

**Federal Court of Appeal**



**Cour d'appel fédérale**

**Date: 20171002**

**Docket: A-78-16**

**Citation: 2017 FCA 201**

**CORAM: GAUTHIER J.A.  
STRATAS J.A.  
BOIVIN J.A.**

**BETWEEN:**

**APOTEX INC.**

**Appellant**

**And**

**PFIZER INC., PHARMACIA AKTIEBOLAG  
AND  
PFIZER CANADA INC.**

**Respondents**

Heard at Toronto, Ontario, on February 22, 2017.

Judgment delivered at Ottawa, Ontario, on October 2, 2017.

**REASONS FOR JUDGMENT BY:**

**GAUTHIER J.A.**

**CONCURRED IN BY:**

**STRATAS J.A.  
BOIVIN J.A.**

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**REASONS FOR JUDGMENT**

**GAUTHIER J.A.**

[1] This is an appeal of the decision of Diner J. of the Federal Court dismissing Apotex Inc.'s (Apotex) motion for partial summary judgment. Apotex contended that the respondents' failure to pay the proper application fee for the issuance of Canadian Patent No. 1,339,132 (the 132

Patent) invalidated the patent. The Federal Court disagreed: 2016 FC 136, [2017] 1 F.C.R. 3. Apotex appeals.

[2] The facts relevant to this appeal are not in dispute. The main issue before us is the interpretation of various provisions of the *Patent Act*, R.S.C. 1985, c. P-4, as it existed on September 30, 1989 (the 1989 Act). This version of the *Patent Act* applies given the time of the application for the patent and its issuance. The parties have agreed that the issue can be properly determined by way of summary judgment.

[3] The version of the *Patent Act* at issue is important because both parties relied on case law that involved a later version of the *Patent Act* and the applicable *Patent Rules*, C.R.C., c. 1250 (as of June 1989) (the 1989 Rules) (see Book of Authorities, Vol. 1, tab 7). They also refer to amendments adopted since 1989. This even includes the latest amendment (not yet in force) in the *Economic Action Plan 2014 Act, No. 2*, S.C. 2014, c. 39 (*Economic Action Plan Act*), which makes it clear that non-payment of fees payable before the issuance of a patent will not invalidate the said patent (*Economic Action Plan Act*, s. 138).

[4] This is the first and most likely the last case involving section 73 of the 1989 Act. It is always dangerous and often inappropriate to consider amendments post-dating the version of the statute under review (*Interpretation Act*, R.S.C. 1985, c. I-21, s. 45). In fact, I believe that this resulted in the Federal Court adopting an incorrect approach in its interpretation of section 73 of the 1989 Act. It referred to a later version of section 73 of the *Patent Act* (R.S.C. 1985, c. P-4, s. 73, as am. by *Intellectual Property Law Improvement Act*, S.C. 1993, c. 15, s. 52) and to the

*Patent Rules*, S.O.R./96-423 enacted in 1996. However, as will be seen, this error does not mean that its judgment was wrong in law.

[5] For the reasons that follow, I am of the view that the appeal should be dismissed.

I. Factual Background

[6] On September 12, 1989, the application that ultimately resulted in the issuance of the 132 Patent was filed. At the time, the applicant did not claim small entity status (see 1989 Rules, Sch. I, Form 1 and the petition filed (Appeal Book, Vol. 3, p. AB0494)). The then applicable fee payable as a large entity in the amount of \$300.00 was submitted at the same time as the \$100.00 payable to file an assignment (see 1989 Rules, Sch. II and the cover letter of the petition (Appeal Book, Vol. 3, p. AB0493)).

[7] There is no evidence that the status of the applicant was changed at any time before the issuance of the patent by filing a Form 30 (see 1989 Rules, Sch. I). In fact, it appears, and this is not disputed, that except for the final fee to be paid once the Notice of Allowance was issued, all the prescribed fees in respect of the application and the maintenance of the 132 Patent until its expiration in 2014 were paid on the basis that the applicant (this includes its successors in title) was a large entity as per the relevant *Patent Rules*.

[8] One will never know exactly how the errors occurred, but after receiving the Notice of Allowance in November 1996, the patent agent paid a fee of \$300.00. This was an error. The final fee payable was \$700.00 for applications filed by large entities prior to October 1, 1989.

Then, on April 18, 1997, the patent agent wrote to the Patent Office to say that due to a clerical error only \$300.00 had been paid and an additional \$50.00 (at the time the applicable final fee for a small entity on an application filed before October 1, 1989, was \$350.00) was included.

[9] Despite the expert evidence and the witnesses examined, and given the status of the applicant that should have been recorded in the Patent Office at the relevant time (*i.e.* large entity), it is not clear why the Patent Office accepted the \$350.00 fee as full payment. Whatever the reason, the Commissioner of Patents (the Commissioner) issued the 132 Patent on July 29, 1997.

[10] After subsection 78.6(1) of the Patent Act (see Appendix) came into force on February 1, 2006, patentees had twelve months to correct past payment errors. The applicant did not correct these errors by the end of the twelve month period. After receiving from the Patent Office a list of all patents which may require a top-up payment under section 78.6, the patent agent was instructed by the patentee to ensure that any additional fees due as a large entity should be paid forthwith. Rather than forwarding an additional payment, the patent agent wrote to the Patent Office stating: “Pursuant to 78.6 of the *Patent Act*, be advised that the entity status of this patent is large. Confirmation of this fact would be appreciated.” Although it may be that the agent thought that the prescribed fee had been paid in full given that the status of the applicant since the filing of the petition was that of a large entity, there is no real explanation as to why the said agent did not discover that he had not paid the correct amount of the final fee due on receipt of the Notice of Allowance. When examined in 2014, he had no recollection of this file and most of his file had been destroyed sometime in 2002. Rather than clarifying why the 132 Patent was on

the list of patents sent to the patent agent given that it was always a large entity, the Patent Office acknowledged receipt of payment as a large entity and that their record had been amended to indicate this status. Again two mistakes.

[11] In the end result, the proper application fee payable back in 1997 was never paid and the Federal Court so found (Federal Court Reasons at para. 37).

[12] The motion for partial summary judgment before the Federal Court arose in the context of a proceeding under section 8 of the *Patented Medicines (Notice of Compliance) Regulations*, S.O.R./93-133, instituted by Apotex on June 14, 2013, to claim damages resulting from the delay in obtaining its Notice of Compliance for a product which allegedly infringed the 132 Patent. In their statement of defence and counterclaim filed in response to the said section 8 proceedings, the respondents allege, among other things, that Apotex had been infringing the 132 Patent. Apotex defended the counterclaim, alleging that the 132 Patent is invalid for various reasons. One reason it asserted was the failure to pay the proper application fee.

## II. Issue

[13] As mentioned, there is only one question before us: whether or not the Federal Court erred when it found that the failure to pay the proper application fee does not invalidate the 132 Patent.

[14] This is a question of law reviewable on the standard of correctness (*Housen v. Nikolaisen*, 2002 SCC 33 at para. 8, [2002] 2 S.C.R. 235).

### III. Positions of the Parties

[15] Apotex says that the Commissioner of Patents did not have the power to issue the 132 Patent. The Commissioner could only issue the patent when all the requirements for issuing a patent under the 1989 Act had been met (section 27). Apotex contends that as the proper application fee had not been paid in full, as a matter of law under subsection 73(1) of the 1989 Act, the application was forfeited as of May 19, 1997. This is a fact or default on which Apotex can rely as a defence against allegations of infringement within the meaning of section 59 of the 1989 Act because it renders the 132 Patent void. In support of this contention, Apotex relies heavily on the reasoning of this Court in *Dutch Industries Ltd. v. Canada (Commissioner of Patents)*, 2003 FCA 121, [2003] 4 F.C.R. 67 (leave to appeal to S.C.C. refused, 29738 (December 11, 2003)) (*Dutch*).

[16] The respondents urge us to be guided by the reasoning of this Court in *Weatherford Canada Ltd v. Corlac Inc.*, 2011 FCA 228, 422 N.R. 49 (leave to appeal to S.C.C. refused, 34459 (March 29, 2012)) (*Weatherford*). *Weatherford* concerned whether an applicant's error in fulfilling a requirement for a patent application under section 73 (as it stood in 1996) (see Appendix) can be considered a "fact or default" (section 59) an alleged infringer could rely upon as a defence to infringement after a patent has issued. Interpreting section 73 (as it stood in 1996) purposively, the Court found that the legislator did not intend such fact or default to void a patent. In reaching this conclusion, the Court relied on what it considered a long line of cases which refused to consider various acts or defaults during the prosecution of the application, *i.e.*, the pre-patent issuance period, as acts or defaults that can be relied upon in an infringement

action or a counterclaim seeking to invalidate a patent (*Lovell Manufacturing Co. v. Beatty Bros. Ltd.* (1962), 41 C.P.R. 18 at 40 (Ex. Ct.); *Bourgault Industries Ltd. v. Flexi-Coil Ltd.* (1999), 237 N.R. 74 at para. 31, 86 C.P.R. (3d) 221 (F.C.A.), leave to appeal to S.C.C. refused, 27273 (March 23, 2000); *Procter and Gamble Co. v. Beecham Canada Ltd.* (1982), 40 N.R. 313 at paras. 68-69, 61 C.P.R. (2d) 1 (F.C.A.), leave to appeal to S.C.C. refused, 16993 (May 10, 1982) (*Procter and Gamble*); *Merck & Co., Inc. v. Apotex Inc.*, 2006 FCA 323 at para. 47, [2007] 3 F.C.R. 588, leave to appeal to S.C.C. refused, 31754 (May 10, 2007)).

