

SURVEY OF INTELLECTUAL PROPERTY

PART IV - PATENTS

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This Survey appears in several parts and canvasses significant developments in intellectual property law in Canada from January 1, 1987. This Part IV focuses on significant developments in the law relating to Patents. In particular, it addresses the topics of validity and infringement (including remedies), as well as ownership and the matter of patented medicines.

The first Part of this Survey addressed the then numerous legislative activities regarding intellectual property law. Part II canvassed significant developments in the law of trade-marks regarding the statutory rights of registrations, especially the suitability of applications and the validity of registration. Part III completed the survey of the law of trade-marks by addressing the enforcement of trade-mark rights, especially the tort of passing off and the statutory rights of action.

Subsequently, Part V will complete the Survey by exploring developments in the law relating to Copyright and Industrial Designs.

Cette étude, qui est publiée en plusieurs parties, examine de façon approfondie les changements importants qui sont survenus dans le domaine du droit de la propriété intellectuelle au Canada depuis le 1^{er} janvier 1987. La présente partie de l'étude, soit la quatrième partie, traite des changements importants qu'il y a eu dans le domaine du droit relatif aux brevets. Cette partie aborde notamment les questions de la validité des brevets et de la contrefaçon de brevet (y compris les recours), ainsi que la propriété et les médicaments brevetés.

La première partie de l'étude traitait des nombreuses activités législatives de l'époque touchant le droit de la propriété intellectuelle. La deuxième partie examinait en détail les changements importants survenus dans le domaine du droit relatif aux marques de commerce et portant sur les droits d'enregistrement prévus par la loi. Elle se penchait notamment sur l'admissibilité des demandes et la validité de l'enregistrement. La troisième partie constituait le dernier volet de l'étude du droit relatif aux marques de commerce et abordait la sanction des droits, ainsi que le délit de concurrence déloyale et les droits d'action prévus par la loi.

Par la suite, la cinquième partie terminera l'étude en faisant un examen des changements touchant le droit relatif au droit d'auteur et aux dessins industriels.

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I. INTRODUCTION

This survey reports and comments upon significant jurisprudence in the field of law regarding patents during the period from 1986 to September 30, 1998. We have refrained from specifically chronicling government activity since we have anticipated that most readers will be acquainted with such statutory changes.²

Apart from the mammoth new breed of litigation in respect of the NOC regulations, the various topics remain essentially unchanged from the previous survey. However, notable jurisprudence has refined several of the key principles at play in patent disputes.

While the attacks on validity of patents remain rooted in subject matter, anticipation, obviousness, inutility, and insufficient disclosure, significant jurisprudence has both pruned and honed these applicable principles. Infringement jurisprudence has revealed continuing efforts by the judiciary to grapple with the utility of the purposive construction test³ and the well-entrenched two-part test involving literal infringement and then, if necessary, substantial infringement. The jurisprudence respecting remedies has contributed useful guidance. Finally, the jurisprudence on ownership of patent rights has provided valuable and helpful expressions of the applicable principles.

II. JURISPRUDENCE

A. *Validity*

Challenges to the validity of a patent remain unchanged save for the specific enactment of non-obviousness as a statutory criteria as a consequence of amendment of the *Patent Act*.⁴ As before, this survey reveals that the chief attacks on validity consist of: improper subject matter; anticipation or lack of novelty; obviousness or lack of inventive ingenuity; inutility; insufficiency of the specification and excessive width of claims or covetousness. Moreover, lack of novelty and lack of inventive ingenuity continue as the most prevalent of these attacks.

The Federal Court of Appeal in the case of *Diversified Products v. Tye-Sil*⁵ addressed the general presumption of validity in Canadian patent law in the context of a patent relating to a convertible rowing exerciser which can be re-oriented to a second, free-standing, stable position for weightlifting exercises, using the same operative elements as the standard rower. In particular, the Court canvassed the pertinent jurisprudence and simplified the principle as to the presumption of validity. In respect of the case before it, the Court stated:

[A]pplying the tests applicable to the pleas of anticipation and obviousness, which are not easy tests to meet as we shall see, did the appellant prove, on

² D. MacOdum, *Report for the LSUC IP Law Yearly Update*, 1996.

³ *See "Tests — Literal Infringement and Other Than Literal Infringement", *infra* at ____.

⁴ R.S.C. 1985, c. P-4.

⁵ (1991), 35 C.P.R. (3d) 350, 125 N.R. 218 (F.C.A.) [hereinafter *Diversified Products* cited to C.P.R.].

the usual standard of a balance of probabilities, that the patent was invalid as having been anticipated or as being obvious?⁶

Accordingly, the presumption dictates on whom the burden of proof lies but is not a factor weighed in the balance.⁷

1. *Subject matter incapable of being patented*

(a) *Living Things*

In the Supreme Court of Canada case of *Pioneer Hi-Breed Ltd. v. Commissioner of Patents*,⁸ the issue of the patentability of life forms was reviewed. The invention at issue related to a new variety of soybean; more specifically, the application referred to a "plant line cultivated naturally but resulting from the artificial cross-breeding of three known varieties to produce a new variety combining the desirable characteristics of each one."⁹

In speaking on the patentability of living organisms and whether it could be regarded as an invention in the sense the legislature understood the word, Marceau J. of the Federal Court of Appeal stated as follows:

Besides, speaking of the intention of Parliament, given that plant breeding was well established when the *Act* was passed, it seems to me that the inclusion of plants within the purview of the legislation would have led first to a definition of invention in which words such as "strain", "variety" or "hybrid" would have appeared, and second to the enactment of special provision capable of better adapting the whole scheme to a subject matter, the essential characteristic of which is that it reproduces itself as a necessary result of its growth and maturity.¹⁰

Pratte J., in his concurring reasons, raised the issue of the appellant's "luck" in obtaining the new soybean variety, and stated:

It follows that even a complete and accurate disclosure by the appellant of everything that the alleged inventor did to develop the new plant, would not enable others to obtain the same results unless they, by chance, would benefit

⁶ *Ibid.* at 359.

⁷ Compare *Whirlpool Corporation et al. v. Camco Inc.* (1997), 76 C.P.R. (3d) 150 at 166 where Cullen J. relied on such statements to express the view that the burden or onus to prove validity on the balance of probabilities shifts to the patentee once some evidence of invalidity is shown.

⁸ [1989] 1 S.C.R. 1623, 25 C.P.R. (3d) 257 [hereinafter *Pioneer Hi-Bred* cited to S.C.R.], aff'g [1987] 3 F.C. 8, 14 C.P.R. (3d) 491 (F.C.A.), aff'g 1986 11 C.P.R. (3d) 311 (Pat. App. Bd. & Pat. Commr.) [hereinafter *Pioneer Hi-Bred* cited to F.C.].

⁹ *Ibid.* at 1626 (S.C.C.).

¹⁰ *Ibid.* at 14 (F.C.A.).

from the same good fortune.¹¹

The Court ultimately found that:

[A] new soybean variety obtained by cross-breeding but cultivated naturally did not represent an invention within the meaning of s. 2 of the *Patent Act*, and ruling that if Parliament had intended to place plants within the purview of the legislation it would have used a definition of the word "invention" in which words such as "strain", "variety" or "hybrid": would have appeared.¹²

The appellant argued that the Federal Court of Appeal had erred in coming to this finding.

Lamer J. (as he then was) provided an interesting overview of some of the basic principles surrounding genetic engineering. Unfortunately, in light of the lack of scientific testimony on the issue of genetic engineering and in view of the limited interest shown in this area by the parties, the Supreme Court of Canada ultimately decided to dispose of the appeal based on grounds other than whether this soybean variety was an invention within the meaning of the *Patent Act*. The Supreme Court of Canada found that both the disclosure requirements and the requirements of section 36(1) of the *Patent Act* had not been met.¹³ The Court ultimately dismissed the appeal.¹⁴

Another case dealing with the patentability of life forms is *President and Fellows of Harvard College v. Canada (Commissioner of Patents)*.¹⁵ This case related to an appeal from the Commissioner of Patents' decision rejecting some of the appellant's claims as being non-statutory subject matter. The invention pertained to a:

[T]ransgenic mammal, that is a mammal containing a gene that has been artificially introduced into the chromosomes of the mammal or its ancestor at the embryonic stage (preferably at the single cell stage). The fertilized eggs were then transferred to a female mouse ("foster" mouse) and allowed to gestate naturally. The gene introduced predisposes the mammal to developing neoplasms, i.e. malignant tumors. This gene is referred to as an oncogene or a myc gene.¹⁶

These mammals can then be used to test for carcinogens and for cancer-treating products.

The Commissioner's reason for rejecting the claims revolved around the

¹¹ *Ibid.* at 9 (F.C.A.).

¹² *Ibid.* at 1629 (S.C.C.).

¹³ *Ibid.* at 1641 (S.C.C.).

¹⁴ Other recent cases dealing with patentable subject matter include *Re Application for Patent of Goldenberg* (Now Patent No. 1,244,344) (1988), 22 C.P.R. (3d) 159, *Re Application for Patent of Regents of the University of Minnesota* (1988), 29 C.P.R. (3d) 42, *Re Application for Patent of Mobil Oil* (Now Patent No. 1,254,297) (1988), 24 C.P.R. (3d) 571.

¹⁵ [1998] 3 F.C. 510, 79 C.P.R. (3d) 98 (F.C.T.D.) [hereinafter *Harvard College* cited to C.P.R.].

¹⁶ *Ibid.* at 100.

construction of the terms "manufacture" or "composition of matter" contained in the definition of the word "invention" found in section 2 of the *Patent Act*. The Commissioner determined that there were two steps involved in producing these mice. First, the inventors engineered the myc gene which was then injected into the mouse egg, which in turn was injected into the female mouse. Second, the mouse was allowed to develop according to the laws of nature. The Commissioner found that although the myc gene was produced under the full control of the inventor and as such, was reproducible and thus satisfied the Commissioner that such transgenic unicellular material were "manufactured" or were a "composition of matter" under section 2, the same could not be held for the mice themselves.¹⁷ The Commissioner found that the inventors did not have "full control over all the characteristics of the resulting mouse since the intervention of man ensures that reproducibility extends only as far as the cancer forming gene."¹⁸ As such, he could not find that the mouse fell within the definition of "invention".¹⁹

The Court referred to the decision in *Pioneer Hi-Bred Ltd. v. Commissioner of Patents* in order to ascertain the proper approach in dealing with biotechnological inventions. In citing Lamer J. (as he then was), who had indicated that since there were "no special provisions regarding 'biotechnological' inventions, specifically new life forms, the ordinary tests of patentability must be applied",²⁰ the trial judge applied the ordinary test of patentability. Nadon J. stated that,

[t]he relevant criteria in this instance are: the subject matter must be an "invention" according to the definition found in section 2; the subject matter must be new, useful and unobvious. There is no dispute here that the oncomouse is new, useful and unobvious. The question is whether this is an "invention" to which the *Patent Act* applies.²¹

In light of the *Patent Act*'s definition of the word "invention", the issue then became, what is the meaning of the words "manufacture" or "composition of matter"?²²

In dealing with this question, Nadon J. indicated that the following four issues (listed below) provided indicia of how section 2 should be construed.²³

First, in determining whether it was appropriate to examine the degree of the inventor's control over the creation of the claimed invention, Nadon J. disagreed with the appellant's argument that one only had to have control over those characteristics (the

¹⁷ *Ibid.* at 101-02.

¹⁸ *Ibid.* at 102.

¹⁹ *Ibid.* at 102, where it was also noted that the Commissioner was influenced by the decision of the Federal Court of Appeal in *Pioneer Hi-Bred supra* note 8.

²⁰ *Harvard College, supra* note 15 at 105.

²¹ *Ibid.* at 106 [cites omitted].

²² s. 2 of the *Patent Act, supra* note 4, defines the word "invention" as follows: "'invention' means any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter."

²³ *Harvard College, supra* note 15 at 109.

transgene) which are within the parameters of the invention, and consequently, did not have to have control over the other aspects of the mouse's genetic makeup. Nadon J. stated that there was "no way to separate the transgene from the rest of the mouse once it is introduced and everything else about the mouse is present completely independently of human intervention."²⁴

Second, in deciding whether it was appropriate to distinguish between human intervention and the laws of nature, the Court concluded that the issue was "which aspect can be attributed to human intervention and for which aspects one is forced to merely sit back and allow nature to run its course."²⁵ Nadon J. also adopted the language in the Federal Court of Appeal case of *Hi-Bred* in finding that such a mouse "cannot really be said, other than on the most metaphorical level, to have been produced from raw materials or to be a combination of two or more substances united by chemical or mechanical means".²⁶

Thirdly, the relevance of the test of reproducibility was assessed. The Court found that the mouse could not be said to be truly reproducible as:

[A]lthough the gene will be present in some mice, at some place, with some characteristics, the precise mouse, the precise location and the precise quality of the gene are unreproducible. The variations of the gene are created and controlled completely by the laws of nature and are infinite.²⁷

The final issue dealt with by the Court was whether it was appropriate, in determining whether something was patentable subject matter, to make distinctions between higher and lower life forms. Nadon J. did not specifically make a finding on this issue when he concluded that "[i]n the end, once the original plasmid has been injected into the fertilized egg, the inventor is only engaged in cross-breeding."²⁸ In addition, he agreed with Lamer J. (as he then was) in *Hi-Bred* who refused to address this very issue and indicated that it was more appropriately decided by the legislature.²⁹

The Court ultimately dismissed the appeal, and found that the mouse was a complex life form which did not fit within the current parameters of the *Patent Act*.³⁰ In the end, Nadon J. also found that if such a patent had been granted, it would not have given the inventor additional protection since the inventor already had protection "for the creation of the plasmid and the injection thereof into the mouse oocyte. The appellant can exclude all others from participating in any activity which infringes that which is already patented."³¹

²⁴ *Ibid.* at 111.

²⁵ *Ibid.*

²⁶ *Ibid.* at 112.

²⁷ *Ibid.* at 113. The Court also noted the case of *Merck & Co. v. Apotex Inc.* (1994), 88 F.T.R. 260 at 295, 59 C.P.R. (3d) 133 at 178 (F.C.T.D.) [hereinafter *Merk* cited to C.P.R.].

²⁸ *Harvard College*, *supra* note 15 at 114.

²⁹ *Ibid.*

³⁰ *Ibid.*

³¹ *Ibid.* at 115.

(b) *Medical Treatment*

A pharmaceutical dispute spawned an action for infringement in 1995 before the Ontario Court (General Division). In *Bayer v. Apotex*,³² the Court considered, *inter alia*, an attack against the validity of the patent based on an alleged improper method of treatment. The Court concluded that, although a method of treatment could be inferred from the physical characteristics of the capsule, the patent did not limit its use in any particular way. As such, the claims did not relate to the area of professional skill and hence, did not constitute improper subject matter as a method of medical treatment.³³

2. *Anticipation*

Given the substantive amendments to the *Patent Act* which have occurred during the period covered by this survey, the relevant statutory criteria for novelty in any case will depend on the applicable *Patent Act*. However, the essential principle remains the same, so consequently, the jurisprudence assists in either context.

In addressing the doctrine of anticipation in *Diversified Products*,³⁴ the Federal Court of Appeal endorsed the description of anticipation by Hugessen J. in *Beloit Canada Ltd. v. Valmet Oy*:

One must, in effect, be able to look at a prior, single publication and find in it all the information which, for practical purposes, is needed to produce the claimed invention without the exercise of any inventive skill. The prior publication must contain so clear a direction that a skilled person reading and following it would in every case and without possibility of error be led to the claimed invention.³⁵

The Court also emphasized that Gibson J. in *Reeves Brothers Inc. v. Toronto Quilting & Embroidery Ltd.*³⁶ had only:

Enumerated various formulations for the test of anticipation retained in earlier decisions and his conclusion, really, is that there could be no finding of anticipation unless one met any, rather than each of these eight "tests".³⁷

In so doing, the Court helpfully resolved a difference of interpretation about how the

³² *Bayer Aktiengesellschaft v. Apotex* (1995), 60 C.P.R. (3d) 58 (Ont. Gen Div.) [hereinafter *Bayer*].

³³ *Ibid.* at 87-88.

³⁴ *Diversified Products*, *supra* note 5.

³⁵ (1986), 8 C.P.R. (3d) 289 at 297, 64 N.R. 287 at 293 (F.C.A.) [hereinafter *Beloit* cited to C.P.R.], rev'g (1984), 78 C.P.R. (2d) 1, 22 I.P.R. 145 (F.C.T.D.) [hereinafter *Beloit* cited to C.P.R.].

³⁶ (1978), 43 C.P.R. (2d) 145 at 157 (F.C.T.D.) [hereinafter *Reeves Brothers*].

³⁷ *Diversified Products*, *supra* note 5 at 361.

eight tests ought to be applied.

The Court also stressed that evidence of prior knowledge or use, as opposed to prior publication, should be subjected to rigorous scrutiny.³⁸ Moreover, it reiterated the well-known principle that an impractical and inoperable device cannot be an anticipation. The Court concluded that the plea of anticipation rightly failed since the appellant was unable to show that the alleged anticipatory device had the necessary elements critical for a stable use in an upright position.

In the 1991 case of *Procter & Gamble Co. et al. v. Kimberly-Clark of Canada Ltd.*,³⁹ the Federal Court, Trial Division considered attacks on the validity of a patent for an invention directed to elasticized fabric diapers. The challenges to validity were based upon anticipation and obviousness. In addressing the issue of anticipation, the Court again endorsed what it characterized as the oft-quoted comment by Hugessen J. A. in *Beloit*.⁴⁰

The Court also acknowledged⁴¹ the Federal Court of Appeal's helpful comments in *Diversified Products* regarding the tests for anticipation set out by Gibson J. in *Reeves Brothers*.⁴² The Court remarked as well that courts look with disfavour on earlier patents and publications, especially if they are old and where there is no evidence that they have been put to use. In particular, note was made of Hugessen J.A.'s comment in *Creations 2000 Inc. v. Canper Industrial Products Ltd.*⁴³ to the effect that:

[M]oreover, proof of anticipation based on documents considered to be "paper patents" (fictive patents), such as buried, forgotten and never used patents, will not have the same weight as evidence based on patents whose concepts have been put into use.⁴⁴

In particular, the Court concluded that the test of anticipation requires that the prior disclosure disclose a literal infringement, namely what is claimed, and also contain clear and unmistakable directions to do what is contained in the claims.⁴⁵ The Court dismissed the suggestion that a test for anticipation was whether the nub of the invention or the concept could be found in the prior art publications.⁴⁶ In the result, it concluded that none of the prior art patents anticipated the patent-in-suit.

The issue of novelty was again addressed by the Federal Court of Appeal in the

³⁸ *Ibid.* at 363.

³⁹ (1991), 40 C.P.R. (3d) 1; 49 F.T.R. 31 (F.C.T.D.) [hereinafter *Procter & Gamble* cited to C.P.R.].

⁴⁰ *Ibid.* at 33; quoting *Beloit*, *supra* note 35.

⁴¹ *Ibid.* at 33-35.

⁴² *Supra* note 36.

