

Federal Court of Appeal



Cour d'appel fédérale

Date: 20180209

Docket: A-166-17

Citation: 2018 FCA 36

**CORAM: WEBB J.A.
NEAR J.A.
LASKIN J.A.**

BETWEEN:

**THE GOVERNORS OF THE UNIVERSITY OF ALBERTA
and ALBERTA HEALTH SERVICES**

Appellants

and

ATTORNEY GENERAL OF CANADA

Respondent

Heard at Edmonton, Alberta, on December 4, 2017.

Judgment delivered at Ottawa, Ontario, on February 9, 2018.

REASONS FOR JUDGMENT BY:

NEAR J.A.

CONCURRED IN BY:

**WEBB J.A.
LASKIN J.A.**

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REASONS FOR JUDGMENT

NEAR J.A.

I. Overview

[1] The appellants, the Governors of the University of Alberta and Alberta Health Services, appeal a decision by Justice Russell of the Federal Court, dated April 24, 2017 (*The Governors of the University of Alberta and Alberta Health Services v. Attorney General of Canada*, 2017 FC 402). The Federal Court dismissed the appellants' application for judicial review of three

decisions from the Canadian Intellectual Property Office (CIPO) on behalf of the Commissioner of Patents.

II. Background

[2] On February 1, 2013, agents filed a patent application with CIPO. The patent applicants were TEC Edmonton and Alberta Health Services and three inventors were listed on the patent application. The patent application did not include a declaration that the patent applicants were the legal representatives of the inventors as required by paragraph 37(2)(a) of the *Patent Rules*, S.O.R./96-423.

[3] On February 15, 2013, the Commissioner sent a requisition to the agents requiring the patent application to comply with Rule 37 of the *Patent Rules* within the prescribed time period, in this case, 12 months from the filing date. This letter explained that failure to do so would result in abandonment of the patent application under section 73 of the *Patent Act*, R.S.C., 1985, c. P-4.

[4] On March 31, 2014, the Commissioner sent a Notice of Abandonment to the agents stating that the patent application was deemed abandoned as of February 3, 2014. The notice explained that the patent application could be reinstated under subsection 73(3) of the *Patent Act* if the patent applicants corrected the error within the 12 months following the abandonment.

[5] In June 2014, one of the original rights holders, TEC Edmonton, assigned its rights in the patent application to the Governors of the University of Alberta.

[6] On February 3, 2015, the 12-month period during which the patent application was eligible for reinstatement expired and the patent application was listed as “dead”.

[7] On January 21, 2016, the appellants learned that the patent application was deemed dead. They asked the Commissioner to correct her records in a letter dated February 1, 2016.

III. Letters from the Commissioner

[8] On February 3, 2016, the Commissioner sent a letter to the appellants explaining that she could not reinstate the patent application as the reinstatement period had expired (February 3, 2016 letter). In a further letter dated February 4, 2016, the Commissioner explained that she could not process the payment of a maintenance fee which the appellants had submitted, again explaining that the patent application was beyond the period of reinstatement (February 4, 2016 letter). Finally, on May 17, 2016, the Commissioner further explained that she could not conduct an advance examination of the patent application as the appellants had requested because the period of reinstatement had passed (May 17, 2016 letter). The appellants applied to the Federal Court for judicial review on February 18, 2016, seeking among other things a declaration that the patent application complied with Rule 37 of the *Patent Rules*, and subsequently amended the Notice of Application to include the decisions communicated through the February 4, 2016 and May 17, 2016 letters. They also took issue with the February 3, 2016 letter.

IV. Federal Court Decision

[9] The Federal Court dismissed the appellants’ application for judicial review. The Federal Court found that the appellants were really seeking judicial review of the requisition sent on February 15, 2013 (Reasons at para. 54). Consequently, it found that the time period to file an

application for judicial review of that decision had expired and that decision was not reviewable. Further, the Federal Court found that there was no decision for the Commissioner to make because, as a matter of law, the *Patent Act* does not allow for reinstatement once a patent application is dead. Thus, there was no discretionary decision of the Commissioner that the Federal Court could review.

[10] The appellants filed a Notice of Appeal in this Court on May 23, 2017.