[17] Apotex points out that *Weatherford* was based on a different pre-patent issuance error, *i.e.*, a different branch of section 73. Thus, it should be distinguished. Alternatively, at paragraph 90 in its memorandum, Apotex submits that this Court should overrule *Weatherford* based on *Miller v. Canada (Attorney General)*, 2002 FCA 370, 220 D.L.R. (4th) 149 (leave to appeal to S.C.C. refused, 29501 (April 17, 2003)) (*Miller*). Apotex did not pursue this submission in oral argument at the hearing. In any event, I can summarily reject this submission. Apotex did not meet its burden of establishing that *Weatherford* was “manifestly wrong, in the sense that the Court overlooked a relevant statutory provision, or a case that ought to have been followed” (*Miller* at para. 10).

[18] In oral argument at the hearing, neither party asked this Court to overrule any other cases. Rather, faced with authorities against their positions, they submitted that they be distinguished on their facts. It is worth noting that none of the cases, particularly *Dutch* and *Weatherford*, dealt with subsection 73(1) of the 1989 Act. Where the parties differ is on the relevance to the case



before us of the reasoning adopted in each of those decisions. Assessing this is the task of the Court in this appeal.

[19] We have before us a question of law and so correctness is the standard of review. I will proceed with my own analysis of the relevant provisions of the 1989 Act and the most salient authorities relied upon by the parties.

#### IV. Legislative Provisions

[20] The most relevant provisions of the 1989 Act read as follows:

[...]

**APPLICATION FOR PATENTS**  
**Who may obtain patents**

**27.** (1) Subject to this section, any inventor or legal representative of an inventor of an invention that was

(a) not known or used by any other person before he invented it,

(b) not described in any patent or in any publication printed in Canada or in any other country more than two years before presentation of the petition hereunder mentioned, and

(c) not in public use or on sale in

[...]

**DEMANDES DE BREVETS**  
**Qui peut obtenir des brevets**

**27.** (1) Sous réserve des autres dispositions du présent article, l'auteur de toute invention ou le représentant légal de l'auteur d'une invention peut, sur présentation au commissaire d'une pétition exposant les faits, appelée dans la présente loi le « dépôt de la demande », et en se conformant à toutes les autres prescriptions de la présente loi, obtenir un brevet qui lui accorde l'exclusive propriété d'une invention qui n'était pas

a) connue ou utilisée par une autre personne avant que lui-même l'ait faite;

b) décrite dans un brevet ou dans une publication imprimée au Canada ou dans tout autre pays plus de deux ans avant la présentation de la pétition ci-après mentionnée;

c) en usage public ou en vente au

Canada for more than two years prior to his application in Canada, may, on presentation to the Commissioner of a petition setting out the facts, in this Act termed the filing of the application and, on compliance with all other requirements of this Act, obtain a patent granting to him an exclusive property in the invention.

### **Applications for patents out of Canada**

(2) Any inventor or legal representative of an inventor who applies in Canada for a patent for an invention for which application for patent has been made in any other country by that inventor or his legal representative before the filing of the application in Canada is not entitled to obtain in Canada a patent for that invention unless his application in Canada is filed, either

(a) before issue of any patent to that inventor or his legal representative for the same invention in any other country, or

(b) if a patent has issued in any other country, within twelve months after the filing of the first application by that inventor or his legal representative for patent for that invention in any other country.

### **What may not be patented**

(3) No patent shall issue for an invention that has an illicit object in view, or for any mere scientific principle or abstract theorem.

[...]

Canada plus de deux ans avant le dépôt de sa demande au Canada

### **Demandes de brevets à l'étranger**

(2) Un inventeur ou représentant légale d'un inventeur, qui a fait une demande de brevet au Canada pour une invention à l'égard de laquelle une demande de brevet a été faite dans tout autre pays par cet inventeur ou par son représentant légal avant le dépôt de sa demande au Canada, n'a pas le droit d'obtenir au Canada un brevet couvrant cette invention sauf si sa demande au Canada est déposée :

a) soit avant la délivrance d'un brevet à cet inventeur ou à son représentant légal couvrant cette même invention dans tout autre pays;

b) soit, si un brevet a été délivré dans un autre pays, dans un délai de douze mois à compter du dépôt de la première demande, par cet inventeur ou son représentant légal, d'un brevet pour cette invention dans tout autre pays.

### **Ce qui n'est pas brevetable**

(3) Il ne peut être délivré de brevet pour une invention dont l'objet est illicite, non plus que pour de simples principes scientifiques ou conceptions théoriques.

[...]

## **LEGAL PROCEEDINGS IN RESPECT OF PATENTS**

### **Void in certain cases, or valid only for parts**

**53.** (1) A patent is void if any material allegation in the petition of the applicant in respect of the patent is untrue, or if the specification and drawings contain more or less than is necessary for obtaining the end for which they purport to be made, and the omission or addition is wilfully made for the purpose of misleading.

#### **Exception**

(2) Where it appears to a court that the omission or addition referred to in subsection (1) was an involuntary error and it is proved that the patentee is entitled to the remainder of his patent, the court shall render a judgment in accordance with the facts, and shall determine the costs, and the patent shall be held valid for that part of the invention described to which the patentee is so found to be entitled.

#### **Copies of judgment**

(3) Two office copies of the judgment rendered under subsection (1) shall be furnished to the Patent Office by the patentee, one of which shall be registered and remain of record in the Office and the other attached to the patent and made a part of it by a reference thereto.

[...]

## **INFRINGEMENT**

[...]

## **PROCÉDURES JUDICIAIRES RELATIVES AUX BREVETS**

### **Nul en certains cas, ou valide en partie seulement**

**53.** (1) Le brevet est nul si la pétition du demandeur, relative à ce brevet, contient quelque allégation importante qui n'est pas conforme à la vérité, ou si le mémoire descriptif et les dessins contiennent plus ou moins qu'il n'est nécessaire pour démontrer ce qu'ils sont censés démontrer, et si l'omission ou l'addition est volontairement faite pour induire en erreur.

#### **Exception**

(2) S'il apparaît au tribunal que pareille omission ou addition est le résultat d'une erreur involontaire, et s'il est prouvé que le breveté a droit au reste de son brevet, le tribunal rend jugement selon les faits et statue sur les frais. Le brevet est réputé valide quant à la partie de l'invention décrite à laquelle le breveté est reconnu avoir droit.

#### **Copies du jugement**

(3) Le breveté transmet au Bureau des brevets deux copies authentiques de ce jugement. Une copie en est enregistrée et conservée dans les archives du Bureau, et l'autre est jointe au brevet et y est incorporée au moyen d'un renvoi.

[...]

## **CONTREFAÇON**

[...]

## **Defence**

**59.** The defendant, in any action for infringement of a patent may plead as matter of defence any fact or default which by this Act or by law renders the patent void, and the court shall take cognizance of that pleading and of the relevant facts and decide accordingly.

[...]

## **FORFEITURE AND RESTORATION OF APPLICATIONS**

### **Forfeiture of applications**

**73.** (1) Where the prescribed fees stated to be payable in a notice of allowance of patent are not paid within six months from the date of the notice, the application for patent is thereupon forfeited.

### **Restoration**

(2) A forfeited application may be restored and a patent granted thereon on application to the Commissioner within six months from the incurrance of the forfeiture, on payment with the application for restoration, in addition to the fees payable on the grant of the patent, of a further prescribed fee.

### **Idem**

(3) A restored application is subject to amendment and re-examination.

## **Défense**

**59.** Dans toute action en contrefaçon de brevet, le défendeur peut invoquer comme moyen de défense tout fait ou manquement qui, d'après la présente loi ou en droit, entraîne la nullité du brevet; le tribunal prend connaissance de cette défense et des faits pertinents et statue en conséquence.

[...]

## **DÉCHÉANCE ET RÉTABLISSEMENT DES DEMANDES**

### **Déchéance des demandes**

**73.** (1) Lorsque les taxes réglementaires déclarées être payables dans un avis d'acceptation de brevet ne sont pas acquittées dans un délai de six mois à compter de la date de l'avis, la demande de brevet est alors frappée de déchéance.