⁴³ (1990) 34 C.P.R. (3d) 178 at 181, 124 N.R. 161 at 165 (F.C.A.) [hereinafter *Creations 2000* cited to C.P.R.], aff'g (1988), 22 C.P.R. (3d) 389, 21 C.I.P.R. 87 (F.C.T.D.) [hereinafter *Creations 2000* cited to C.P.R.].

⁴⁴ *Procter & Gamble*, *supra* note 39 at 34, citing *Creations 2000*, *ibid.*

⁴⁵ *Creations 2000*, *ibid.*

⁴⁶ *Ibid.* at 36.

case of *Imperial Oil Ltd. v. Lubrizol Corp. et al.*⁴⁷ in the context of an action for infringement of a patent for a class of composition described as "an improvement in a field of lubricant additive technology" and, in particular, "high molecular weight carboxylic acid acetylating agents". The patented improvement pertained to particular dispersant additives for motor oils for passenger cars.

Imperial Oil had appealed the finding of validity on the ground that the trial judge ignored evidence as to prior knowledge and prior use against what it asserted to be the appropriate date of invention.

With respect to the contention by Imperial Oil that, as a result of its interpretation of Section 61, the invention date must be found, as a matter of law, to be the actual date of the Canadian patent application,⁴⁸ the Court reviewed section 61, in particular section 61(1)(c), and concluded that it manifests a parliamentary intention to accord inventors the benefit of the priority provided by section 28, not an intention to deny such benefit. Consequently, the contest as to the date of invention was between the priority date and Lubrizol's claimed date. The Court found that it was apparent from the trial judge's disposition of the action that he had accepted Lubrizol's claimed invention date.⁴⁹

On a related point, Imperial Oil had contended that all three parameters of claim 1 of the patent-in-suit had not been committed to writing and that, consequently, the date of invention should coincide with such commitment in writing. The Court held:

There is no requirement in law that the claims of the patent have been formulated before the invention can be found to have been made. What is required, if the inventor wishes to rely on an invention date earlier than the priority date accorded the patent by statute, is that he prove that date, on a balance of probabilities, by cogent evidence.⁵⁰

The Court considered these principles as being well established.⁵¹

The Court found that there was evidence upon which the learned trial judge could properly find that the date of invention was no later than 1970 and thus, the evidence of prior knowledge and prior use advanced by Imperial Oil was beyond the relevant date. As such, the Court found that the learned trial judge had not erred in finding the patent-in-suit valid.⁵²

The 1993 case of *Rothmans, Benson & Hedges Inc. et al. v. Imperial Tobacco*

⁴⁷ (1992), 45 C.P.R. (3d) 449, 98 D.L.R. (4th) 1 (F.C.A.) [hereinafter *Imperial Oil* cited to C.P.R.], varying (1990), 33 C.P.R. (3d) 1, 39 F.T.R. 161 (F.C.T.D.) [hereinafter *Imperial Oil* cited to C.P.R.].

⁴⁸ *Ibid.* at 460-61 (F.C.A.).

⁴⁹ *Ibid.* at 461.

⁵⁰ *Ibid.* at 462.

⁵¹ *Ibid.* at 462. See also *The Permutit Co. v. Borrowman*, [1926] 4 D.L.R. 285, 43 R.P.C 356; *Christiani & Neilson v. Rice*, [1930] S.C.R. 443, 4 D.L.R. 401; and *Ernest Scragg & Sons Ltd. v. Leeson Corp.*, [1966] Ex. C.R. 649, 45 C.P.R. 1.

⁵² *Imperial Oil, ibid.* at 464.

*Ltd.*⁵³ involved an appeal regarding home products and methods for making one's own cigarettes. The Federal Court of Appeal considered the issues of anticipation and obviousness.

The *Beloit* tests were employed once again. In particular, while addressing these issues, the Court referred to these two concepts and the distinction between them as expressed by Hugessen J.A.⁵⁴

The Court then restated the principle of anticipation in simple terms as "[a]nticipation must therefore be found in a single document which already gives a skilled person what is claimed and which teaches it all."⁵⁵

The trial judge had not expressed his decision of non-anticipation exactly in these terms. Nevertheless, the Court was of the view that his finding, that the prior art was "not a perfect fit" with any of the impugned claims, demonstrated that he made no palpable or overriding error justifying a review of his finding of fact on this point.⁵⁶

The trial decision in *CFM Inc. et al. v. Wolf Steel Ltd.*⁵⁷ arose before the Federal Court, Trial Division in an action for infringement of two patents relating to fireplaces. The defendant had admitted infringement of both patents and the validity of one, but attacked the validity of the other on the grounds of anticipation and obviousness. The Court emphasized:

[L]ack of novelty or anticipation assumes there has been an invention but it has already been disclosed to the public. In such circumstances, there can be no public benefit in granting a monopoly to the inventor.⁵⁸

Although the trial judge analyzed the evidence on anticipation and made a finding relating to section 27(1)(a) of the *Patent Act* that the device in question was known by another person before the patentee had invented it, he specifically refrained from making a finding under section 67(1)(a) as to whether there was effective anticipation by way of availability to the public. The Federal Court of Appeal declined to consider the issue of anticipation given its conclusion as to the correctness of the trial

⁵³ (1993), 47 C.P.R. (3d) 188, 152 N.R. 292 (F.C.A.) [hereinafter *Rothmans* cited to C.P.R.], aff'd (1991), 35 C.P.R. (3d) 417, 42 F.T.R. 68 (F.C.T.D.) [hereinafter *Rothmans* cited to C.P.R.].

⁵⁴ *Ibid.* at 197-8, citing *Beloit*, *supra* note 35 at 293-97 (F.C.A.). The test was expressed by Hugessen J.A. at 297 as follows:

One must, in effect, be able to look at a prior, single publication and find in it all the information which, for practical purposes, is needed to produce the claimed invention without the exercise of any inventive skill. The prior publication must contain so clear a direction that a skilled person reading and following it would in every case and without possibility of error be led to the claimed invention.

⁵⁵ *Ibid.* at 198.

⁵⁶ *Ibid.* at 202.

⁵⁷ (1993), 50 C.P.R. (3d) 215, 64 F.T.R. 240 (F.C.T.D.) [hereinafter *CFM* cited to C.P.R.], aff'd (1995), 64 C.P.R. (3d) 75, 189 N.R. 388 (F.C.A.) [hereinafter *CFM* cited to C.P.R.].

⁵⁸ *Ibid.* at 224 (F.C.T.D.).

judge's decision in respect of obviousness.⁵⁹

In the case of *Merck & Co. v. Apotex Inc.*,⁶⁰ the Federal Court of Appeal had occasion to address the question of novelty in the particular context of claims to compositions and compounds combined in a single patent. The patent had claims not only to compounds for hypertension and congestive heart failure, but also claims for pharmaceutical compositions including the compounds. After thoroughly canvassing the Supreme Court of Canada decision in *Shell Oil Co. v. Commissioner of Patents*⁶¹ and its effect on earlier cases which had refused composition claims, the Court helpfully commented that:

[I]t must be clear that the earlier cases do not stand for the proposition that a composition claim cannot survive with a compound claim, on the ground that it involves no inventive ingenuity. As long as there is no separate invention in the compositions, there is no rule that claims to compounds and claims to compositions including them cannot be combined in a single patent.⁶²

In reaching this view, the Court reviewed the *Shell Oil* case against the backdrop of previous authorities, namely *Rohm and Haas Co. v. Commissioner of Patents*,⁶³ *Commissioner of Patents v. Farbwerke Hoechst Aktiengesellschaft Vormals Meister Lucius & Bruning*,⁶⁴ *Sandoz Patents Ltd v. Gilcross Ltd*,⁶⁵ and *Agripat S.A. v. Commissioner of Patents*.⁶⁶ Given this analysis, the Federal Court of Appeal distinguished these four cases from *Shell Oil* since two of the authorities refused composition claims because the invention had already been patented, while the other two disallowed composition claims because the accompanying compound claims fully described the invention. As the Court concluded, the composition claims in those cases could not be said to be an aspect of the invention.⁶⁷

In the 1996 case of *Almecon Industries v. Nutron Manufacturing*,⁶⁸ the Federal Court, Trial Division was asked to consider the validity of a patent relating to a topping and tamping plug for use in seismic exploration. In considering the anticipation attack, the Court referred to the doctrine as expressed in the case of *Procter & Gamble Co. v.*

⁵⁹ *CFM*, *supra* note 57 at 77 (F.C.A.).

⁶⁰ (1995), 60 C.P.R. (3d) 356, 180 N.R. 373 (F.C.A.) [hereinafter *Merck* cited to C.P.R.], *var'g Merk*, *supra*, note 27 (F.C.T.D.).

⁶¹ [1982] 2 S.C.R. 536, 67 C.P.R. (2d) 1 [hereinafter *Shell Oil* cited to C.P.R.].

⁶² *Merck*, *supra* note 60 at 382 (F.C.A.).

⁶³ [1959] Ex. C.R. 153, 30 C.P.R. 113.

⁶⁴ (1963), [1964] S.C.R. 49, 41 C.P.R. 9.

⁶⁵ (1972), [1974] S.C.R. 1336, 8 C.P.R. (2d) 210 [hereinafter *Sandoz* cited to S.C.R.].

⁶⁶ (1977) 52 C.P.R. (2d) 229 (F.C.A.), *aff'd* 52 C.P.R. (2d).

⁶⁷ *Merck*, *supra* note 60 at 382 (F.C.A.).

⁶⁸ (1996), 65 C.P.R. (3d) 417, 209 N.R. 387 (F.C.T.D.) [hereinafter *Almecon* cited to C.P.R.], *aff'd* (1997), 72 C.P.R. (3d) 397, 125 F.T.R. 320 (F.C.A.) [hereinafter *Almecon* cited to C.P.R.].

Kimberley-Clark of Canada Ltd.,⁶⁹ and formed the view that the applicable test was two-fold.

First, the prior disclosure had to give clear and unmistakable directions, which would in every case and without possibility of error lead a skilled person to arrive at what is covered by the claims of the impugned patent. If so, then the prior disclosure had to convey enough information which, for practical purposes, would be sufficient for the skilled person to know how to make the claimed invention without the exercise of any inventive skill. The Court stated that:

Thus, in order to satisfy the tests of anticipation, one has to show that the prior patent inevitably discloses an infringing device, and that the prior patent has enough description to enable a skilled person to construct the invention and put it to its proper use.⁷⁰

As support for his restatement of the test for anticipation, the trial judge pointed to the *Beloit* test⁷¹ and the *Crila Plastic Industries Ltd. v. Ninety-Eight Plastic Trim Ltd.* case.⁷²

3. Obviousness

The requirement of inventive ingenuity has been a hallmark of patentability, although absent from the *Patent Act* until the recent substantive amendments. Indeed, it remains the most prevalent challenge to validity. As such, many Federal Court of Appeal cases have dealt with obviousness, as have several decisions of the Federal Court, Trial Division.

The *Beloit* test for obviousness was expressed by Hugessen J.A.:

The test for obviousness is not to ask what competent inventors did or would have done to solve the problem. Inventors are by definition inventive. The classical touchstone for obviousness is the technician's skill in the art but having no scintilla of inventiveness or imagination: a paragon of deduction and dexterity, wholly devoid of intuition: a triumph of the left hemisphere over the right. The question to be asked is whether this mythical creature (the man in the Clapham omnibus of patent law) would, in the light of the state of the art and of the common general knowledge as of the claimed date of invention, have come directly and without difficulty to the solution taught by the patent. It is a very difficult test to satisfy.⁷³

Moreover, the danger inherent in *ex post facto* analysis was captured as early as 1667 in the following words:

⁶⁹ *Procter & Gamble*, *supra* note 39.

⁷⁰ *Almecon*, *supra* note 68 at 429 (F.C.T.D.).

⁷¹ *Beloit*, *supra* note 35.

⁷² (1987), 18 C.P.R. (3d) 1, 81 N.R. 382 (F.C.A.) [hereinafter *Crila Plastic* cited to C.P.R.], *aff'd* (1986), 10 C.P.R. (3d) 226, 4 F.T.R. 165 (F.C.T.D.) [hereinafter *Crila Plastic* cited to C.P.R.].

⁷³ *Beloit*, *supra* note 35 at 294.

The invention all admir'd, and each, how he To be the inventor miss'd; so easie it seemed Once found, which yet unfound most would have thought Impossible.⁷⁴

Crila Plastic involved an appeal from a trial decision in an action for infringement of a patent for a pliable edge protector used for the purpose of protecting car door edges. The trial judge had found the patent invalid on the ground that the various elements brought together by the claims were obvious and on the separate ground that it was not a patentable combination, but merely an aggregation of known elements.

The Court concluded⁷⁵ that the principles of law relating to combination patents were well known and conveniently summarized in the case of *R. v. The American Optical Co.* as follows:

The first question is whether the combination in claim 5 can be an invention. It is not necessary to the validity of a combination invention that its elements should be new. Indeed, all of them may be old. If the combination is the ... invention, then it is immaterial that the elements are old: Terrel on Patents, 8th ed., pp. 78-81. It is essential to the validity of a patent for a combination invention, apart from the considerations of novelty and inventive ingenuity that the combination should lead to a unitary result rather than a succession of results, that such result should be different from the sum of the results of the elements and that it should be simple and not complex. The elements may interact with one another provided they combine for a unitary and simple result that is not attributable to any of the elements but flows from the combination itself and would not be possible without it.⁷⁶

The Court also referred to *R. v. Uhlemann Optical Co.*,⁷⁷ and concluded that the trial judge had correctly applied the appropriate test as expressed by Collier J. in an earlier case, namely that, "...[i]f any one of [the elements] were removed, the others, to my mind, would continue to perform their own individual function".⁷⁸

In considering the issue of obviousness, the Federal Court of Appeal acknowledged that the test for obviousness has evolved over the years in Canada and has been affirmed in a number of relatively recent cases by the Federal Court, Trial

⁷⁴ Cited in *Cochlear Corp v. Cosem Neurostim Ltée* (1995), 64 C.P.R. (3d) 10 at 36, [1996] 102 F.T.R. 81 at 124 (F.C.T.D.) [hereinafter *Cochlear* cited to C.P.R.].

⁷⁵ *Crila Plastic*, *supra* note 72 at 8 (F.C.A.).

⁷⁶ *Ibid.* at 8, citing [1950] Ex. C.R. 344 at 355, 13 C.P.R. 87. See also *Br. United Shoe Machinery Co. v. A. Fussell & Sons Ltd.* (1908), 25 R.P.C. 63; *Baldwin International Radio Co. of Canada Ltd. v. Western Electric Co. Inc.*, [1934] S.C.R. 94, 1 D.L.R. 369.

⁷⁷ [1952] 1 S.C.R. 143, 15 C.P.R. 99, *aff'd* (1949), 10 Fox Pat. C.24, 11 C.P.R. 26.

⁷⁸ *Crila Plastic*, *supra* note 72 at 9 (F.C.A.). See also *Domtar Ltd. v. MacMillan Bloedel Packaging Ltd.* (1977), 33 C.P.R. (2d) 182 (F.C.T.D.), *aff'd* (1978), 41 C.P.R. (2d) 182, 24 N.R. 85 (F.C.A.).

Division, including *Beecham Canada Ltd. v. Procter & Gamble Co.*,⁷⁹ *Beloit*⁸⁰ and *Windsurfing International v. Trilantic Corp.*⁸¹ It pointed out that, as in *Windsurfing*, the question of obviousness involves a determination of whether or not the alleged invention required the exercise of inventive ingenuity. Moreover, the Court stressed that an objective appreciation of the evidence is essential to the proper determination of the question and so, "the trial judge, as the trier of fact, must, as best he can, subsume any subjective views as to the inventiveness required into an objective appreciation of the evidence as a whole."⁸²

The trial judge had concluded that the essential elements of the plaintiff's claims were previously known and that no inventive ingenuity was required to put them together to effect a new unitary result constituting an invention. The appellants argued that the trial judge erred in concluding that previous knowledge of elements was necessarily relevant in assessing whether or not a combination patent was valid. The Court on appeal pointed to the reliance of the trial judge upon the passage from Lowell J., in *Omark Industries (1960) Ltd. v. Gouger Saw Chain Co.*,⁸³ against the dissection of a combination into its constituent elements and the examination of each element in order to see whether or not its use was obvious. Moreover, it concluded that the trial judge did not simply dissect the invention in an improper manner, but rather determined whether or not the essential elements were previously known and then, after considering prior art, determined whether putting the elements together produced a combination or merely an aggregation. The Court concluded that this was a proper analysis for determining both whether or not the invention was a combination and also whether or not the alleged invention was obvious. The Court concluded that:

[I]t was done with the twofold purpose of ascertaining whether or not the collocation of known integers led to a unitary result and whether, if it did, the result was obvious and non-inventive.⁸⁴

In the result, the Court affirmed the trial judge's decision of invalidity.

The appeal in *Creations 2000*⁸⁵ required the Federal Court of Appeal to once again address the issue of invalidity through "lack of inventive activity". The appeal concerned a patent relating to an automobile mat designed to protect both the floor of the vehicle and the bottom of the user's clothing. The essential question was the trial judge's finding of invalidity based on obviousness.

In *Creations 2000*, Hugessen J.A., the author of the leading test for obviousness in *Beloit*, acknowledged that the trial judge, in having referred to the

⁷⁹ (1982) 61 C.P.R. (2d) 1, 40 N.R. 313 (F.C.A.), leave to appeal den'd (1982), 63 C.P.R. (2d) 260, 43 N.R. 263 [hereinafter *Beecham* cited to C.P.R.].

⁸⁰ *Supra* note 35 at 294.

⁸¹ (1985), 8 C.P.R. (3d) 241, 63 N.R. 218 (F.C.A.) [hereinafter *Windsurfing* cited to C.P.R.].

⁸² *Crila Plastic*, *supra* note 72 at 12 (F.C.A.), citing *Windsurfing*, *ibid.* at 256.

⁸³ (1964), [1965] 1 Ex. C.R. 457, 45 C.P.R. 169 (Ex Ct.).

⁸⁴ *Crila Plastic*, *supra* note 72 at 15 (F.C.A.).

⁸⁵ *Creations 2000*, *supra* note 43.

learned text by H.G. Fox, *Canadian Patent Law and Practice*, followed established principles:

But a prior specification that did not disclose a successful device for practical use, or one that, in a previous action, was held to be invalid for want of subject-matter, may still form such a contribution to public knowledge as to invalidate a subsequent successful patent on the ground of lack of invention. Thus, in *Vorwerk v. Evans*, it was held that a clumsily-framed specification, in which the invention was imperfectly indicated, might yet amount to such a contribution to public knowledge as to leave nothing, or at any rate only a limited scope, for future invention, for the test of anticipation by a prior specification does not depend on the sufficiency or insufficiency of that specification. But the prior specification must be intelligible. In a case of this kind, however, the prior specification is hardly used as an anticipation so much as evidence that the subsequent patent did not, in the light of the information contained in the prior document, require an exercise of the inventive faculty to produce the alleged invention claimed by it. Prior specifications are generally used to show anticipation if they disclose exactly and full what the patentee has claimed. If such disclosure is not made by the prior specification and it cannot be used as an anticipation, it may be used as indicating the state of the art at the time that the patentee made his alleged invention and as showing that what the patentee did was so slight a contribution to existing knowledge as to lack the essential element of invention and to be merely obvious.⁸⁶

He concluded that the judge had not erred in adopting this course of action and proposed to do as the trial judge had done and examine the question of obviousness. Not surprisingly, he highlighted that the question of obviousness is a question of fact,⁸⁷ with which the appeal court cannot interfere unless it is found that the trial judge either committed a manifest error in weighing the evidence or committed an error of law. He concluded that the appellants had failed to convince the Court that the trial judge's assessment of the expert testimony was manifestly wrong.

