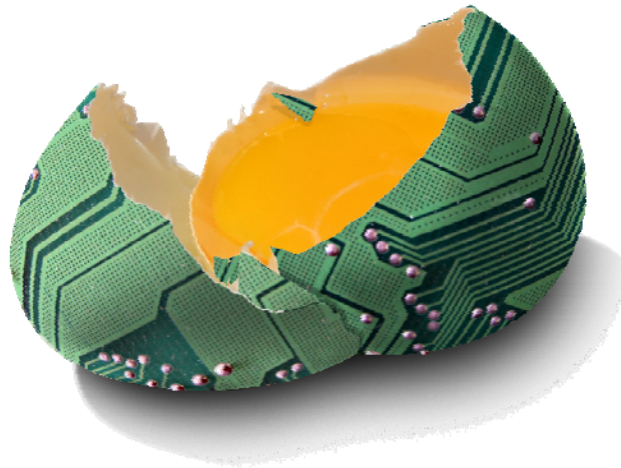


# **Draft Chapter 16 of the Manual of Patent Office Practice: Computer Implemented Inventions**

Submission to the  
Canadian Intellectual Property Office

August 19, 2010



**INTELLECTUAL PROPERTY INSTITUTE OF CANADA**  
**INSTITUT DE LA PROPRIÉTÉ INTELLECTUELLE DU CANADA**

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## **Draft Chapter 16 of the Manual of Patent Office Practice Computer-Implemented Inventions**

The Intellectual Property Institute of Canada (IPIC) is grateful for the opportunity to review and comment on the draft Chapter 16 (Computer-Implemented Inventions) of the Manual of Patent Office Practice (MOPOP) as published on the website of the Canadian Intellectual Property Office (CIPO) in June 2010.<sup>1</sup> Please find our comments below. These comments were prepared by the Information Technology Committee and IPIC members of the Joint Liaison Committee (JLC) - Patents, and were reviewed, revised, and approved by IPIC Council.

### **Who is IPIC?**

The Intellectual Property Institute of Canada (IPIC) is the Canadian professional association consisting of patent agents, trade-mark agents, lawyers and others practicing in all areas of intellectual property law. IPIC members advise individuals, businesses and other entities on the acquisition, commercialization, litigation, and dispute resolution of intellectual property rights, including patents. As part of their role, IPIC members interact with CIPO on a day-to-day basis.

Our membership totals 1,700 individuals, including practitioners in law firms and agencies of all sizes, sole practitioners, in-house corporate intellectual property professionals, government personnel, and academics. Our members act on behalf of small and large businesses, universities, and other institutions with intellectual property rights (e.g. patents, trade-marks, copyright, and industrial designs) throughout Canada and elsewhere, plus foreign companies who do business and/or hold intellectual property rights in Canada.

### **Why is this Chapter of MOPOP Important?**

“A modern intellectual property regime is critical for researchers and creators, whose ability to commercialize the fruit of their labour is directly linked to the protection provided by patent and copyright laws. Canada therefore needs to maintain intellectual property protection that is competitive with its trading partners in order to attract both venture and intellectual capital.”<sup>2</sup>

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<sup>1</sup>Canada. Canadian Intellectual Property Office. *Proposed Changes to MOPOP – Chapter 16*. Retrieved June 16, 2010, from: <http://www.cipo.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr02486.html>

<sup>2</sup>Canada. Industry Canada. *Mobilizing Science and Technology to Canada's Advantage*. 2007.

MOPOP states that it is to be considered solely as a guide and is not to be quoted as an authority; however, it is also said to be the official position of CIPO. The persuasive effect of such an official “guide” is undeniable. These Chapters directly impact which innovations can be protected by patent in Canada. CIPO is the sole issuer of Canadian patents. CIPO examiners, the frontline personnel in examining patent applications, will act in accordance with this Chapter in determining which computer-implemented inventions are patented. Inventors and their representatives may rely on this Chapter in deciding what patent applications to file, and in determining how (and if) to allocate research and development funds. While it is possible for applicants to appeal the decisions of CIPO, the associated cost, time, effort, and uncertainty are often prohibitive, particularly for individuals and small business. It is, thus, critical the MOPOP be as accurate as possible.

### **Initial Comments and Recommendations on Draft Chapter 16**

Many sections of the current draft of Chapter 16 rely on CIPO’s recently revised Chapters 12 and 13. The approaches for determining statutory subject matter and examining applications set out in those chapters are, by and large, inappropriate and inconsistent with Canadian law. IPIC has previously provided detailed comments regarding the problems with Chapters 12 and 13. IPIC maintains its position that much of the material regarding statutory subject matter in Chapter 12 (annexed to this submission), and the examination procedures set out in Chapter 13 have no proper basis in Canadian law.

Furthermore, IPIC notes that much of the rationale underlying Chapters 12 and 13, as well as the current draft of Chapter 16, is at issue in the appeal of *Re Application No. 2,246,933 of Amazon.com* (2009) C.D. 1290. In the *Amazon* decision, the Patent Appeal Board relied heavily on foreign case law, but the law in many jurisdictions has since evolved. For example, the U.S. Supreme Court rendered its decision in *Bilski* on June 28, 2010 (rejecting the machine-or-transformation test as the threshold test for patentable subject matter); and the Enlarged Board of Appeals for the EPO rendered its decision in G0003/08 on May 12, 2010 (confirming rejection of the "contribution approach" in assessing statutory subject matter). CIPO’s current policies regarding statutory subject matter and examination of applications are thus now inconsistent not only with Canadian law, but with practices in many other jurisdictions.

In particular, in the *Amazon* decision the Patent Appeal Board relied on a number of decisions from the England and Wales High Court (EWHC) with regard to the “contribution approach”. The “contribution approach” has never had any basis in Canadian law. The statutory provisions governing subject matter are markedly different in the UK and at the EPO. In particular, the Canadian *Patent Act* has no provisions similar to Art. 52(2) and (3) of the EPC. Furthermore, the contribution approach, as applied to statutory subject matter, is no longer even proper under the EPC. The EPO Enlarged Board of Appeals in G0003/08 (May 12, 2010) completely rejected applying the “contribution approach” for determining whether a claim recites statutory subject matter, stating among other things:

“10.4 It is notable that the definition of further technical effect in Reasons, point 13 makes no reference to the state of the art. Thus, according to this decision it may be determined whether a claim to a computer program is excluded from patentability by Articles 52(2) and (3) EPC independent of the prior art. That is, the identified further technical effect need not be new. By taking this position the Board consciously abandoned the so-called “contribution approach”. (emphasis added)

12.2.1 ... The case law of the Boards of Appeal as a whole is consistent in considering all the features that are claimed. As mentioned above, the Boards have always avoided approaches which involve weighting of features or a decision which features define the “essence” of the invention.” (emphasis added)

Thus, even in Europe, a given claim should be considered in its entirety, and should not be parsed to remove elements.

Finally, the Federal Court heard the appeal of the *Amazon* decision this past April, and is expected to issue a decision within the next few months. There has been little direction from Canadian courts on the patentability of computer-implemented inventions since *Schlumberger Canada Ltd. v. Commissioner of Patents* [(1981), 56 C.P.R. (2nd), 204 (F.C.A.)]. IPIC strongly urges CIPO to delay finalizing a new chapter on computer-implemented inventions until the Federal Court issues its decision, and avoid imprudently adopting new official practices in this area on the eve of one of the most significant Canadian court decisions in this area in almost 30 years.