### **Rétablissement**

(2) Une demande frappée de déchéance peut être rétablie, et un brevet peut être accordé en conséquence sur requête adressée au commissaire dans un délai de six mois à compter du moment de la déchéance, sur versement, lors de la demande de rétablissement, outre les taxes exigibles à la concession du brevet, d'une taxe réglementaire additionnelle.

### **Idem**

(3) Une demande rétablie est sujette à modification et à nouvel examen.

[...]

[...]

V. Analysis

[21] At the outset, I wish to say more about the decisions of this Court in *Dutch* and *Weatherford*.

A. *Dutch*

[22] In *Dutch*, when the patent application No. 2,146,904 (the 904 application) was filed in April 1995, the applicant paid the application filing fees on the basis that it was a small entity. This was in error: all the parties acknowledged that the applicant could not claim it had a small entity status as of November 25, 1994 (*Dutch* at para. 18).

[23] *Dutch* arose on an application for judicial review of a decision of the Commissioner to accept a top-up payment and effectively reinstate the application (*Dutch* at para. 20).

[24] The appeal also involved a second issue regarding Patent No. 2,121,388 (the 388 Patent), in respect of which, the application was filed in April 1994 claiming a small entity status (*Dutch* at paras. 10, 12). With respect to 388 Patent, it was admitted that, at the time, the applicant did meet the definition of “small entity”.

[25] Considering the prescribed form for the petition (hereinafter called the application) to be filed at the relevant times (see *Patent Rules*, Sch. I, Form 1), the applicant in respect of both

patent applications would have had to make a declaration in respect of its status as a small entity in the application.

[26] Despite the change in status as of November 25, 1994, all fees applicable to the 388 Patent both before and after its issuance were all paid at the rate applicable to a small entity (*Dutch* at paras. 12, 47). The Patent Office was not advised of any change in status until March 29, 2000 (*Dutch* at para. 18).

[27] It was argued that the Commissioner could not amend the Patent Office records upon receipt of a top-up payment made in 2000 because by that time, the application for the 388 Patent had become abandoned by the operation of law due to partial payment of the maintenance fees in 1995 (*Dutch Industries Ltd. v. Canada (Commissioner of Patents)*, 2001 FCT 879 at para. 13, [2002] 1 F.C.R. 325). It was further argued that, in any event, the patent had expired in accordance with subsection 46(2) of the *Patent Act* (see Appendix), which provides that when fees for the maintenance of a patent are not paid within the time prescribed, the term of the patent shall be deemed to have expired at the end of that time.

[28] Thus, with respect to the failure to pay the proper maintenance fees applicable to both the 904 application and the application for the 388 Patent, the Court had to construe paragraph 73(1)(c) as it appeared in the newer version of the *Patent Act* (see Appendix). It differs from section 73 of the 1989 Act.

[29] This Court had no difficulty concluding that paragraph 73(1)(c) applied to the 904 application. The said application was deemed abandoned and had not been reinstated within the time provided for in the *Patent Act*. Thus, the Commissioner had no authority to amend its record and accept the top-up payment as a corrective payment (*Dutch* at paras. 48-49).

[30] With respect to the application for the 388 Patent and the patent itself, the Court construed the *Patent Rules* purposively and concluded that once an applicant properly filed its application as a small entity, it retained that status throughout the prosecution and thereafter (*Dutch* at para. 46). Thus, the application for the 388 Patent was never deemed abandoned, nor did the 388 Patent lapse, for the prescribed maintenance fees had been paid in full at all relevant times (*Dutch* at para. 47).

[31] Thus, the Court did not have to determine what would have been the effect of the failure to pay the maintenance fee of the application for the 388 Patent on the validity of the 388 Patent. Sharlow J.A. for this Court wrote in *obiter* that a failure to pay a maintenance fee could have catastrophic consequences (*Dutch* at para. 43). Parliament took notice: in 2005, it quickly adopted subsection 78.6(1) of the *Patent Act* (*An Act to amend the Patent Act*, S.C. 2005, c. 18, s. 2). This provision deals with the failure to pay large-entity fees for applications and patents (see Appendix: *Patent Act*, s. 46). Since then, further amendments have been adopted but are not in force yet (*Economic Action Plan Act*, s. 138).

[32] Be that as it may, this *obiter* does not change the fact this Court in *Dutch* did not have to deal with the validity of the 388 Patent, having found that the proper fee had been paid prior to

its issuance. This Court effectively reversed the Federal Court's findings in respect of the 388 Patent.

[33] Finally, I ought to note that in *Dutch*, the Commissioner argued that it was entitled to rely on an applicant's declaration that it was a "small entity" (*Dutch* at para. 16). As mentioned, an applicant must claim a small entity status in the application (*Patent Rules*, Sch. I, Form 1). Thus, the Commissioner's reliance on such a statement makes sense when one considers that an untrue statement in the petition (*i.e.*, application) is subject to the application of section 53 of the *Patent Act* (same as section 53 of the 1989 Act).

[34] In the present case, the applicant made no untrue statement in its application for the 132 Patent. Its status as a large entity was not misrepresented and it never changed.

[35] Also, section 59 of the 1989 Act was not in play in *Dutch*, considering the type of proceeding involved – a judicial review instituted shortly after the decision under review was made.

B. *Weatherford*

[36] In *Weatherford*, our Court was dealing with an appeal of a decision of the Federal Court in respect of an infringement action and a counterclaim challenging the validity of the Patent No. 2,095,937 (the 937 Patent).



[37] As in *Dutch*, the patent application for the 937 Patent was filed after October 1, 1989 (*Weatherford* at para. 14). The 937 Patent issued in December 1998 (*Weatherford* at para. 1). Thus, the relevant provisions of the *Patent Act*, particularly section 73, were not the same as those that apply in the present appeal.

[38] However, paragraphs 130 to 151 of our Court's reasons in *Weatherford* are relevant here. In these paragraphs, the Court addresses the issue whether the alleged infringer could rely on paragraph 73(1)(a) of the *Patent Act*, as it then read, to invalidate the 937 Patent.

[39] Although many paragraphs of this version of section 73 deal with the failure to pay various fees prior to the issuance of a patent, the paragraph of section 73 at issue in *Weatherford* provides that the application will be deemed abandoned if the applicant does not reply in good faith to any requisition by an examiner within the prescribed time period.

[40] Layden-Stevenson J.A., writing for our Court, applied the modern principles of statutory interpretation (*Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 S.C.R. 27, 154 D.L.R. (4th) 193) (*Rizzo*). In particular, she examined the scheme of the Act and its objects, and read section 73 in its context among the other provisions of the Act, particularly section 53. Section 53 deals with untrue statements in an application and misrepresentations in a specification and their impact on the validity of issued patents. She reviewed case law where our Court has consistently distinguished between applications for patents and issued patents (*Weatherford* at para. 145). She considered the issuance of a patent as a significant moment such that paragraph 73(1)(a) spoke only during the prosecution of the application, not afterward. In her view, once the patent issues,

paragraph 73(1)(a) no longer operates to affect the issued patent (*Weatherford* at para. 150). She considered the decision of our Court in *Dutch* and distinguished it, finding that it was not dealing with the validity of a patent. Thus, in her view, *Dutch* did not support the position that paragraph 73(1)(a) could be relied upon to invalidate the patent (*Weatherford* at para. 151).

[41] I agree with Layden-Stevenson J.A.'s treatment of *Dutch* and of the other authorities referred to in paragraph 151 of her reasons. As I do not find any other cases relied upon by Apotex to be of assistance, I will not discuss them in these reasons.

C. *Can Apotex rely on subsection 73(1) in the 1989 Act as a fact or default under this Act that renders the patent void pursuant to section 59 in the 1989 Act?*

[42] Our task is to construe the relevant words of the 1989 Act “in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the [statute]”, its objects and the intention of the legislator (*Rizzo* at para. 21).

[43] The ordinary meaning of the words in subsection 73(1) would normally cover situations where the prescribed fees for the patent application were not paid at all or were not paid in full, voluntarily or through an inadvertent error. However, the provision does not expressly deal with its impact on a patent issued, especially when it results from inadvertent mutual mistakes (*i.e.*, mistakes on the part of the applicant as well as the Patent Office).

[44] I note that on such literal interpretation of this provision, if the payment in respect of the 132 Patent application had been made, let's say within a month or two of the receipt of the

Notice of Allowance, and the patent issued prior to the expiration of the six months provided for in subsection 73(1), the application would not have become forfeited before such issuance even if the payment was not made in full. Thus, to include mutual mistakes that result in the issuance of a patent could result in inconsistent consequences depending on whether the patent issues before the end of the six months or not. This appears unfair.