However, the appellants also raised the issue of error of law. The trial judge had formulated the question as follows:

The issue that presents itself here is whether it would be obvious to a person who was well-informed in the field of literature relating to design, at the time of the invention, taking into consideration this person's general knowledge in the field, that he or she would have been able to produce an automobile mat using ribs, channels and a pan to keep the tips of pants legs from getting dirty.⁸⁸

⁸⁶ *Ibid.* at 182, citing H.G., Fox, *Canadian Patent Law and Practice*, 4th ed. (Toronto: Carswell, 1969) at 136-37.

⁸⁷ See also, *Mahurkar v. Vas-Cath of Canada Ltd.* (1988), 18 C.P.R. (3d) 417, 16 F.T.R. 48 (F.C.T.D.), aff'd (1990) 32 C.P.R. (3d) 409, 105 N.R. 138 (F.C.A.) and *Consolboard Inc. v. MacMillan Bloedel (Saskatchewan) Ltd.* [1981] 1 S.C.R. 504, 56 C.P.R. (2d) 145 [hereinafter *ConsolBoard* cited to C.P.R.]

⁸⁸ *Creations 2000*, *supra* note 43 at 400-01 (F.C.T.D.).

The appellants argued that design must necessarily be present in an inventive mind and, accordingly, by framing the question with reference to a person well-informed as to design, the trial judge had incorrectly formulated the question. Hugessen J.A. held that such an argument did not stand up to scrutiny:

First, it seems to me to be impossible to establish a general and invariable rule according to which we attribute to any particular discipline the quality of always being inventive. Thus, the simple fact that a witness is an expert in design (or in another field in which creativity is often of primary importance, such as literature, architecture, chemistry, music and so on) does not mean, that all practitioners of that discipline always and necessarily demonstrate this creative ability. And even if a witness has himself made inventions, and so has the inventive mind, this fact does not disqualify him from being accepted in order to express an opinion that an alleged invention is obvious to people in his field of art.⁸⁹

Moreover, the Court noted that the expert, whose testimony had been accepted by the trial judge, recognized the difference between an inventor and a “conceiver” who will conceive a solution to a particular problem which is not necessarily patentable. The Court concluded that it had not been demonstrated that the trial judge had committed such an error as would permit the Court to intervene.

The question of obviousness was also considered by the Federal Court of Appeal in *Diversified Products*.⁹⁰ The Court warned of the danger of *ex post facto* analysis and referred to the now accepted words of Hugessen, J.A. in *Beloit*.⁹¹ In addition, it clarified the principle that there is no patentable invention unless the means to achieve the objective sought have been found. Indeed, the Court was of the view that there may be an “idea” in the means found as there is in “an idea and objective sought”. Accordingly, a patentable invention “can be the combination in fact of two ‘ideas’, the conception of the objective and the suggestion of a way of carrying it out.”⁹²

In addressing the issue of obviousness, the Court acknowledged that there was no specific section in the *Patent Act* requiring inventiveness or inventive ingenuity but acknowledged that it was trite law that a valid patent required inventiveness or inventive ingenuity. It acknowledged that a mere “scintilla of invention”⁹³ is sufficient to support the validity of a patent and then quoted the leading test as expressed by Hugessen J.A. in *Beloit*.⁹⁴ The Court then addressed the appellant’s main contention that an invention was obvious in that one would “come directly and without difficulty to the solution taught by the Patent ... [a]nybody would have told a skilled workman that what he wanted a conventional rower to be used in a vertical orientation.”⁹⁵ However, the Court

⁸⁹ *Creations 2000, ibid.* at 184 (F.C.A.).

⁹⁰ *Diversified Products, supra* note 5.

⁹¹ *Beloit, supra* note 35 at 295.

⁹² *Diversified Products, supra* note 5 at 365.

⁹³ *Ibid.*

⁹⁴ *Beloit, supra* note 35 at 293-94.

⁹⁵ *Diversified Products, supra* note 5 at 366.

clarified that the words "solution taught" refer not only to the way of carrying out the objective but also to the conception of the objective.⁹⁶ As such, it found that the subject invention had sufficient ingenuity:

From the moment it is established that a technician skilled in the art but having no scintilla of imagination would not by himself have been able to conceive what was conceived by the inventors, it matters not whether it was easy or not, afterwards, to suggest the way to carry it into effect. As noted by my colleague Marceau in his concurring reasons which I have had the opportunity to read, inventiveness can coexist with easiness and simplicity.⁹⁷

In concluding that the invention was not obvious, the Court also enumerated a helpful list of several factors, namely that:

[T]he device is novel and superior to what was available until then; it was since used widely and in preference to alternative devices; competitors as well as experts in the field had never thought of the combination; amazement accompanied its first publication; commercial success.⁹⁸

As mentioned, in *Procter & Gamble*,⁹⁹ the Federal Court, Trial Division considered two principal attacks on the validity of the patent-in-suit. In addition to anticipation, (as discussed previously), the Court considered an attack based on obviousness. In referencing the appropriate test for obviousness, the Court pointed to the statement of the test in the *Beecham* case and again the often-quoted statement by Hugessen J. A. in *Beloit*.¹⁰⁰ In addition, it acknowledged Hugessen J.A.'s warning against the dangers of *ex post facto* analysis.

The point in Hugessen J.A.'s warning as to the necessary inquiry into whether it could be reasonably assumed that the skilled person would have knowledge of prior art patents, was the subject of some contention in *Procter & Gamble*, since the question of accessibility to prior art was a point in issue. In this regard, reference was made by both parties to the *General Tire & Rubber Co. v. Firestone Tyre and Rubber Co.* case¹⁰¹ as establishing a diligent level of search. Given the state of the evidence in respect of prior art located by searches, the Court concluded that particular prior art would not have been located by a diligent search. This conclusion was reached in large measure because the defendant's search was not an independent one. Rather, the searcher was given the classes and sub-classes in which prior art could have been located and he basically confirmed its location.

In applying the test of obviousness, the Court was impressed by the inability of highly skilled individuals to develop the invention for some 10 years after its

⁹⁶ *Ibid.* at 366-67.

⁹⁷ *Ibid.* at 367.

⁹⁸ *Ibid.* at 368.

⁹⁹ *Procter & Gamble*, *supra* note 39.

¹⁰⁰ *Beloit*, *supra* note 35 at 294.

¹⁰¹ [1976] R.P.C. 197 (H.L.).

conception. In the result, the Court concluded that it was not "satisfied on a balance of probabilities that if a person of ordinary skill were attempting to solve the problem of gathering and elasticizing disposable garments, even if he or she possessed the knowledge of heat-shrinkable materials, the Althouse invention would have been obvious."¹⁰²

The Federal Court of Appeal in the case of *Atlas Copco Aktiebolag v. CIL*¹⁰³ considered the question of obviousness in the context of a combination patent involving machinery for drilling in mines. The Court acknowledged that it is often necessary to determine whether the alleged invention is a mere aggregation of known elements or a truly novel combination. In considering the trial judge's finding that the "invention" was obvious, the Federal Court of Appeal referred to the distinction between anticipation and obviousness as described in *Beloit*.¹⁰⁴ The Court also acknowledged the statement of the doctrine of obviousness by the Federal Court of Appeal in *Beecham*.¹⁰⁵

The question to be answered is whether at the date of invention ... an unimaginative skilled technician, in light of this general knowledge and the literature and information on the subject available to him on that date, would have been led directly and without difficulty to Gaiser's invention.¹⁰⁶

In the result, the Court concluded that it saw no basis on which to overturn the trial judge's conclusions on these issues.

*Rothmans, Benson, Hedges Inc. et al. v. Imperial Tobacco Ltd.*¹⁰⁷ involved an appeal in respect of home products and methods for making one's own cigarettes. The Federal Court of Appeal considered the issue of obviousness, and in particular, a contention by the appellant that the trial judge had ignored evidence that the notional person skilled in the art at the relevant time would have been expected to stuff the tobacco stick into the pre-formed cigarette tube. Upon addressing the issue, the Court once again adopted the *Beloit* test for obviousness.¹⁰⁸ Moreover, the Court was mindful that, since obviousness is a question of fact, a trial judge's findings are not to be disturbed lightly. Any evidence of commercial success was only one of many factual considerations, the weight of which is to be assessed in determining inventiveness. The Court concluded that:

¹⁰² *Procter & Gamble, supra* note 39 at 51-52.

¹⁰³ (1992), 41 C.P.R. (3d) 348, 136 N.R. 71 (F.C.A.) [hereinafter *Atlas* cited to C.P.R.].

¹⁰⁴ *Beloit, supra* note 35 at 293. The test was expressed by Hugessen J. at 297 as follows: One must, in effect, be able to look at a prior, single publication and find in it all the information which, for practical purposes, is needed to produce the claimed invention without the exercise of any inventive skill. The prior publication must contain so clear a direction that a skilled person reading and following it would in every case and without possibility of error be led to the claimed invention.

¹⁰⁵ *Supra* note 79.

¹⁰⁶ *Ibid.* at 27

¹⁰⁷ *Rothmans, supra* note 53 (F.C.A.).

¹⁰⁸ *Beloit, supra* note 35 at 294.

While the trial judge went too far in stating that "...where there is evidence of a problem and a solution ... commercial success is convincing proof...", he, nevertheless, in my view, made a proper evaluation of the evidence before him.¹⁰⁹

The Court acknowledged that, while the trial judge had stated that the tax rebate might partially explain the commercial success, consumers were not taking advantage of the reduction in price, rather, they bought because they could buy a product which did not present the disadvantages experienced with the prior art. It noted that the trial judge had found, as a fact, that the success of the respondent's product was largely due to the uniqueness of their product. Accordingly, the Court found that there was ample evidence to support the trial judge's finding that the invention was not obvious and found that he had not failed to properly address the question of obviousness.

In the case of *Anderson v. Machineries Yvon Beaudoin Inc.*,¹¹⁰ the trial judge also adopted¹¹¹ the *Beloit* test for obviousness¹¹² and acknowledged that, in identifying the unimaginative skilled technician, one can consider the technician to be the equivalent of the skilled addressee of the patent specification.¹¹³

However, even when the proper principle is applied and the expert evidence seems persuasive, things can go wrong. In the end, the defendant was undone by its own expert, who contradicted himself. In his affidavit, the expert had contended that an unimaginative technician applying known packaging principles used in the past would have, without inventiveness, come directly to the solution taught by the invention.¹¹⁴ However, on cross examination, he concluded that a scintilla of inventiveness was necessary, stating:

[I]f someone was presented with the Lantech invention and the basic requirement in wrapping bales of silage, I am able to say that someone with exposure in the packaging industry, *with very limited inventiveness*, would in fact have been able to come up with that solution.¹¹⁵

It was put to him on cross examination that "limited" could mean a scintilla of inventiveness and the expert agreed.

In considering an attack based on obviousness, the Ontario Court trial judge in *Bayer*¹¹⁶ considered the test to have been eloquently set out by Hugessen J.A. in *Beloit*, which the trial judge saw as describing the necessary cerebral qualities of the notional

¹⁰⁹ *Rothmans*, *supra* note 53 at 205 (F.C.A.).

¹¹⁰ (1994), 58 C.P.R. (3d) 449, 89 F.T.R. 81 (F.C.T.D.) [hereinafter *Anderson*, cited to C.P.R.].

¹¹¹ *Ibid.* at 457-58.

¹¹² *Beloit*, *supra* note 35.

¹¹³ *Anderson*, *supra* note 110 at 458.

¹¹⁴ *Ibid.* at 460.

¹¹⁵ *Ibid.* at 463 [emphasis added].

¹¹⁶ *Bayer*, *supra* note 32.

technician.¹¹⁷ The Court also referred to *Beecham* and expressed the test for the case at bar as "not whether anyone skilled in the art *could* have achieved the same result as the patentee's invention, but whether this particular drug dosage form of Nifedipine *would* have been very plain to the unimaginative technician in the drug formulation field."¹¹⁸ The Court was also of the view that the notional skilled technician can be a composite of scientists, researchers and technicians bringing their combined expertise to bear on the problem at hand. In this regard, it referred to the observation of the Federal Court, Trial Division in *Mobile Oil Corp. v. Hercules Canada Inc.* that "[t]his is particularly true where the invention relates to a science or art that transcends several scientific disciplines."¹¹⁹

The Court also acknowledged the paradox inherent in the "hydra-headed technician" well versed in the relevant sciences and yet totally unimaginative.¹²⁰ In this regard, it referred to the comment made by an experienced patent practitioner:¹²¹ "[t]he suggestion that the skilled technician should be unimaginative should not strip that technician of the ability to pursue reasonable and logical inquiries."¹²²

The Court also considered the reference by appellants to the comments of Mustill L. J. in *Genentech Inc. 's Patent*¹²³ in support of the proposition that something is obvious if it can be determined through well known testing techniques. However, it concluded that there appears to be a significant difference in the abilities of the English hypothetical skilled technician and the Canadian one. Indeed, making inquiries or testing, seems to be something outside the ken of the notional Canadian skilled technician.

Thus, although one would normally imagine that this mythical person's laboratory is filled with mythical test tubes and Petri dishes and that his or her daily life is spent in experimentation, for the purposes of this legal exercise, no research of any kind can be contemplated. So, although it may have been logical to an actual skilled person at the time, based on the state of the art, to conduct certain testing, that is not open to the mythical skilled technician. The mythical researcher cannot have an inquiring or thinking mind which ultimately would lead him or her to the answer but rather he or she is expected to instantly and spontaneously exclaim, without more, "I already know the answer and it is obvious". Nor is it appropriate to say that there were significant telltale signs which pointed the way for the mythical expert or that there were significant clues which made the invention "worth a try".¹²⁴

¹¹⁷ *Ibid.* at 79.

¹¹⁸ *Ibid.* [emphasis added].

¹¹⁹ (1994), 57 C.P.R. (3d) 488 at 494, 82 F.T.R. 211 at 217 (F.C.T.D.), rev'd (1995) 63 C.P.R.(3d) 473, 188 N.R. 382 (F.C.A.) [hereinafter *Mobil Oil* cited to C.P.R.].

¹²⁰ *Bayer*, *supra* note 32 at 79.

¹²¹ The Court is citing J. Bochnovic, "Invention Inventive Step/Obviousness" in G. Henderson, ed., *Patent Law of Canada* (Toronto: Carswell, 1994) 41 at 48.

¹²² *Ibid.* at 79.

¹²³ *Ibid.*, citing [1989] R.P.C. 147 at 276-79 (Eng. C.A.).

¹²⁴ *Ibid.* at 80-81.

The Court in this regard also referred¹²⁵ to the Supreme Court of Canada's comments in *Farbwerke Hoechst Aktiengesellschaft Vormals Meister Lucius & Bruning v. Halocarbon*¹²⁶ to the effect that:

Very few inventions are unexpected discoveries. Practically all research work is done by looking in directions where the "state of the art" points. On that basis and with hindsight, it could be said in most cases that there was no inventive ingenuity in the new development because everyone would then see how the previous accomplishments pointed that way.¹²⁷

The Court presumed that this was why Hugessen J.A. stated that the question he posed in *Beloit* about the mythical creature is "a very difficult test to satisfy."¹²⁸ Accordingly, the Court was of the view that the U.K. decisions which utilized the "worth a try" test needed to be treated with great caution.

In the result, the Court found that the combination of elements was not obvious and acknowledged, moreover, that the commercial success of the invention was some indication that the invention was not obvious.¹²⁹

In another brief but useful decision, the Federal Court of Appeal dismissed an appeal against the finding of obviousness in *CFM Inc. et al. v. Wolf Steel Ltd.*¹³⁰ In doing so, it endorsed the *Beloit* test. It also referred to the meager evidence of commercial success and affirmed the general principle that evidence of commercial success is not evidence of inventiveness but may be persuasive corroboration in a clear case. It also rejected the notion that trial judges need to cast their conclusion in terms of the "modified Cripps question", "beloved" by patent lawyers, a "formulistic incantation" found nowhere in the *Patent Act*. Finally, by way of caution, it drew a salutary parallel between the danger of hindsight analysis in the assessment of obviousness and the danger of hindsight analysis by appellate courts.

In *Almecon*,¹³¹ another occasion to address obviousness arose in the context of a patent relating to a topping and tamping plug for use in seismic drilling. The trial judge referred to the *Beloit*¹³² test articulated by Hugessen J.A. and restated the test as follows:

Accordingly, the unimaginative, skilled technician, who possesses the common general knowledge of the relevant technological field, must look at the available prior art, without engaging in an *ex post facto* analysis, and determine whether the invention would be arrived at directly and without

¹²⁵ *Ibid.*

¹²⁶ [1979] 2 S.C.R. 929, 42 C.P.R. (2d) 145 [hereinafter *Farbwerke* (1979) cited to S.C.R.].

¹²⁷ *Bayer, supra* note 32 at 81, citing *Farbwerke* (1979), *ibid.*

¹²⁸ *Bayer, ibid.*

¹²⁹ *Ibid.* at 86.

¹³⁰ *C.F.M., supra* note 57 (F.C.A.).

¹³¹ *Supra* note 68 (F.C.T.D.).

¹³² *Beloit, supra* note 35.

difficulty.¹³³

In support of this proposition, the Court referred to the case of *Anderson*.¹³⁴ It noted that the perspective of the notional skilled worker must be taken at the date of the invention and that it cannot be assumed that, in looking for references in the prior art, the technician would go outside the art at issue and consider art in other fields. The Court found support for this proposition in the case of *Marzone Chemicals Ltd. v. Eli Lilly & Co.*¹³⁵ It also acknowledged¹³⁶ the factors enumerated by the Federal Court of Appeal in *Diversified Products*.¹³⁷

In considering the prior art, and the mosaic argument advanced by the defendant, the Court concluded that the defendant had failed to establish on a balance of probabilities that the skilled seismic crew technician would have come directly and without difficulty to the solution taught by the patent-in-suit given the state of the art and common general knowledge at the relevant date.¹³⁸

On appeal, the Federal Court of Appeal also dealt with the principle of the relevant person skilled in the art.¹³⁹ Strayer J.A. stated:

While the appellants contend that the Trial Judge misdescribed the relevant "workmen skilled in the art" as the user, not the maker, of seismic equipment, we consider this essentially a question of fact for his determination. Given the fundamental artificiality of the concept of the "skilled workman" we are not prepared to elevate to a principle of law a requirement that such a workman must in all cases be a maker and not a user of equipment. What is important is that he be a person who understands, as a practical matter, the problem to be overcome, how different remedial devices might work, and the likely effect of using them.¹⁴⁰

However, the patent must contain a description sufficient both to enable the person skilled in the art to produce the invention and describe how to put it into operation.¹⁴¹ Given that the Almecon patent was directed to the manufacture of the plugs, it seems strange for the Federal Court, Appeal Division to suggest that the person

¹³³ *Almecon*, *supra* note 68 at 437 (F.C.T.D.).