## **Comments on Specific Sections of Draft Chapter 16**

As noted above, IPIC has serious reservations with some of the rationale underlying the issues presented in the draft Chapter 16, as well as the wisdom of adopting new policies at this time. However, IPIC recognizes that examination of computer-implemented inventions (CIIs) can be very complex, and that CIPO has expended a lot of effort into providing updated guidance to examiners for dealing with applications directed to CIIs. It is hoped that the following suggestions will assist in improving the clarity and consistency of the draft chapter, making it more useful for examiners.

### **16.01**

The definition of "computer" is so broad and vague that it has little meaning. For example, television sets and DVD players would seem to fall into the scope of the definition, as both are based on central processors. The primary differences between a television set and a laptop or personal computer is largely in the nature of the peripherals and interfaces. Similarly, certain types of coffee makers have been using microcontrollers for decades, but most would not consider a coffee maker to be a computer. Unless CIPO considers every device which has any sort of processing capability to be a computer, the definition should be narrowed, perhaps by the nature of their interfaces, the processes that they perform or the degree of specialization of the central processor.

### **16.02**

The final sentence should be modified to add the word "mere" before "presence of a computer" in order to accurately reflect the reasoning of the *Schlumberger* decision.

#### **16.02.01**

The third paragraph makes a broad and unqualified statement that "methods for playing games or creating works of art" are not patentable subject matter. This is misleading, since a method of playing a previously unknown game may be patentable, especially if the method uses new apparatus. Similarly, a method for creating a new type of art which is functionally or structurally (as opposed to aesthetically) different from known works of art may also be patentable. IPIC

recommends that this statement either be deleted or qualified to be consistent with the law, for example as set out in *Progressive Games*.

### **16.02.03**

Several parts of this section conflate statutory subject matter with novelty/obviousness.

For example, the last sentence of the second paragraph, “That is, the device must provide a novel and unobvious technological solution to a technological problem,” appears to suggest that novelty and unobviousness is a condition for statutory subject matter. Likewise, the third paragraph suggests that a claim must be novel and unobvious in order to qualify as statutory subject matter. This is incorrect. For clarity, this section should make the assumption of novelty and unobviousness so that the focus remains on statutory subject matter.

In the last paragraph, the statement that a programmable device “cannot be patentably distinguished ... on the basis of data stored on it” is misleading, since a computer program can be considered to be a collection of data, whereas the previous paragraph correctly states that known hardware controlled by new software may be patentable. This last paragraph seems to add nothing of value and should be deleted to avoid inconsistent interpretation.

### **16.02.04**

A computer is both a machine and a manufacture. That should be indicated in this section.

### **16.03**

The introductory section should be amended to clarify that a computer which has been programmed to implement a patentable method (known hardware controlled by new software) is also patentable. The last statement of the first paragraph and the expression “specially adapted” in the third paragraph could be misinterpreted to mean that a “machine” claim which doesn’t recite new hardware is not patentable.

### **16.03.02**

The fifth paragraph suggests that the examiner should be “guided by the description” in conducting an obviousness analysis. This is not consistent with Canadian law, according to which the analysis for obviousness must be made based on a comparison of the prior art with the invention as defined in the claims. Since we do not use the “problem/solution” approach to obviousness in Canada, examiners should not be required to define a “problem” based on wording of the disclosure.

The 6<sup>th</sup> and 7<sup>th</sup> paragraphs of this section are also problematic and confusing. These paragraphs state that “[w]here the application includes no details regarding how the computer program is to operate, this suggests the applicant considers the manner of implementing their method to be uninventive.” This approach to assessing obviousness does not have any basis in Canadian law. The proper rejection in such a case would seem to be insufficiency of disclosure, assuming that the application does not include enough to allow a person of ordinary skill in the art to make and use the invention without undue experimentation.

### **16.03.03**

#### *Example 1*

The discussion of sample claim 3 goes into detail on the “contribution” approach. It suggests that a claim describes patentable subject matter based on the prior art. If the prior art discloses similar programs, the invention does not make a “contribution” and thus does not comprise statutory subject matter under s. 2. This approach conflates obviousness or anticipation with patentable subject matter. Clearly, a claim can describe statutory subject matter, but still be invalid for obviousness or anticipation.

This section also states (in the last paragraph on page 8) that a lack of detail in the disclosure is a “strong indication” that there is no innovation. This conflates two distinct concepts, namely obviousness and insufficiency. This is incorrect in law, and can lead to an unnecessary rejection since the applicable tests are different.

## *Example 2*

The discussion of claim 1 is confusing in that it refers to “whether a statutory step is considered to be inventive”. It is the invention defined by the claim as a whole which is, or is not, statutory subject matter. It is unclear what is meant by this statement.

The discussion of claims 3 and 4 again conflates the concepts of statutory subject matter with obviousness and anticipation. It suggests that these claims are non-statutory under s. 2 because the steps described in these claims are known in the prior art.

### **16.04**

The last paragraph in this section is inconsistent with Canadian law. As noted in section 16.02, the mere presence of a computer does not confer patentability on an otherwise unpatentable method. It therefore follows that there is no requirement to explicitly define which steps of a computer implemented method are carried out on or by a computer.

#### **16.05.01**

The final paragraph again conflates the concepts of obviousness and insufficiency.

#### **16.05.02**

This section should be amended to clarify that source code or pseudo code may be enabling if it is sufficient for a person skilled in the art to understand how to make and use the invention without undue experimentation.

#### **16.05.04**

There is no basis in Canadian law for requiring identification of “essential elements” in order to determine patentability. The term “essential elements” has a specific meaning in relation to patent infringement, as defined by the Supreme Court of Canada in *Free World Trust*. This accepted meaning differs substantially from the way the term “essential elements” is being used in this section. Also, this section again conflates the concepts of obviousness and insufficiency (in the final two paragraphs).

In any event, this section seems to add nothing of value, is largely redundant with respect to other sections of the MOPOP, and should be deleted. Should CIPO choose to retain this section, a new term should be chosen to avoid confusion with the accepted meaning of the term “essential elements” in Canadian patent law.

## 16.06

As noted above, there is no basis in Canadian law for requiring identification of “essential elements” in order to determine patentability. Any suggestion that a claim may be anticipated by a single publication which discloses less than all of the elements of the claimed invention is incorrect.

The proper test for anticipation remains that which was set out by the Federal Court of Appeal in *Beloit Canada Ltd. v. Valmet Oy* (1986), 8 C.P.R. (3d) 289:

“It will be recalled that anticipation, or lack of novelty, asserts that the Invention has been made known to the public prior to the relevant time. The inquiry is directed to the very invention in suit and not, as in the case of obviousness, to the state of the art and to common general knowledge. Also, as appears from the passage of the statute quoted above, anticipation must be found in a specific patent or other published document; it is not enough to pick bits and pieces from a variety of prior publications and to meld them together so as to come up with the claimed invention. 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. Where, as here, the invention consists of a combination of several known elements, any publication which does not teach the combination of all the elements claimed cannot possibly be anticipatory.” (emphasis added)

This was elaborated on in the recent decision of the Supreme Court of Canada in *Apotex Inc. v. Sanofi-Synthelabo Canada Inc.*, 2008 SCC 61, date: 20081106, docket: 31881, where it was noted:

“As indicated above, in the context of anticipation, the two-step approach, disclosure and enablement, is a refinement of the approach set out in

Beloit and should be adopted.”

