¹⁴³

The Court's decision in *Curl-Master* can be criticized both from logical and legal considerations. The fact situation in the case was basically the same as that in *Northern Electric* as regarded the face of the patent in suit. In both cases, an original patent issued with disclosure of novel subject matter which was not stated to be an invention nor claimed as one, and the original patent was subsequently reissued to claim this subject matter.

In dealing with *Northern Electric*, Mr. Justice Martland attempted to distinguish it.

The facts in the *Northern Electric Company* case are not comparable to those in the present one. In that case, the inventor, Arnold, an accomplished physicist, a competent radio engineer and inventor, accustomed to framing specifications, had obtained a patent for an invention relating to receiving systems for radio communication, particularly to devices for limiting the electrical power which might be transmitted to a receiving instrument in such a system. He sought a reissue patent which would have extended its scope so as to include additional claims for certain new and useful improvements in radio communication

It was held that there was no defect in the original patent, in that there was no reasonable ground for apprehending that it was defective in failing sufficiently to describe the invention in respect of which the applicant intended to claim invention.¹⁴⁴

The distinction drawn seems to imply that, in *Northern Electric*, the inventor was charged with such a knowledge of patents that he was assumed to know what was being claimed and to have assented to it. In contrast, the inventor in *Curl-Master* was characterized as one who was "not an engineer, and had had no prior experience in relation to patents."¹⁴⁵ This is tantamount to saying that an inventor who is unaware of patent procedure is in a more advantageous position to reissue than an inventor who knows something of patents. This conclusion is open to question.

The unsophisticated inventor in *Curl-Master* had used the services of a patent attorney in obtaining his patent, thus constituting the patent attorney his agent.¹⁴⁶ Since by agency law, the act of the agent in the scope of

¹⁴³ 52 Can. Pat. R. at 68-69, 36 Fox Pat. Cas. at 98-99.

¹⁴⁴ *Id.*

¹⁴⁵ *Id.*

¹⁴⁶ The form of appointment of agent prescribed by the Patent Rules reads: The undersigned (applicant) . . . empowers the said appointee to sign the petition and drawings, to amend the specification and drawings, to prosecute the application, and to receive the patent granted on the said application; and ratifies any act done by the said appointee in respect of the said application.

Patent Rules, P.C. 1954-1855, Sch. A, Form 11, as amended. This wording also occurs in Forms 1, 10, 12 and 13.

his authority is considered the act of his principal, the reasoning used by the judge that the applicant had intended to claim a particular invention, but that he had not made this intention clear to his patent attorney, should have no legal effect.

On the facts of *Curl-Master*, the sufficiency of showing that the patentee had originally intended to claim the feature later stated to be inventive in the reissue patent can be questioned. The petition for reissue¹⁴⁷ merely shows that the inventor entrusted his patent attorney with the job of preparing an application for patent. There is no indication that he pointed out to the patent attorney which feature of the curling broom was inventive. The petition does not allege that the patent attorney did not understand what the inventor had told him. It merely states that the patent attorney was suffering from a heart condition "which somewhat impaired his work efficiency" and that he did not fully comprehend the purpose of one of the features.¹⁴⁸ The petition then states: "the patent issued without knowledge either by the patentee his patent agent, or the Canadian Office, of a prior patent teaching that it was known to have a broom with a stepped construction which might render claim 1 of the patent invalid."¹⁴⁹ After the inventor found after issue of the patent that his claims were invalid in view of prior art of which he had not known, he alleged that he had intended to claim the other feature disclosed as his invention.

The words of *Northern Electric* are opposed to permitting reissue in such circumstances. Chief Justice Duff said:

On the argument before us, counsel for the appellants said, "What the patent was directed to was a physical object." The case at the trial was not that the patent was directed to a physical object, but to certain physical objects employed in a certain way and for a certain purpose, and that it was in this employment that the merit of the inventive idea lay.

The argument involves, of course, the proposition that it is sufficient in order to obtain relief under the statute to show that the drawing in the original patent exhibits a device in respect of which the patentee might have claimed protection if he had asked for it and sufficiently disclosed the nature of the invention. This, of course, is to discard the parts of the statute that I have been emphasizing, which make it very plain that the design of the statute is to afford relief only in respect of an invention clearly conceived as such, for which the original patentee intended to claim protection, but in respect of which, through the causes defined by the statute, there is insufficient description or specification. Identity of invention is only one of the conditions of the statute.¹⁵⁰

¹⁴⁷ 52 Can. Pat. R. at 60-62, 36 Fox Pat. Cas. at 92-93.

¹⁴⁸ *Id.* at 61, 36 Fox Pat. Cas. at 93.

¹⁴⁹ *Id.*

¹⁵⁰ [1936] Sup. Ct. at 660, [1936] 4 D.L.R. at 668.

