Federal Court of Appeal | Cour d'appel fédérale

Date: 20111103

Docket: A-175-11

Citation: 2011 FCA 303

CORAM: **NOËL J.A.**
PELLETIER J.A.
LAYDEN-STEVENSON J.A.

BETWEEN:

EXCELSIOR MEDICAL CORPORATION

Appellant

and

ATTORNEY GENERAL OF CANADA

Respondent

Heard at Toronto, Ontario, on November 3, 2011.

Judgment delivered from the Bench at Toronto, Ontario, on November 3, 2011.

REASONS FOR JUDGMENT OF THE COURT BY: PELLETIER J.A.

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REASONS FOR JUDGMENT

PELLETIER J.A.

[1] This is an appeal by Excelsior Medical Corporation (Excelsior or the applicant) from a decision of the Federal Court in which Hughes J. (the applications judge) dismissed its application for judicial review of a determination made by the Canadian Patent Office (the Patent Office) that Patent Application No. 2, 414, 481 (the application) is dead by reason of the failure by Excelsior's authorized correspondent to pay the maintenance fees before the end of the grace period.

[2] The difficulty in this case is that the maintenance fees were, in fact, paid within the grace period, but they were paid by Oyen & Wiggs, who were not, at the time, the authorized correspondent of record in the Patent Office. A further complication arises from the fact that, having accepted the maintenance fees and communicated the reinstatement of the patent application to the authorized correspondent of record, Fetherstonhaugh & Co, the Patent Office wrote Oyen & Wiggs, outside the reinstatement period, to advise that the patent had not been reinstated and was considered dead. In the same letter, the Patent Office offered to refund, upon request, the maintenance fees which it had previously accepted. The request was made and the fees were reimbursed. One year after requesting the refund of the fees, Oyen & Wiggs belatedly took steps to be placed on the record as agents of the applicant as of the date of payment of the fees, an application which was refused.

[3] An application for judicial review followed. The application judge found that the acceptance of the maintenance fees by the Patent Office within the reinstatement period reinstated the application but that the refund of the fees to Oyen & Wiggs nullified the reinstatement, leaving only a patent application which was considered to be dead. The application for judicial review was dismissed.

[4] An appeal is now taken to this Court, largely on the basis of the decision of the Federal Court in *Sarnoff Corp. v. Canada (Attorney General)*, 2008 FC 712, affirmed by this Court at 2009 FCA 142. We are of the view that the appeal should be dismissed, though not for the reasons given by the applications judge.

[5] This case falls to be decided by the decision of this Court in *Unicrop Ltd. v. Canada (Attorney General)*, 2011 FCA 121 (*Unicrop*) in which it was held that the Patent Office can only

deal with the applicant's authorized correspondent, and that an authorized correspondent only becomes so when the required documents are filed in the Patent Office. The acceptance of maintenance fees, whether within or outside the reinstatement period, from someone other than the applicant's authorized correspondent does not reinstate a patent application. Contrary to the application judge's view, the Patent office's acceptance of those fees did not create rights and its return of those fees did not extinguish rights. To hold otherwise would be to create a situation in which the Patent office's administrative errors created or extinguished rights independently of the statutory scheme.

[6] Excelsior's reliance upon the Federal Court's decision in *Sarnoff* is misplaced. In dismissing the appeal from the Federal Court's decision in that case, this Court said: "..we have not been persuaded that the application judge's findings of fact that the Patent Office 'had to have had an appointment of associate agent' was manifestly or palpably wrong …". The basis of the Federal Court's decision in that case was that the Patent Office had in its possession an appointment of associate agent when it accepted maintenance fees from the associate agent. The balance of the Court's comments were *obiter dicta*, and while no doubt reflective of an experienced judge's informed views, they are not a statement of the law.

[7] Excelsior also argues that the prosecution of a patent application is distinct from its maintenance and that they are treated as such in the *Patent Act* R.S.C. 1985 c. P-4 and the *Patent Rules* SOR/96-423. However, when the definition of authorized correspondent in Rule 2 is read in conjunction with Rules 20 and 6(1), it is clear that the appointment of an authorized correspondent for prosecution purposes extends to both prosecution and maintenance matters.

[8] Finally, there is no basis for invoking the Federal Court's equitable jurisdiction on the facts of this case. This is simply another in a line of case where the most elemental precautions were not taken when accepting a patent prosecution mandate. The results, while unfortunate, do not call for the application of the doctrine of relief from forfeiture which, in any event, does not apply to statutory time limits: see *F. Hoffman-La Roche v. Canada (Attorney General),* 2005 FCA 399

[9] The appeal will be dismissed with costs.

"J.D. Denis Pelletier"

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET:	A-175-11
(APPEAL FROM A JUDGMENT OR ORDER OF THE HONOURABLE MR. JUSTICE HUGHES DATED APRIL 4, 2011, DOCKET NO. T-121-10)	
STYLE OF CAUSE:	EXCELSIOR MEDICAL CORPORATION v. ATTORNEY GENERAL OF CANADA
PLACE OF HEARING:	Toronto, Ontario
DATE OF HEARING:	November 3, 2011
REASONS FOR JUDGMENT OF THE COURT BY:	(NOËL, PELLETIER & LAYDEN-STEVENSON JJ.A.)
DELIVERED FROM THE BENCH BY:	PELLETIER J.A.

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