¹³⁴ *Supra* note 110.

¹³⁵ (1977), 37 C.P.R. (2d) 3 (F.C.T.D.), *aff'd* (1978), 37 C.P.R. (2d) 37 (F.C.A.).

¹³⁶ *Almecon*, *supra* note 68 at 436-37 (F.C.T.D.).

¹³⁷ *Supra* note 5 at 368 (F.C.A.).

¹³⁸ *Almecon*, *supra* note 68 at 437 (F.C.T.D.). The Federal Court of Appeal affirmed the trial judge, (1997), 72 C.P.R. (3d) 397 (F.C.A.) and found inapplicable the principle from the decision of the House of Lords in *British Celanese Ltd. v. Courtaulds Ltd.* (1935), 52 R.P.C. 171 (HL) that proof of commercial success must extend to all embodiments embraced by a patent claim in order to rebut obviousness. The Court of Appeal noted that the 60 year old observation seemed unexplained in the case itself and no cases following it were cited to it. Moreover, even if good law, the Court of Appeal was not satisfied that such evidence was before the trial judge.

¹³⁹ *Almecon*, *supra* note 68 (F.C.A.).

¹⁴⁰ *Ibid.* at 401.

¹⁴¹ *Pioneer Hi-Bred*, *supra* note 8.

skilled in the art does not also include a person skilled in making such plugs.

*Whirlpool Corporation et al. v. Camco Inc. et al.*¹⁴² involved the alleged infringement of two patents involving dual action agitators for clothes washing machines. The Federal Court, Trial Division considered attacks on the validity of each patent and, in particular, an allegation that the invention of one patent was merely an obvious substitute of flexible veins for rigid veins.

The Court set out four issues regarding inventiveness in respect of one of the patents-in-suit. Firstly, had the patentee produced a patentable combination as opposed to a mere aggregation? If so, then a second issue arose as to whether the addition of flexible veins was somehow obvious. A third issue would then arise: namely, what, exactly, is the prior art of the invention? And finally, had there been any double patenting in the case of one of the patents-in-suit?

The Court framed the test by stating that obviousness "is found when the inventive step would occur directly to an ordinary person skilled in the pertinent art or science searching for something novel without serious thought, research or experiment."¹⁴³ It also quoted the *Beloit* test of obviousness.¹⁴⁴ In addition, it observed, that to be inventive, the advance cannot simply be a mere aggregation of previously known parts. In this regard, the Court referred¹⁴⁵ to the law on aggregation as set out by Strayer J.A. in *Crila Plastic*,¹⁴⁶ and later affirmed in the Federal Court of Appeal:¹⁴⁷

In my opinion, the elements I have above outlined perform essential independent functions. They do not collate to produce a new but common result. If any one of them were removed, the others, to my mind, would continue to perform their own individual function. There is here an aggregation, not a combination.¹⁴⁸

As for the principle against double patenting, the Court held the *Farbwerke* decision of the Supreme Court of Canada¹⁴⁹ to be the main authority; namely, there cannot be a continuation of one patent on something which is not inventive.

In the course of considering the other inventiveness issues raised in the case, the Court concluded that the prior art cited by the defendant was in fact not prior art, given the relevant dates.¹⁵⁰ In particular, two patent applications co-pending with one of the patents-in-suit had been referenced as prior art in such patent-in-suit. However, despite such reference, the Court emphasized that such co-pending applications were not citable prior art since they were not of a public nature at the relevant date, the date of

¹⁴² *Whirlpool*, *supra* note 7.

¹⁴³ *Ibid.* at 179.

¹⁴⁴ *Beloit*, *supra* note 35.

¹⁴⁵ *Whirlpool*, *supra* note 7 at 179-80.

¹⁴⁶ *Supra* note 72 (F.C.T.D. per Stayer J.).

¹⁴⁷ *Ibid.* (F.C.A.).

¹⁴⁸ *Ibid.* at 236 (F.C.T.D.), citing *Domtar Limited v. MacMillan Bloedel Packaging Ltd. et al.* (1977), 33 C.P.R. (2d) 182.

¹⁴⁹ *Whirlpool*, *supra* note 7.

¹⁵⁰ *Ibid.* at 185-90.

the invention.¹⁵¹

In addition, the Court dismissed the defendant's attack based on double patenting, concluding that the Supreme Court of Canada's expression of the principle in the *Farbwerke* case was the main authority on the principle. However, it rejected the attack on the ground that the subject patent-in-suit was neither literally conterminous nor substantively conterminous with the subject matter of the patents relied upon by the defendants.¹⁵²

The Federal Court, Trial Division considered a patent directed to improving hearing in *Cochlear*.¹⁵³ The improvement was by way of a cochlear implant allowing for a rapid, sequential, bipolar stimulation with pairs of electrodes associated with stimulation sites. The inventiveness of the patent-in-suit was attacked. Mindful of the necessary test, the Court observed that:

As such, it is insufficient to assemble prior art and point to certain features in such art and leave it to the Court to construct the patented device. Once the characteristics of this *persona* have been determined, it must be proven that he was ascribed with the relevant knowledge with regards to the patent.¹⁵⁴

Moreover, the Court acknowledged that "[t]he commercial success of the invention, the long-felt want, attempts by others to solve the problem and contemporaneous development by others, may also be considered."¹⁵⁵ The Court found that the patent was not obvious and although many of the elements claimed may have been known at the date of the invention, their combination constituted a novelty in the sense of the law and cited *Xerox of Canada Ltd. v. IBM Canada Ltd.*¹⁵⁶ as support for this principle.¹⁵⁷

4. Utility

Utility constitutes another key criteria for patentability. The claimed invention must work and must work as promised.

In *Bayer*,¹⁵⁸ the trial judge addressed an attack by Apotex against the utility of the patent. The Court concluded that, while the contents of the solution as directed by the patent-in-suit could include a number of inoperable glycols, the notional skilled technician would know in what proportions to use the compounds for them to be useful, and which compounds would be subject to approval and which would not. Accordingly, the attack on inoperability, as promised by the patent, and commercial inutility, failed.¹⁵⁹

¹⁵¹ *Ibid.* at 189-90.

¹⁵² *Ibid.* at 191-93.

¹⁵³ *Cochlear*, *supra* note 74.

¹⁵⁴ *Ibid.* at 36.

¹⁵⁵ *Ibid.* at 36.

¹⁵⁶ (1977), 33 C.P.R. (3d) 24 (F.C.T.D.)

¹⁵⁷ *Cochlear*, *supra* note 74.

¹⁵⁸ *Bayer*, *supra* note 32.

¹⁵⁹ *Ibid.* at 89-90

In the case of *TRW Inc. v. Walbar of Canada Inc. et al.*,¹⁶⁰ the Federal Court, Appeal Division considered it useful to express its view on invalidity in the event that the Court's conclusion as to non-infringement was overturned.

The patent-in-suit contained method claims concerning the production of compressor and turbine blades or comparable products from bar stock. The Court endorsed the trial judge's important finding that the machining operation called for by the patent would result in damage or destruction of the air foil for the compressor blades in the absence of support for the root. It noted that the trial judge had declined to declare the patent invalid only because of the teaching of the Supreme Court of Canada in *Consolboard*¹⁶¹ that courts ought to be generous with patents. As the trial judge stated:

If it were not for the Supreme Court of Canada's call in the *Consolboard* case to avoid 'being too astute or technical in the matter of objections to ... [the] specification', but rather to be 'neither benevolent nor harsh' in seeking a 'reasonable and fair' construction of the whole of the disclosure in the claims [p. 157 C.P.R.], it could be fairly easy for the Court to invalidate this patent for an almost misbegotten invention of the process of 'making product articles by combined cavitation and machining of bar stock.' Despite the negligently, or slyly, false trail laid for 'any person skilled in the art or science' by the specific recommendation of U.S. Patent No. 3,058,895, which calls for axial rather than cross flow of electrolyte; and despite the awkwardness of the process in which every bar subjected to it would, in the words of one of the two of the plaintiff's expert witnesses, have to be handled "very carefully"; and despite the requirement announced in testimony by the plaintiff's other expert witness, for padding airfoils in production in direct substitution for a matrix box whose elimination the patent trumpets as one of its objects and benefits, *inter alia*, and despite an almost nil degree of usefulness - the patent in suit does, after all, disclose a process of a combination of processes which *does* barely work. The validity of this patent is weak and anaemic, but without being too astute or technical in assessing objections to its specification, the court somewhat anxiously finds in favour of validity.¹⁶²

The Court however, concluded that the inutility of the patented process for making compressor blades invalidated the whole of the patent. It held that the patent and the evidence suggest that production of compressor blades is of the essence of the patent, and accordingly, its "inutility for that purpose should be fatal to the Patent as a whole."¹⁶³ While mindful of the decision in *Catnic Components v. Hill*,¹⁶⁴ and the need to give a purposive construction, the Court concluded that the patent-in-suit "lacks an essential feature for its successful performance and contains an insufficient

¹⁶⁰ (1991), 39 C.P.R. (3d) 176, 132 N.R. 161 (F.C.A.) [hereinafter *TRW* cited to C.P.R.] rev'g (1986), 10 C.P.R. (3d) 184, 3 F.T.R. 160 (F.C.T.D.).

¹⁶¹ *Consolboard*, *supra*, note 87.

¹⁶² *TRW*, *supra* note 160 at 199-200 (F.C.T.D.).

¹⁶³ *Ibid.* at 202 (F.C.A.).

¹⁶⁴ [1981] F.S.R. 60, [1982] R.P.C. 183 (H.L.) [hereinafter *Catnic*].

disclosure.¹⁶⁵ Consequently, the patent was declared invalid.

In the case of *Feherguard Products Ltd. v. Rocky's of B.C. Leisure Ltd.*,¹⁶⁶ the Federal Court of Appeal had occasion to consider a decision of the Federal Court, Trial Division which dismissed an action for infringement by declaring claims to be invalid on the ground of inutility. The Court referred to the trial judge's reference to the appropriate principles and his finding as to inutility. The trial judge had adopted the principle stated by the Supreme Court of Canada in the *Consolboard* case¹⁶⁷ namely that, "a patent is 'not useful' if the invention will not work, either in the sense that it will not operate at all or, more broadly, that it will not do what the specification promises it will do",¹⁶⁸ as well as the principle set out by the Federal Court of Appeal in *TRW*¹⁶⁹ that, "[i]f the fair construction reveals that an essential element or, as in this case a limitation, has not been claimed, the omission is fatal."¹⁷⁰

The Federal Court of Appeal emphasized that the patent as a whole, and not only the claims, must be considered when assessing the utility of an invention. While the appellant stressed that the trial judge apparently looked only at claim one, the Court determined that there was nothing in the disclosure that could have helped the appellant's case and that the trial judge could not but have reached the conclusion of inutility.¹⁷¹ Accordingly, the appeal was dismissed.

5. Sufficiency of Disclosure

Sufficiency of the specification remains a key requirement, statutorily mandated, since it forms the *quid* for the *quo* in the bargain between society and inventors. The bargain fails if the specification does not adequately describe the invention and how it works. As a statutory requirement it forms the basis for a common attack on the validity of patents.

In *TRW*,¹⁷² Walbar had asserted that the disclosure was insufficient because it laid down a "false trail" which described the method of sinking cavities by giving as an example "cavity sinking by electro-chemical metal removal" disclosed in a particular US patent. However, the Federal Court of Appeal concluded that, since this attack had not been expressly pleaded, it was not available to Walbar on appeal. In this regard, the Court quoted Lord Normand in *Esso v. Southport*¹⁷³ as to the value of pleadings:

¹⁶⁵ *TRW*, *supra* note 160 at 200 (F.C.A.).

¹⁶⁶ (1995), 60 C.P.R. (3d) 512, 180 N.R. 346 (F.C.A.) [hereinafter *Feherguard* cited to C.P.R.], *aff'd* (1994), 53 C.P.R. (3d) 417, 72 F.T.R. 160 (F.C.T.D.).

¹⁶⁷ *Consolboard*, *supra* note 87.

¹⁶⁸ *Ibid.* at 160.

¹⁶⁹ *Supra* note 160 (F.C.A.).

¹⁷⁰ *Feherguard*, *supra* note 166 at 517.

¹⁷¹ *Ibid.* at 517-18

¹⁷² *Supra* note 160 (F.C.A.). For supplementary reasons see *TRW*, *supra* note 160 (F.C.T.D.).

¹⁷³ *Esso Petroleum Co. v. Southport Corp.*, [1956] A.C. 218, [1955] 3 All E.R. (H.L.) [hereinafter *Esso* cited to A.C.].

I wish to associate myself with the observations of my noble and learned friend, Lord Radcliffe, on the value of the pleadings. To condemn a party on a ground of which no fair notice has been given may be as great a denial of justice as to condemn him on a ground on which his evidence has been improperly excluded.¹⁷⁴

The Court then considered a second attack upon the sufficiency of disclosure, namely the failure to disclose the best method of clamping on the root portion of the compressor blade during the machining operations. It considered the evidence of TRW and concluded that the question was whether a person skilled in the art would be expected to clamp on the root despite the teaching in the patent-in-suit away from any need to do so. The Court concluded¹⁷⁵ that, given the teaching to the contrary, a person skilled in the art would not be expected to clamp on the root and, accordingly, the disclosure failed to comply with section 36(1) of the *Patent Act*.

*Reliance Electric Industrial Co. v. Northern Telecom Ltd.*¹⁷⁶ concerned an appeal from a dismissal of a patent infringement action on the ground that the claims were ambiguous and therefore insufficient since an advantage issuing from the invention, namely, interchangeability of the elements of the device in question, was not sufficiently defined in the claims. The Federal Court of Appeal reviewed this dismissal and concluded that the absence of a reference to such advantage of interchangeability in claim one was not a basis upon which the claim and its dependent claims could properly be held invalid for vagueness.

The *Bayer*¹⁷⁷ case also saw an attack based on alleged insufficiency of the specification. The Ontario Court judge succinctly stated the test for adequacy for a disclosure as follows: "[t]he disclosure is sufficient if it answers the following question: 'What is the invention and how does it work?'"¹⁷⁸ In this regard, the Court had referred to the Supreme Court of Canada's statement in *Consolboard*:

In short, if the specification describes an invention that is in fact new, and if the description is sufficient so that an ordinary workman skilled in the art can understand it, the patent specification is valid. "There is no obligation to go further, and to state why it is novel, or what in it is novel."¹⁷⁹

The trial judge found the specification in issue sufficient.

The Court in *Merck v. Apotex*¹⁸⁰ also addressed the question of whether or not the composition claims had met the requirements for the specification in a patent. The

¹⁷⁴ *TRW*, *supra* note 160 at 196 (F.C.A.), citing *Esso*, *ibid.* at 239. The Court also referred to the Federal Court of Appeal decision in *Gilisic v. The Queen* [1988] 1 F.C. 731.

¹⁷⁵ *TRW*, *ibid.* at 197 (F.C.A.).

¹⁷⁶ (1992), 44 C.P.R. (3d) 161, 145 N.R. 267 (F.C.A.) [hereinafter *Reliance Electric* cited to C.P.R.]; *rev'g* (1989), 28 C.P.R. (3d) 397, 26 C.I.P.R. 237 (F.C.T.D.).

¹⁷⁷ *Bayer*, *supra* note 32.

¹⁷⁸ *Ibid.* at 91.

¹⁷⁹ *Ibid.* at 92, citing *Consolboard*, *supra* note 87 at 166.

¹⁸⁰ *Merck*, *supra* note 60 (F.C.A.).

trial judge had been of the view that the impugned claims met the specification requirements of the *Patent Act*. At trial, Apotex had argued in part that the application did not meet the requirements for a specification when submitted since Merck had not yet developed the dosage form. The Court correctly emphasized that the requirements for the specification are not concerned with the sufficiency of the inventor's knowledge:

Rather, the issue is whether the information provided in the specification is sufficient to explain the functioning of the invention to a person skilled in the art. In other words, the analysis centres on what the inventor expressed in the specification, not on what the inventor knew.¹⁸¹

On appeal, Apotex reformulated its argument and contended that the invention was not complete and the application was premature because Merck had not determined an effective amount or acceptable carrier by the date of its application. The Federal Court of Appeal concluded that the trial judge had not erred in finding that there was no inventive ingenuity required in determining an effective amount or acceptable carrier. Consequently:

If every inventive step had been taken, and all that remained was to determine the dosage form through ordinary workshop effort, it cannot be maintained that the invention was incomplete at the date of the patent application.¹⁸²

The Federal Court of Appeal in the case of *Unilever PLC et al. v. Procter & Gamble Inc. et al.*¹⁸³ considered a patent relating to the addition of a distributing agent to a fabric softener. The attack on validity was that of ambiguity, a species of insufficiency of specification founded on the statutory requirement. The words "a distributing agent" were asserted to be ambiguous.

In addressing this issue, the Federal Court of Appeal referred¹⁸⁴ to the well-known passage of Lord Loreburn in the case of *Natural Colour Kinematograph Co. v. Bioschemes Three Ltd.*:

It is the duty of a patentee to state clearly and distinctly, either in direct words or by clear and direct reference, the nature and limits of what he claims. *If he uses language which, when fairly read, is avoidably obscure or ambiguous, the Patent is invalid, whether the defect be due to design, or to carelessness or to want of skill.* Where the invention is difficult to explain, due allowance will, of course, be made for any resulting difficulty in the language. But nothing can excuse the use of ambiguous language when simple language can easily be employed, and the only safe way is for the

¹⁸¹ *Ibid.* at 384.

¹⁸² *Ibid.* at 385.

¹⁸³ (1995), 61 C.P.R. (3d) 499, 98 F.T.R. 80 (F.C.A.) [hereinafter *Unilever* cited to C.P.R.], aff'd (1993) 47 C.P.R. (3d) 479, 60 F.T.R. 241 (F.C.T.D.) [hereinafter *Unilever* cited to C.P.R.].

¹⁸⁴ *Ibid.* at 519 (F.C.A.).

patentee to do his best to be clear and intelligible. It is necessary to emphasize this warning.¹⁸⁵

Finally, the Court referred¹⁸⁶ to the Supreme Court of Canada's statement in the case of *Western Electric Co. v. Baldwin International Radio of Canada Ltd.*¹⁸⁷ by the Chief Justice:

[T]he Courts, as in the case of other documents, have, where they have been satisfied that there was a meritorious invention, resorted to the maxim *ut res magis valeat quam pereat*. And, where the language of the specification, upon a reasonable view of it, can be so read as to afford the inventor protection for that which he has actually in good faith invented, the Court, as a rule, will endeavour to give effect to that construction.¹⁸⁸

In the Court's view, it was necessary to test the correctness of the trial judge's decision against all of these principles. Having done so, it was satisfied that the trial judge had committed no error in finding the phrase "a distributing agent" unambiguous.

In *Almecon*,¹⁸⁹ the Federal Court, Trial Division addressed an allegation of ambiguity in respect of the patent-in-suit but had no difficulty in concluding that the phrase "axial stability" clearly referred to the ability of the plug to maintain its alignment upon insertion into the bore hole, during shooting, and following the shot. The Court made reference to the pertinent jurisprudence and, in particular, the proposition that where a term in a patent claim can be interpreted in light of the entire specification, the claim may not be held to be invalid because of ambiguity. The Court pointed to the *Unilever v. Proctor & Gamble* case¹⁹⁰ as support for this proposition.