[45] Having considered the legislative evolution of subsection 73(1) of the 1989 Act, it becomes clearer that the object of this provision was to provide a tool for the Commissioner to collect fees. It first appeared as a note in the Tariff of Fees, then included in the statute, when Parliament decided in 1923 to lessen the financial burden required when filing an application for a patent (see Appendix: *The Patent Act*, S.C. 1923, c. 23, the relevant portion of s. 43) (the 1923 Act). Until then, upon filing the application, the applicant had to pay upfront the fees for the duration of the patent he was seeking (see Appendix: *Patent Act*, R.S.C. 1906, c. 69, s. 47) (the 1906 Act). Like maintenance fees for patent applications and for patents, it was also a means for getting rid of “deadwood”.

[46] When the Tariff of Fees was transferred to the *Patent Rules* later on, the note became subsection 73(1). This legislative evolution also explains why one finds this provision at the end of the 1989 Act just before the sections dealing with offences and punishment.

[47] Reading subsection 73(1) in the context of subsection 73(2), I first note that the words “may be restored and a patent granted” in subsection 73(2) suggest that the legislator did not envisage that section 73 would be relevant where a patent already issued. Second, it is clear that

the legislator wanted to give a real opportunity to an applicant to rectify a failure to pay the prescribed fees within six months after the forfeiture. If a patent issues because of inadvertent mutual mistakes before the end of the period set out to restore the application, there is no realistic opportunity to discover that the fees were not properly paid. It is difficult to see how voiding the patent issued will help achieve the legislator's intent to provide a cure in the pre-patent issuance period. The object of this provision is not particularly helpful to support the view put forth by Apotex.

[48] Now, considering the broader context, did the legislator intend that an alleged infringer be able to raise a default like the one before us, which occurred prior to the issuance of the patent and does not come within the ambit of section 53? Are we in the presence of a “fact or default which by this Act or by law renders the patent void” under section 59?

[49] Apotex's answer to these questions is simple. It cites subsection 27(1) of the 1989 Act. That subsection provides that an “inventor [...] may, on presentation to the Commissioner of a petition setting out the facts [...] and on compliance with all other requirements of this Act, obtain a patent granting to him an exclusive property in the invention” (my emphasis). Section 59 of the 1989 Act provides that when defending an infringement action, a defendant “may plead [...] any fact or default which by this Act or by law renders the patent void.” Thus, on Apotex's view of the matter, any failure to meet any requirement of the Act, including the *Patent Rules* pursuant to subsection 12(2) of the 1989 Act (see Appendix) will render a patent void.

[50] In my view, the wording of section 59 is not as clear as Apotex suggests. One must go beyond the text of a legislative provision and consider the context of the legislative provision and the legislative purpose (*Rizzo*). This is so even if the words of the legislative provision seem clear (*ATCO Gas & Pipelines Ltd. v. Alberta (Energy and Utilities Board)*, 2006 SCC 4 at para. 48, [2006] 1 S.C.R. 140) (*ATCO*). Once context and purpose are considered, subsection 27(1) of the 1989 Act does not mean that any failure to meet any requirement of the Act renders the patent void.

[51] The simple and literal approach advocated by Apotex to sections 27 and 59 is attractive, but in my view, it leads to an absurd result and disregards the scheme and object of the Act, and the true purpose of those provisions. This Court, in *Weatherford* (at para. 150) and *Dutch* (at paras. 41-42), made it clear that an interpretation leading to absurd results should be avoided if at all possible, considering the importance of patents and the catastrophic consequences that a purely literal interpretation would lead to. In *Dutch*, this led our Court to greatly restrict the type of cases in which the version of section 73 of the *Patent Act* at issue could apply (no change in the status of an entity after the filing).

[52] As noted in *Weatherford* (at para. 142), this Court has consistently construed the facts and defaults that can be raised by an alleged infringer as those relating to the patentability of the invention by the person seeking the patent and those set out in section 53 of the 1989 Act, or in similar provisions in previous versions of the patent legislation dealing expressly with the nullity or voidance of patents.

[53] Here, I ought to mention that the wording of section 59 of the 1989 Act has been in every version of the patent legislation since 1869, when the first Canadian statute was adopted after the Confederation to deal with patents for invention (see Appendix: *An Act respecting Patents of Invention*, S.C. 1869, c. 11, s. 26 (the 1869 Act); 1906 Act, s. 34).

[54] In substance, section 59 has been on the books since 1869. Parliament has also included, since 1869, a provision dealing with who may seek a patent which, like section 27 of the 1989 Act, included the words relied upon by Apotex: “may, on a petition [...] presented to the Commissioner and on compliance with the other requirements of this Act, obtain a patent...” (see Appendix: 1869 Act, s. 6) (my emphasis). Thus, in all the precedents referred to above, it was open to the courts to adopt Apotex’s view.

[55] Thus, it is telling that as early as 1927, the Supreme Court of Canada, on an appeal involving a decision of the Exchequer Court in an infringement action where the defendant alleged as a ground of invalidity the absence of any affidavit in support of the application for a reissued patent (a requirement for the issuance of such patent), stated:

we are satisfied that any insufficiency in the material on which the Commissioner acts, the entire absence of an affidavit or any defect in the form and substance of that which is put forward as an affidavit in support of the claim, cannot, in the absence of fraud, which in this instance has not been suggested, avail an alleged infringer as a ground of attack on a new patent issued under s. 24. It is not a “fact or default, which, by this Act, or by law, renders the patent void” (*Patent Act*, s. 34).

(*Fada Radio Ltd. v. Canadian General Electric Co. Ltd.*, [1927] S.C.R. 520 at 523-524.) (*Fada*)

[56] When it wrote its reasons, the Supreme Court of Canada in *Fada* was fully aware that, as the court below put it, “[t]he legal effect of a failure to strictly comply with certain formalities of

the statutes and rules regarding applications for patents had not apparently been the subject of discussion in reported cases in Canada or England, but it has been the subject of discussion in many American cases” (*The Canadian General Electric Co., Ltd. v. Fada Radio Ltd.*, [1927] Ex. C.R. 107 at 111).

[57] Thus, I consider ourselves bound by the essential concept in *Fada*, that pre-patent issuance defects in the administrative process for applying for a patent cannot be relied upon by an alleged infringer to render a patent void.

[58] The *Patent Act* and the practice of the Patent Office have evolved since *Fada*. But in a number of cases since, our Court has agreed with the essential holding in *Fada*. It has ruled that defects in the pre-patent issuance process that do not come within the ambit of provisions dealing expressly with the voidance of a patent, like section 53 of the 1989 Act, cannot be relied upon by an alleged infringer to render a patent void.

[59] For example, in *Procter & Gamble*, again in the context of an action for infringement and a defence of invalidity, the Court had to determine whether a failure to meet the requirement set out in subsection 63(2) of the then applicable version of the *Patent Act* (see Appendix: 1989 Act, s. 61(2)) was a fact or default which could be raised by an alleged infringer to void the patent.

[60] Subsection 63(2) addressed circumstances in which a patent application was made for an invention that was already covered by an existing patent. It provided that the patent application would be “deemed to have been abandoned unless the applicant” moved to set a pre-existing

patent aside, which the applicant in that case had not done. The Court agreed with the trial judge “that the subsection ‘has nothing to do with an issued patent’ [as it] is not a provision to be applied after the issuance of the second patent to provide a basis for alleging the invalidity thereof” (*Procter & Gamble* at para. 69).

[61] There is no need to determine whether the word ‘forfeited’ (in French ‘périmée’) in subsection 73(1) has the same meaning as the word ‘abandoned’ (in French ‘abandonnée’) used in the various provisions of the 1989 Act (see Appendix for examples: 1989 Act, s. 30, 36(3), 61(2)). In all cases, the events referred to in those provisions occur in the pre-patent issuance period and the legislator provided for an opportunity to reinstate or restore the application after its status (abandoned or forfeited) was changed by the operation of the law, even if the time in which to do so and what needs to be established to do so may differ.

[62] The legislator is presumed to know the law and how it has been applied, especially where, as here, the case law of appellate courts has been consistent for such a long period of time (2747-3174 *Québec Inc. v. Québec (Régie des permis d'alcool)*, [1996] 3 S.C.R. 919 at paras. 237-238; *ATCO* at para. 59).

[63] The legislator was well aware of the distinction between an application and a patent. Since 1869, Parliament has used precise wording when it intended to deal with matters that could void a patent. Section 53 of the 1989 Act is evidence of the fact that the legislator turned its mind to facts and defaults that could void a patent.



[64] Prior versions of the Patent Act contained more provisions, like section 53, dealing expressly with the nullity and voidance of patents. These reflect what the legislator considered to be so fundamental as to justify this harsh consequence. For example, for several decades, a patent would become null if the invention was not manufactured in Canada within a prescribed period. This was in line with one of the objects of the patent legislation which was to promote inventions that would be practised in Canada, i.e., to promote economic and technological development in Canada.