That is, the court clarified that once the disclosure requirements of the Beloit test are satisfied, one must then determine whether the disclosure was enabling.

#### **16.07**

In the heading of this section, and throughout the paragraphs, the word “ingenuity” should be changed to “Non-obviousness” or “Inventiveness”.

The term “inventive step” comes from European and PCT practice. The relevant test in Canada is for obviousness, which may often yield the same result as, but is not equivalent to, the test for an inventive step.

As noted above, there is no basis in Canadian law for requiring identification of “essential elements” in order to determine patentability. Further, it is improper to conduct an obviousness analysis on anything less than a claim as a whole, including all elements recited in the claim. The discussion of “non-essential” elements in the third paragraph is therefore irrelevant and should be deleted.

#### **16.08.01**

As noted above with respect to section 16.04, the mere presence of a computer does not confer patentability on an otherwise unpatentable method. It therefore follows that there is no requirement to explicitly define which steps of a computer implemented method are carried out on or by a computer.

#### **16.08.06**

The second sentence of the fourth paragraph could be misinterpreted to suggest that any claims of that form are indefinite, which is incorrect. To improve clarity, this sentence could be amended to read, for example: “A claim to “a method of using the device of claim 1” is indefinite, unless the manner by which the device is used is defined.

#### **16.09.01**

The basic premise of this section, namely that all visual features necessarily have only purely intellectual or aesthetic significance, is incorrect. Visual features can indeed be functional. The arrangement of graphical elements on a

screen can be more for purposes of function than for intellectual or aesthetic appeal, and can provide a technical solution (ease of use of a computer, for example) to a practical problem (computers are hard for some people to use). Excluding a GUI from patentability solely on the basis that all GUI features are necessarily purely intellectual or aesthetic merely because they are visual is inappropriate and has no basis in Canadian law. The examples provided, including icons, buttons, menus and toolbars are clearly interactive components that act like a tool to allow a user to use a computer. Simply because a computer is electronic should not render the tools used to interact with a computer not patentable. Claim 1 in each of Examples 1 and 2 appear to be patentable subject matter.

For example, with respect to Example 2, claim 1 is stated to be objectionable as it is directed to a GUI per se. The general comments prefacing Examples 1-2 state that a GUI is an arrangement of visual elements or a mere display of information and therefore not patentable subject matter. The draft chapter suggests that such visual designs make no "patentable contribution".

While purely ornamental GUI designs may not be eligible subject matter, IPIC disagrees that GUIs per se are not patentable. Indeed, where GUIs or parts thereof (e.g. widgets) provide improved usability (efficiency, ease of use, etc.), they go beyond having mere aesthetic significance and are functional. They are akin to the patentable examples recited in section 12.06.04 (patentability should not be negatively impacted because GUIs are not presented in hard copy):

"... a newspaper layout in which white space is left to facilitate reading when the paper is folded, a layout of text on a series of pages to facilitate a bookbinding process, and a layout of text on a ticket which permits the ticket to be divided either horizontally or vertically while ensuring all information will appear on both halves"

Both Claims of Example 2 are directed to patentable subject matter and there is no basis in the *Patent Act* or other authority to draw a bright line between them.

### **16.09.03**

The first sentence of the third paragraph, which states that "A database management system will generally be understood to be a computer program" is inconsistent with section 16.08.03, which states that "In the computer arts, in contrast, the term system is usually reserved for a machine (a device or

apparatus or network of devices or apparatuses), and it will generally be presumed that this meaning is intended.”

### **16.09.05**

Signals are clearly physical. Electromagnetic signals are claimed in terms of their physical properties - amplitude, frequency, waveform, etc. These physical properties can be measured with physical instruments and have physical effects: microwave ovens being able to cook food, taser guns being operable to disable people, etc.

There is no basis in Canadian law for excluding signals from patentability. CIPO's practice notice from August 2007 does not have the force of law, and should not be cited as an authority for excluding signals from patentability.

### **Endnotes**

The decisions cited in the endnotes for draft chapter 16 represent but a subset of the relevant jurisprudence. Notably it is unclear why the following Patent Appeal Board decisions, all of which were issued after the *Schlumberger* decision and seem to clarify how *Schlumberger* should be applied, are not referred to at all in draft chapter 16:

- *RE APPLICATION FOR PATENT OF DISSLY RESEARCH CORP. (NOW PATENT NO. 1,188,811)*, 6 C.P.R. (3d) 420, C.D. 1044, Patent Appeal Board and Commissioner of Patents, October 2, 1984
- *RE APPLICATION OF VAPOR CANADA LTD. (NOW PATENT NO. 1,203,625)*, 9 C.P.R. (3d) 524, C.D. 1051, Patent Appeal Board and Commissioner of Patents, May 6, 1985
- *RE APPLICATION OF FUJITSU LTD. (NOW PATENT NO. 1,200,911)*, 9 C.P.R. (3d) 475, C.D. 1058, Patent Appeal Board and Commissioner of Patents, May 6, 1985
- *RE APPLICATION FOR PATENT OF SEISCOM DELTA INC. (NOW PATENT NO. 1,196,082)*, 7 C.P.R. (3d) 506, C.D. 1059, Patent Appeal Board and Commissioner of Patents, May 6, 1985
- *Re Application for Patent of Batelle Memorial Institute (Now Patent No.*

- *Re Application for Patent of Tokyo Shibaura Electric Co. Ltd.* (Now Patent No. 1,197,919) (1985) 7 C.P.R. (3d) 555, C.D. 1060, Patent Appeal Board and Commissioner of Patents, May 6, 1985
- *Re Application for Patent of Mobil Oil Corp (Now Patent No. 1,254,297)* (1985) 24 C.P.R. (3d) 571, C.D. 1120, Patent Appeal Board and Commissioner of Patents, September 19, 1988
- *RE APPLICATION FOR PATENT OF INTERNATIONAL BUSINESS MACHINES CORP. (NOW PATENT NO. 1,187,197)*, 6 C.P.R. (3d) 99, C.D. 1043, Patent Appeal Board and Commissioner of Patents, October 2, 1984
- *Re Application for Patent of Belzberg (Now Patent No. 2,119,921)* C.D. 1274, Patent Appeal Board and Commissioner of Patents, January 25, 2007
- *Re Application for Patent of Diamonds.net LLC (Now Patent No. 2,298,467)*, C.D. 1272, Patent Appeal Board and Commissioner of Patents, December 11, 2006
- *Re Application for Patent of Toyota Jidosha Kabushiki Kaisha (Not Patent No. 2,186,076)*, C.D. 1286, Patent Appeal Board and Commissioner of Patents, May 26, 2008

While we do not comment on the other sections, we support CIPO's work in clarifying the other issues in computer-implemented inventions.