Applying this principle, the Court emphasized that "a patent cannot be invalidated simply because the claims are capable of more than one construction, or might have been better drafted."¹⁹¹ This comment denotes a distinction from the principle expressed in the *Noranda Mines v. Mineral Separation North America*¹⁹² that if it is not possible to say with some certainty which of several suggested constructions of a patent is the correct one, the claim may fail for ambiguity.¹⁹³ However, simply being capable of another meaning does not render a claim ambiguous.

*Mobil Oil Corp. et al. v. Hercules Canada Inc.*¹⁹⁴ concerned an appeal from a finding of invalidity as to a reissued patent found to have been infringed. In the course

¹⁸⁵ *Ibid.* at 519, citing *Natural Colour Kinematograph Co. v. Bioschemes Three Ltd.* (1915), 32 R.P.C. 256 (H.L.) at page 266 [emphasis added by Stone J. in *Unilever*].

¹⁸⁶ *Unilever*, *ibid.* at 520.

¹⁸⁷ [1934] S.C.R. 570, 4 D.L.R. 129 [hereinafter *Western Electric* cited to S.C.R.].

¹⁸⁸ *Unilever*, *supra* note 183 at 520, citing *Western Electric*, *ibid.*

¹⁸⁹ *Supra* note 68.

¹⁹⁰ *Unilever*, *supra* note 183.

¹⁹¹ *Almecon*, *supra* note 68 at 445 (F.C.T.D.).

¹⁹² [1950] S.C.R. 36, 12 C.P.R. 99.

¹⁹³ *Almecon*, *supra* note 68 at 444 - 45 (F.C.T.D.).

¹⁹⁴ *Mobil Oil*, *supra* note 119.

of dealing with the appeal involving a patent directed to plastic films to be used in packaging for snack foods, the Federal Court of Appeal considered an attack on the validity of the patent-in-suit based upon both ambiguity and the sufficiency of the description.

In respect of ambiguity, the Court was astonished that the trial judge permitted a conflict among the experts at trial to influence the trial judge's own interpretation of a simple phrase, namely "said layer". The Court was of the view that it could not see "how a phrase which can be interpreted using grammatical rules and common sense can be found to be ambiguous."¹⁹⁵ Consequently, the trial judge's finding that the particular claim in suit was invalid because of the ambiguity of the phrase "said layer" was, in the view of the Federal Court of Appeal, completely untenable. The Court cautioned that "it is a well-settled principle that, while a judge may seek the assistance of experts in construing a patent, he should never forget that he is the final interpreter of the language."¹⁹⁶

Indeed, the Court noted that the trial judge had referred to H. G. Fox, *The Canadian Law and Practice Relating to Letters Patent for Inventions*¹⁹⁷ and the passage where the learned author discusses the necessity of experiments. As the trial judge stated:

[A]lthough the patentee must not present problems in his specification, that does not relieve the skilled person in the art from having to make certain experiments in order to arrive at a successful result based on a patent specification. What cannot be required is that the skilled person exercise any inventive faculty in arriving at that result.¹⁹⁸

The Court was of the view that there had been no assertion from anyone at trial that some form of inventiveness was required of a person skilled in the art in order to realize the promise of the patent with the presence of a slip agent.¹⁹⁹

6. Excessive Ambit of Claims

In addition to attacks on validity based on anticipation and obviousness, the Federal Court trial judge in *Hi-Qual Manufacturing v. Rea's Welding and Steel Supplies*²⁰⁰ addressed an attack based on alleged excessive ambit of claims. The Court acknowledged as well-established that the applicant for a patent is not entitled to claim broadly. In other words, the invention claimed cannot be broader than the invention made. The Court referred to the useful analysis of the jurisprudence concerning the

¹⁹⁵ *Ibid.* at 484.

¹⁹⁶ *Ibid.*

¹⁹⁷ H. G. Fox, *The Canadian Law and Practice Relating to Letters for Inventions*, 4d ed. (Toronto: Carswell, 1969) at 171.

¹⁹⁸ *Mobil Oil*, *supra* note 119 at 485.

¹⁹⁹ *Ibid.*

²⁰⁰ (1994), 55 C.P.R. (3d) 224, 184 N.R. 258 (F.C.T.D.) [hereinafter *Hi-Qual* cited to C.P.R.].

breadth of claims in *Reliance Electric*²⁰¹ and, in particular, Madam Justice Reed's reproduction of a summary of the law from *Hughes and Woodley on Patents*.²⁰²

In the *Unilever*²⁰³ case, the Federal Court of Appeal also considered the issue of excessive ambit of claims and succinctly stated, "[t]he law is clear that a claim is invalid if it purports to monopolize more than what was invented as disclosed in the specification."²⁰⁴ In this regard, the Court referred to its decision in *Amfac Foods v. Irving Pulp and Paper*.²⁰⁵ The Court was concerned with an attack on validity to the extent that it was alleged that the claim was covetous in claiming all possible substances that would improve distribution of a softener in a dryer, given the use of the phrase "a distributing agent" The Court emphasized the critical primary importance of the claims of a patent and that they are supposed to mark out the boundaries of that which has been invented. It referred to the decision of the Supreme Court of Canada in *Pioneer Hi-Bred Ltd.*²⁰⁶

Mindful of this teaching, the Federal Court of Appeal expressed what it saw as the rationale for the importance of claims:

The significance that others should know the boundaries of the exclusive privilege, it seems, is not only so they will not trespass on the invention but so that their own inventive genius will be allowed to flourish in their individual interest and in the interest of the public at large. If the boundaries of a patented invention cannot be ascertained 'with some measure of exactness' there is risk that others will stray across the line or be discouraged from seeking new or better inventions.²⁰⁷

However, in understanding the boundaries of the invention and whether they have been properly marked out by the patent, the Court stressed that a patent is not to be read in isolation without assistance of both the remainder of the specification and the expert evidence. The Court referred to its decision in *TRW*²⁰⁸ to this effect as well as the expression of the principle which was clearly set forth by the Supreme Court of Canada in *Consolboard*:

[S]ection 36(1) seeks an answer to the questions: "What is your invention?: How does it work?" With respect to each question the description must be correct and full in order that, as Thorson P. said in *Minerals Separation North American Corp. v. Noranda Mines, Ltd.* (1947), 12 C.P.R. at p. 102 at p. 111, [1947] Ex. C.R. 306 at p. 316, 6 Fox Pat. C. 130:

²⁰¹ *Ibid.* at 240, citing *Reliance Electric*, *supra* note 176.

²⁰² R. T. Hughes, *Hughes and Woodley on Patents* (Scarborough: Butterworths, 1984) at 390 para 20.

²⁰³ *Unilever*, *supra* note 183.

²⁰⁴ *Ibid.* at 512.

²⁰⁵ (1986), 12 C.P.R. (3d) 193, 72 N.R. 290 (F.C.A.).

²⁰⁶ *Pioneer Hi-Bred*, *supra* note 8.

²⁰⁷ *Unilever*, *supra* note 183 at 513 (F.C.A.).

²⁰⁸ *Supra* note 160 at 188-89 (F.C.A.).

"... when the period of the monopoly has expired the public will be able, having only the specification, to make the same successful use of the invention as the inventor could at the time of his application."

We must look to the whole of the disclosure and the claims to ascertain the nature of the invention and methods of its performance (*Noranda Mines, Ltd. v. Minerals Separation North American Corp.*, 12 C.P.R. 99, [1950 S.C.R. 36, 9 Fox Pat. C. 165 [affirmed 15 C.P.R. 133, 12 Fox Pat. C. 123]], being neither benevolent nor harsh, but rather seeking a construction which is reasonable and fair to both patentee and public. There is no occasion for being too astute or technical in the matter of objections to either title or specification for, as Duff C.J.C. said, giving the judgment of the Court in *Western Electric Co. et al. v. Baldwin Int'l Radio of Canada Ltd.*, [1934] 4 D.L.R. 129 at p. 133, [1934] S.C.R. 570 at p. 574: "where the language of the specification, upon a reasonable view of it, can be so read as to afford the inventor protection for that which he has actually in good faith invented, the Court, as a rule, will endeavour to give effect to that construction". Sir George Jessel spoke to like effect at a much earlier date in *Hinks & Son v. Safety Lightning Co.* (1876), 4 Ch. D. 607. He said the patent should be approached "with a judicial anxiety to support a really useful invention".²⁰⁹

The Court was of the view that a reading of the patent as a whole made clear the kinds of substances which the inventors had in mind in order to work or practice the invention. In coming to the view that the trial judge's decision was appropriate, the Court of Appeal emphasized once again that, "[t]he phrase 'a distributing agent' should not be viewed in isolation by disregarding the rest of the specification to the extent that it bears on its meaning."²¹⁰ The Court in *Unilever* also relied on the guidance which the Supreme Court of Canada sought to convey in its decision in *Burton Parsons Chemical Inc. v. Hewlett Packard*.²¹¹ In particular, it referred²¹² to the reasons of Pigeon J. where he stated:

It is stressed in many cases that an inventor is free to make his claims as narrow as he sees fit in order to protect himself from the invalidity which will ensue if he makes them too broad. From a practical point of view, this freedom is really quite limited because if, in order to guard against possible invalidity, some area is left open between what is the invention as disclosed and what is covered by the claims, the patent may be just as worthless as if it was invalid. Everybody will be free to use the invention in the unfenced area. It does not seem to me that inventors are to be looked upon as Shylock claiming his pound of flesh. In the present case, there was admittedly a meritorious invention and Hewlett-Packard, after futile attempts to belittle its usefulness, brazenly appropriated it. It was in no way misled as to the true nature of the disclosure nor as to the proper methods of making a competing

²⁰⁹ *Consolboard*, *supra* note 87 at 157.

²¹⁰ *Unilever*, *supra* note 183 at 518.

²¹¹ [1976] 1 S.C.R. 555, 17 C.P.R. (2d) 97 [hereinafter *Burton* cited to S.C.R.].

²¹² *Unilever*, *supra* note 183 at 518.

cream. The objections raised against the claims really are that, except those pertaining to some specific embodiments of the invention, the others are so framed as to cover every practical embodiment, leaving to the man skilled in the art, the task of avoiding unsuitable materials in the making of the mixture, a task which any man skilled in the art ought to be able to perform without having to be told because any unsuitability depends on well-known properties. No unexpected or generally unknown unsuitability was proved or even suggested, which makes this case quite unlike *Minerals Separation* or *Rhone-Poulenc*.²¹³

In the result, the Court concluded that the trial judge was quite correct in his construction of the patent in light of the expert evidence which he found acceptable. Accordingly, the claims in issue were not invalid for covetousness or excessive width.²¹⁴

In considering the defendant's submission that the claims were broader than the invention disclosed and, accordingly, that the patent was invalid, the Court in *Whirlpool*²¹⁵ held that, although a certain feature was discussed in the specifications of the patent, such reference did not mean it was the essence of, or determinative of, the patent. Similarly, the claims were not covetous simply because the specification mentioned certain limitations on the stated objectives that were not contained in the claims. Again, the Court was of the view that, although a certain feature was mentioned, it (the feature) was not the essence of the invention disclosed in the patent and, accordingly, the lack of reference to it in a claim did not make the claims broader than the invention made and disclosed.

B. *Infringement*

1. *Claim Construction*

Even though claim construction is a question of law (and some courts have even said a mixed question of fact and law), the inherent subjectivity involved in construing claims has led to a number of court of appeal decisions which have had to deal with this very issue.

Stone J.A. provided a valuable general overview of the general principles of claim construction in the case of *TRW*. In reviewing the appellant's grounds for the appeal, including the argument that the trial judge had erred in his construction of the claims of the patent, the Federal Court of Appeal revisited and reasserted the applicability of classic case law on claim construction.

The Court endorsed the effective analogy of comparing the claims of the patent to a fence within which the patentee "claims protection from trespass and outside of which others are free to roam: *Minerals Separation North American Corp. v. Noranda Mines, Ltd.* (1947) 12 C.P.R. 102 at 145-6.²¹⁶ It further stated that although the claims

²¹³ *Burton*, *supra* note 211 at 565.

²¹⁴ *Unilever*, *supra* note 183 at 519.

²¹⁵ *Whirlpool*, *supra* note 7.

²¹⁶ *TRW*, *supra* note 160 at 188 (F.C.A.).

were not to be expanded, restricted or qualified by reference to the body of the specification,²¹⁷ reference to the specification was permitted in order to comprehend the "meaning in which words or expressions contained in the claims."²¹⁸ On appeal, the Federal Court of Appeal found that the language of claim one was not plain and unambiguous, and agreed, as had the trial judge, that it would not offend established principle to refer to the entire specification in order to construe the language of claim one.²¹⁹ The Court upheld the trial judge's decision to interpret claim one by reference to the disclosure and its drawings.²²⁰

This decision was echoed in *Feherguard*. In dealing with a patent which related to an apparatus to roll swimming pool covers onto a roller mounted between a pair of pedestals, the Court dealt with the patentee's argument that the feature of the invention consisting of twisting both tubes of the roller, to permanently lock them for use without fasteners, was not essential. It cited Stone J.A.'s comments that:

Reference to the disclosure, while permissible to assist in comprehending the meaning of the claims, is not permissible "to change a claim from one subject-matter into a claim for another subject-matter ..., or to make the words of a claim say things which in fact it does not say at all."²²¹

The Court therefore upheld the trial judge's decision not to refer to the disclosure in order to interpret claim one.²²²

Shortly after its decision in *TRW*, the Federal Court of Appeal in *Imperial Oil*²²³ took the opportunity to elaborate more fully on the issue of claim construction. In this appeal, one of the arguments put forth by the respondents was that the trial judge had erred in his construction of the patent. More specifically, it was argued that the trial judge appeared to have adopted a very restricted construction of the claims. This sentiment was most likely fostered by the following statement:

One is moved to conclude that they were cautious, careful and knowledgeable persons who drafted the patent-in-suit. They were obviously aware of a possible attack on validity through obviousness, prior art and other challenges available and thus, being aware, had to carefully consider almost every word incorporated so that they would stand up to any challenge. Concessions about some prior art are freely recorded and distinguished. Frankly, their task (i.e., drafting the application and patent) was fraught with

²¹⁷ *Ibid.* See also *Electric & Musical Industries Ltd. v. Lissen Ltd.* (1939), 56 R.P.C. 23 at 41 (H.L.). The Court also referred to *Ingersoll Sergeant Drill Co. v. Consolidated Pneumatic Tool Co.* (1908), 25 R.P.C. 61 at 84 to support its statement that the disclosure could not be used to make the words of a claim "say things which in fact it does not say at all."

²¹⁸ *TRW, ibid.* at 189 (F.C.A.). See also *Smith Incubator Co. v. Seiling*, [1937] S.C.R. 251, 2 D.L.R. 701.

²¹⁹ *TRW, ibid.* at 189-90 (F.C.A.).

²²⁰ *Ibid.* at 191 (F.C.A.).

²²¹ *Feherguard, supra* note 166 at 51 [cites omitted].

²²² *Ibid.* at 516-17.

²²³ *Imperial Oil, supra* note 47.

possible difficulties and so the draftsmen had to be extremely precise in both the specification and claims, and I for one have determined this precision appropriate and, as will be seen later, effective against all challenges to its validity.²²⁴

The Federal Court of Appeal interpreted those comments, not as an indication that the trial judge had improperly construed the claims in issue, but as follows:

A finding, in effect, that they have been expressed with extreme precision is, in my opinion, a finding that they speak adequately for themselves and that, I think, is a conclusion that is well justified in so far as the numerically expressed parameters of the monopoly are concerned.²²⁵

The Court also reiterated the classic statement on claim construction by citing *Urie J.A.*, in *Beecham*:

In summary, the principles which I derive from the above-mentioned authorities as well as from others referred to in argument, to which further reference need not be made here, are that in construing the claims in a patent recourse to the remainder of the specification is (a) permissible only to assist in understanding terms used in the claims; (b) unnecessary where the words of the claim are plain and unambiguous; and (c) improper to vary the scope or ambit of the claims.²²⁶

In light of this statement and the trial judge's reference to the precision of the claim, the Court could not conclude that the trial judge had failed to construe the claims in any material way.²²⁷

Beyond these cases, the courts have commented on a number of principles associated with the issue of claim construction. For instance, in *Atlas*, while reviewing the effect of the trial judge's failure to set out his construction of the specification, the Court took the opportunity to reiterate the principle that the extent to which construction must be undertaken is within the trial judge's discretion, as had already been established by the Supreme Court of Canada in *Western Electric*.²²⁸ The Court further noted that "the patent must be construed by a mind willing to understand, seeking a construction which is reasonable and fair to both patentee and the public."²²⁹ The Court ultimately decided that the trial judge had sufficiently examined the mechanisms in question to permit it to reach a decision and that it had "attempted to deal with the specification in such a way as to show that a valid patent existed."²³⁰

²²⁴ *Imperial Oil*, *supra* note 47 at 466 (F.C.A.).

²²⁵ *Ibid.*

²²⁶ *Ibid.* at 446, citing *Beechem*, *supra* note 79 per Urie J.

²²⁷ *Ibid.*

²²⁸ *Atlas*, *supra* note 103 at 351.

²²⁹ *Ibid.* at 351, citing *A.T. & T. Technologies v. Mitel* (1989), 26 C.P.R. (3d) 238 at 249, 28 F.T.R. 241 (F.C.T.D.).

²³⁰ *Ibid.* note 101 at 351-52.

In *Merck*, the Federal Court of Appeal reiterated the caution it had set out in *Nekoosa Packaging Corp. v. AMCA International Ltd.*²³¹ Namely, it warned against accepting evidence as to the construction of the patent from the inventors themselves, which, it stated the trial judge had done.²³² In this same vein, the Court went on to state that the trial judge had treated the construction of the patent,

as one of fact, whereas it was well established that it is one of law, or perhaps most accurately, of mixed fact and law: *Lovell Manufacturing Co. v. Beatty Bros. Ltd.* (1962) 41 C.P.R. 18 at 33, 23 Fox Pat. C. 112 (Ex. Ct.); *Computalog Ltd. v. Comtech Logging Ltd.* (1992) 44 C.P.R. (3d) 77 at p. 84, 142 N.R. 216, 56 F.T.R. 231. (C.A.).²³³

In *Unilever*, the Federal Court of Appeal made note of a statement made by Pigeon J. in *Monsanto Co. v. Com'r of Patents* and *Sandoz Patents*, whereby he emphasized the principle that the directions in the specification were addressed not to judges but rather to those persons skilled in the art, "and therefore, is to be construed by the standard of what such a person would understand on reading it."²³⁴

The Court also dealt with the court's tendency of relying on the drawings of the patent. In *Hi-Qual*, while upholding the Federal Court, Trial Division's decision as to the validity of the patent, the Court nevertheless noted that reference to expert patent drawings to interpret the essential features of a patent was inappropriate.²³⁵ The Court also remarked that it did not espouse the view stated by the trial judge that "patents were to be construed as strictly as possible."²³⁶

Finally, the "purposive approach" to claim construction, received attention and comment in the case of *Diversified Products*. In construing the claims of the patent at issue, the Federal Court of Appeal preferred a purposive construction to the specification rather than a literal construction. It stated that:

Where the language of the specification, upon a reasonable view of it, can be so read as to afford the patentee protection for that which he has actually in good faith invented, the court, as a rule, will endeavour to give effect to that construction and will not defeat the right of patentees for mere technicalities: *Burton Parsons Chemicals Inc. v. Hewlett-Packard (Canada) Ltd.* (1976) 17 C.P.R. (2d) 97, 54 D.L.R. (3d) 711, [1976] 1 S.C.R. 555, 3 N.R. 553 at 103; *Western Electric Co. v. Baldwin Int'l Radio of Canada Ltd.*, [1934] 4 D.L.R.

