Federal Court  Cour fédérale

Date: 20130130

Docket: T-1472-12

Citation: 2013 FC 98

Ottawa, Ontario, January 30, 2013

PRESENT: The Honourable Mr. Justice O'Keefe

BETWEEN:

SEGATOYS CO., LTD. AND SEGA CORPORATION

Applicants

and

THE ATTORNEY GENERAL OF CANADA

Respondent

REASONS FOR JUDGMENT AND JUDGMENT

[1] This is an application by Segatoys Co., Ltd. and Sega Corporation (Sega or applicants) under section 52 of the *Patent Act*, RSC 1985, c P-4 (the Patent Act) for an order amending the named inventors of Canadian Patent No. 2,547,539 (the '539 Patent). This application is uncontested as the respondent, the Attorney General, did not file any affidavit evidence or memorandum or appear at the hearing.

[2] The applicants seek the following relief:

1. Pursuant to section 52 of the *Patent Act*, an order that the Commissioner of Patents vary all entries in the records of the Patent Office with respect to the inventorship of Canadian Patent No. 2,547,539 by adding Satoshi Yamada and Fujio Nobata as inventors.

2. Pursuant to section 52 of the *Patent Act*, an order that the Commissioner of Patents vary all entries in the records of the Patent Office with respect to the inventorship of Canadian Patent No. 2,547,539 by removing Wataru Sato and Noriyoshi Matsumura as inventors.

Background

[3] The '539 Patent relates to a transformable toy named "Bakugan".

[4] The '539 Patent was originally filed in Japan on February 20, 2006. On May 23, 2006, Sega's business partner responsible for marketing and selling the Bakugan toy in Canada (Spin Master Ltd.) filed a Canadian patent application based on the original Japanese patent. The Canadian patent was issued on September 22, 2009.

[5] While preparing a Patent Cooperation Treaty (PCT) application, Sega's manager for legal and intellectual property, Toshimine Arai, found that the original Japanese patent application listed Wataru Sato and Noriyoshi Matsumura (the listed inventors) as inventors, as opposed to Satoshi Yamada and Fujio Nobata (the real inventors). This mistake was carried over to the Canadian Patent, hence the present application to amend the '539 Patent.

[6] The real inventors are behind the design and inventive concept of the ‘539 Patent. The listed inventors worked on the appearance of the finished product while it was being designed, but did not contribute to the inventive concept. The listed inventors appear on the patent as a result of an inadvertent error or mistake; there was no intent to mislead or cause delay.

[7] One of the listed inventors, Mr. Matsumura, worked for Sega’s partner, Research and Development MAK CO., Ltd. (R&D MAK). He has since left the company due to illness and his contact information is unknown. The other listed inventor, Mr. Sato, was an employee of Sega and does not dispute the facts above. He has also stated in his declaration that the same applies to Mr. Matsumura. Mr. Sato has consented to his name being removed.

[8] At the time of the invention, the real inventors were employees of Sega (Mr. Yamada) and R&D MAK (Mr. Nobata). Under the terms of agreement between Sega and R&D MAK, all rights in the ‘539 Patent belong to Sega. The change of inventorship requested herein will not affect these rights.

Issue

[9] The applicants raise the following issue:

1. Should the Court order that the records of the Patent Office relating to the ‘539 Patent be varied by replacing the listed inventors with the real inventors?

Applicants' Written Submissions

[10] The applicants argue that while the Commissioner of Patents has authority to add an inventor during the period when an application is pending, only this Court has the jurisdiction to do so after the patent has been issued. The Federal Court has the authority to do what the Commissioner could have during the relevant period, so it applies the test set out in subsection 31(4) of the *Patent Act* to determine whether inventorship should be amended.

[11] In this case, by inadvertence or mistake, the listed inventors were listed instead of the real inventors. The erroneous identification of the inventors was not made wilfully for the purpose of misleading. Therefore, the records in the Patent Office with respect of the inventorship of the '539 Patent should be amended. No party, other than the Commissioner, will be affected.

Analysis and Decision

[12] The Federal Court is responsible for amending the inventorship of a patent that has already been issued, such as the '539 Patent (see *Micromass UK Ltd v Canada (Commissioner of Patents)*, 2006 FC 117 at paragraph 12, [2006] FCJ No 148).

[13] Moreover, the word "title" in section 52 of the *Patent Act* includes inventorship, which is the "root" of title. Section 52 confers "very broad" powers upon the Court so that it may accomplish what the Commissioner of Patents would have done (see *Micromass* above, at paragraphs 13 and 15).

i. The Application of Subsection 31(3) of the *Patent Act*

[14] Subsection 31(3) of the *Patent Act* relates to the removal of the listed nventors. It sets out two criteria:

1. Does it appear that one or more of the named inventors had no part in the invention?

[15] In the present case, although the listed inventors were responsible for the appearance of the finished product, they had no part in conceiving or developing the '539 Patent. This is uncontested by either the real inventors or the listed inventor, Wataru Sato, who provided a declaration. As noted above, the other listed inventor, Noriyoshi Matsumura, could not be contacted.

2. Has an affidavit been provided to satisfy the Court that the remaining inventors are the sole inventors?

[16] Mr. Yamada and Mr. Nobata have provided notarized declarations establishing that they are the co-inventors of the '539 Patent. This is corroborated by a declaration from Mr. Arai, manager of intellectual property for Sega.

[17] Moreover, as noted above, one of the listed inventors provided a declaration stating that neither he nor the other listed inventor (who could not be contacted) had any part in inventing the '539 Patent.