Once again, IPIC thanks the Canadian Intellectual Property Office for the opportunity to comment on the June 2010 draft of MOPOP Chapter 16. If we may be of further assistance, please do not hesitate to contact our executive director, Michel Gérin, at 613-234-0516, or [mgerin@ipic.ca](mailto:mgerin@ipic.ca).



Proposed Amendments to Chapters 12  
and 13 of the Manual of Patent Office  
Practice

- Statutory Subject Matter -

Submission to the

Canadian Intellectual Property Office

by the

Intellectual Property Institute of Canada

September 11, 2009

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**SUBMISSION OF THE  
INTELLECTUAL PROPERTY INSTITUTE OF CANADA  
ON PROPOSED AMENDMENTS TO CHAPTERS 12 AND 13  
OF THE MANUAL OF PATENT OFFICE PRACTICE  
STATUTORY SUBJECT MATTER**

**Foreword**

The following is the submission of the Intellectual Property Institute of Canada (“IPIC”) on the February 2009 draft Chapters 12 (Subject Matter and Utility) and 13 (Examination of Applications) of the Manual of Patent Office Practice (“MOPOP”) as published on the website of the Canadian Intellectual Property Office (“CIPO”).<sup>3</sup>

This submission focuses on the topics of the definition of statutory subject matter and the proposals concerning examination for same in the draft Chapters. IPIC has also made a submission on draft Chapters 12 and 13 regarding issues of interest to practitioners in the field of biotechnology.

Because of the complexity and number of new proposals in the draft Chapters with respect to statutory subject matter and examination therefor, IPIC has directed this submission to the larger issues. IPIC has, therefore, left comments on a variety of narrower issues until these larger issues are settled.

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<sup>3</sup> Manual of Patent Office Practice MOPOP Updates, online at:  
<http://www.cipo.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr00758.html>

## **Introduction**

### **Who is IPIC?**

The Intellectual Property Institute of Canada (IPIC) is the Canadian professional association of patent agents, trade-mark agents, and lawyers practicing in all areas of intellectual property law. IPIC members advise individuals, businesses and other entities on the acquisition, commercialization, litigation, and dispute resolution of intellectual property rights, including patents. As part of their role IPIC members interact with CIPO on a day-to-day basis.

Our membership totals over 1,700 individuals, consisting of practitioners in law firms and agencies of all sizes, sole practitioners, in-house corporate intellectual property professionals, government personnel, and academics. Our members act on behalf of small and large businesses throughout Canada, Canadian universities, and other institutions with intellectual property rights (e.g. patents, trade-marks, copyright, and industrial designs) in Canada or elsewhere, and foreign companies who do business in Canada, using their intellectual property rights.

### **Why are these Chapters of MOPOP Important?**

“A modern intellectual property regime is critical for researchers and creators, whose ability to commercialize the fruit of their labour is directly linked to the protection provided by patent and copyright laws. Canada therefore needs to maintain intellectual property protection that is competitive with its trading partners in order to attract both venture capital and intellectual capital.”<sup>4</sup>

MOPOP states that it is to be considered solely as a guide and is not to be quoted as an authority; however, it is also said to be the official position of CIPO. A persuasive effect of such an official “guide” is undeniable. These Chapters impact what innovations can be protected by patents in Canada. CIPO is Canada’s sole issuer of patents. Inventors and their representatives will rely on these Chapters in deciding what patent applications to file. CIPO examiners, the

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<sup>4</sup> Mobilizing Science and Technology to Canada’s Advantage (a framework to guide Canada’s science and technology policy), *Government of Canada, 2007*

frontline personnel in examining patent applications, will act in accordance with these Chapters in determining what inventions are patented. The associated costs, time, effort, and uncertainty are often prohibitive, particularly for small business. Inaccuracies in MOPOP will lead to lost rights and additional steps in the examination process. While applicants have the right to appeal the decisions of CIPO, appeals further add to the cost, time, effort, and uncertainty. It is critical MOPOP be as accurate as possible.

As a simple example, an unwarranted subject matter objection can lead to extended correspondence between examiners and patent agents. Such correspondence can result in years of delay in issuing a patent. This adds to cost for applicants. It also adds to the required effort for applicants and examiners. Uncertainty resulting from the delay can affect the business of applicants who may wish to use the technology not knowing if a patent will eventually issue. Forcing applicants to appeal further extends such delays and costs. This taxes the resources of applicants, CIPO, and the courts.

### **Summary of Recommendations**

Based on the Analysis that follows, IPIC submits the following recommendations.

1. IPIC submits that many of the proposed amendments in draft Chapters 12 and 13 are not consistent with Canadian law. Specifically, the introduction of a "field of technology" requirement, "form and substance" examination and examination for "contribution" is not appropriate. Accordingly, IPIC recommends that these issues not be included in the draft chapters.
2. IPIC recommends that MOPOP be revised on an incremental basis, unless revisions are required for consistency with Canadian law.
3. IPIC recommends that MOPOP be revised to enhance clarity by addressing each issue in only one section of MOPOP.
4. IPIC recommends that, in future, to assist applicants and patent agents in understanding the objective and scope of an amendment, CIPO provide a written explanation of the motivation for revisions to MOPOP when such revisions are released for comment.

## **Analysis**

### **General Comments**

IPIC appreciates the opportunity to comment on the draft Chapters, and values a good working relationship with CIPO that includes an open dialogue. IPIC recognizes and appreciates CIPO has expended a great deal of effort in preparing the draft Chapters.

IPIC also recognizes CIPO is well versed in the issues presented in the draft Chapters. As IPIC further recognizes patent issues, and statutory subject matter issues in particular, can be very complex, it is hoped the particular structure adopted by IPIC for the recommendations and commentary will assist lay readers and those having less familiarity with the issues.

The issues raised by the draft Chapters often involve multiple sections in the draft Chapters. Accordingly, the issues will be discussed on a general level and, where appropriate, illustrative examples from particular sections may be referenced.

This submission is primarily concerned with newly proposed definitions and approaches to examining for statutory subject matter in the draft Chapters. In the interest of time and clarity, this submission does not address each and every detailed aspect of the draft Chapters. Comments on a variety of other issues have been left until the statutory subject matter issues raised in this submission can be addressed.

It is understood that MOPOP reflects CIPO's interpretation of present Canadian law and is published to provide patent examiners, applicants, agents and the public in general with a guide as to CIPO's procedures and practices concerning the prosecution of patent applications in Canada under the Patent Act ("the Act") and the Patent Rules ("the Rules").

IPIC appreciates that it is important to ensure that MOPOP is maintained correct, clear and up to date. In particular, it is important to amend MOPOP to correct errors and to update the existing Chapters to take into account changes to the Act, the Rules, or decided court cases, for example to modernize the interpretation of the Act. Sometimes, it may also or alternately be necessary to amend MOPOP to clarify commentary therein or existing CIPO procedure.

However, whenever any such maintenance of MOPOP is undertaken, it must be done carefully to avoid the introduction of new errors. Further, authority for all statements found in MOPOP must be found in Canadian law: the Act, the Rules, and decisions of the courts interpreting the Act and the Rules. In particular, it is noted that the Commissioner has authority only to act in accordance with the Act and the Rules, as interpreted by decided court cases.