V. Issues

[11] I would characterize the issues on appeal as follows:

1. Did the Federal Court err in concluding that the appellants were seeking judicial review of the requisition sent by the Commissioner in the letter of February 15, 2013?
2. Did the Commissioner err in refusing to reinstate the patent application (February 3, 2016 letter), process the maintenance fee (February 4, 2016 letter), and conduct an advance examination of the patent application (May 17, 2016 letter)?

VI. Analysis

A. *Did the Federal Court err in concluding that the appellants were seeking judicial review of the requisition sent by the Commissioner in the letter of February 15, 2013?*

[12] The standard of review for appeals from decisions of the Federal Court on preliminary matters in applications for judicial review is that for appellate review outlined in *Housen v. Nikolaisen*, 2002 SCC 33, [2002] 2 S.C.R. 235. The preliminary question about whether the Federal Court erred in concluding that the decision under review was the requisition is a question

of mixed fact and law. Accordingly, I will review the Federal Court's determination of the preliminary issue on the standard of palpable and overriding error.

[13] The Federal Court found that the appellants' real purpose was to ask the Federal Court to review the requisition of February 15, 2013 and that the time period to file an application for judicial review of that decision had expired. Therefore, that decision was not reviewable. I disagree that the requisition is the decision under review.

[14] In my view, the requisition was not sent as a result of a discretionary decision and so was not subject to judicial review. Rather, the requisition was a notice that the patent application did not meet the requirements of Rule 37 of the *Patent Rules*. It was not a decision that the patent application was abandoned as there was a mechanism for the appellants to correct the error in the patent application. There was no reason for the appellants to seek judicial review of the requisition as it informed them that the patent application would be deemed abandoned in the future if they did not correct an error but was not itself a decision.

[15] In my view, the Federal Court made a palpable and overriding error in finding that the decision under review was the requisition. Thus, I will review the decisions communicated through the February 3, 2016; February 4, 2016; and May 17, 2016 letters on the merits.

B. *Did the Commissioner err in refusing to reinstate the patent application (February 3, 2016 letter), process the maintenance fee (February 4, 2016 letter), and conduct an advance examination of the patent application (May 17, 2016 letter)?*

[16] The Federal Court found that the standard of review applicable to the Commissioner's interpretation of the *Patent Act* and the *Patent Rules* is reasonableness. There is no need to

determine, in this case, whether this is the standard of review that is to be applied to the Commissioner's interpretation of the *Patent Act* and the *Patent Rules*.

[17] Rule 97 of the *Patent Rules* deems a patent application to be abandoned if the patent applicant does not reply in good faith to a requisition of the Commissioner under Rule 37 or Rules 23, 35 or 94:

97 For the purposes of subsection 73(2) of the Act, an application is deemed to be abandoned if the applicant does not reply in good faith to any requisition of the Commissioner referred to in section 23, 25, 37 or 94 within the time provided in that section.

97 Pour l'application du paragraphe 73(2) de la Loi, la demande est considérée comme abandonnée si le demandeur omet de répondre de bonne foi à toute exigence du commissaire visée aux articles 23, 25, 37 ou 94 dans les délais qui sont prévus à ces articles.

Once a patent application is deemed abandoned, patent applicants can correct the error that led to the abandonment and seek reinstatement within a prescribed period—in this case, 12 months from the date that the patent application was deemed abandoned. If the error is not corrected, the patent application is dead—that is, not capable of reinstatement—by operation of law.

[18] Two requirements must be met under Rule 97 in order for a patent application to be deemed abandoned: (1) the Commissioner must send a requisition referred to in any one of Rules 23, 25, 37, or 94, and (2) the patent applicant must not reply in good faith.

