

Date: 20080303

Docket: A-574-06

Citation: 2008 FCA 81

**CORAM: LINDEN J.A.
SEXTON J.A.
RYER J.A.**

BETWEEN:

CALGON CARBON CORPORATION

Appellant

and

**THE CORPORATION OF THE CITY OF NORTH BAY
and TROJAN TECHNOLOGIES INC.**

Respondents

Heard at Toronto, Ontario, on March 3, 2008.

Judgment delivered from the Bench at Toronto, Ontario, on March 3, 2008.

REASONS FOR JUDGMENT OF THE COURT BY:

RYER J.A.

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REASONS FOR JUDGMENT OF THE COURT

(Delivered from the Bench at Toronto, Ontario, on March 3, 2008)

RYER J.A.

[1] This is an appeal from a decision of Justice Mosley of the Federal Court (2006 FC 1373) in which he allowed the counterclaim of Trojan Technologies Inc. and the Corporation of The City of North Bay (the “respondents”) for a declaration of invalidity of Canadian Patent No. 2,331,525 (the “525 Patent”) on the basis of anticipation, that is to say, on the basis that the subject matter of the invention claimed in the ‘525 Patent had been disclosed in such a manner that it became available to

the public in Canada or elsewhere, within the meaning of paragraphs 28.2(1) (a) and (b) of the *Patent Act* R.S.C., 1985, c. P-4. As a result of that finding, the Federal Court dismissed the claim of Calgon Carbon Corporation (“Calgon” or the “appellant”) that the respondents had infringed the ‘525 Patent. The only relief sought by Calgon in the appeal is declaratory relief as to the validity and infringement of the ‘525 Patent. The respondents chose not to participate in this appeal on the basis of an accommodation that was reached between them and the appellant.

[2] This appeal raises two issues in respect of the ‘525 Patent, which describes a method for preventing the replication of *Cryptosporidium parvum* (“Crypto”) in water using low levels of ultraviolet light. The first issue is whether, in reaching its conclusion that the ‘525 Patent was anticipated, the Federal Court erred in its application of the doctrine of issue estoppel to the decision of this Court in *Calgon Carbon Corp. v. North Bay (City)*, 2005 FCA 410, 262 D.L.R. (4th) 476, (“*Calgon 2005*”). The second issue relates to the appropriate formulation and application of the test for anticipation.

Issue Estoppel

[3] In *Calgon 2005*, this Court found that the ‘525 Patent deals with patentable subject matter, stating that using low doses of UV light to irradiate water for Crypto was a new use for an existing method. The Court specifically declined to deal with the issue of whether the ‘525 Patent was invalid on the basis of anticipation. In the present case, the Federal Court decided that it would not reconsider the issue of whether the ‘525 Patent deals with patentable subject matter, stating that the

ratio of *Calgon 2005* was binding on it. The Federal Court concluded that the issue before it was simply one of anticipation.

[4] Prior to considering the issue of anticipation, the Federal Court undertook a construction of the '525 Patent, as it was required to do. In doing so, the Federal Court did not, in our view, contradict any claims construction findings that were made by this Court in *Calgon 2005*. Accordingly, we are not persuaded that the appellant's argument of issue estoppel has been made out.

Anticipation

[5] In respect of the conclusion of the Federal Court that the '525 Patent is invalid on the basis of anticipation, Calgon takes the position that the Federal Court applied the incorrect test for anticipation and misapprehended the evidence.

Standard of Review

[6] While factual findings by the Trial Judge are reviewable on a standard of palpable and overriding error and legal interpretations are reviewable on a standard of correctness, anticipation is a question of mixed fact and law. As such, it is to be reviewed on a standard of palpable and overriding error, unless it is clear that there has been an extricable error of law, in which event a standard of correctness will apply (*Housen v. Nikolaisen*, [2002] 2 S.C.R. 235).

Test for Anticipation by Prior Publication

[7] The Federal Court determined that the test for anticipation by prior publication was laid out in *Beloit Canada Ltd. v. Valmet OY* (1986), 8 C.P.R. (3d) 289 (F.C.A.), at page 297, as follows:

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

In our view, this determination by the Federal Court was correct.

Test for Anticipation by Prior Use

[8] The Federal Court determined that the test for anticipation by prior use is whether the disclosure is enabling, that is to say a disclosure that would enable the public to make or obtain the invention. The Federal Court held that this test was laid down in *Baker Petrolite Corp. v. Canwell Enviro-Industries Ltd.* 2002 FCA 158, 17 C.P.R. (4th) 478, and that this test had not been altered by the decision in *Abbott Laboratories v. Canada (Minister of Health)*, 2006 FCA 187 (see paragraphs 117, 125 and 133 of the reasons of the Federal Court).