While IPIC appreciates that current Chapters 12 and 13 do have significant problems, the amendments proposed in the current drafts introduce new problems of clarity and, above all, the proposed amendments in many respects are inconsistent with Canadian law. Thus, the following recommendations.

#### **Analysis regarding the First Recommendation:**

**IPIC submits that many of the proposed amendments in draft Chapters 12 and 13 are not consistent with Canadian law. Specifically, the introduction of a "field of technology" requirement, "form and substance" examination and examination for "contribution" is not appropriate. Accordingly, IPIC recommends that these issues not be included in the draft chapters.**

Each of the foregoing issues is new to the draft Chapters and represents a drastic change to the way CIPO examines patent applications for statutory subject matter. There have been no recent changes to the Act or the Rules that are relevant to these issues. Similarly, there have not been any recent decided court cases which would require such changes.

The recent Patent Appeal Board (PAB) decision (Amazon One-Click)<sup>5</sup> which did discuss related issues is not binding on the Commissioner. In addition, the Commissioner's rejection of the related application is under appeal to the Federal Court. Finally, IPIC notes many concepts from the draft Chapters formed part of the Amazon One-Click PAB decision; however, the concepts are not applied consistently between that decision and the draft Chapters. Thus, the Amazon One-Click PAB decision does not support the revisions proposed by the draft Chapters.

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<sup>5</sup> Decision #1290, *Re Application No. 2,246,933*, (March 5, 2009) online at: <http://patents.ic.gc.ca/opic-cipo/comdec/eng/decision/1290/image.html>

Those familiar with the procedure in the UK and the EPO will recognize some similarities to the concepts introduced in the draft Chapters. However, IPIC notes the UK and EP procedures are based on legislation and jurisprudence that is distinctly different from that in Canada. In particular, the definition of invention in Canada is quite different from that of UK and EP law. The Supreme Court of Canada has warned against looking to UK and EP authorities, particularly on the issue of statutory subject matter. For example, the Supreme Court of Canada, speaking about the substantial differences between British and Canadian statutes, has said:

Concerning those cases, I would first observe that I doubt whether decisions dealing with the patentability of inventions under the U.K. Act are entitled in Canada to the weight which authors such as Fox (*Canadian Law and Practice Relating to Letters Patent*, 4th ed., p. 19) seem to think they should have. There are substantial differences between the British and Canadian statutes which need not be enumerated. In *Hoffman-La Roche & Co. Ltd. v. Com'r Pat.* (1955), 23 C.P.R. 1, [1955] S.C.R. 414, 15 Fox. Pat. C. 99, Kerwin, C.J.C., speaking for the majority and dealing with the refusal of the Commissioner to allow "process dependent product claims", said at p. 3:

The difficulty in the appellant's way is not only that the Act does not so provide but section 2(d) and section 35(2) demand a negative answer. The statement as to the English practice in Patents for Inventions by Mr. T. A. Blanco White, at p. 59, "it is of course very common to insert such a claim" is borne out by three English patents filed as exhibits but in view of our statutory provisions that practice cannot be followed here.

In *Com'r Pat. v. Winthrop Chemical Co. Inc.* (1948), 7 C.P.R. 58, [1948] 2 D.L.R., 561, [1948] S.C.R. 46, Estey, J., noted at p. 67 C.P.R., p. 570 D.L.R., "... the Canadian Act is not modeled on the British Act ...", Kellock, J., referred to the meaning of the French version, a meaning that would be irrelevant on the assumption that decisions respecting subject-matter under the British statute are controlling, Rand, J., said at p. 62 C.P.R., p. 564 D.L.R.:

... the intention of a Legislature must be gathered from the language it has used and the task of construing that language is not to satisfy ourselves that as used it is adequate to an intention drawn from

general considerations or to a purpose which might seem to be more reasonable or equitable than what the language in its ordinary or primary sense indicates.<sup>6</sup>

Furthermore, the UK and EP procedures themselves continue to be the subject of prolonged review by the courts and the Appeal Board, which has resulted in years of uncertainty.<sup>7</sup>

Notwithstanding some similarities between the respective definitions of invention in Canada and the US, the draft Chapters do not consider US jurisprudence which is struggling with some similar issues in this area, although not without controversy.<sup>8</sup>

Thus, the laws in other jurisdictions also cannot be used as an authority to support the revisions proposed by the draft Chapters.

Instead, we submit that statutory subject matter must be defined according to the Patent Act and decisions of the courts.

#### **a. The Patent Act**

Section 2 of the Act defines "invention" to mean "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".

In accordance with subsection 27(1) of the Act, if the subject matter of an application is an "invention" within the meaning of section 2, the Commissioner

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<sup>6</sup> *Tennessee Eastman Co. v. Commissioner of Patents* (1972), 8 C.P.R. (2d) 202 (S.C.C.) at 208.

<sup>7</sup> *See for example the criticism of the EPO approach in Aerotel Ltd v. Telco Holding Ltd and others, and Neal William Macrossans's application* [2006] EWCA 1371 (Civ0, paragraph 1 (2006-10-27)), and the ongoing referral to the Enlarged Board of Appeals of the EPO on the question of patentability of computer programs – Ref. No. G 3/08.

<sup>8</sup> *See for example In re Bilski* (2008), 88 USPQ2d 1385 (CAFC), cert granted: *Bilski v. Doll* (2009), order available online at: <http://www.supremecourtus.gov/orders/courtorders/060109zor.pdf>. See also *In Re Nuijten*, (Fed. Cir) (2006-1371) February 11, 2008, petition for rehearing en banc denied, USSC cert. denied.

shall grant a patent for the invention if all other requirements for the issuance of a patent are met. Notably, it is well settled that the Commissioner has no discretion to refuse an otherwise patentable invention.<sup>9</sup>

Therefore, any determination of whether or not a patent application constitutes statutory subject matter begins with an interpretation of whether or not the application falls within the meaning of invention according to section 2. If this requirement has been satisfied, the application can be examined for accordance with the other sections of the Act. For example, subsection 27(8) defines "What May Not Be Patented", and states that "[n]o patent shall be granted for any mere scientific principle or abstract theorem." In this manner, subsection 27(8) is a limited exclusion to section 2.

However, no other section of the Act or the Rules defines what subject matter may or may not be patented.

#### **b. Case Law**

Decisions of Canadian courts specifically interpreting the words of the Act in the definition of "invention" in section 2, as well as in subsection 27(8) of the Act, are relevant and legally binding when determining whether or not a claim in an application constitutes statutory subject matter. Of course, the controlling factor is always the statute, and if the subject matter of an application clearly falls inside or outside the definition of "invention" in section 2 of the Act, reference to case law should be unnecessary. However, in some situations, reference to decisions of the courts may be necessary or useful to gain a full understanding of "invention".

When considering case law, it is important to note that some interpretations by the courts may have been based on previous versions of the Act. For example, the Act at the date of the patent application at issue in *Tennessee Eastman Co. et al. v. Commissioner of Patents* contained a provision that inventions relating to substances prepared or produced by chemical processes and intended for food or medicine could not be claimed in a patent, except when claimed by

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<sup>9</sup> See for example *Monsanto v. Commissioner of Patents* (1979), 42 C.P.R. (2d) 161: "I have emphasized by law to stress that this is not a matter of discretion: the Commissioner has to justify any refusal."

method or process of preparation or production.<sup>10</sup> However, no provision corresponding to this former subsection is found in the current version of the Act. As discussed above, subsection 27(1) is unequivocal that the Commissioner shall grant a patent for an invention that meets the requirements for issuance under the current Act. As such, case law must be carefully applied.