[19] With regard to the first requirement, the patent application did not meet the requirements of paragraph 37(2)(a) of the *Patent Rules* as it lacked the statement that the patent applicants were the legal representatives of the inventors. Sub Rule 37(2) reads as follows:

37(2) If the applicant is not the inventor, the application must contain

37(2) Lorsque le demandeur n'est pas l'inventeur, la demande doit contenir

a statement indicating the name and address of the inventor and,

un énoncé indiquant le nom et l'adresse de l'inventeur et la déclaration suivante :

(a) in respect of an application other than a PCT national phase application, a declaration that the applicant is the legal representative of the inventor; and

a) à l'égard d'une demande autre qu'une demande PCT à la phase nationale, une déclaration portant que le demandeur est le représentant légal de l'inventeur;

Consequently, the Commissioner sent a notice of requisition that the patent applicants comply with paragraph 37(2)(a) pursuant to Sub Rule 37(4):

37(4) If an application does not comply with the requirements of subsections (1) to (3), the Commissioner shall, by notice to the applicant, requisition the applicant to comply with those requirements before the later of the expiry of the 3-month period after the date of the notice and the expiry of the 12-month period after the filing date of the application.

37(4) Lorsqu'une demande n'est pas conforme aux exigences énoncées aux paragraphes (1) à (3), le commissaire exige par avis que le demandeur se conforme à ces exigences dans les trois mois suivant la date de l'avis ou dans les douze mois suivant la date du dépôt de la demande, selon celui de ces délais qui expire le dernier.

[20] The appellants argued that the Commissioner was also required to send a requisition under Rule 94 and that she failed to do so. Thus, they argued, the decision to deem the patent application abandoned was invalid. I disagree.

[21] Rule 97 states that “an application is deemed to be abandoned if the applicant does not reply to any requisition of the Commissioner referred to in section 23, 25, 37 or 94” [emphasis added]. Rule 97 refers to Rules “23, 25, 37 or 94” and as such indicates that there are various ways to found a deemed abandonment. There is nothing in the text of Rule 97 to suggest that a requisition under Rule 94 takes precedence over one under Rule 37 or that Rule 97 only applies if the requisitions are sent under both Rules 37 and 94. Further, there is nothing in the text of

Rule 97 to suggest that a requisition under Rule 37 may be disregarded or ceases to have legal consequences if a requisition is not also sent under Rule 94.

[22] With regard to the second requirement, the appellants concede that the patent applicants did nothing to respond to the Rule 37 requisition. They argue, however, that, the Commissioner's failure to send a requisition under Rule 94 amounted to a decision that Rule 37 had been complied with as a matter of law and the requisition of February 15, 2013 was therefore either unauthorized or responded to in good faith. I disagree.

[23] Having found that there is no requirement to send a requisition under Rule 94, it follows that failure to send a requisition under Rule 94 does not indicate that the patent application has complied with Rule 37. Indeed, to my mind, inaction is not a basis upon which to show good faith. As the patent applicants did not respond to a requisition enumerated in Rule 97 within the required timeline, their application was deemed abandoned by operation of the provisions of the *Patent Act*.

[24] There is no mechanism in the *Patent Act* or *Patent Rules* by which the Commissioner can reinstate a patent application once it is deemed abandoned and the period for reinstatement has passed. In my view, the Commissioner had no discretion under the *Patent Act* to reinstate the patent application once it had been deemed abandoned and was incapable of reinstatement (February 3, 2016 letter) and the subsequent explanations that the Commissioner could not process the maintenance fee (February 4, 2016 letter) or conduct an advance examination of the patent application (May 17, 2016 letter) also flowed from the deemed abandonment and

impossibility of reinstatement by operation of law. Thus, there is no basis upon which to intervene with respect to the decisions communicated in the three letters.

VII. Conclusion

[25] For the foregoing reasons, I would dismiss the appeal with costs.

"David G. Near"

J.A.

"I agree.

Wyman W. Webb J.A."

"I agree.

J.B. Laskin"

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

**AN APPEAL FROM AN ORDER OF THE HONOURABLE JUSTICE RUSSELL
DATED APRIL 24, 2017, NO. 2017 FC 402**

DOCKET: A-166-17

STYLE OF CAUSE: THE GOVERNORS OF THE
UNIVERSITY OF ALBERTA and
ALBERTA HEALTH SERVICES v.
AGC

PLACE OF HEARING: EDMONTON, ALBERTA

DATE OF HEARING: DECEMBER 4, 2017

REASONS FOR JUDGMENT BY: NEAR J.A.

CONCURRED IN BY: WEBB J.A.
LASKIN J.A.

DATED: FEBRUARY 9, 2018

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