



August 3, 2017

By Email

Josée Pharand
Canadian Intellectual Property Office
Patent Branch
50 Victoria Street
Place du Portage I
Gatineau, QC
K1A 0C9

Dear Ms. Pharand:

RE: MOPOP CHAPTER 12 CONSULTATION (JUNE 2017)

FICPI Canada is pleased to provide comments on proposed changes to Chapter 12 of the Manual of Patent Office Procedure (MOPOP).

FICPI (Fédération Internationale des Conseils en Propriété Intellectuelle) has a total membership of over 5000 intellectual property attorneys in private practice in over 86 countries around the world.

FICPI Canada is a self-governing national association of FICPI representing the interests of Canadian patent and trade-mark professionals. Our membership includes senior professionals at most major intellectual property firms who are responsible for filing the vast majority of patent and trade-mark applications that are submitted to CIPO each year. Our members' clients represent all types and sizes of businesses, including multinational corporations, small and medium size enterprises, and individuals.

In addition to busy professional activities, many of our members take the time to participate in training and continuing education in intellectual property protection. Our members are held to the highest standards of the profession of industrial property agents and attorneys on an international scale and follow a strict code of professional conduct. We currently have about 100 members in Canada.

1. General

As a general matter, FICPI Canada would like to highlight and express support for the submission made by the Intellectual Property Institute of Canada (IPIC) on July 27, 2017, and submit that FICPI Canada is in agreement with most of the comments therein. In addition to the detailed commentary and suggestions made in the IPIC submission, FICPI Canada would like to emphasize and/or make the following points.

2. Lack of Discussion on Claim Construction

FICPI Canada agrees that the Proposed Chapter 12 lacks sufficient discussion regarding claim construction, particularly that the issue of subject matter eligibility must be based on a purposive construction of the claims, as set out in *Free World Trust v Électro Santé Inc* 2000 SCC 66.

FICPI Canada also agrees that specific reference to purposive construction should be made in section 11.02 of Chapter 11.

FICPI Canada further adds that specific reference to purposive construction should be made in either section 16.02 or 16.03 of Chapter 16 related to Computer Implemented Inventions. Currently, purposive construction is only referenced in practice notices PN 2013-02 and PN 2013-03. Purposive construction is not, in the opinion of FICPI Canada, being properly applied by Examiners in practice and more needs to be done to address this. As such, we suggest that a more comprehensive discussion of purposive construction be prepared and consistently applied throughout MOPOP in a manner that is consistent with the case law in Canada. Any such comprehensive discussion should also be done with consultation from stakeholders such as FICPI Canada.

More specifically, FICPI Canada would like to remind the CIPO of the following.

Proper Analytical Framework for determining compliance with Section 2:

The proper analytical framework for determining whether or not a properly purposively construed claim complies with Section 2 of the *Patent Act* is set forth on page 11 at para [27] of the *Amazon FCA* decision under the heading (1) Analytical Framework.

The office would achieve Examination results more in-line with the relevant jurisprudence if it were to rewrite Chapter 12 to better adhere to this Analytical Framework and to divide the Chapter into three main headings relating to the three main requirements of Section 2: New, Useful and Category. This would help to ensure consistency in Examination and better consistency with the *Patent Act*. This is especially important since according

to Section 40 of the *Patent Act*, the *Commissioner* can only refuse an application under Section 2 if the Applicant is not by law entitled to a patent.

“By law” means reference to the legislation as interpreted by the courts, the *Commissioner* has no discretion (*Harvard*). MOPOP even states that where there is a discrepancy between it and the relevant legislation, the relevant legislation shall prevail. Consequently in this revision to Chapter 12, the office is requested to closely follow the language of the legislation as interpreted by the courts. However, the office should be cognizant of the evolution of the law and recognize that, for example, *Free World Trust*, decided by the SCC, gives a far better explanation of claim construction than *Schlumberger*, decided by the FCA, and is therefore a far better authority on this topic than *Schlumberger*. Also, with respect, references to *Commissioner’s Decisions* for support for certain interpretations of the legislation should be avoided since they are not deemed to be legal authority.