What must be specifically avoided in the determination of statutory subject matter is using case law as a starting point and then interpreting the case law *independent of the words in the statute* to define what is or is not statutory subject matter. Statutory subject matter can never be determined without returning to the words in sections 2 and 27(8) of the Act, and the Commissioner simply has no discretion to determine statutory subject matter by reference to case law only.

Considering all of the foregoing, it is IPIC's position that the case law supports a broad interpretation of the term "invention":

"Because the Act was designed in part to promote innovation, it is only reasonable to expect that the definition of invention to be broad enough to encompass unforeseen and unanticipated technology"<sup>11</sup>

Given the underlying purpose of the Act to promote innovation and to provide protection for things *that by their very definition have not yet been conceived*, any uncertainty should be resolved in favor of allowing patentability. Furthermore, it is submitted that the Commissioner of Patents "ought not refuse an application for a patent unless it is clearly without substantial foundation."<sup>12</sup>

### **c. "Invention" defined by the Act and interpreted by case law**

As noted above, five broad categories of invention are defined in section 2. Some of the categories have been subject to judicial interpretation many times in the case law, while others have been rarely considered. As the definition of what is patentable begins and ends with sections 2 and 27(8) of the Act, IPIC submits

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<sup>10</sup> Subsection 41(1), Patent Act, R.S.C. 1952, c. 203.

<sup>11</sup> *Harvard College v. Canada (Commissioner of Patents)*, [2002] 4 S.C.R. 45, at para 158.

<sup>12</sup> *Monsanto v. Commissioner of Patents*, *supra*.

that more time should be spent in MOPOP expanding on the definitions of the five categories and discussing the various judicial comments that have been proposed over the years.

It is often difficult to provide terse summaries of complicated decisions, and a more detailed discussion may be required for some categories. Furthermore, some judicial comments may be inconsistent with a particular viewpoint on the patentability of some types of inventions, such as software and business methods. However, both patent examiners and applicants are better served by acknowledging that this is a complex exercise and that there may be inconsistencies to be addressed.

For example, while the proposed definition of “art” goes on for several paragraphs in the draft MOPOP, it does not provide a full picture of the Supreme Court's discussion from *Shell Oil*:

“... I think the word ‘art’ in the context of the definition must be given its general connotation of ‘learning’ or ‘knowledge’ as commonly used in expressions such as ‘state of the art’ or ‘the prior art’.... The Court (in *Tennessee Eastman*), however, **affirmed 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.” (emphasis added)<sup>13</sup>

Instead, we note in draft Chapter 12 that the *Tennessee Eastman* SCC decision is used to support a definition of “manual or productive art”. We submit this term only occurred in the decision by reference to a quote at the Exchequer Court level. The SCC neither explicitly defined the term nor approved the quoted analysis. Instead, as noted above, the decision turned on the effect of former section 41(1), which no longer exists.

Various judicial definitions of the category “manufacture” have been presented over the years. For example, in the *Harvard College* decision<sup>14</sup>, Bastarache J. stated “[w]ith respect to the word ‘manufacture’ (*fabrication*), although it may be

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<sup>13</sup> *Shell Oil v. Canada* (Commissioner of Patents) [1982] 2 S.C.R. 536.

<sup>14</sup> *Harvard College v. Canada* (Commissioner of Patents), [2002] 4 S.C.R. 45.

attributed a very broad meaning, I am of the opinion that the word would commonly be understood to denote a non-living mechanistic product or process.” We suggest that, in context, the intended meaning of “mechanistic” was “obeying fixed laws” or, using a term more frequently seen in the context of inventions, “predictable”.

We submit that the treatment of the opinion of Bastarache, J. at section 12.02.04 of the draft Chapters gives the word “manufacture” a narrower meaning than that actually attributed to the word by Bastarache, J.

Regarding “composition of matter”, while it is relatively uncontroversial that the category must have some limits, Bastarache J. conceded that the term “composition of matter” could be broadly interpreted: “The phrase “composition of matter” (composition de matières) is somewhat broader than the term “manufacture” (fabrication).”<sup>15</sup> Furthermore, the reference to “mechanical mass” in *Harvard* was provided as merely one example (based on a translation, from French, of the *Grand Robert de la langue française*), and was presented alongside of another exemplary definition that should at least be mentioned in the draft Chapters as an alternative definition:

“As defined by the Oxford English Dictionary, *supra*, vol. IX, at p. 480, “matter” is a “[p]hysical or corporeal substance in general . . . , contradistinguished from immaterial or incorporeal substance (spirit, soul, mind), and from qualities, actions, or conditions”<sup>16</sup>

Given the importance of accurately defining statutory subject matter, and the complexity which that problem presents, it would be more appropriate for the Commissioner to provide detailed discussions of the five categories of patentable subject matter listed in section 2 of the Act, identify where there is some conflict or uncertainty about how a particular category should be interpreted, and acknowledge that the Commissioner is taking a certain position until the category is further clarified by the courts or from Parliament. This would be preferable to making conclusory statements which imply that no uncertainty exists within the five categories.

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<sup>15</sup> *Harvard College v. Canada, supra.* at para. 161

<sup>16</sup> *Harvard College v. Canada, supra* at para. 163.

Further, IPIC submits that nothing is advanced by seeking to replace one or more of the five categories of invention by the term "technology" or by introduction of examination of statutory subject matter based on "form and substance" or "contribution". These concepts clearly are not supported by the Act or the case law.

#### **d. A "technology" requirement**

As discussed below, the introduction of the terms "technological", "field of technology" and the like in the draft Chapters is neither consistent with the Act, the Rules or decided court cases nor helpful in framing the inquiry of whether the subject matter of an invention is statutory. Accordingly, MOPOP should avoid reliance on such terms, and instead should use language consistent with relevant Canadian jurisprudence in this area.

The first sentence under section 12.02.01 correctly characterizes "art" as "the application of knowledge to effect a desired result". This language is consistent with that of the Supreme Court in *Shell Oil*:

"What then is the "invention" under section 2? I believe it is the application of this new knowledge to effect a desired result which has an undisputed commercial value and that it falls within the words "any new and useful art". I think the word "art" in the context of the definition must be given its general connotation of "learning" or "knowledge" as commonly used in expressions such as "the state of the art" or "the prior art". The appellant's discovery in this case has added to the cumulative wisdom on the subject of these compounds by a recognition of their hitherto unrecognized properties and it has established the method whereby these properties may be realized through practical application. In my view, this constitutes a "new and useful art" and the compositions are the practical embodiment of the new knowledge."<sup>17</sup>

However, section 12.02.01 then goes on to state that "[t]o be statutory, an art must belong to a field of technology". *Canadian Gypsum Co. v. Gypsum, Lime & Alabastine Canada Ltd.*, [1931] Ex. C.R. 180 and *Tennessee Eastman Co. v. Commissioner of Patents*, [1974] S.C.R. 111 are cited as authorities for this

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<sup>17</sup> *Shell Oil v. Canada (Commissioner of Patents)*, *supra*.

proposition, but neither case uses such language. Instead, these cases reference the terms “useful art” and “manual and productive art”, respectively, and neither term is explicitly defined in these cases.