[65] Section 53 first deals with untruth in the application (petition). Thus, it is significant that the prescribed form for the application in the 1989 Rules requires the applicant to state that he or she made the invention and verily believes to be entitled to a patent having regard to the provisions of the Patent Act. This obviously does not speak to any matter arising during the prosecution of the application. It is directed only to matters that are at the heart of the patent bargain between an inventor and the public, not technical matters such as whether the prescribed fee has been paid.

[66] The second portion of section 53 addresses omissions or unwarranted additions in the specification – that is, misrepresentations in what is actually disclosed to the public. One would normally expect this to be more important than an inadvertent mistake that results in payment of a few dollars less than what was due. Still, Parliament made it clear that the patent will only be void if the misrepresentation was made with an intent to deceive. An involuntary error will not affect the validity of the patent for the part of the invention to which the patentee is found to be entitled.

[67] When one looks at the overall scheme of the 1989 Act, it speaks to different actors (petitioners, co-inventors, co-owners, the Commissioner, third parties such as an alleged infringer), different stages of the process (pre-and post-patent issuance) and different types of proceedings and remedies available to each such actor.

[68] This is why for example, section 59 was not in play in *Dutch* (a judicial review), and would not be in play in the various types of appeals provided for in the 1989 Act.

[69] There is nothing unusual or offensive about the fact that certain actors can raise issues that others cannot in other types of proceedings. The choices made by Parliament are consistent with the fact that most matters occurring during the administrative prosecution of a patent application should be dealt with within a relatively short period of time, through appeals and judicial reviews as this ensures finality and certainty. In the context of such proceedings, one can reasonably expect administrative law principles to apply. This is particularly important where, as in this case, a timely review of the Commissioner's decision to issue the 132 patent would have likely enabled the applicant to restore the application pursuant to subsection 73(2) of the 1989 Act.

[70] However, defences to actions for infringement are not based on administrative law principles; they are based on patent law. This is the law to which section 59 refers to, in the same manner that it is the law to which section 40 of the 1989 Act (see Appendix) refers to when it says that the Commissioner can refuse the application when he "is satisfied that an applicant is not by law entitled to be granted a patent." The legislative evolution of section 40 indicates that

the legislator had initially listed the substantive grounds for patentability to be met by a person to obtain a patent (see Appendix: 1906 Act, s. 17). But patent law evolved through the interpretation of the *Patent Act* by the courts. For example, it included matters such as double patenting and obviousness. Hence, Parliament then chose instead to mention more generally that the applicant must be entitled by law (see Appendix: 1923 Act, s. 19; *The Patent Act, 1935*, S.C. 1935, c. 32, s. 41); that is now part of the wording of section 40 of the 1989 Act.

[71] An action for infringement is a statutory right. It was included in 1869 in the first Canadian statute on patents for invention (see Appendix: 1869 Act, s. 23, 24). The fact that the alleged infringer can raise certain defences does not change the nature of the proceeding. It is not a judicial review. The matter is not decided on the basis of what was before the Commissioner. It has never been so for more than a hundred years (see *Eli Lilly and Co v. Apotex Inc.*, 2009 FC 991, 80 C.P.R. (4th) 1 at paras. 353-354, 359, 362, aff'd 2010 FCA 240, 90 C.P.R. (4th) 327, leave to appeal to S.C.C. refused, 33946 (May 5, 2011)).

[72] It would be absurd in the overall context of the 1989 Act to construe section 59 as enabling an alleged infringer to void a patent (here a successful pharmaceutical patent worth millions if not billions of dollars) say ten years later or even after its expiration, on the basis that the petitioner was a few pennies short. This is all the more so considering that, as mentioned, the proposed interpretation of section 73 would have inconsistent and unfair consequences (see paragraph 44 above).

[73] To be certain, courts will apply the law, even if it leads to absurd results, but only if it is impossible to interpret it another way (Ruth Sullivan, *Ruth Sullivan on the Construction of Statutes* (6<sup>th</sup> ed.), 2014 at §10.4). This is not the case here.

[74] The Federal Court properly concluded that Apotex could not rely on section 73 of the 1989 Act to void the patent. It is not an act or default that comes within the ambit of section 59 of the 1989 Act.

[75] Finally, I ought to mention that historically, the grounds for invalidating a patent were originally those for which a writ of *scire facias* could be obtained (see Appendix: 1869 Act, s. 29). This was also the case in England. As noted by Lord Diplock in *Bristol-Myers Co (Johnson's) Application*, [1975] 92-6 R.P.C. 127 at 156, the grounds to repeal a patent by *scire facias* before 1884 were essentially codified in section 32 of the *Patents Act, 1949* (U.K.), 12, 13 & 14 Geo. 6, c. 87 (the U.K. 1949 Act), in England (see Appendix). The grounds on which one could impeach a patent were the same as those that could be raised as a defence to an action for infringement (see Appendix: U.K. 1949 Act, s. 32(4)).

[76] The patent legislation applicable in the European Union and in the United States since then adopted a similar approach and the grounds on which one can impeach a patent or raise invalidity as a defence to an infringement action are expressly listed.

[77] Considering the importance of patents nowadays, and the importance given to intellectual property law in trade treaties, courts should obviously be careful before adopting an

interpretation that would put Canada at odds with its trading partners. Thus, I am comforted by the fact that my purposive interpretation of the 1989 Act does not require the addition or the recognition of the new grounds of invalidity that Apotex's view in respect of sections 27 and 59 would entail and that could be in direct conflict with those generally recognized in England, Europe and the United States.

[78] To conclude, I propose to dismiss the appeal with costs fixed at an all-inclusive amount of \$5,000.00.

“Johanne Gauthier”

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J.A.

“I agree  
David Stratas J.A.”

“I agree  
Richard Boivin J.A.”

## Appendix

*An Act respecting Patents of Invention, S.C. 1869, c. 11*

[...]

**WHO MAY OBTAIN PATENTS**

**Residents of Canada during one year, may obtain Patents for their own discoveries and inventions**

**Form of Patent**

**Proviso**

**6.** Any person having been a resident of Canada for at least one year next before his application, and having invented or discovered any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvement on any art, machine, manufacture or composition of matter, not known or used by others before his invention or discovery thereof, or not being a the time of his application for a patent in public use or on sale in any of the Provinces of the Dominion with the consent or allowance of the inventor or discoverer thereof, may, on a petition to that effect presented to the Commissioner and on compliance with the other requirements of this Act, obtain a Patent granting to such person an exclusive property therein ; and the said Patent shall be under the seal of the Patent Office and the signature of the Commissioner, or the signature of another member of the Privy Council, and shall be good and avail to the grantee, his heirs, assigns or other legal representatives, for the period mentioned in such Patent ; but no Patent shall issue for an invention

[...]

**DES PERSONNES QUI PEUVENT SE FAIRE BREVETER**

**Les résidents en Canada pourront prendre brevets pour leurs inventions**

**6.** Quiconque aura résidé depuis une année au moins en Canada quant (sic) il fera sa demande, et qui aura inventé ou découvert quelque art, machine, procédé ou composition de matière, nouveau et utile, ou quelque perfectionnement nouveau et utile à un art, machine, procédé ou composition de matière, lequel n'était pas en usage ni connu par d'autres avant qu'il en fit l'invention ou découverte, ou ne sera pas, lors de la demande du brevet, dans le domaine public ou en vente dans quelque'une des provinces du Canada, du consentement ou par la tolérance de l'auteur de l'invention ou découverte, pourra, en présentant à cette fin une demande au Commissaire et en remplissant les autres formalités voulues par le présent acte, obtenir un brevet lui conférant le droit exclusif d'exploiter sa découverte ou son invention ; et le brevet sera revêtu du sceau du bureau des brevets et de la signature du Commissaire, ou, de la signature d'un autre membre du conseil privé ; et il vaudra et profitera au titulaire et à ses héritiers, cessionnaires ou autres représentants légaux pendant la durée exprimée au

or discovery having an illicit object in view, nor for any mere scientific principle or abstract theorem.

[...]

## **ASSIGNMENT AND INFRINGEMENT OF PATENTS**

[...]

### **Remedy for infringement of patent**

**23.** Every person who, without the consent in writing of the Patentee, makes, constructs or puts in practice any invention or discovery for which a Patent has been obtained under this Act, or procures such invention or discovery from any person not authorised to make or use it by the Patentee, and uses it, shall be liable to the Patentee in an action of damages for so doing ; -and the judgment shall be enforced, and the damages, and costs as may be adjudged, shall be recovered in like manner as in other cases in the Court in which the action is brought.

### **Action for infringement of patent**

#### **Injunction may issue**

#### **Appeal allowed**

**24.** An action for the infringement of a Patent may be brought before any Court of Record having jurisdiction to the amount of damages asked for and having its sittings within the Province in which the infringement is said to have taken place, and being at the

dit brevet ; mais il ne sera pas concédé de brevets pour des inventions ou découvertes ayant pour objet des choses illicites, ni pour des découvertes purement scientifiques ou des théorèmes abstraits.