Chapter 12 could begin with a general setting of the context for assessing whether or not a claim is directed to patentable subject matter and then explaining the three main requirements. This would better align Chapter 12 of MOPOP with Section 2 of the *Patent Act*.

General Context:

Section 27(4) of the *Patent Act* specifies that it is the claims that define the subject matter of the invention and Section 2 defines invention as 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. Therefore it is the claims that are to be used for determining compliance with Section 2 of the *Patent Act* or for determining whether the application complies with Section 27(8).¹

Each claim must be individually purposively construed in accordance with the principles set forth in *Free World Trust v Électro Santé Inc 2000 SCC 66*. (These principles are set forth at para [31] of this case and should be listed verbatim in MOPOP. Any attempt to explain these principles should closely follow the explanations provided in the case. At the very least, MOPOP should clearly indicate that every claim element is essential and a determination of whether or not a claim element is essential or non-essential is made having regard to 1) whether or not it would have been obvious to the skilled reader at the publication date that a variant of a particular claim element would *not* make a difference to the way in which the (overall) invention works; or according to the intent of the inventor, expressed or inferred from the claims that a particular element is essential irrespective of its practical effect. Further support for this is provided by *Martinray Industries Ltd. v. Fabricants National Dagendor Manufacturing Ltd.* (1991), 41 CPR (3d) 41 CPR (3d) 1 at 18 (FCTD), where the Federal Court stated

¹ *Amazon FCA, supra* note 1 at paras 38-41.

that the claims are to be given a purposive construction and “each of the components of a claim is presumed to be essential unless the contrary is clearly indicated in the patent”. The Federal Court continued, citing *Eli Lilly & Co. v. O’Hara Manufacturing Ltd.* (1989), 26 C.P.R. (3d) 1 (FCA), as follows:

“In *Eli Lilly* ..., the Federal Court of Appeal relying on *Catnic* ... preferred to confine itself to the wording of the claims, all components of which are in principle essential. The Federal Court of Appeal there noted that unless the contrary is indicated every component of a claim is essential, and before concluding that a component is not essential, the court must be shown from the wording of the patent that the inventor was well aware that the proposed change would not in any way affect the operation of the invention. ... [T]he Court [in *Eli Lilly*] ... emphasized ... that the patentee himself chooses the wording of his claims and so in principle intends to confine himself to them. In particular, it noted that each of the components of a claim is presumed to be essential unless the contrary is clearly indicated in the patent.” [Emphasis added.]).

After the context statement, the three requirements of Section 2 can be introduced and explained as follows:

The definition of invention set forth in Section 2 establishes three criteria for the subject matter defined by a patent claim:

- 1) the claimed subject matter must be “new”;
- 2) the claimed subject matter must be “useful”; and
- 3) the claimed subject matter must fall into one of the following categories:
 - art, process, machine, manufacture or composition of matter, or
 - an improvement in an art, process, machine, manufacture or composition of matter.

1) “new” under Section 2

Under Section 2, “new” means that there is a contribution to knowledge, something that was not known before.² The Examiner must make a rejection under Section 28.2 to support an allegation that the claimed invention is not new under Section 2.

2) “Useful” under Section 2

² *Calgon Carbon Corp v North Bay (City)*, 2005 FCA 410, 262 DLR (4th) 476 at para 10 [Calgon].

Generally if the subject matter defined by a claim as purposively construed describes an application of new knowledge to effect a desired result which has a commercial value, the “useful” requirement under Section 2 is satisfied.³ To comply with the “useful” requirement under Section 2, the contribution to knowledge must be to the practice of a “useful” art as opposed to a “fine” art.⁴ “Useful” points to practicality as opposed to theory.⁵

The subject matter defined by the applicant’s claims as purposively construed must be an application of new knowledge to effect a desired result which has a commercial value. According to the FCA in *Amazon FCA* it is implicit in the definition of invention in Section 2 that the subject matter defined by the claim as purposively construed must be something with physical existence or something that manifests a discernable effect or change.⁶

Discussions about other subject matter such as schemes etc., could go here.