²³¹ (1994), 56 C.P.R. (3d) 470, 172 N.R. 307 (F.C.A.).

²³² *Merck*, *supra* note 60 at 362 (F.C.A.).

²³³ *Ibid.* at 364.

²³⁴ See *Monsanto Co. v. Com'r of Patents*, [1979] 2 S.C.R. 1108, 47 C.P.R. (2d) 227, and *Sandoz*, *supra* note 65 at 217-18, cited in *Unilever*, *supra* note 183 at 507.

²³⁵ In *TRW*, *supra* note 160, the Court indicated that reference to the specification was permissible in order to interpret the meaning of ambiguous words or expressions contained in the claims. In contrast, the Federal Court of Appeal in *Hi-Qual*, *supra* note 200, made the distinction that reference to the drawings was not appropriate when used to interpret the essential features of the invention.

²³⁶ *Hi-Qual*, *supra* note 200. See also *Consolboard*, *supra* note 87.

129 at 132-33, [1934] S.C.R. 570; *Beecham Canada Ltd. v. Procter & Gamble Co.* (1982) 61 C.P.R. (2d) 1, 40 N.R. 313 [leave to appeal to S.C.C. refused 63 C.P.R. (2d) 260n, 43 N.R. 263n at 8-11.²³⁷

2. *Tests - Literal Infringement And Other Than Literal Infringement*

A review of recent cases dealing with infringement indicates that although the courts are still applying the traditional two-part test,²³⁸ some doubts as to its applicability have emerged in certain cases. These doubts, coupled with the purposive construction approach to construing claims, have yielded some unclear decisions which fail to illuminate the path to follow, while other decisions obscure the path to follow in assessing the issue of infringement.

The Court in *TRW* restated the essential nature of the assessment of infringement. In dealing with the issue of infringement, the Federal Court of Appeal noted that the "task of determining whether a claim has been infringed (is) 'essentially one of fact': *Consolboard Inc. v. MacMillan Bloedel (Saskatchewan) Ltd.* (1981) 56 C.P.R. (2d) 145, 122 D.L.R. (3d) 203, [1981] 1 S.C.R. 504 per Dickson J. (As he then was) at p. 152."²³⁹

In *Allied Signal Inc. (Previously Allied-Signal Inc.) v. DuPont Canada Inc. et al.*, dealing with an action for infringement and, by way of counterclaim, for invalidity, the trial judge found the patent to be invalid. The Federal Court of Appeal reversed the finding of invalidity and since the witnesses' credibilities were not disputed, the Court found that it was in as good a position as the trial judge to make a decision on infringement.²⁴⁰ The Court ultimately decided that, on a balance of probabilities, the appellants had indeed made a case for infringement.²⁴¹ Desjardins J.A. agreed with the

²³⁷ *Supra* note 5 at 362.

²³⁸ The two-part test was set out in *McPhar Engineering Co. v. Sharpe Instruments Ltd.* (1960), Ex.C.R. 467, 35 C.P.R. 105 (Ex. Ct.) [hereinafter *McPhar* cited to C.P.R.], where the Court stated that in order to ascertain whether there had been an infringement of a patent, the following steps had to be undertaken:

- (1) Construe the claims literally;
- (2) Determine whether there is a literal or textual infringement of the claims;
- (3) If the defendant's activities do not fall strictly within the language of the claims, determine the substance or essential features of the invention as claimed; and
- (4) Determine if there has nevertheless been a taking of the substance (or essential features) of the invention as defined by the claims. In order for the substance to have been taken,
 - (a) the missing or substituted feature must be inessential, and
 - (b) the substituted feature, if any, must be the functional equivalent of the claimed feature.

²³⁹ *TRW*, *supra* note 160 at 190.

²⁴⁰ (1995), 61 C.P.R. (3d) 417 (*subnom. Allied Signal Inc. v. Du Pont Canada Ltd.*), [1995] F.C.J. No. 744, 95 F.T.R. 320, rev'g in part (1993) 50 C.P.R. (3d) 1 (F.C.A.) [hereinafter *Allied Signal*]. See also: *Davie Shipbuilding Ltd. v. The Queen* (1984), 4 D.L.R. (4th) 546 at 548, 53 N.R. 50 (F.C.A.).

²⁴¹ *Ibid.* at 443.

trial judge who had indicated that had she needed to rule on infringement, she would have found that the patent had been infringed. The Court agreed, and made note of the explicit text of the patent and that "[n]othing in the patent indicated that it was intended to encompass implicitly processes equivalent to SMC [the end product specifically referred to in the patent] or minor variants thereof."²⁴²

The substance, or second portion of the traditional two part test, has been extensively applied over the years. In the case of *Computalog Ltd. v. Comtech Logging Ltd.*,²⁴³ the Court canvassed this second branch of the test. In this case, the appellant's patent related to cement plugs in boreholes of abandoned oil and gas wells. More specifically, the patent related to a method of testing the quality or purity of the cement mixture placed in the borehole by lowering into the borehole, a densimeter on a wireline. The respondent's method consisted of locating the plug of the borehole also through the use of a density tool lowered into the borehole.

The trial judge, Dube J., ultimately decided that the appellant's patent had not been infringed. In his reasons, he found that there had been no textual infringement of the claims. Furthermore, in determining whether the pith and substance of the invention had been taken, Dube J. noted that the "essence of the patent in issue is a method to determine the quality or purity of cement slurry in a plug, whereas the method used by the defendant is not to determine the purity of the cement slurry but to establish the location of the plug in the borehole."²⁴⁴ Consequently, he found that the plaintiff's patent had not been infringed.

In reviewing the issue of infringement, the Court of Appeal first dealt with the trial judge's holding that the patent "should be construed as only 'a method for testing the quality of the cement of the plugs in boreholes' and not to locate the plugs."²⁴⁵ By the comments that followed this statement, it was apparent that the Court disagreed with the trial judge's finding. MacGuigan J.A. revisited several well known principles. First, that the claims and disclosure of a patent are directed,

to a skilled worker with a mind willing to understand: *Burton Parsons Chemical Inc. v. Hewlett-Packard (Canada) Ltd.* (1974) 17 C.P.R. (2d) 97 at 104, 54 D.L.R. (3d) 711, [1976] 1 S.C.R. 555 (S.C.C.); *Catnic Components Ltd. v. Hill and Smith Ltd.* (1980) 7 F.S.R. 60 at 65-6 (H.L.). Moreover, "where the language of the specification, upon a reasonable view of it, can be so used as to afford the inventor protection for that which he has actually in good faith invented, the Court, as a rule, will endeavour to give effect to that construction": *Western Electric C. v. Baldwin International Radio of Canada Ltd.* [1934] 4 D.L.R. 129 at 133, [1934] S.C.R. 570 per Duff C.J.C.; see also *Consolboard Inc. v. MacMillan Bloedel (Saskatchewan) Ltd.* (1981) 56 C.P.R. (2d) 145, 122 D.L.R. (3d) 203, [1981] 1 S.C.R. 504.²⁴⁶

²⁴² *Ibid.*

²⁴³ (1992), 44 C.P.R. (3d) 77 at 80, 142 N.R. 216, (F.C.A) [hereinafter *Computalog* cited to C.P.R.].

²⁴⁴ *Ibid.* at 83.

²⁴⁵ *Ibid.* at 84.

²⁴⁶ *Ibid.*

The Court concluded, based on the principles of construction, that the trial judge had erred in law in his interpretation of the patent and noted that it was "irrelevant that the disclosure and the claims [did] not highlight the purpose of measuring location. That purpose [was] latent and implicit in the patent and must be given effect by a court."²⁴⁷ In citing from Dickson J. (as he then was) in *Consolboard*, the Court highlighted the following passage: "[w]e must look to the whole of the disclosure and the claims to ascertain the nature of the invention and methods of its performance... being neither harsh, but rather seeking a construction which is reasonable and fair to both patentee and public."²⁴⁸

Finally, the Court reviewed the principles of infringement and noted that what governed was not what the infringer intended, but rather what he did.²⁴⁹

MacGuigan J.A. then went on to review, in detail, the principle of infringement of the substance of the invention. He made note of the fact that taking the substance of the invention amounted to infringement, and that the Court was not to restrict itself to simply reviewing the form of the invention.²⁵⁰ In citing *Lightning Fastener Co. v. Colonial Fastener Co.*,²⁵¹ the Court stated:

In each case the substance, or principle, of the invention and not the mere form is to be looked to. It has been stated in many cases that if an infringer takes the principle and alters the details, and yet it is obvious that he has taken the substance of the idea which is the subject matter of the invention, and has simply altered the details, the Court is justified in looking through the variation of details and see that the substance of the invention has been infringed and consequently can protect the inventor. And the question is not whether the substantial part of the machine or method has been taken from the specification, but the very different one, whether what is done by the alleged infringer takes from the patentee the substance of his invention.²⁵²

The Court of Appeal therefore rejected the trial judge's finding of non-infringement of claim one, as having misinterpreted the essence of the invention and the distinction between location and density.²⁵³ The Court found that since the respondent located the cement top of the plug by lowering a density tool in a borehole while the cement was still wet and measuring the density and depth and by comparing densities,

²⁴⁷ *Ibid.* at 87.

²⁴⁸ *Ibid.*, citing *Consolboard*, *supra* note 87.

²⁴⁹ *Computalog*, *ibid.* at 88.

²⁵⁰ *Ibid.* MacGuigan J.A. equally cited the following cases in support of his position: *Lightning Fastener Co. v. Colonial Fastener Co.*, [1932] Ex. C.R. 89 at 98, rev'd [1933] S.C.R. 363, [1933] 3 D.L.R. 791, rev'd [1934] 3 D.L.R. 737, 51 R.P.C. 349; *Globe-Union Inc. v. Varta Batteries Ltd.* (1981), 57 C.P.R. (2d) 132, 10 A.C.W.S. (2d) 13 (F.C.T.D.); aff'd (*sub. nom. Johnson Controls Inc. v. Varta Batteries Ltd.* (1984), 80 C.P.R. (2d) 1, 3 C.I.P.R. 1, 53 N.R. 6 (F.C.A.)).

²⁵¹ [1932] Ex. C.R. 89 at 98, rev'd [1933] S.C.R. 363, 3 D.L.R. 791, rev'd [1934] 3 D.L.R. 737, 51 R.P.C. 349 [hereinafter *Lightening Fastener*].

²⁵² *Computalog*, *supra* note 243 at 88 NEAR END, citing *Lightening Fastener*, *ibid.*

²⁵³ *Ibid.* at 89.

this infringed claim one.²⁵⁴

The issue of the "essential features" was addressed by the Court in *Feherguard Products Ltd. v. Rocky's of B.C. Leisure Ltd.*²⁵⁵ Without speaking in terms of purposive construction, the Federal Court of Appeal apparently adopted the *Catnic* purposive construction approach.²⁵⁶ In reviewing the trial judge's finding of non-infringement, the Court of Appeal dealt with the appellant's argument that the respondent's apparatus infringed the substance of their invention which consisted of an apparatus for rolling swimming pool covers onto a roller mounted between a pair of pedestals. The essence of one of the arguments revolved around the term "rib", and whether it was to be considered an essential element. In determining that question, the Court stated:

As to whether or not strict compliance with the term "rib" was intended to be essential, a question which is one of fact (see *C. Van Der Lely N.V. v. Bamfords Ltd.*, [1963] R.P.C. 61 (H.L.) at p. 75 per Lord Reid), I see no reason to put aside the finding of the trial judge. The court cannot conclude that strict compliance with a term used in a claim is not an essential requirement of the invention unless it be obvious to one skilled in the art that the inventor knew that failure to comply with that requirement would have no material effect on the way the invention worked: see *Eli Lilly & Co. v. O'Hara Manufacturing Ltd.* (1989), 26 C.P.R. (3d) 1(F.C.A.), 99 N.R. 60 *sub nom. Eli Lilly & Co. v. Novopharm Ltd.*, 28 F.T.R. 80n (C.A.). In the case at bar, there was evidence that a skilled person would understand that strict compliance was intended to be essential and the fact that the disclosure contains a general statement to the effect that (A.B. vol. I at p. 72), "[i]t will be appreciated from the foregoing that the invention can take various shapes and forms without departing from the essential spirit or scope of the invention", can obviously not be relied on to extend the monopoly claimed by the inventor.²⁵⁷

In other words, by finding the element to be essential, a finding that the respondent's apparatus had infringed the substance of the appellant's invention could not be substantiated.

Despite the apparent entrenchment of the two-fold test in Canadian law, the courts have struggled in framing the particular test. In the case of *Mobil Oil Corp. et al.*

²⁵⁴ *Ibid.* at 92.

²⁵⁵ *Supra*, note 166.

²⁵⁶ The 1981 House of Lords decision in *Catnic Components Ltd. v. Hill and Smith Ltd.*, *supra* note 164, took a very different approach to the issue of non-textual infringement. Lord Diplock suggested the following approach to infringement:

- (1) Give the patent specification a purposive construction in order to determine the essential features of an invention as claimed, a purposive construction being distinguishable from a purely literal construction based upon a meticulous verbal analysis of the claims;
- (2) Determine if there has been an infringement of the essential features of the invention as claimed, as determined by the purposive construction.

²⁵⁷ *Feherguard*, *supra* note 166 at 515-16.

v. *Hercules Canada Inc.*²⁵⁸ the Court expressed its concern about the two-part test. This concern remained even though the Court in *O'Hara* had addressed the two-part test. The invention in issue relates to films which are often used in packaging snack food such a potato chips. More particularly, it consists of a multi layered film comprising of polypropylene (plastic) and metal, which often adheres poorly to polypropylene.

One of the issues in the appeal was whether the trial judge had erred in finding that claims 12 and 15 had only been substantially infringed, not textually. The Court of Appeal found this criticism to be "devoid of any real meaning and consequences."²⁵⁹ Marceau J.A. acknowledged that the trial judge, in ascertaining whether there had been infringement, had applied the traditional two-fold test: i.e. determine whether the activity complained of falls specifically within the wording of the claims, and if not, whether the substance of the invention as defined by the claims, had been taken.²⁶⁰ In reviewing the second portion of the test, the Court referred to the case of *McPhar Engineering Co. v. Sharpe Instruments Ltd.*²⁶¹ setting out the established law in respect of this matter, namely: "that if a person takes the substance of an invention he is guilty of infringement and it does not matter whether he omits a feature that is not essential to it or substitutes an equivalent for it."²⁶²

However, remarkably, the Court voiced its concern for the applicability of the two-fold test in certain situations and the wisdom of the purposive construction approach in *McPhar*. It stated:

I do not appreciate the utility of the traditional twofold test and even its relevance. No doubt a textual infringement will simplify the problem as it will put an immediate end to the inquiry. But it seems to me that the exercise may be useless in cases like this one where the distinction between textual and substantial infringement may be difficult to draw. For example, in claim 12, the trial judge held that there was no textual infringement because the respondent's film contained an additive. The appellants quite rightly point out that the additive does not cause the film to fall outside the specifications outlined in the claim. Consequently one is left to ask, does an additive of unknown function take something outside of the literal wording of a claim It is my opinion that one should not endeavour to create a distinction between a substantial and a literal infringement in a case such as this; one should construe the claims so as to determine what exactly lies within the scope of the inventor's rights. Once this has been determined, then one can consider the defendant's product to decide if it falls within the scope of the claim.²⁶³

However, Marceau J.A. refrained from identifying specific situations in which

²⁵⁸ *Supra* note 119.

²⁵⁹ *Ibid.* at 488.

²⁶⁰ *Ibid.*

²⁶¹ *Supra* note 238.

²⁶² *Mobil Oil*, *supra* note 119 at 488 (F.C.A.), citing *McPhar*, *supra* note 238, per Thorson J.

²⁶³ *Ibid.* at 488-89.

the traditional two part test ought to be applied. It is also interesting to note that the Court made no reference to adopting a purposive construction of the claims. The Court of Appeal upheld the trial judge's finding of substantial infringement.

The Federal Court of Appeal not only questioned the relevance of the traditional two part test, but also considered the applicability of the purposive construction test as a possible way of resolving the inadequacy of the traditional test. In *O'Hara*,²⁶⁴ the respondent's patent related to a machine for coating tablets. In determining the issue of infringement, the trial judge found that the exhaust system in the appellant's machine was the functional equivalent of what had been defined in the respondent's patent, and that the pith and substance of the invention had been taken.²⁶⁵ The appellant appealed. The Court of Appeal reviewed the trial judge's application of the traditional two-part test which consists of establishing whether there has been a textual infringement of the claims and if not, whether the substance or pith and marrow of the invention has been taken. The Court expressed some reservation for this method in that it felt that it was "difficult to reconcile with the basic principle that the patentee is tied strictly to the invention which he claims and the mode of effecting an improvement which he says is his invention."²⁶⁶

The Court in *O'Hara* then proceeded to contemplate the "purposive construction" approach enunciated in the House of Lords case of *Catnic*.²⁶⁷ In quoting from that case, it stated:

My Lords, in their closely reasoned written cases in this House and in the oral argument, both parties to this appeal have tended to treat "textual infringement" and infringement of the "pith and marrow" of an invention as if they were separate causes of action, the existence of the former to be determined as a matter of construction only and of the latter upon some broader principle of colourable evasion. There is, in my view, no such dichotomy; there is but a single cause of action and to treat it otherwise, particularly in cases like that which is the subject of the instant appeal, is liable to lead to confusion.

My Lords, a patent specification is a unilateral statement by the patentee, in words of his own choosing, addressed to those likely to have a practical interest in the subject matter of his invention (i.e. "skilled in the art"), by which he informs them what he claims to be the essential features of the new product or process for which the letters patent grant him a monopoly. It is those novel features only that he claims to be essential that constitute the so-called "pith and marrow" of the claim. A patent specification should be given a purposive construction rather than a purely literal one derived from applying to it the kind of meticulous verbal analysis in which lawyers are too often tempted by their training to indulge. The question in each case is: whether persons with practical knowledge and experience of the kind of work

²⁶⁴ *Eli Lilly & Co. v. O'Hara Manufacturing Ltd.*, (1989) 26 C.P.R. (3d) 1 (F.C.T.D.), 99 N.R. 60 (F.C.A.) rev'g (1989), 20 C.P.R. (3d) 342 (F.C.T.D.) [hereinafter *O'Hara* cited to C.P.R.].

²⁶⁵ *Ibid.*

²⁶⁶ *Ibid.* at 5-6. See also *C. Van Der Lely N.V. v. Bamfords, Ltd.*, [1963] R.P.C. 61 at 75.