[...]

## **CESSION ET CONTREFAÇON DES BREVETS**

[...]

### **Amende pour violation du droit d'un breveté**

**23.** Quiconque, sans avoir eu le consentement par écrit du breveté, fera, construira ou mettra en pratique une chose quelconque pour laquelle un brevet d'invention ou de découverte aura été pris sous l'empire du présent acte, ou se procurera cette chose d'une personne non autorisée par le breveté à la confectionner ou à en faire usage, et en fera usage, sera, pour cet acte, passible à l'égard du breveté d'une action en dommages-intérêts, et le jugement sera exécuté, et les dommages et frais adjugés seront recouvrés, dans la forme suivie dans les autres cas au tribunal où l'action sera portée.

### **Action pour violation de brevets**

**24.** Il pourra être porté une action pour contrefaçon de brevet devant tout tribunal ayant juridiction jusqu'à concurrence des dommages-intérêts réclamés et siégeant dans la province où la contrefaçon sera représentée avoir été commise, et se trouvant, des

same time, of the Courts of such jurisdiction within such Province, the one of which the place of holding is nearest to the place of residence or of business of the defendant ; and such Court shall decide the case and determine as to costs ; in any action for the infringement of a Patent, the Court, if sitting, or any judge thereof in Chambers if the Court be not sitting may, on the application of the plaintiff or defendant respectively, make such order for an injunction, restraining the opposite party from further use, manufacture or sale of the subject matter of the patent, and for his punishment in the event of the disobedience to such order, or for inspection or account, and respecting the same and the proceedings in the action, as the Court or Judge may see fit ; - but from such order an appeal shall lie under the same circumstances and to the same Court, as from other judgments or orders of the Court in which the order was made.

[...]

### **Defence in actions for infringement**

**26.** The defendant in any such action may specially plead as matter of defence any fact or default which by this Act or by law would render the Patent void ; and the Court shall take cognizance [sic] of that special pleading and of the facts connected therewith, and shall decide the case accordingly.

### **NULLITY, IMPEACHMENT AND VOIDANCE OF PATENT**

**Patent to be void in certain cases or only valid for part**

tribunaux qui auront une telle juridiction dans cette province, celui dont le siège sera le plus près du lieu de résidence ou d'affaire du défendeur ; et ce tribunal prononcera et adjugera les dépens; dans toute action pour contrefaçon de brevet, le tribunal, s'il siège, ou un de ses juges en chambre, si le tribunal n'est pas en session, pourra, sur requête soit du demandeur, soit du défendeur, rendre tel ordre d'injonction, interdisant à la partie adverse l'usage, la manufacture ou la vente de la chose brevetée et portant une peine en cas de transgression du dit ordre, ou rendre tel ordre d'inspection, ou de production de compte, et tel ordre concernant ces choses et les procédures dans la cause, que le tribunal ou le juge croira justes ; mais on pourra interjeter appel de cet ordre, dans les circonstances et au tribunal où se porteront les appels des jugements et ordres du tribunal qui aura décerné cet ordre.

[...]

### **Défense à l'action**

**26.** Le défendeur, dans toute telle action, pourra plaider spécialement en défense tout fait ou défaut qui, par le présent acte ou par la loi, entraîne la nullité du brevet ; et le tribunal prendra connaissance de ce plaidoyer spécial et des faits qui s'y rapporteront, et prononcera en conséquence.

### **NULLITÉ, CONTESTATION ET DÉCHÉANCE DES BREVETS**

**Annulation des brevets en certains cas**



**27.** A Patent shall be void, if any material allegation in the petition or declaration of the applicant be untrue, or if the specification and drawings contain more or less than is necessary for obtaining the end for which they purport to be made, such omission or addition being wilfully made for the purpose of misleading ; but if it shall appear to the Court that such omission or addition is simply an involuntary error, and it is proved that the Patentee is entitled to the remainder of his Patent pro tanto, the Court shall render a judgment in accordance with the facts, and determine as to costs, and the Patent shall be held valid for such part of the invention described, and two office copies of such judgment shall be furnished to the Patent Office by the Patentee, one to be registered and to remain of record in the office, and the other to be attached to the Patent and made a part of it by a reference.

[...]

### **Proceedings for impeachment of patent**

#### **Scire facias may issue**

**29.** Any person desiring to impeach any Patent issued under this Act, may obtain a sealed and certified copy of the Patent and of the petition, declaration, drawings and specification thereunto relating, and may have the same filed in the Office of the Prothonotary or Clerk of the Superior Court for the Province of Quebec , or of the Court of Queen's Bench or Common Pleas for the Province of Ontario, or of the Supreme Court in the Province of

**27.** Le brevet sera nul, si la requête ou la déclaration de l'impétrant contient quelque allégation importante qui soit fausse, ou si la spécification et les dessins contiennent plus ou moins qu'il ne sera nécessaire pour atteindre le but dans lequel on les fera, cette addition ou cette omission étant faite volontairement dans l'intention d'induire en erreur ; mais s'il appert au tribunal que cette omission ou cette addition est simplement une erreur involontaire, et qu'il soit prouvé que le breveté a droit au reste de son brevet pro tanto, le tribunal rendra jugement suivant les faits et prononcera sur les frais, et le brevet sera réputé valable pour cette partie de l'invention décrite ; et le breveté fournira au bureau des brevets deux copies de ce jugement, dont l'une sera enregistrée et gardée en dépôt au bureau, et l'autre sera annexée et par une note de renvoi, incorporée au brevet.

[...]

### **Procédure pour contester un brevet**

**29.** Quiconque voudra contester un brevet émis sous l'autorité du présent acte, pourra obtenir une copie scellée et certifiée du brevet, de la requête, de la déclaration, des dessins et de la spécification y relatifs et pourra les faire déposer au bureau du protonotaire ou greffier de la Cour Supérieure en la province de Québec, ou de la Cour du Banc de la Reine ou des plaids communs en la province d'Ontario, ou de la Cour suprême en la province de la Nouvelle-Écosse, ou

Nova Scotia, or of the Court of Queen's Bench in the Province of New Brunswick, according to the domicile elected by the Patentee as aforesaid, which Court shall adjudicate on the matter and decide as to costs ; the Patent and documents aforesaid shall then be held as of record in such Court, so that a Writ of Scire Facias under the Seal of the Court grounded upon such record may issue for the repeal of the Patent, for legal cause as aforesaid, if upon proceedings had upon the Writ in accordance with the meaning of this Act the Patent be adjudged to be void.

[...]

de la Cour du Banc de la Reine en la province du Nouveau-Brunswick, suivant l'élection de domicile du breveté ; lesquelles cours prononceront sur l'affaire et sur les frais ; le brevet et les documents en question seront alors réputés pièces de dépôt dans cette cour, en sorte qu'on puisse faire émettre, sous le sceau de la cour, un bref de scire facias, fondé sur ces pièces, aux fins de faire révoquer le brevet pour cause légale comme susdit, si après les procédures prises sur le bref en conformité de l'intention du présent acte, le brevet est déclaré nul.

[...]

Patent Act, R.S.C. 1906, c. 69

[...]

**REFUSAL TO GRANT PATENTS**

**Commissioner may object to grant a patent in certain cases**

**17.** The Commissioner may object to grant a patent in any of the following cases: –

*(a)* When he is of opinion that the alleged invention is not patentable in law ;

*(b)* When it appears to him that the invention is already in the possession of the public, with the consent or allowance of the inventor ;

*(c)* When it appears to him that there is no novelty in the invention ;

[...]

**REFUS DE CONCESSION DE BREVETS**

**Le commissaire peut refuser le brevet dans certains cas**

**17.** Le commissaire peut objecter à la concession du brevet dans les cas suivants : –

*a)* Lorsqu'il est d'opinion que l'invention alléguée n'est pas brevetable aux termes de la loi ;

*b)* Lorsqu'il a lieu de croire que le public est déjà en possession de l'invention, du consentement ou par la tolérance de l'inventeur ;

*c)* Lorsqu'il ne lui paraît y avoir rien de nouveau dans l'invention ;

(d) When it appears to him that the invention has been described in a book or other printed publication before the date of the application, or is otherwise in the possession of the public ;

d) Lorsqu'il lui paraît que l'invention a été décrite dans un livre ou autre publication imprimée avant la date de la demande de brevet, ou qu'elle est entrée de quelque autre manière dans le domaine public ;

(e) When it appears to him that the invention has already been patented in Canada, unless the Commissioner has doubts as to whether the patentee or the applicant is the first inventor ;

e) Lorsqu'il lui paraît que l'invention a déjà été brevetée en Canada, à moins que le commissaire n'ait des doutes sur la question de savoir lequel, du breveté ou des requérants, est le premier inventeur ;

(f) When it appears to him that the invention has already been patented in a foreign country, and the year has not expired within which the foreign patentee may apply for a patent in Canada, unless the Commissioner has doubts as to whether the foreign patentee or the applicant is the first inventor.

f) Si l'invention a déjà été brevetée en pays étranger, et que l'inventeur aît demandé un brevet en Canada dans l'année qui suit l'émission du premier brevet étranger pour cette invention, à moins que le commissaire n'ait des doutes sur la question de savoir lequel du breveté étranger ou du requérant est le premier inventeur.