3) *Categories under Section 2*

The remaining requirements set forth by the definition of “invention” in Section 2 are that the claimed subject matter must fall into one or more of the following categories:

art, process, machine, manufacture or composition of matter, or
any new and useful improvement in any art, process, machine,
manufacture or composition of matter;

It should be noted that because of the context and use of the word “or” in Section 2, if the claimed subject matter falls into any one of the enumerated categories, it meets the category requirement. Furthermore, the categories are not mutually exclusive and claimed subject matter may fall into more than one category.

3. Art (12.01.01)

Shell Oil is unequivocally the starting point for determining whether or not a claim is directed to an “art”.⁷ In *Shell Oil*, the Supreme Court of Canada referred to the definition of “art” from *Lawson v. Commissioner of Patents*,⁸ treating it as a starting point for defining the term, and also referred to its decision in *Tennessee Eastman FCA* stating:

³ *Shell Oil Co. v. Canada (Commissioner of Patents)*, [1982] 2 SCR 536 at 549, [1982] SCJ No 82 [*Shell Oil*].

⁴ *Virginia Carolina Chemical Corp.*, [1958] RPC 35 [*Virginia Carolina*].

⁵ *Calgon*, *supra* note 2 at para 10.

⁶ *Amazon FCA*, *supra* note at para 66.

⁷ *Amazon FCA*, at para 50.

⁸ (1970), 62 CPR 101 (Ex Ct) [*Lawson*].

... that “art” was a word of very wide connotation and was not to be confined to new processes or products or manufacturing techniques but extended as well to new and innovative methods of applying skill or knowledge provided they produced effects or results commercially useful to the public.⁹

There are three important elements in the test for “art” as articulated by the Supreme Court in *Shell Oil*, as followed by the Federal Court in *Progressive Games v. Canada (Commissioner of Patents)*¹⁰ and as followed by the Federal Court of Appeal in *Amazon FCA* and also by the Federal Court *Amazon FCTD*. The three important elements are:

The subject matter defined by the claim as purposively construed:

- i) must not be a disembodied idea but have a method of practical application;
- ii) must be a new and innovative method of applying skill and knowledge; and
- iii) must have a commercially useful result.¹¹

i) Not a disembodied idea but have a method of practical application

This means that the subject matter defined by the claim as purposively construed must be something with physical existence or something that manifests a discernable effect or change.¹² The physical manipulation of playing cards was held to satisfy this requirement in *Progressive Games* at para 18, for example.

ii) Must be a new and innovative method of applying skill and knowledge

This means that the subject matter defined by the claim as purposively construed must provide a contribution or addition to the cumulative wisdom to the current learning or knowledge in the art to which the claimed subject matter pertains.¹³ If there are no rejections of the claim based on Section 28.2 or 28.3 of the Patent Act, then this requirement is satisfied.

⁹ See *Shell Oil*, *supra* note 3 at 554 [as paraphrased by Wilson J].

¹⁰ (1999), 3 CPR (4th) 517 (FCTD) [*Progressive Games*], *aff'd* (2000), 9 CPR (4th) 479 (FCA).

¹¹ *Shell Oil*, *supra* note 3 at para 40 and 41; *Progressive Games*, *ibid.* at para 16; *Amazon FCA*, *supra*; *Amazon FCTD*,

¹² *Amazon FCA*, at para 66.

¹³ *Progressive Games*, *supra* note 10 at paras 19 and 20, supporting *Shell Oil*

iii) *Must have a commercially useful result*

The claimed subject matter defined by the claim as purposively construed must be directed to subject matter that provides a commercially useful result. This is akin to the requirement in Section 2 that the claimed subject matter be directed to the “useful” arts rather than the “fine” arts. Licensed card games such as poker, for example, which generated revenue through licensing, were deemed to satisfy this requirement in *Progressive Games* at para 18.