Although the reasoning of *Curl-Master* appears difficult to support, the narrow interpretation of the words "for the same invention" in *Hoechst* is also open to dispute. If a strict interpretation is given to the function of claims in a patent application, it may be said that each claim defines an invention¹⁵¹ and that everything which is not claimed in one of the claims does not form part of the invention which is intended to be protected.¹⁵² Thus, taking the reasoning of *Hoechst* to its logical extent, one could say that, since the claims define the invention, a reissue patent having claims which were in the slightest iota different from those of the original patent would not be for the same invention as the original patent. This is, however, contrary to the intent of section 50 which says that a reissue patent can be obtained when the patentee has claimed "more or less than he had a right to claim."

It seems, therefore, that the views expressed in both *Hoechst* and *Curl-Master* with regard to the statutory requirement that the reissue be for "the same invention" are open to attack. The problem of "the same invention" will be put in better perspective when a requirement for "inadvertence, accident or mistake" is considered.

(iii) *Inadvertence, Accident, or Mistake*

For a patent to be reissued, section 50 of the act requires that it must contain an error which "arose from inadvertence, accident, or mistake, without any fraudulent or deceptive intention."

In *Northern Electric* the question of accident, inadvertence or mistake was treated as follows :

For the present, however, I am concerned only with this : the proper conclusion from the documents, including the proceedings on the application for the reissue patent, is that there was no defect in the original patent in the statutory sense, no reasonable ground for apprehending that the patent was defective in failing sufficiently to describe the inventions in respect of which Arnold was intending to claim invention; no mistake on Arnold's part in respect of the description or the specification of the invention to which his application related. Accident is not suggested nor is inadvertence in the pertinent sense; that is to say, no inadvertence in respect of any insufficiency of description or specification of the invention that the applicant had in mind.¹⁵³

¹⁵¹ See the words of Lord Chelmsford in *Harrison v. Anderston Foundry Co.*, 1 App. Cas. 574, at 581 (1876), where he said : "The office of a claim is to define and limit with precision what is which is claimed to have been invented and therefore patented." See also § 36(2) of the Patent Act and Rule 43 of the Patent Rules.

¹⁵² *Id.* at 580. "Where a claim is clearly and distinctly made, there can be no necessity for a patentee to distinguish between what is claimed and what is disclaimed. It is enough to say . . . that everything which is not claimed is disclaimed."

¹⁵³ [1936] Sup. Ct. at 659, [1936] 4 D.L.R. at 667.

The inadvertence, accident or mistake, therefore, relates to a failure to claim an invention, the claiming of which was intended at the time of application for the original patent. Thus, the "inadvertence" requirement and that of "the same invention" are closely linked.

In *Hoechst*, Judge Martland adopted an American decision :

In view of the Supreme Court of the United States regarding the purpose of the American provision as to reissue was stated as being "to provide that kind of relief which courts of equity have always given in cases of clear accident and mistake in the drawing up of written instruments." *Mahn v. Harwood*, (1884) 112 U.S. Rep. 354 at 363. This statement was cited, with approval, in *Sontag Stores Co. v. National Nut Company of California*, (1940) 310 U.S. Rep. 281 at 290.

Used in this sense, the word "mistake" means that a written instrument does not accord with the true intention of the party who prepared it. A person relying upon a mistake under s. 50 would have to establish that the patent which was issued did not accurately express the inventor's intention with respect to the description or specification of the invention or with respect to the scope of the claims which he made. This view appears to me to coincide with that expressed by Chief Justice Duff, in relation to the word "inadvertence" in *Northern Electric Company Ltd. v. Photo Sound Corporation*, (1936) S.C.R. 649 at 661, cited by the respondent in his reasons for refusal of the appellant's petition.¹⁵⁴

In *Hoechst*, the question of whether a mistake of law can form the basis for a valid reissue application was considered, but not decided, as the Court held that the patentee had not intended to cover or secure the subject matter which was excluded. The alleged error of law¹⁵⁵ was that the patentee had not realized that process claims drawn broadly to the genus would be invalid, and would not support valid product claims to protect a particular species within that genus. The Court observed that the appellant had deliberately elected to draft his process claim in the widest possible terms, and that he had no intention of restricting his invention solely to the production of the particular species.¹⁵⁶ Thus, the decision rested on the question of whether "the same invention" was being claimed.

Mr. Justice Thurlow, of the Exchequer Court, considered mistake of law as a ground for reissue. He declined to express a definite opinion, noting, however, that he was not persuaded that cases could not arise in which a defect due to an erroneous view of the law could constitute "inadvertence"

¹⁵⁴ 50 Can. Pat. R. at 254, 33 Fox Pat. Cas. at 108.

¹⁵⁵ *Id.* at 255-56, 33 Fox Pat. Cas. at 109-10.

¹⁵⁶ *Id.* at 259, 33 Fox Pat. Cas. at 112.

in section 50.¹⁵⁷ As this point was left open in the Supreme Court, it seems that an error of law might well form a ground for reissue in future case, where the invention intended to be protected is the same as that covered in the original case.