[...]

[...]

#### **IMPEACHMENT AND OTHER LEGAL PROCEEDINGS IN RESPECT OF PATENTS**

#### **ACTIONS EN NULLITÉ ET AUTRES PROCÉDURES JUDICIAIRES RELATIVEMENT AUX BREVETS**

[...]

[...]

#### **Defence in action for infringement**

#### **Défense à l'action**

**34.** The defendant, in any such action, may plead as matter of defence, any fact or default which, by this Act, or by law, renders the patent void ; and the court shall take cognizance of such pleading and of the facts connected therewith, and shall decide the case accordingly.

**34.** Le défendeur dans toute telle action peut alléguer spécialement comme moyen de défense tout fait ou défaut qui, d'après la présente loi ou d'après le droit, entraîne la nullité du brevet ; et la cour prend connaissance de cette défense en conséquence.

[...]

[...]

#### **PATENT FEES**

#### **TARIF DES DROITS**

**Tariff of fees**

47. The following fees shall be payable before an application for any of the purposes herein mentioned shall be received by the Commissioner, that is to say:-

Full fee for 18 years.....\$60.00

Partial fee for 12 years.....40.00

Partial fee for 6 years.....20.00

Fee for further term of 12 years..40.00

Fee for further term of 6 years...20.00

[...]

**Droits**

47. Les demandes aux fins diverses mentionnées en la présente loi ne sont accueillies par le commissaire qu'après versement des droits suivants, savoir:-

Droit entier, pour 18 ans.....\$60.00

Droit partiel, pour 12 ans.....40.00

Droit partiel, pour 6 ans.....20.00

Droit pour une prolongation de 12 ans.....40.00

Droit pour une prolongation de 6 ans.....20.00

[...]

The Patent Act, S.C. 1923, c. 23

[...]

**REFUSAL TO GRANT PATENTS****Power of Commissioner to refuse grant**

19. The Commissioner may object to grant a patent whenever he is satisfied that the applicant is not by law entitled thereto, and when it appears to him that the invention has already been patented, unless the Commissioner has doubts as to whether the patentee or the applicant is the first inventor and the application was filed within two years from the date of the patent.

[...]

[...]

**REFUS DE CONCESSION DE BREVETS****Le commissaire peut refuser le brevet dans certains cas**

19. Le commissaire peut s'opposer à la concession d'un brevet, lorsqu'il juge qu'aux termes de la loi, le requérant n'y a pas droit, et lorsqu'il est d'avis que l'invention a déjà été brevetée, à moins que le commissaire ne doute que le breveté ou le requérant ne soit le premier inventeur et que la demande ait été produite dans les deux ans qui suivent la date du brevet.

[...]

**PATENT FEES**

Tariff of fees

**43.** (1) The following fees shall be payable before an application for any of the purposes herein mentioned shall be received by the Commissioner, that is to say:-

On filing an application for patent.....\$15.00

On grant of patent .....20.00

(Payable on pain of forfeiture within six months from the date of notice of the allowance of patent.)

[...]

**TARIF DES DROITS**

Droits

**43.** (1) Les demandes aux fins diverses mentionnées en la présente loi ne sont accueillies par le commissaire qu'après versement des droits suivants, savoir :

En déposant une demande de brevet.....\$15.00

À la délivrance du brevet.....20.00

(À payer sous peine de déchéance dans un délai de six mois à compter de la date de l'avis de délivrance du brevet.)

[...]

The Patent Act, 1935, S.C. 1935, c. 32

[...]

**REFUSAL OF PATENTS**

**Refusal by Commissioner**

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

[...]

[...]

**REJET DES DEMANDES DE BREVETS**

**Le Commissaire peut refuser le brevet**

**41.** Chaque fois que le Commissaire s'est assuré que le demandeur n'est pas fondé en droit à obtenir la concession d'un brevet, il doit rejeter la demande et, par lettre recommandée, adressée au demandeur ou à son agent enregistré, notifier à ce demandeur le motif ou la raison du rejet de la demande.

[...]

Patents Act, 1949 (U.K.), 12, 13 & 14 Geo. 6, c. 87

[...]

## **REVOCATION AND SURRENDER OF PATENTS**

### **Revocation of patent by court**

**32.** (1) Subject to the provisions of this Act, a patent may, on the petition of any person interested, be revoked by the court on any of the following grounds, that is to say,-

(a) that the invention, so far as claimed in any claim of the complete specification, was claimed in a valid claim of earlier priority date contained in the complete specification of another patent granted in the United Kingdom;

(b) that the patent was granted on the application of a person not entitled under the provisions of this Act to apply therefor;

(c) that the patent was obtained in contravention of the rights of the petitioner or any person under or through whom he claims;

(d) that the subject of any claim of the complete specification is not an invention within the meaning of this Act;

(e) that the invention, so far as claimed in any claim of the complete specification, is not new having regard to what was known or used, before the priority date of the claim, in the United Kingdom;

(f) that the invention, so far as claimed in any claim of the complete specification, is obvious and does not involve any inventive step having regard to what was known or used, before the priority date of the claim, in the United Kingdom;

(g) that the invention, so far as claimed in any claim of the complete specification, is not useful;

(h) that the complete specification does not sufficiently and fairly describe the invention and the method by which it is to be performed, or does not disclose the best method of performing it which was known to the applicant for the patent and for which he was entitled to claim protection;

(i) that the scope of any claim of the complete specification is not sufficiently and clearly defined or that any claim of the complete specification is not fairly based on the matter disclosed in the specification;

(j) that the patent was obtained on a false suggestion or representation;

(k) that the primary or intended use or exercise of the invention is contrary to law;

(l) that the invention, so far as claimed in any claim of the complete specification, was secretly used in the United Kingdom, otherwise than as mentioned in subsection (2) of this section, before the priority date of that claim.

[...]

(4) Every ground on which a patent may be revoked shall be available as a ground of defence in any proceeding for the infringement of the patent.

[...]

*Patent Act, R.S.C. 1985, c. P-4 (as it appeared on September 30, 1989)*

[...]

#### **RULES AND REGULATIONS**

[...]

**12.** (2) Any rule or regulation made by the Governor in Council has the same force and effect as if it had been enacted herein.

[...]

#### **APPLICATION FOR PATENTS**

[...]

##### **When applications to be completed**

**30.** (1) Each application for a patent shall be completed within twelve months after the filing of the application, and in default thereof, or on failure of the applicant to prosecute the application within six months after any examiner, appointed pursuant to section 6, has taken action thereon of

[...]

#### **RÈGLES ET RÈGLEMENTS**

[...]

**12.** (2) Toute règle ou tout règlement pris par le gouverneur en conseil a la même force et le même effet que s'il avait été édicté aux présentes.

[...]

#### **DEMANDES DE BREVETS**

[...]

##### **Les demandes doivent être complétées dans les douze mois**

**30.** (1) Chaque demande de brevet doit être complétée dans un délai de douze mois à compter du dépôt de la demande, à défaut de quoi, ou sur manquement du demandeur de poursuivre sa demande dans les six mois qui suivent toute action que l'examineur, nommé conformément

which notice has been given to the applicant, the application shall be deemed to have been abandoned.

### **Abandoned application reinstated**

(2) An abandoned application may be reinstated on petition presented to the Commissioner within twelve months after the date on which it was deemed to have been abandoned, and on payment of the prescribed fee, if the petitioner satisfies the Commissioner that the failure to complete or prosecute the application within the time specified was not reasonably avoidable.

### **Idem**

(3) An application reinstated under subsection (2) shall retain its original filing date.

[...]

### **DIVISIONAL APPLICATIONS**

[...]

### **Divisional applications**

**36.** (2) Where an application describes and claims more than one invention, the applicant may, and on the direction of the Commissioner to that effect shall, limit his claims to one invention only, and the invention or inventions defined in the other claims may be made the subject of one or more divisional applications, if those divisional applications are filed before the issue of a patent on the original application.

à l'article 6, a prise concernant la demande et dont avis a été donné au demandeur, une telle demande est tenue pour avoir été abandonnée.

### **Rétablissement d'une demande abandonnée**

(2) Une demande peut être rétablie sur présentation d'une pétition au commissaire dans un délai de douze mois à compter de la date à laquelle cette demande a été tenue pour abandonnée, et contre paiement de la taxe réglementaire, si le pétitionnaire démontre à la satisfaction du commissaire que le défaut de compléter ou de poursuivre la demande dans le délai spécifié n'était pas raisonnablement évitable.