[18] Although these declarations are not referred to as affidavits (which is the wording used in subsection 31(3) of the *Patent Act*), they are notarized. In my view, the declarations thus fulfill the same function as an affidavit and it would be overly formalistic to reject them on the basis of their labelling.

ii. The Application of Subsection 31(4) of the *Patent Act*

[19] The real inventors in this case can be added through the operation of subsection 31(4) of the *Patent Act* (see *Plasti-Fab Ltd v Canada (Attorney General)*, 2010 FC 172 at paragraph 14, [2010] FCJ No 204). This section sets out the following criteria:

1. Does it appear that one or more further individuals should have been joined as inventors?

[20] As noted above, all stakeholders (except for the listed inventor who could not be contacted) agree that the real inventors, Mr. Yamada and Mr. Nobata, are responsible for the inventive concept and design of the '539 Patent.

2. Is the Court satisfied that:

   i. The inventors should have been joined.

[21] The relevant stakeholders have provided notarized declarations to the effect that the real inventors, not the listed inventors, invented the '539 Patent. This satisfies the Court that the real inventors should have been joined.

ii. The omission was due to inadvertence or mistake.

[22] Sega has stated that the omission of Mr. Nobata and Mr. Yamada as the real inventors was due to a mistake or inadvertence, most likely caused by the fact that the listed inventors were working on the appearance of the toy at the same time as it was being designed by the real inventors. This error was discovered while preparing a PCT application (see Arai Declaration at paragraphs 3, 5 and 6).

iii. The omission was not for the purpose of delay?

[23] Sega has provided the notarized declaration of Mr. Arai, its manager for legal and intellectual propery, stating that the omission was made without any intent to mislead or cause delay. As such, the patent is not invalid; this is uncontested. Moreover, the failure to name an inventor is not a material misrepresentation that would entail a violation of section 53 of the *Patent Act* (see *671905 Alberta Inc v Q'Max Solutions Inc*, 2003 FCA 241 at paragraph 32, [2003] FCJ No 873).

[24] In light of the above analysis, the order sought by Sega to amend the Patent Office's records by adding Mr. Yamada and Mr. Nobata as inventors of the '539 Patent and by removing Mr. Sato and Mr. Matsumura should be granted.

[25] This case meets the criteria set out in subsections 31(3) and (4) of the *Patent Act*.

[26] Moreover, the evidence is uncontradicted. All stakeholders who could be reached agree that the omission was a mistake, the Commissioner of Patents has not opposed the application and nothing suggests that third party rights will be affected.

JUDGMENT

THIS COURT'S JUDGMENT is that:

1. The Commissioner of Patents, pursuant to section 52 of the *Patent Act*, shall vary all entries in the records of the Patent Office with respect to the inventorship of Canadian Patent No. 2,547,539 by adding Satoshi Yamada and Fujio Nobata as inventors.

2. The Commissioner of Patents, pursuant to section 52 of the *Patent Act*, shall vary all entries in the records of the Patent Office with respect to the inventorship of Canadian Patent No. 2,547,539 by removing Wataru Sato and Noriyoshi Matsumura as inventors.

"John A. O'Keefe"

Judge

ANNEX

Relevant Statutory Provisions

***Patent Act*, RSC, 1985, c P-4**

31. . . .	31. . . .
(3) Where an application is filed by joint applicants and it subsequently appears that one or more of them has had no part in the invention, the prosecution of the application may be carried on by the remaining applicant or applicants on satisfying the Commissioner by affidavit that the remaining applicant or applicants is or are the sole inventor or inventors.	(3) Lorsqu'une demande est déposée par des codemandeurs et qu'il apparaît par la suite que l'un ou plusieurs d'entre eux n'ont pas participé à l'invention, la poursuite de cette demande peut être conduite par le ou les demandeurs qui restent, à la condition de démontrer par affidavit au commissaire que le ou les derniers demandeurs sont les seuls inventeurs.
(4) Where an application is filed by one or more applicants and it subsequently appears that one or more further applicants should have been joined, the further applicant or applicants may be joined on satisfying the Commissioner that he or they should be so joined, and that the omission of the further applicant or applicants had been by inadvertence or mistake and was not for the purpose of delay.	(4) Lorsque la demande est déposée par un ou plusieurs demandeurs et qu'il apparaît par la suite qu'un autre ou plusieurs autres demandeurs auraient dû se joindre à la demande, cet autre ou ces autres demandeurs peuvent se joindre à la demande, à la condition de démontrer au commissaire qu'ils doivent y être joints, et que leur omission s'est produite par inadvertance ou par erreur, et non pas dans le dessein de causer un délai.
52. The Federal Court has jurisdiction, on the application of the Commissioner or of any person interested, to order that any entry in the records of the Patent Office relating to the title to a patent be varied or expunged.	52. La Cour fédérale est compétente, sur la demande du commissaire ou de toute personne intéressée, pour ordonner que toute inscription dans les registres du Bureau des brevets concernant le titre à un brevet soit modifiée ou radiée.

FEDERAL COURT

SOLICITORS OF RECORD

DOCKET:	T-1472-12
STYLE OF CAUSE:	SEGATOYS CO., LTD. and SEGA CORPORATION - and - THE ATTORNEY GENERAL OF CANADA
PLACE OF HEARING:	Ottawa, Ontario
DATE OF HEARING:	January 8, 2013
REASONS FOR JUDGMENT AND JUDGMENT OF:	O'KEEFE J.
DATED:	January 30, 2013

APPEARANCES:

Susan Beaubien	FOR THE APPLICANTS
No One Appearing	FOR THE RESPONDENT

SOLICITORS OF RECORD:

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