The term “useful art” has not been widely used in Canadian jurisprudence other than as part of the phrase “new and useful art ...”, which appears in the definition of invention in section 2 of the Act. Care must be taken not to conflate the issue of statutory subject matter with those of utility or novelty when reviewing the cases that have considered the phrase “useful art”.

The term “manual and productive art” appears in a number of Decisions of the Commissioner (*Re Application No. 880,719 (1973)*, 18 CPR (2d) 114, *Re Application No. 1,003,389 of N.V. Organon (1973)*, 15 CPR (2d) 253, and *Re Application of Regents of the University of Minnesota (1988)*, 29 CPR (3d) 42). This term also appears in *Harvard College v. Canada (Commissioner of Patents) (2000)*, 7 CPR (4th) 1, rev'd 21 CPR (4th) 417 (SCC) citing the *Organon* PAB decision. The *Organon*, 880,719 and *Harvard College* decisions all contain the same passage:

“The other factor to be decided is whether the "art" in terms of the present process satisfies the prerequisites of being a "useful" art or process within the meaning of section 2, which may be conveniently stated, *inter alia* as to: whether the subject-matter is useful in a "manual or productive art" (as distinct from a fine art such as that in which novelty is solely the exercise of professional skills, or that having intellectual meaning or aesthetic appeal alone), whether the subject-matter is controllable and reproducible by the means disclosed so that the desired result inevitably follows whenever it is worked, and whether the subject-matter has utility in practical affairs (as that in relation to trade, commerce or industry) which is beneficial to the public.”

A manual or productive art is thus one that is useful in relation to trade, commerce or industry, as opposed to fine arts.

Furthermore, in addition to conflicting with Canadian law, the introduction of a “technological” requirement in the draft Chapters does not assist in interpreting the term “useful art”. While examples and various definitions of “technology” and “technological” are provided in the draft Chapters, the point of discussion is being shifted from “what is a useful art?” to “what is technological?” The effect of this is

to rewrite the Act and dispense with the existing jurisprudence, and the Commissioner has no authority to do either. This raises the risk that Examiners will apply an arbitrary “I know it when I see it” test to determining whether any particular invention is “technological”.

In *Harvard College*, the Supreme Court also confirmed that “there is no discretion on the part of the Commissioner to deny a patent on a particular subject matter of invention.”<sup>18</sup> As long as a method has a practical application that produces a commercially useful result, it qualifies as statutory subject matter in Canada. There is no legal justification for rejecting a claim on the ground that it is “non-technological.”

In effect, a broad technology requirement based on “useful art” being “technology” reduces the five categories of invention to one: technology. It is noted from the discussion above that useful art is only one of the five categories of invention.

As discussed above, a “technological” requirement is not supported by Canadian law. The introduction of such a requirement into MOPOP would be likely to lead to greater uncertainty, and result in protracted debates between applicants and examiners as to its appropriateness and interpretation.

For example, although the term “business method” does not appear in the draft Chapters, it is possible Examiners will exclude such methods from patentability on the basis that the methods are not “technological” based, for example on Section 12.04.02. This would be a direct reversal of CIPO’s current official position, as set out in s.12.04.04 of the February 2005 version of MOPOP:

“The expression “business methods” refers to a broad category of subject matter which often relates to financial, marketing and other commercial activities. These methods are not automatically excluded from patentability, since there is no authority in the Patent Act or Rules or in the jurisprudence to sanction or preclude patentability based on their inclusion in this category. Patentability is established from criteria provided by the Patent Act and Rules and from Jurisprudence as for other inventions.”

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<sup>18</sup> *Harvard College v. Canada*, *supra*. at para. 120.

The draft Chapters cite a definition of “technology” from the Oxford English Dictionary. This definition is used as if it had been endorsed by Parliament or the courts; however, this is not the case. Further, the draft Chapters do not interpret the underlying words used in the proposed definition, such as science and industry.

The difficulty in interpreting a technological requirement is evident simply from a review of dictionary definitions of the terms CIPO proposes to use. For example:

“technology”

1. A discourse or a treatise on an art or arts; the scientific study of the practical or industrial arts. B. *transf.* practical arts collectively 1859.
2. The terminology of a particular art or subject; technical nomenclature 1658. (The Shorter Oxford English Dictionary, 1985)

## “science”

The dictionary definitions of "science" can be very lengthy. An example from The Shorter Oxford English Dictionary, 1985 provides:

1. The state or fact of knowing; knowledge or cognizance of something specified or implied; also, knowledge (more or less extensive) as a personal attribute. Now *theol.*, and occas. *Philos.*
2. Knowledge acquired by study; acquaintance with or mastery or any department of learning ...
5. The kind of knowledge or intellectual activity of which the 'sciences' are examples. In early use, with ref. to sense ... b. In mod. Use, often = 'Natural and Physical Science'...

## “industry”

1. Intelligent or clever working; skill, ingenuity, dexterity.
2. A device, contrivance; a crafty expedient ...
4. Systematic work or labour; habitual employment, now esp. in the productive arts or manufactures ...
5. A particular branch of productive labour; a trade or manufacture. (The Shorter Oxford English Dictionary, 1985)

Each of The Webster's II New Riverside Dictionary, 1984; Gage Canadian Dictionary, 1983; and Academic Press Dictionary of Science and Technology, 1992, contain different definitions for technology. From the foregoing, “technology” has a broad meaning in so far as it relates to “useful arts” as proposed by CIPO. Also, the definition of technology as it relates to useful arts does not add to the proper interpretation of “useful art, process, manufacture, machine, or composition of matter” as set out in section 2 of the Act; rather, it appears to introduce new terms for interpretation, such as “science” while continuing to include variants of terms that might be included in “useful arts”, such as “practical arts” and “industrial arts”. Further, it does not directly address the other categories used in section 2.

#### **e. Form and substance examination**

The proposed changes to Chapter 13 describe a “form and substance” style of examination. In the draft Chapters, the form of the invention is defined by the

claim language while the substance of the invention is determined through the disclosure. This is not consistent with Canadian law.

Reference to section 27(4) of the Act clearly provides that it is the claims that define the invention to be examined, not the disclosure. The courts have clearly stated that no distinction is made between the form of the claim and the substance of the invention as set out in the disclosure. Each claim is given a single interpretation. As set out in *Free World Trust* (SCC, 2000), there is one step in construing claims and that is performing a “purposive” construction with adherence to the language of the claims.

Furthermore, according to *Free World Trust* (SCC, 2000), there is no recourse to such vague notions as “substance” or “spirit” of the invention:

There appears to be a continuing controversy in some quarters as to whether there are two approaches to infringement (literal and substantive) or only one approach, namely infringement of the claims as written but “purposively” construed.

In the two-step approach, the court construes the claims and determines whether the device accused of infringement has literally taken the invention. If not, the court proceeds to the second step of asking itself whether “in substance” the invention was wrongfully appropriated. On occasion, treatment of the second step in specific cases **has attracted criticism as being subjective and unduly discretionary**. Once the inquiry is no longer anchored in the language of the claims, the court may be heading into unknown waters without a chart...