In *Curl-Master*, the Court adopted the comments made in *Hoechst*, but apparently considered that it was clear on the facts that mistake had occurred provided that the invention claimed on reissue was the same as that claimed in the original patent. For this reason, the Court directed its attention basically to the identity of the inventions. It can, however, be questioned whether the evidence adduced in the petition for reissue in *Curl-Master* established mistake, if the requirement for mistake is that given in *Mahn v. Harwood* that the original document did not accord with the inventor's intention at the time of drafting it. As stated above, it seems that the inventor in *Curl-Master* had no intention of claiming the feature which was finally claimed in the reissue application, but that he merely wanted to get a patent for whatever invention was contained in his broom.

The idea that an inventor must know at the time of drafting his application exactly what invention he has made and intends to protect is contrary to commercial reality. In most cases, the "inventor" creates a device, which is a physical object, and brings this device to a patent agent. The patent agent then conducts a search of prior art to determine whether any of the principles of the object brought to him are new. Usually, at least one of the features which the inventor has thought to be novel is found to be a part of the knowledge of the trade. The patent agent then points out to the inventor the features of the device which may be capable of patent protection. Frequently, these features bear no resemblance to the features which the inventor thought to be patentable when he first brought the device to the agent. There is a cynical saying among patent agents that "the inventor makes the device, but the patent agent makes the invention."

It seems, therefore, that the recent decisions say that the inventor who has the most thorough search conducted stands the most likelihood of getting a valid reissue. In this case, since he would have known precisely the scope of his invention before he obtained his original patent, the only reason for reissue would have been through a merely inadvertent clerical mistake or the like. This would give a very narrow interpretation to the meaning of the reissue statute.

¹⁵⁷ *Id.* at 243-44, 31 Fox Pat. Cas. at 85.

Although the Court in *Curl-Master* considered itself bound by the former cases, which would have led it inexorably to this conclusion, it nevertheless broadened the reissue section to a reasonable scope. In essence, the Court considered that the inventor knew the features of his invention, and that he brought these features to the patent attorney for protection. The inefficiency of the patent attorney in not conducting a full search so that the inventive ones of these features could be selected for protection, or the lack of appreciation of the patent attorney of the features, was considered as a "mistake." This appears to be a satisfactory solution of the question of mistake, but it raises inconsistencies with the law of agency and with the standards set in precedents for "the same invention."

(d) *A General View of Reissue Practice*

The present Canadian reissue practice can be summarized by saying that there are three kinds of reissues. The first occurs when an invention has been claimed in the original patent, but has been inadequately shown or described.¹⁵⁸ Reissue under such circumstances is proper, and no attack on this principle appears to have been mounted in any Canadian case. Of course, the reissue must have occurred due to inadvertence, accident or mistake, and without a fraudulent intent. The second is when an invention has been adequately shown and described in the disclosure, but has been claimed too broadly. By *Hoechst*, if the breadth of claim is such as to make what is claimed a different invention from what is intended to be covered by reissue, reissue will not be permitted.¹⁵⁹ The third case is where an invention has been adequately shown and described in the disclosure, but has not been claimed at all. By *Northern Electric*, this is not a proper subject for reissue, as the reissue would not be for "the same invention" as the original patent. However, in *Curl-Master*, a reissue was permitted under such circumstances, on the somewhat dubious ground that the inventor had intended to claim his invention, but through the accident, inadvertence or mistake of his patent attorney, he had not done so.

The main difficulty in reaching a logical, consistent, approach to reissue is the courts' varying interpretation of "the same invention." The courts have attached too much importance to this phrase, which, after all, does not appear in the list of requirements for reissue under section 50(1), but instead in the description of the action which can be taken by the commissioner after such an application is made. It is submitted that the rational meaning of the words "for the same invention" would be "for an inventive feature which was adequately shown and described in the original patent,

¹⁵⁸ Patent Act § 50(1). There is little jurisprudence on this type of reissue.

¹⁵⁹ However it should be noted that § 50 says that there can be reissue when the patentee has claimed "more or less than he has the right to claim, and the error arose from inadvertence, accident or mistake."

but was not claimed therein, or which was inadequately shown and described in the original patent but was claimed therein." This description would cover all three possibilities given above, and would tend to throw the emphasis in determining whether a reissue was or was not proper back on the question of accident, inadvertence or mistake. Each of the cases discussed could properly have been decided in the way it was on the basis of accident, inadvertence or mistake, if this definition of "the same invention" were adopted. However, the categorical remarks of Chief Justice Duff in *Northern Electric*¹⁶⁰ would have to be disapproved for this interpretation to be likely, and such disapproval is not foreseeable.

It is likely that, when a new Patent Act is drafted, attention will be given to the reissue section because of the recent cases. It is to be hoped that amendments will be introduced to clarify the meaning of the legislature, and make obsolete some of the extreme interpretations given by the courts.

¹⁶⁰ See *supra* at p. 252.