4. Process (12.01.02)

Some minor modifications to this definition should be made to take into account *Tennessee Eastman SCC*, wherein the word “process” was said to include “a particular method of operation in any manufacture”.

5. Machine (12.01.03)

The definition of “machine” provided in the proposed revisions to MOPOP is acceptable.

6. Manufacture (12.01.04)

The definition of “manufacture” provided in the proposed revisions to MOPOP is acceptable, but an effort should be made to more clearly indicate that a “manufacture” can be a non-living mechanistic product or process.

7. Removal of References to Computer-Related Inventions

As noted by IPIC, FICPI Canada understands the rationale behind removing reference to computer-related inventions from Chapter 12 in view of the standalone Chapter 16. However, FICPI Canada urges CIPO to update Chapter 16 in a useful and accurate manner, keeping in mind the comments above with respect to purposive construction.

8. Definition of Disembodied – Use of “Physical World Language” (12.02)

Section 12.02 related to disembodied inventions includes multiple problematic concepts.

As noted by IPIC, it is concerning to FICPI Canada that this section includes an inaccurate definition of “invention”, i.e., by using the expression “solution to a practical problem”. This expression suggests that the problem-solution approach has basis in Canadian case law, which is inaccurate and risks suggesting that a “contribution approach” is acceptable.

Furthermore, the expression “interact directly with the physical world” is concerning and could have the unintended consequence of excluding subject matter that is understood to be patentable.

The context of the notion of a disembodied idea arises in connection with the “useful” requirement of Section 2 and compliance with Section 27(8) of the Patent Act. As such, the concept of a disembodied idea should be explained at least in connection with the “useful” requirement of Section 2.

Therefore, FICPI Canada supports IPIC’s proposed alternative language in that to satisfy the “useful” requirement of Section 2, the claim as purposively construed “must be something with physical existence, or something that manifests a discernible effect or change” (taken from *Amazon FCA*).

9. Lack of Judicial Support for Excluding Forms of Energy (12.03.04)

FICPI Canada strongly supports IPIC’s position that there is no case law to support CIPO’s exclusion of signal claims. That is, FICPI Canada supports the view that “Forms of Energy” should be considered manufactures and/or compositions of matter, on the basis of the fundamental law of physics that energy and mass (i.e., a composition of matter) are directly related by $E=mc^2$.

10. Patentability of Graphical User Interfaces ‘GUIs’ (12.03.06)

FICPI Canada agrees that while it is understandable that the definition for “printed matter” should be updated, care should be taken to not exclude GUIs from patentability. FICPI Canada also agrees with the suggestion by IPIC to insert text that explicitly states that GUIs remain patent-eligible.

11. Games (12.03.09)

We disagree with IPIC on this topic. The proposed text relies on a Commissioners Decision to support the notion that games are not patentable.

The office is requested to provide a citation to relevant jurisprudence, or remove the section in its entirety.

12. Updating in view of *AstraZeneca* – e.g. Text Related to the ‘Promise’ of the Patent (12.04.02)

FICPI Canada would like to expressly reiterate that section 12.04.02 must be deleted in its entirety in view of *AstraZeneca Canada Inc. v Apotex Inc.*, 2017 SCC 36.

CIPO should also rework the sections on utility in a manner that reflects the authority of the Supreme Court of Canada (SCC) in view of *AstraZeneca*.

13. Requirements for Sound Prediction (12.04.04)

FICPI Canada agrees that this section incorrectly suggests that utility needs to be established based on material in the priority document.

* * *

We thank you for considering our views on this matter and remain, as always, available for discussion. Please contact the undersigned if you have any question or wish to discuss this matter further.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brett J. Slaney", with a long horizontal flourish extending to the right.

Brett J. Slaney

Secretary, FICPI CANADA

On behalf of

FICPI CANADA, FICPI CANADA COUNCIL