[9] The appellant argues that the Federal Court erred in law by adopting this test. According to the appellant, the Federal Court should have reformulated the test in *Baker Petrolite* on a basis consistent with an *obiter dictum* of Lord Hoffman in *Merrell Dow Pharmaceuticals v. H.N. Norton & Co.*, [1996] R.P.C. 76 (H.L.) which reads as follows:

Whether or not a person is working a product invention is an objective fact independent of what he knows or thinks about what he is doing. (The position may be different when the

invention is a use for a product; in such a case, a person may only be working the invention when he is using it for the patented purpose... [Emphasis added.]

[10] The appellant's argument is that the Federal Court should have adopted the portion of this quote that is in parentheses as the test for anticipation where the subject matter is a method or use claim. Thus, the appellant urges that anticipation by prior use of a method or use claim requires that the person who is using the method must be aware that such method is being used for the patented purpose.

[11] The Federal Court applied an interpretation of enabling disclosure that is consistent with the appellant's view of the appropriate test. This is apparent from the conclusions of the Federal Court with respect to the prior use of the invention at Fort Benton Montana and Weerseloseweg, Netherlands. At paragraph 150 of the decision, the Federal Court concluded that the use at Fort Benton of a continuous broadband of UV light from medium pressure lamps with wavelengths of 200 to 300 nm in doses that can vary from about 10 mJ/cm² to about 175 mJ/cm² was for the purpose of disabling Crypto. In other words, the Federal Court found that the Fort Benton authority was knowingly using the patented method for the purpose specified in the patent. The same conclusion is apparent from a review of paragraph 171 of the reasons in relation to the use of the method in the Netherlands. The Federal Court found that the facility in question knowingly used low dosage UV light for the purpose of preventing Crypto infection.

[12] These examples establish that the Federal Court interpreted the test of enabling disclosure from *Baker Petrolite* in a manner that was consistent with the test that the appellant advocates.

Accordingly, the contention of the appellant that the Federal Court formulated the wrong test for enabling disclosure must be rejected.

Application of Test for Anticipation

[13] The Federal Court applied the tests for anticipation of the invention by prior publication and by prior use in relation to a number of situations:

- (a) prior use at the Fort Benton, Montana water treatment facility in the 1990's;
- (b) prior publication at a meeting of the National Sanitation Foundation, Environmental Technology Steering Committee in 1998;
- (c) prior use at the Weerseloseweg, Netherlands water treatment facility in the 1990's and prior publication of a report on the use of the invention at the facility in 1996;
- (d) prior publication in a journal in 1993 of an article by M. E. Ransome and others;
- (e) prior use at Trout Lake.

[14] The Federal Court considered lengthy and detailed evidence in relation to each of the foregoing instances of anticipation by prior publication and by prior use. The Federal Court concluded with respect to all of them, except the Trout Lake instance, that the allegation of anticipation had been made out. The Federal Court made these findings by the application of the law (which we have held was properly by understood by the Federal Court) to the factual findings that it made based upon the evidence before it.

[15] Despite the determined efforts of counsel for the appellant, we are not persuaded that we should interfere with the conclusion of the Federal Court that the '525 Patent is invalid on the basis of anticipation, that is to say, that the subject matter of the '525 Patent has been disclosed in such a manner that it became available to the public in Canada or elsewhere, within the meaning of subsection 28.2 (1) of the Patent Act, prior to the dates that are relevant for the purposes of that provision.

[16] Accordingly, for the foregoing reasons we would dismiss the appeal.

“C. Michael Ryer”

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET: A-574-06

**(APPEAL FROM A JUDGMENT AND REASONS FOR JUDGMENT OF JUSTICE
MOSLEY OF THE FEDERAL COURT DATED NOVEMBER 14, 2006, DOCKET NO.
T-1408-02)**

STYLE OF CAUSE: *CALGON CARBON CORPORATION
v. THE CORPORATION OF THE
CITY OF NORTH BAY and TROJAN
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PLACE OF HEARING: Toronto, Ontario

DATE OF HEARING: March 3, 2008

**REASONS FOR JUDGMENT
OF THE COURT BY:** (LINDEN, SEXTON, RYER JJ.A.)

**DELIVERED FROM THE
BENCH BY:** RYER J.A.

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