²⁶⁷ *Catnic*, *supra* note 164.

in which the invention was intended to be used, would understand that strict compliance with a particular descriptive word or phrase appearing in a claim was intended by the patentee to be an essential requirement of the invention so that any variant would fall outside the monopoly claimed, even though it could have no material effect upon the way the invention worked.²⁶⁸

In considering this approach in relation to the patent at issue, the Court asked the question: "would the specification make it obvious to a reader skilled in the art that the description of the patented machine as comprising"²⁶⁹ The Court then returned to the language of the claims and warned that the answer to this question had to be consistent with the text of the claims. Furthermore, Pratte J.A. stated that "[a] court must interpret the claims; it cannot redraft them. When an inventor has clearly stated in the claims that he considered a requirement as essential to his invention, a court cannot decide otherwise for the sole reason that he was mistaken."²⁷⁰ Ultimately, after what appeared to be the application of only the first portion of the traditional twofold test, the Court of Appeal found that the appellant's acts did not fall within the language of the claims and therefore did not infringe on them.²⁷¹ Thus, unfortunately, the Court did not pronounce any further on the applicability of the principle of purposive construction.

Yet, despite *O'Hara*, the Federal Court of Appeal dealt with the issues of the literal infringement, purposive construction and pith and marrow in the case of *Imperial Oil*²⁷² and fashioned a hybrid approach. After concluding that the doctrine of pith and marrow was still alive and well and applicable to a case such as this one,²⁷³ the Court of Appeal rejected the appellant's argument that the trial judge had erred in finding that a succination ratio of at least 1.3 was the very pith and marrow, while having earlier dismissed it, based on a purposive construction, as not being essential.²⁷⁴ Mahoney J.A. stated:

To find conflict between the two statements requires that each be taken out of its context. As to the first, his appreciation of "minor variant" and "pith and marrow" is much to be preferred to that urged on him by Imperial which, in my view, was an inversion of the law. However strictly one construes a claim, the pith and marrow doctrine precludes its colourable evasion. In the second, the choice of words may have been less than precise but the trial judge was simply saying that the exclusion of unreacted PIB from the calculation of the succination ratio was not precluded by strict adherence to "at least 1.3".²⁷⁵

²⁶⁸ *O'Hara*, *supra* note 264 at 6.

²⁶⁹ *Ibid.* at 7.

²⁷⁰ *Ibid.*

²⁷¹ *Ibid.*

²⁷² *Imperial Oil*, *supra* note 47 (F.C.A.).

²⁷³ *Ibid.* at 467, citing *Beecham Group v. Bristol Laboratories* [1978] R.P.C. 153 at 200.

²⁷⁴ *Ibid.* at 468.

²⁷⁵ *Ibid.* at 468.

It concluded by stating that the trial judge had not erred finding that Imperial had infringed the patent at issue.

The most recent case to deal with these principles is *Pfizer Canada Inc. et al. v. Apotex Inc. et al.*²⁷⁶ The decision in this case appears to come to grips with the issues earlier expressed in *O'Hara* and *Imperial Oil*. This case dealt with an application under the *Patented Medicine (Notice of Compliance) Regulations*,²⁷⁷ for an order prohibiting the Minister from issuing a notice of compliance for the appellant's drug, fluconazole, for which it had obtained a patent.

Pfizer alleged that the process which Apotex would use (known as the ACIC Process) to manufacture fluconazole would infringe its patent. The Court began its analysis by first construing the patent. Richard J. noted that the process enunciated in the Pfizer patent was not inventive and was included only in order to fulfill the requirement of section 41(1) which required that "the product claims be in process dependent form."²⁷⁸ The Court therefore found that the types of reactions included in the claims were not essential features and that the "the underlying invention" was "fluconazole and not the claimed process."²⁷⁹

The Court then used a purposive construction rather than a purely literal one to construe the claims of the Pfizer patent and to isolate the essential features of the invention.²⁸⁰ Richard J. ultimately found that the ACIC process was indeed within the scope of claim 1(a) and 10.²⁸¹

The Court then referred to the pith and marrow of the invention and found that altering the chemical process steps would not avoid infringement of the Pfizer patent since that step was not essential and thus, the pith and substance of the Pfizer invention was taken.²⁸² The Court further cited the decision of *Wenham Gas Co. v. Champion Gas Lamp Co.*²⁸³:

[I]f the pith and marrow of the invention is taken it is no excuse to say that you have added something, or omitted something even if the addition or omission be useful and valuable. The superadding of ingenuity to a robbery does not make the operation justifiable.²⁸⁴

²⁷⁶ [1997] F.C.J. No. 1087, 77 C.P.R. (3d) 547 (F.T.D.) [hereinafter *Pfizer* cited to C.P.R.].

²⁷⁷ SOR/93-133

²⁷⁸ *Pfizer*, *supra* note 276 at 560-61.

²⁷⁹ *Ibid.*

²⁸⁰ *Ibid.* at 566-67.

²⁸¹ *Ibid.* at 567, 570.

²⁸² *Ibid.* at 569.

²⁸³ (1891), 9 R.P.C. 49 at 56 cited in *Globe-Union Inc. v. Varta Batteries Ltd.* (1981), 57 C.P.R. (2d) 132 (F.C.T.D.) at 146, *dist'd* (1989), 20 C.P.R. (3d) 342, 18 F.T.R. 199n [hereinafter *Wenham*].

²⁸⁴ *Pfizer*, *supra* note 276 at 570. See also *Wenham*, *ibid.* at 56 cited in *AT & T Technologies, Inc. v. Mitel Corp.*, [1989] F.C.J. No. 604, (1989), 26 C.P.R. (3d) 238 (F.C.T.D.) at 256.

3. *Contributory Infringement*

The issue of contributory infringement has recently come up in cases that involve the selling of parts of a patented apparatus which is covered by a patent. The principle that selling that which in itself is not the subject of a patent can not be infringement has been qualified by the courts.

A good review of the basic principle was set out in *Valmet Oy et al. v. Beloit Canada Inc.*²⁸⁵ In this case, the patent at issue related to a press section for a paper-making machine. The trial judge found the appellants guilty of contempt for having ignored an injunction by, *inter alia*, selling press parts to V.D.I., a corporation in which the appellant was a shareholder, and for failing to force V.D.I. to stop manufacturing the press section in question.

The Court of Appeal reiterated the principle that there is no patent infringement simply because a vendor sells a part which does not in itself infringe the patent:

[E]ven when the vendor knows that the purchaser buys the article for the purpose of using it in the infringement of the patent. There seems to be only two exceptions to that rule, namely, that there is infringement:

- (a) if the vendor, alone or in association with another person, sells all the components of the invention to a purchaser in order that they be assembled by him; and
- (b) if the vendor, knowingly and for his own ends and benefit, induces or procures the purchaser to infringe the patent.²⁸⁶

The Court of Appeal further qualified the second exception by noting that in order to induce or procure a purchaser to infringe, the vendor had to actually do something which would lead that other person to infringe the patent. Doing nothing could not be interpreted as an inducement nor could that be interpreted as a breach of the injunction. The Court therefore disagreed with the trial judge's finding that mere passivity amounted to an inducement to infringe the patent.²⁸⁷

The Federal Court of Appeal qualified the general principle in *Allied Signal Inc. (Previously Allied-Signal Inc.) v. DuPont Canada Inc. et al.*²⁸⁸ One of the issues of the appeal revolved around the respondent's liability for having manufactured films to be sold to manufacturers in the U.S., who used them exclusively to make the product referred to in the patent (i.e. SMC). When dealing with the issue of the export of the films to the U.S., the Court agreed with the Trial Division's decision. It rejected the respondent's argument that since the "patentee claims the film in a particular use, the production of SMC, infringement does not occur until the film is used to produce SMC. This occurs in the United States where the *Patent Act* has no application."²⁸⁹ Upon

²⁸⁵ (1988), 82 N.R. 235, 20 C.P.R. (3d) 1 (F.C.A.) [hereinafter *Valmet* cited to C.P.R.].

²⁸⁶ *Ibid.* at 14 [cites omitted].

²⁸⁷ *Ibid.* at 15.

²⁸⁸ *Allied Signal*, *supra* note 240.

²⁸⁹ *Ibid.* at 443.

considering the case law, the trial judge's conclusion was that since the film was sold to manufacturers of SMC, and for only one purpose—to make SMC—once the film was manufactured by Du Pont Canada Inc. for such use, there was infringement.²⁹⁰

Possibly one of the more significant developments in the issue of contributory infringement by the sale of parts, came about in the decisions of *Windsurfing*²⁹¹ and *Beloit Canada Ltée/Ltd. et al. v. Valmet-Dominion Inc.*²⁹² The latter case dealt with a patent for a press section relating to paper making machines. The Court of Appeal rejected the trial judge's finding that there had not been any infringement as a result of the manufacture and sale of component parts delivered for assembly and use outside Canada.²⁹³ The trial judge's reasoning had been that since the patent involved old, previously known parts, arranged in a new fashion, there could not be infringement simply by virtue of manufacturing or selling those parts. Infringement could only occur if the respondents had sold the parts for use and assembly in Canada, or if the respondents had assembled the parts themselves in Canada and later exported the finished product. Since none of these situations had occurred, the trial judge had ruled against infringement.²⁹⁴

The Court of Appeal made note of the principle that "there is no infringement of a patent in selling an article that does not in itself infringe the patent even when the vendor knows that the purchaser buys the article for the purpose of using it in the infringement of the patent."²⁹⁵ The Court has also noted the two exceptions to this rule which had been cited by Pratte J. in *Valmet*.²⁹⁶

It confirmed that making, constructing, using or selling an invention beyond Canada can not constitute breach of a Canadian patent. "Therefore, the construction of a combination patent abroad is not an infringement, and cannot consequently trigger a domestic contributory infringement."²⁹⁷ However, the Court of Appeal took note of the

²⁹⁰ *Ibid.*

²⁹¹ *Supra*, note 81

²⁹² [1997] F.C.J. No. 486 (Q.L.), 73 C.P.R. (3d) 321 (F.C.A.), var'g (1993), 47 C.P.R. (3d) 448 (F.C.T.D.), 61 F.T.R. 161 dist'd (1993), 50 C.P.R. (3d) 1, 68 F.T.R. 17 [hereinafter *Beloit*].

²⁹³ *Ibid.* at 333-34.

²⁹⁴ *Ibid.*

²⁹⁵ *Ibid.* at 335. See also *Pfizer*, *supra* note 276 at 15, leave to appeal to S.C.C. refused (1988) 21 C.P.R. (3d) 1.

²⁹⁶ *Beloit*, *ibid.* at 14, citing *Valmet*, *supra* note 285 (F.C.A.) at 14:

(a) if the vendor, alone [*Windsurfing Int'l Inc. v. Trilantic Corp.* *supra* note 81] or in association with another person [*Incandescent Gas Light Co. Ltd. v. New Incandescent Mantle Co.* (1898) 15 R.P.C. 81] sells all the components of the invention to a purchaser in order that they be assembled by him; and
(b) if the vendor, knowingly and for his own ends and benefit, induces or procures the purchaser to infringe the patent. [*Slater Steel Industries Ltd. v. R. Payer Co. Ltd. et al.* (1968) 55 C.P.R. 61, 38 Fox Pat. C. 139.]

²⁹⁷ *Beloit*, *ibid.* at 335-36. See also *Dole Refrigerating Products Ltd. v. Canadian Ice Machine Co.* (1957), 28 C.P.R. 32 (Ex. Ct.), 17 Fox Pat. C. 125 (Ex. Ct.).

decision in *Windsurfing*.²⁹⁸ In this case, the defendant was selling sailboards which were unassembled, but when they were assembled, infringed the claims of the Plaintiff's combination patent. The Court found the defendants liable for inducing others to infringe and stated that:

No one has ever alleged in this case infringement by the components of the invention. They are acknowledged to be old. The invention is the combination of the old components or elements. The respondent clearly is not selling parts. It is selling parts *for the purpose of* making a sailboard. Without assembly there can be no sailboard. Without assembly there can be no purpose in a purchaser buying the unassembled parts since, unassembled, they cannot be used for the purpose for which they are purchased, that is, to sail. To suggest that a patent infringement suit can be successfully avoided by selling parts as components of a kit in contradistinction to their sale assembled, is in my view, errant nonsense.²⁹⁹

The Court of Appeal agreed that when the trial judge found that the Defendants had not made, constructed, used or sold the Plaintiff's invention to others in Canada by shipping the unassembled parts out of the country, the trial judge had in fact failed to consider the fact that, by entering into a contract for the sale of the complete press machines in Montreal, the Defendant, GEC, had in fact sold the patented invention in Canada.³⁰⁰ The Court further concluded that manufacturing all the component parts and assembling them to verify the fitting parts, constituted "making" a patented invention for the purposes of section 44 of the *Patent Act*. The Court of Appeal stated:

Thus, the respondent VDI can be said to have made the patented invention when it manufactured the components, and then sufficiently assembled the machines to ensure their functionality in their workshops in Montreal. The fact that the press sections were then disassembled for the purpose of shipping and delivery cannot shield VDI from liability for having made in Canada press sections that infringe the appellants' patent. This conclusion does not constitute an extra-territorial application of the Act, but rather makes the respondent VDI liable for its domestic actions.³⁰¹

Although the Court of Appeal's decision does not fully espouse the reasoning enunciated in *Windsurfing*, namely, that the manufacturing and sale of all component parts for the purpose of making the infringing product constitutes infringement, one must assume that the sale of any kit of all component parts must necessarily require putting those parts together to see if they fit. In other words, one might speculate that the *Windsurfing* decision anticipates but does not enunciate this logical step.

Finally, the Court also dealt with the appellant's submission that the trial had erred in finding that VDI was not a party to the infringement by having provided parts,

²⁹⁸ *Supra* note 81 at 337.

²⁹⁹ *Ibid.* at 264-65.

³⁰⁰ *Ibid.* at 338.

³⁰¹ *Ibid.* at 339.

services, information and assistance to the continued running of the patented press sections belonging to GEC's former customers.³⁰² It found that in order to find infringement, VDI's acts must have fallen within the second exception enumerated by Pratte J., "namely that VDI knowingly, for its own benefit, induced or procured ...GEC's customers... to continue running the press sections."³⁰³ The Court further quoted Pratte J.: "[i]n order to induce or procure another person to infringe a patent, one must do something that leads that other person to infringe the patent. If one does nothing, there cannot be any inducement."³⁰⁴

The Court of Appeal found that despite VDI's supply of spare parts and services, it had not been directed to any evidence that the Trial judge had overlooked which would indicate that VDI had participated in the decision of the customers to continue using the infringing press sections. Consequently, it could find no reason to set aside the trial judge's decision.³⁰⁵

4. Remedies

(a) Damages

The Federal Court of Appeal in *Imperial Oil*³⁰⁶ considered a cross appeal by Lubrizol to the effect that the trial judge had erred in not awarding exemplary damages. The Court concluded that the trial judge had misapprehended the issue and that it was not a callous disregard of Lubrizol's rights or the patent system that gave rise to exemplary damages, but rather a callous disregard for the interlocutory injunction issued by the Federal Court, Trial Division. The Court was of the view that the allegation was not devoid of evidential support and, accordingly, allowed the cross appeal and referred the matter back to the trial judge for a continuance of the trial to deal with Lubrizol's claim for exemplary damages.³⁰⁷

In addressing the questions of damages in the case of *Unilever Procter & Gamble Inc. et al. v. PLC et al.*, the Court of Appeal had occasion to emphasize that an order made pursuant to Rule 480 does not by its terms deprive a trial judge of the authority, inherent in his or her office, to determine issues of law.³⁰⁸

The trial judge had laid down principles regarding the measure of damages to guide the referee in computing the quantum of the damage award. Accordingly, the Court considered whether the appellant's complaint that the trial judge was without jurisdiction "to address the issue of quantum of damages" was ill-founded. Indeed, the Court admonished the appellants for basing their complaint on a gross misunderstanding of the reasons of the trial judge in that the trial judge never addressed quantum but,

³⁰² *Ibid.* at 339.

³⁰³ *Ibid.* at 341.

³⁰⁴ *Ibid.* at 341.

³⁰⁵ *Ibid.*

³⁰⁶ *Supra* note 47.

³⁰⁷ *Ibid.* at 478-79.

³⁰⁸ *Supra*, note 183 at 523.

rather, simply the measurement of damages.³⁰⁹

(b) *Accounting of Profits*

The Federal Court of Appeal in *Imperial Oil*.³¹⁰ dealt with the contention by Imperial Oil that Lubrizol had unreasonably delayed commencing their own action and, consequently, had disintitiled itself to the equitable option of electing an accounting of profits rather than damages. In support of its assertion, Imperial Oil relied upon the Federal Court, Trial Division decision in *Consolboard Inc. v. MacMillan Bloedel (Saskatchewan) Ltd.*³¹¹ In that case, the patentee had been aware of the infringement prior to April, 1965 and, while having tried occasionally to get a settlement, did not commence action until February 1, 1974.

The Court of Appeal in *Imperial Oil* noted that, in the *Consolboard* case, the patentee itself had not been in the business of making what was found to have infringed while the products of the plaintiff, Lubrizol and the defendant, Imperial Oil did compete in the marketplace. The Court was also impressed by the trial judge's finding that Lubrizol had reacted immediately upon learning of the likely infringement and brought an action well within the time limits imposed on them. Finally, it noted that an award of profits is, in any event, clearly discretionary. In the end, the Court concluded that there was no justification for interference with the exercise of discretion by a trial judge. The Court found no error in the trial judge's awarding an accounting of profits to Lubrizol.³¹²

In *Beloit*,³¹³ the Court had occasion to put to rest the issue of whether the Federal Court has jurisdiction to award the remedy of an accounting of profits in an action for infringement of a patent.

The Court embarked upon a review of the history of the remedy of an accounting, and concluded that the remedy has existed as an action at common law since at least the year 1200. The Court canvassed the evolution of the equitable remedy of account and concluded that, since 1858, the remedy of an accounting has continued to exist as an equitable remedy in patent infringement cases within the jurisdiction of courts vested with authority to administer both law and equity.

The Court of Appeal then considered the legislative history of sub-section 57(1) of the *Patent Act*. It concluded that, although contemporary Canadian and English legislation differ in respect of the remedy of accounting for profits in patent infringement cases, it was the Court's view that earlier English authorities are persuasive in interpreting Canadian legislation since they were based on almost identical statutory provisions. The Court specifically rejected the argument that the English authorities were of no assistance because the grant of patents in England was the Crown prerogative but in Canada the grant and remedies are statutory. Not surprisingly, it took the view

³⁰⁹ *Ibid.*

³¹⁰ *Supra* note 47.

³¹¹ *Supra* note 87 at 220.

³¹² *Imperial Oil*, *supra* note 47 at 474 (F.C.A.).

³¹³ *Supra* note 292.

that the right to a patent remains a Crown prerogative, even if it is merged in the statutory right.³¹⁴

Consequently, the Court concluded that, since the remedy of accounting is an equitable one and section 20 of the *Federal Court Act* confers upon this Court the authority to grant equitable remedies, the Court does have jurisdiction to grant the remedy to successful patentees in infringement cases in the proper circumstances.³¹⁵

While the respondents had contended that the remedy of an accounting of profits was not available to a successful patentee, the appellants contended that having elected the remedy of an accounting for profits in its Statement of Claim and not being in breach of any of the applicable principles of equity, they were entitled to the equitable relief as of right.