... I think we should now recognize, however, that **the greater the level of discretion left to courts to peer below the language of the claims in a search for “the spirit of the invention”, the less the claims can perform their public notice function, and the greater the resulting level of unwelcome uncertainty and unpredictability**. “Purposive construction” does away with the first step of purely literal interpretation but disciplines the scope of “substantive” claims construction in the interest of fairness to both the patentee and the public. (emphasis added)<sup>19</sup>

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<sup>19</sup> *Free World Trust v. Électro Santé Inc.*, [2000] 2 S.C.R. 1024.

Similarly, in *Whirlpool*<sup>20</sup> it is stated that:

it has always been a fundamental rule of claims construction that the claims receive one and the same interpretation for all purposes.

Thus, the “form and substance” approach proposed in the draft Chapters is not simply inaccurate, it is directly in conflict with the jurisprudence on claim construction as settled by the highest court in Canada. Accordingly, this approach should not be included in the draft Chapters.

#### **f. Examination for contribution**

The draft Chapters propose an analysis of a claim to determine its contribution. First, a set of discrete elements within the claim is determined. A discrete element is an element that is not limited by another element within the claim. Each discrete element is examined to determine if it is statutory. Only those discrete elements that are statutory are examined for novelty, obviousness, and utility. IPIC submits that this approach is not consistent with Canadian law.

Again, *Free World Trust* (SCC, 2000) promotes a single purposive construction. As set out above with regard to form and substance, the invention is defined by the claim and not by a subset of the claim. It is the invention defined by the claim that is examined for statutory subject matter. A purposive construction, does not involve a search for further interpretation of “contribution” as what is contributed is already revealed by the construction of the claim as a whole. Any such search for “contribution” adds an additional restriction on the claims that was specifically rejected by the Supreme Court of Canada in *Free World Trust*.

As discussed above, this submission is directed primarily to the method of examination for statutory subject matter set out in the draft Chapters; however, IPIC notes that the above comments regarding construction of the claims as a whole apply also to the examination of the claims for validity, including novelty, obviousness, and utility, as expressly set out in the quotation from *Whirlpool* in the form and substance discussion above. Accordingly, IPIC recommends CIPO adopt a simple approach of assessing a claim initially for statutory subject matter based on the claim as purposively construed (which for examination purposes

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<sup>20</sup> *Whirlpool Corp. v. Camco Inc.*, [2000] 2 S.C.R. 1067.

will generally be the form of the claim as proposed in the draft Chapters) followed by a separate assessment of novelty, obviousness, and utility.

**g. "Essential elements"**

The proposal in draft Chapters 12 and 13 for identifying "essential elements" of the claimed invention differs significantly from the approach to identifying "essential elements" outlined by the Supreme Court of Canada. In the draft Chapters, "essential elements" of the claimed invention are defined as "that set of elements that are, together, necessary to provide a solution to a problem addressed by the inventors". In *Free World Trust*, the Supreme Court held that an element is deemed to be essential if either (a) it would not have been obvious to the skilled reader that a variant of the element would not make a material difference to the way the invention works, or (b) the claims express or infer an intent of the inventor that the element is essential irrespective of its practical effects<sup>21</sup>. CIPO's approach in the draft Chapters to determining what are the "essential elements" differs substantially from the Supreme Court of Canada's approach.

IPIC recommends that CIPO review the portions of these draft chapters that refer to "essential elements" and revise them. If the intention was to outline a new approach to determining the "essential elements" of a claim, then this new approach would be inconsistent with Canadian Law. However, if the intention was not to provide a new approach to determining "essential elements", but rather to outline a concept for examination and the term "essential elements" was not meant to coincide with the accepted meaning of "essential elements" in Canadian law, then IPIC recommends that, to avoid confusion, a different term be used when describing this concept.

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<sup>21</sup> Free World Trust, *supra* note 16 at page 184.

**Analysis regarding the Second Recommendation:**

**IPIC recommends that MOPOP be revised on an incremental basis, unless revisions are required for consistency with Canadian law.**

When introducing revisions to correct any particular procedure or rule it is often suggested that such revisions should be introduced incrementally to avoid the introduction of error. By making incremental, rather than drastic, revisions the likelihood of introducing significant errors is reduced.

As discussed above under the first recommendation there have been no recent changes to the relevant provisions of the Act or the Rules. Similarly, there have not been any recent relevant changes to the jurisprudence. Accordingly, it is submitted that any and all changes should be made on an incremental basis.

**Analysis regarding the Third Recommendation:**

**IPIC recommends that MOPOP be revised to enhance clarity by addressing each issue in only one section of MOPOP.**

The draft Chapters, and MOPOP generally, often address individual issues in multiple locations. As the number of revisions to MOPOP has increased in recent years, this repetition has increased. This results in numerous cross-references within, and between, the draft Chapters. Furthermore, the cross-references often criss-cross one another.

For example, in section 12.04 of the draft Chapters the relationship between “useful arts” and “fields of technology” is discussed. Reference is made to sections 12.01.01, 12.03, and 13.05.01a. Section 12.04 also references a dictionary definition in a footnote. The terms are further discussed in section 13.05.01a, where section 12.02.01 is referenced, and in section 13.05.03, which references section 12.03.”

Also, the draft Chapters do not address the relationship between the draft Chapters and other existing MOPOP Chapters that deal with the same issues, particularly Chapter 16 – Computer-Implemented Inventions and Chapter 17 - Biotechnology.

The repetition and the cross-referencing structure of MOPOP and the draft Chapters makes it difficult to find a definitive discussion for any issue. These

factors also make it difficult to comment on issues and to correct any related commentary, altogether leading to further confusion and uncertainty.

**Analysis regarding the Fourth Recommendation:**

**IPIC recommends that, in future, to assist applicants and patent agents in understanding the objective and scope of an amendment, CIPO provide a written explanation of the motivation for revisions to MOPOP when such revisions are released for comment.**

It would be helpful for CIPO to provide a written explanation of the motivation for revisions to MOPOP and CIPO practice when such revisions are released for comment. This would greatly assist reviewers in their analysis. It would also allow reviewers to provide more helpful comments to CIPO.

The level of detail required for such an explanation should be commensurate with the importance of the revisions and the complexity of the connection between the motivation and the revisions. For example, where the motivation for revision is self-evident only a brief statement may be needed.

**Request for Opportunity to Comment Further**

IPIC appreciates the opportunity to comment on the draft Chapters, and values a good working relationship with CIPO that includes an open dialogue. In light of the extensive comments in this Submission IPIC requests an opportunity for further consultation as the draft Chapters evolve. IPIC offers to meet with CIPO, as convenient for CIPO, as part of an ongoing dialogue regarding the draft Chapters.

As noted above, this Submission is intended to address particular concerns with the statutory subject matter approaches set out in the draft Chapters, rather than a detailed analysis of each and every aspect of the draft Chapters. If CIPO intends to pursue the general statutory subject matter approaches set out in the draft Chapters without revisions, IPIC requests an opportunity to provide further detailed comments regarding particular statements in the draft Chapters which are likely to cause confusion and uncertainty if they are adopted as CIPO's official position.