### **Idem**

(3) Une demande ainsi rétablie garde la date de son dépôt original.

[...]

### **DEMANDES COMPLÉMENTAIRE**

[...]

### **Demandes complémentaires**

**36.** (2) Si une demande décrit et revendique plus d'une invention, le demandeur peut et, selon les instructions du commissaire à cet égard, doit restreindre ses revendications à une seule invention. L'invention ou les inventions définies dans les autres revendications peuvent faire le sujet d'une ou de plusieurs demandes complémentaires, si ces demandes complémentaires sont déposées avant la délivrance d'un



brevet sur la demande originale.

**Idem**

(3) If the original application becomes abandoned or forfeited, the time for filing divisional applications terminates with the expiration of the time for reinstating and reviving the original application under this Act or the rules made thereunder.

[...]

**REFUSAL OF PATENTS**

**Refusal by Commissioner**

**40.** Whenever the Commissioner is satisfied that an applicant is not by law entitled to be granted a patent, he shall refuse the application and, by registered letter addressed to the applicant or his registered agent, notify the applicant of the refusal and of the ground or reason therefor.

[...]

**PRIORITY OF INVENTIONS**

**Establishing Priority**

**61.** (1) No patent or claim in a patent shall be declared invalid or void on the ground that, before the invention therein defined was made by the inventor by whom the patent was applied for, it had already been known or used by some other person, unless it is established that

**Idem**

(3) Si la demande originale a été abandonnée ou si elle est déchuë, le délai pour le dépôt des demandes complémentaires se termine à l'expiration du délai fixé pour le rétablissement et la remise en vigueur de la demande originale aux termes de la présente loi ou des règles établies sous son autorité.

[...]

**REJET DES DEMANDES DE BREVETS**

**Le commissaire peut refuser le brevet**

**40.** Chaque fois que le commissaire s'est assuré que le demandeur n'est pas fondé en droit à obtenir la concession d'un brevet, il rejette la demande et, par courrier recommandé adressé au demandeur ou à son agent enregistré, notifie à ce demandeur le rejet de la demande, ainsi que les motifs ou raisons du rejet.

[...]

**PRIORITÉ DES INVENTIONS**

**Établissement de la priorité**

**61.** (1) Aucun brevet ou aucune revendication dans un brevet ne peut être déclaré invalide ou nul pour la raison que l'invention qui y est décrite était déjà connue ou exploitée par une autre personne avant d'être faite par l'inventeur qui en a demandé le brevet, à moins qu'il ne soit établi que, selon le cas :

(a) that other person had, before the date of the application for the patent, disclosed or used the invention in such manner that it had become available to the public;

(b) that other person had, before the issue of the patent, made an application for patent in Canada on which conflict proceedings should have been directed; or

(c) that other person had at any time made an application in Canada which, by virtue of section 28, had the same force and effect as if it had been filed in Canada before the issue of the patent and on which conflict proceedings should properly have been directed had it been so filed.

### **A second patent**

(2) Notwithstanding section 41, an application for a patent for an invention for which a patent has already issued under this Act shall be rejected unless the applicant, within a time to be fixed by the Commissioner, commences an action to set aside the prior patent, so far as it covers the invention in question, but if that action is commenced and diligently prosecuted, the application shall not be deemed to have been abandoned unless the applicant fails to proceed on it within a reasonable time after the action has been finally disposed of.

[...]

a) cette autre personne avait, avant la date de la demande du brevet, divulgué ou exploité l'invention de telle manière qu'elle était devenue accessible au public;

b) cette autre personne avait, avant la délivrance du brevet, fait une demande pour obtenir au Canada un brevet qui aurait dû donner lieu à des procédures en cas de conflit;

c) cette autre personne avait à quelque époque fait au Canada une demande ayant, en vertu de l'article 28, la même force et le même effet que si elle avait été enregistrée au Canada avant la délivrance du brevet et pour laquelle des procédures en cas de conflit auraient dû être régulièrement prises si elle avait été ainsi enregistrée.

### **Second brevet**

(2) Nonobstant l'article 41, une demande de brevet pour une invention à l'égard de laquelle un brevet a été délivré en vertu de la présente loi est rejetée, à moins que le demandeur n'intente, dans un délai fixé par le commissaire, une action pour écarter le brevet antérieur en tant qu'il couvre l'invention en question. Si pareille action est ainsi commencée et diligemment poursuivie, la demande n'est pas réputée avoir été abandonnée, à moins que le demandeur ne néglige de poursuivre sa demande dans un délai raisonnable après que l'action a été finalement réglée.

[...]

## Patent Act, R.S.C. 1985, c. P-4 (as it appeared in Weatherford)

[...]

**Lapse of term if maintenance fees not paid**

**46.** (2) Where the fees payable under subsection (1) are not paid within the time provided by the regulations, the term limited for the duration of the patent shall be deemed to have expired at the end of that time.

[...]

**ABANDONMENT AND REINSTATEMENT OF APPLICATIONS****Deemed abandonment of applications**

**73.** (1) An application for a patent in Canada shall be deemed to be abandoned if the applicant does not

(a) reply in good faith to any requisition made by an examiner in connection with an examination, within six months after the requisition is made or within any shorter period established by the Commissioner;

(b) comply with a notice given pursuant to subsection 27(6);

(c) pay the fees payable under section 27.1, within the time provided by the regulations;

(d) make a request for examination or pay the prescribed fee under subsection 35(1) within the time

[...]

**Péremption**

**46.** (2) En cas de non-paiement dans le délai réglementaire des taxes réglementaires, le brevet est périmé.

[...]

**ABANDON ET RÉTABLISSEMENT DES DEMANDES****Abandon**

**73.** (1) La demande de brevet est considérée comme abandonnée si le demandeur omet, selon le cas :

a) de répondre de bonne foi, dans le cadre d'un examen, à toute demande de l'examineur, dans les six mois suivant cette demande ou dans le délai plus court déterminé par le commissaire;

b) de se conformer à l'avis mentionné au paragraphe 27(6);

c) de payer, dans le délai réglementaire, les taxes visées à l'article 27.1;

d) de présenter la requête visée au paragraphe 35(1) ou de payer la taxe réglementaire dans le délai

provided by the regulations;

réglementaire;

(e) comply with a notice given under subsection 35(2); or

e) de se conformer à l'avis mentionné au paragraphe 35(2);

(f) pay the prescribed fees stated to be payable in a notice of allowance of patent within six months after the date of the notice.

f) de payer les taxes réglementaires mentionnées dans l'avis d'acceptation de la demande de brevet dans les six mois suivant celui-ci.

[...]

[...]

### **Payment of prescribed fees**

### **Paiement de taxes réglementaires**

**78.6.** (1) If, before the day on which this section comes into force, a person has paid a prescribed fee applicable to a small entity, within the meaning of the *Patent Rules* as they read at the time of payment, but should have paid the prescribed fee applicable to an entity other than a small entity and a payment equivalent to the difference between the two amounts is submitted to the Commissioner in accordance with subsection (2) either before or no later than twelve months after that day, the payment is deemed to have been paid on the day on which the prescribed fee was paid, regardless of whether an action or other proceeding relating to the patent or patent application in respect of which the fee was payable has been commenced or decided.

**78.6.** (1) Si, avant l'entrée en vigueur du présent article, une personne a payé la taxe réglementaire relative à une petite entité, au sens des *Règles sur les brevets* dans leur version applicable à la date du paiement, alors qu'elle aurait dû payer celle relative à une entité autre qu'une petite entité, et qu'elle verse la différence au commissaire aux brevets en conformité avec le paragraphe (2), avant la date d'entrée en vigueur du présent article ou au plus tard douze mois après cette date, le versement est réputé avoir été fait à la date du paiement de la taxe réglementaire, indépendamment de toute instance ou autre procédure engagée à l'égard du brevet ou de la demande de brevet qui fait l'objet de la taxe ou de toute décision en découlant.

[...]

[...]

**FEDERAL COURT OF APPEAL**

**NAMES OF COUNSEL AND SOLICITORS OF RECORD**

**DOCKET:** A-78-16

**APPEAL FROM AN ORDER OF THE HONOURABLE JUSTICE DINER DATED  
FEBRUARY 4, 2016, DOCKETS NO. T-1064-13 AND T-393-14**

**DOCKET:** A-78-16

**STYLE OF CAUSE:** APOTEX INC. v. PFIZER INC.,  
PHARMACIA AKTIEBOLAG  
AND, PFIZER CANADA INC.

**PLACE OF HEARING:** TORONTO, ONTARIO

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**CONCURRED IN BY:** STRATAS J.A.  
BOIVIN J.A.

**DATED:** OCTOBER 2, 2017

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