The appellants submitted that the trial judge had erred in refusing the remedy on the basis of the factors he considered namely, the complexity and inordinate length of the actions, delay by the appellants in bringing the action after they became aware of the infringement, and the fact that the acts of infringement complained of had all occurred while the patent-in-suit had been declared valid at first instance, given that the decision at first instance had been reversed.

The Court dealt decisively with the appellants' claim of entitlement to an accounting of profits. It stressed that it has been stated by the Federal Court in the case of *Allied Signal*³¹⁶ that the choice between the two remedies of damages or an accounting of profits cannot be left entirely to the successful plaintiff. Similarly, the Court had held in *Unilever*³¹⁷ that the decision to award an accounting in patent cases is within the discretion of the judge or prothonotary. This decision echoed the earlier decision of the Federal Court of Appeal in *Imperial Oil*.³¹⁸

The Court then examined the factors considered by the trial judge in exercising his discretion to refuse the remedy of an accounting of profits. It was of the view that it was within the trial judge's discretion to take into consideration the complexity and length of proceedings in determining the equitable results of an election for an accounting of profits.³¹⁹ Similarly, the trial judge was entitled to consider a delay in instituting infringement proceedings.³²⁰ Additionally, the good faith of an infringer is a factor the trial judge could consider in exercising his or her discretion in awarding the remedy of an accounting. Since the contracts-in-suit were all entered into and the patent had been held invalid by the Trial Division, the trial judge was entitled to consider this factor in exercising his discretion.³²¹ In considering the question of damages, the Court concluded that "a patentee is entitled to damages assessed upon the sale of non-infringing components when there is a finding of fact that such sale arose from

³¹⁴ *Ibid.* at 356-59.

³¹⁵ *Ibid.*

³¹⁶ *Supra* note 240.

³¹⁷ *Supra* note 183 at 525-26.

³¹⁸ *Supra* note 47 at 474.

³¹⁹ *Beloit, supra* note 291 at 361-62 (F.C.A.).

³²⁰ *Ibid.* at 362-63.

³²¹ *Ibid.* at 364.

infringing the patented component."³²²

In the result, the Court of Appeal disagreed with the trial judge's finding that "where the patented article is not always or necessarily sold by itself, it is reasonable to assume ... damage of the patentee lies ... in selling the articles in which he trades."³²³ It held that the scope of damages to which a patentee is entitled must be based on a finding of fact, not an assumption, and thus concluded that the trial judge had erred in directing that the defendant must pay damages based on other components with which the pressed sections in suit were sold, rather than on the pressed sections alone.

The Court of Appeal in the *Allied Signal* case addressed the question of the request by the appellant for damages or an accounting of profits "whichever shall, upon inquiry, prove to be the larger amount."³²⁴ The Court expressed concern with such submission and held that it seemed clear from recent experience that the choice between the remedies cannot be left entirely to a successful plaintiff.³²⁵

In addition, the Court held that the choice of remedy certainly cannot depend on whichever amount would turn out to be more profitable. In particular, the Court concluded that the remedy of compensation is not a punishment and should not be allowed to be used for that purpose merely by leaving it to the choice of a plaintiff. It also emphasized that serious practical difficulties can be encountered by the Court in the determination of profits and held that it was desirable for the trial judge to consider the practical consequences in a particular case. In the result, the question of whether the appellant should be entitled to an accounting of profits or damages was referred back to the trial judge for determination on motion of the appellant.

C. *Ownership*

In 1995, with its decision in *Forget v. Specialty Tools of Canada Inc. et al*,³²⁶ the British Columbia Court of Appeal provided a helpful contemporary decision in respect of co-ownership of patents by confirming and succinctly restating the law relating to this topic. Given the legislative purpose underlying the *Patent Act* to encourage the *quid pro quo* of monopoly for disclosure, the Court declared the essential characteristic of a patent to be the exclusive right to manufacture and the right to exclude others from the exploitation of the invention by manufacture. Measured against this essential right together with the notion of collective enjoyment of such a right by co-owners, the Court endorsed the trial judge's conclusions as to the law.

Consequently, the Court set out certain principles, designed to ensure that one co-owner does not dilute the interest each has in the patent.³²⁷ In summary:

- i) A co-owner may only dispose of his or her entire interest to a single assignee without the consent of the other co-

³²² *Ibid.* at 366

³²³ *Ibid.* at 366, citing *Valmet*, *supra* note 285 (F.C.T.D.).

³²⁴ *Supra* note 240 at 444-46.

³²⁵ *Ibid.* at 444.

³²⁶ (1995), [1996] 1 W.W.R. 12, 62 C.P.R. (3d) 337.

³²⁷ *Ibid.*

- owner;
- ii) A co-owner may not dispose of anything less than his or her entire interest without the consent of the other co-owner; and
- iii) A license (something less than a co-owner's entire interest) can only be granted with the consent of the other co-owner.

In the 1991 case of *Comstock Canada*,³²⁸ the Trial Division of the Federal Court, rendered a significant decision in respect of the principles governing ownership of patents for inventions made by employees in the context of an impeachment action. The patent-in-suit was directed to an invention consisting of "a system for interconnecting light fixtures by means of modular receptacles and armour-cabled cord sets, which enables light fixtures to be electrically chained together by plugging in connectors from one fixture to the next."³²⁹

In seeking to impeach the patent, Electec asserted that its principal, Hyde, was the inventor rather than the named inventor and that despite having been employed by Comstock as manager of its electrical department in Eastern Ontario at the time of invention, Hyde owned the patented invention. Comstock contended, *inter alia*, that if Hyde had made the invention he would have done so in the course of his employment and that he was in a fiduciary relationship with Comstock.

The Court recognized that the general principle regarding employees' inventions was established in 1825. The Court found that the principle holds that an invention belongs to the servant even when made by the servant in the employ of the master unless the master employs the servant for the express purpose of inventing whereupon the inventions will belong to the master.³³⁰ Accordingly, the Court found that the only exceptions to the presumptions which favour the inventive employee are an express contract to the contrary, or where the person was employed for the purpose of inventing or innovating.³³¹ These principles mandate a consideration of the nature and context of the employer-employee relationship in the absence of an express contract, such as (as the Court stated):

- (a) whether the employee was hired for the express purpose of inventing;
- (b) whether the employee at the time he was hired had previously made inventions;
- (c) whether an employer had incentive plans encouraging product development;
- (d) whether the conduct of the employee once the invention had been created suggested ownership was held by employer;
- (e) whether the invention is the product of the problem the employee was instructed to solve, i.e., whether it was duty to make inventions;
- (f) whether the employee's invention arose following his consultation through normal company channels (i.e., was help sought?);

³²⁸ *Comstock Canada v. Electec Ltd.* (1991), 38 C.P.R. (3d) 29, 45 F.T.R. 241 (F.C.T.D.) [hereafter *Comstock* cited to C.P.R.].

³²⁹ *Ibid.* at 34.

³³⁰ *Ibid.* at 51.

³³¹ *Ibid.* at 53.

- (g) whether the employee was dealing with highly confidential information or confidential work;
- (h) whether it was a term of the servant's employment that he could not use the ideas which he developed to his own advantage.³³²

The Court warned that caution must be exercised when applying the principle and pointed to the decision of McKenzie J. of the British Columbia Supreme Court in *Spiroll Corp. v. Putti*³³³ (affirmed by the BC Court of Appeal) as a masterful review of the jurisprudence³³⁴ which failed to find any support for the notion that mere employment obliges the employee to assign his patent rights to his employer.³³⁵ Moreover, the Court ruled that holding a senior position does not by itself deprive the inventive employee of his patent rights.³³⁶

In applying these principles, the Court found that Hyde had not been hired to invent, his invention was not within the scope of his employment nor was it part of his day-to-day duties³³⁷ and Comstock was not in that business.³³⁸

Hyde did not owe a fiduciary duty to Comstock. Rather, Comstock, in the circumstances, breached a fiduciary duty owed to Hyde in regard to his inventions, because the making and perfection of the invention was never part of the work for which he was employed.

The Court held that it could grant any appropriate remedy in respect of such a dispute as to inventorship including a declaration of invalidity, a declaration of inventorship and ownership or any other appropriate remedy known to the common law or equity. The Court may also order any entry in the records of the patent office relating to the title to a patent to be varied as to name the proper invention or owner.³³⁹

In the result, the Court declared Hyde to be the inventor of the subject-matter of the patent and Electec the owner. It gave Electec the option of having the register varied or the patent declared invalid.

D. *Patented Medicines*

Compulsory licensing, other than licensing for abuse of rights, was abolished in 1993. However, regulations in respect of the issue of Notices of Compliance (NOC) came into effect which allowed for the protection of pharmaceutical patent rights.³⁴⁰

The marketing of drugs requires Notices of Compliance relating to the safety

³³² *Ibid.* at 53-54.

³³³ (1975), 22 C.P.R. (2d) 261, 64 D.L.R. (3d) 761 (B.C.C.A.) [hereinafter *Spiroll*, cited to C.P.R.].

³³⁴ *Comstock*, *supra* note 328 at 54.

³³⁵ *Spiroll*, *supra* note 342.

³³⁶ *Comstock*, *supra* note 328 at 55. See also 56-57.

³³⁷ *Ibid.* at 55.

³³⁸ *Ibid.* at 57.

³³⁹ *Ibid.* at 50.

³⁴⁰ Patented Medicines (Notice of Compliance) Regulations, SOR/93-133, as am. by SOR/98-166.

and efficiency of a drug. The NOC Regulations permit pharmaceutical patent owners to list specifically their patents, as they relate to their drugs, with the Minister of Health.³⁴¹ If a company wishes to obtain a NOC by comparison with a drug on the market, it must file a Notice of Allegation (NOA)³⁴² in respect of any listed patents for such drug on the market. As the "second person" (with the patent owner as the "first person"), the company seeking the NOC can allege it will not infringe any of the listed patents, allege one or all of the patents are invalid, or allege that it will not market until the expiry of the patents. The burden of proving non-infringement is on the second person in cases of product-by-process patents.³⁴³

To dispute an NOA, the first person (patent owner) must initiate proceedings before the Federal Court for an Order prohibiting the Minister from issuing the NOC.³⁴⁴ Amendments to the NOC Regulations in 1998 introduced provisions beneficial to second persons. Second persons can now apply on an interlocutory basis to have the proceedings dismissed because the asserted patents are ineligible for the list or irrelevant or because the proceeding is redundant, scandalous, frivolous or vexatious, or otherwise an abuse of process.³⁴⁵ They can also seek compensation and costs.³⁴⁶ In large measure, these provisions address the draconian nature of the scheme since the mere initiation of such proceedings automatically enjoins the Minister until either the proceeding is dismissed or 24 (formerly 30) months expire.³⁴⁷

Given the on-going contests amongst the pharmaceutical companies, NOC Regulations have generated a large amount of litigation since their enactment. Most of these cases are procedural in nature.³⁴⁸ However, several cases before the Federal Court

³⁴¹ *Ibid.* ss. 3 & 4.

³⁴² *Ibid.* s. 5.

³⁴³ *Ibid.* s. 6(6).

³⁴⁴ *Ibid.* s. 6.

³⁴⁵ *Ibid.* s. (5).

³⁴⁶ *Ibid.* ss. 8 & 6(9).

³⁴⁷ *Merck Frost Canada Inc. v. Canada (Minister of National Health And Welfare)* (1998), 80 C.P.R. (3d) 368.

³⁴⁸ See the following cases, which are grouped according to procedural topic:

- a) **Patent List:** *Merck Frost Canada Inc. v. Canada (Minister of National Health and Welfare)* 1997, 72 C.P.R. (3d) 187, 126 F.T.R. 209 (Fed. T.D.), aff'd (1997), 72 C.P.R. (3d) 517, [1997] F.C.J. No. 324 (F.C.A.); *Merck Frost Canada Inc. et al. v. Canada (Minister of National Health and Welfare)* (1997), 74 C.P.R. (3d) 307, [1997] 3 F.C. 752 (F.C.T.D.);
- b) **First Person:** *Merck Frost Canada Inc. et al. v. Canada (Minister of National Health and Welfare) et al.* (1996), 71 C.P.R. (3d) 156, 124 F.T.R. 256 (F.C.T.D.); *Nu-Pharm Inc. v. Attorney General of Canada et al.* (1997), 73 C.P.R. (3d) 510, [1997] F.C.J. No. 624 (F.C.T.D.), aff'd (1998), 80 C.P.R. (3d) 74, 224 N.R. 386 (F.C.A.);
- c) **Multiple Notices of Allegation:** *Schering Canada Inc. et al. v. Nu-Pharm Inc. et al.* (1996), 68 C.P.R. (3d) 332, 114 F.T.R. 310 (F.C.T.D.); *AB Hassle et al. v. Canada (Minister of Health and Welfare)* (1997), 71 C.P.R. (3d) 129, 125 F.T.R. 57 (F.C.T.D.); *Apotex Inc. v. Canada (Minister of National Health and Welfare)* (1997), 72 C.P.R. (3d) 421, 129 F.T.R. 300 (F.C.T.D.); *Eli Lilly and Co. et al. v. Novopharm*

of Canada have considered the actual merits of notices of allegation.

In *Syntex (USA) Inc. v. Novopharm Ltd.*,³⁴⁹ the simple statement by Novopharm that its supplier was not using the claimed process failed to support its allegation of non-infringement. The Court considered such a statement to be a mere allegation of the conclusion required of the Court, rather than an allegation of facts which would help the Court to reach such a finding.

*Hoffman-La Roche Ltd. v. Canada (Minister of National Health and Welfare)*³⁵⁰ was an early decision on the merits that concerned two patents and allegations of non-infringement. On the one hand, the simple statement for one patent that the listed organic acids were not used was sufficient. However, the claims of the second patent had the term "approximate ranges" so the simple statement of non-infringement and undertaking not to infringe were inadequate. In reaching her decision, Reed J. referred to the NOC case law. In the end, she declined to order prohibition without prejudice to the right of the second person to file new notices of allegation.

In *Hoffman-La Roche Ltd. v. Apotex Inc.*,³⁵¹ Apotex advanced both non-infringement and invalidity allegations. However, it lost on all of these arguments. The non-infringement allegation failed; while Apotex claimed its process did not include an essential step, the claim spoke of "one or more of the following steps." As for invalidity, the Court rejected Apotex's inutility argument as to inoperable processes on a plain reading of the claims. The obviousness argument failed because Apotex's own witnesses confessed that the pertinent chemicals were not known at the relevant date. Finally, Apotex's argument that the claims were broader than the disclosed subject matter lost due to a lack of evidence.

The Federal Court of Appeal has confirmed that these prohibition proceedings do not form the proper forum for adjudicating the infringement or validity of patents.³⁵²

Ltd. et al. (1997), 73 C.P.R. (3d) 303, [1997] F.C.J. No. 381 (F.C.T.D.); *Eli Lilly and Co. et al. v. Minister of National Health and Welfare* (1997), 76 C.P.R. (3d) 1, 153 D.R.R. (4th) (F.C.A.);

d) **Multiple Prohibition Proceedings:** *Nu-Pharm Inc. v. Abbott Laboratories, Ltd.* (1997), 77 C.P.R. (3d) 189, 135 F.T.R. 305 (F.C.A.); *Abbott Laboratories v. Apotex Inc.* (1997), 76 C.P.R. (3d) 34, 136 F.T.R. 227 (F.C.T.D.); *Abbott Laboratories v. Apotex Inc.* (1997), 77 C.P.R. (3d) 165, 221 N.R. 169 (F.C.A.);

e) **Timing of Notices of Allegations:** *Merck Frost Canada Inc. et al. v. Canada (Minister of National Health and Welfare)* (1998), 80 C.P.R. (3d) 368 (S.C.C.); *Eli Lilly and Co. v. (Canada) Minister of National Health and Welfare* (1998), 80 C.P.R. (3d) 32, 61 D.L.R. (4th) 1 (S.C.C.);

f) **30 Month Period:** *Merck Frost Canada Inc. v. Apotex Inc.* (1997), 72 C.P.R. (3d) 170 (F.C.A.);

g) **Intermediates:** *Eli Lilly and Company et al. v. Apotex Inc. et al.* (1996), 69 C.P.R. (3d) 81 (F.C.T.D.); *Nu-Pharm Inc. v. Hoffmann-La Roche Ltd. et al.* (1996), 67 C.P.R. (3d) 126, 199 N.R. 4 (F.C.A.).

³⁴⁹ (1996), 65 C.P.R. (3d) 499, 106 F.T.R. 196 (F.C.T.D.).

³⁵⁰ (1996), 67 C.P.R. (3d) 484, 109 F.T.R. 216 (F.C.T.D.) [cited to C.P.R.], *aff'd* (1996), 70 C.P.R. (3d) 206, 205 N.R. 331 (F.C.A.).

³⁵¹ (1997), 79 C.P.R. (3d) 464, 136 F.T.R. 1 (F.C.T.D.). [hereinafter *Hoffman-La Roche*].

³⁵² *Ibid.*

However, two cases, *Abbott Laboratories Ltd. v. Nu-Pharm Inc.*³⁵³ and *Pfizer*,³⁵⁴ resulted in orders of prohibition when the Court found the process proposed by each of the generic companies to be an "obvious chemical equivalent" and the allegations of non-infringement unjustified. Interestingly, Richard J. in *Pfizer* found the proposed method within the scope of the claims on a purposive construction rather than on the basis of literal infringement. This approach contrasts with the decision of Jerome A.C.J. in *Hoffman-La Roche*.³⁵⁵ Jerome A.C.J. was of the view that such a proceeding ought not to entail a complete patent infringement inquiry but rather to permit the Minister to grant an NOC once the Court had established that no literal infringement would occur.

The Federal Court of Appeal has yet to indicate whether "literal" infringement ought to be the test in these proceedings.

III. CONCLUSION

This survey has once again demonstrated that, despite amendments to the Regulations, the establishment of new tests, and even the advent of new and sometimes unusual inventions, the caseload before today's members of the Bench, surprisingly, does not significantly differ from that of their colleagues of some 50 years ago.

Judges are still faced with cases which turn on counsel's insightful and meticulous arguments which seek to subtly polish the well established legal principles of patent law. The practice of patent law remains, as always, intellectually challenging.

In addition, members of the Bench can only continue to be fascinated with the types of inventions put before it as well as the novel and uncommon issues which surround them. Issues such as the ability to obtain a patent on a plant variety or a transgenic mammal would have seemed absolutely inconceivable not so very long ago. Yet, their colleagues of yesteryear also grappled with novel issues when they dealt with the leading technologies of their times. New technologies have and continue to fuel the evolution of the law.

Finally, judges' caseloads are still besieged with pharmaceutical cases. The new Notices of Compliance regulations certainly have not had the effect of easing the court's workload, and the battle between the pharmaceutical companies continues to be waged in the court room.

³⁵³ (1997), 74 C.P.R. (3d) 498, 132 F.T.R. 230 (F.C.T.D.) [cited to C.P.R.].

³⁵⁴ *Supra* note 276.

³⁵⁵ *Hoffman-La Roche*, *supra* note 351.

