

Date: 20080108

Docket: A-68-07

Citation: 2008 FCA 4

**CORAM: DÉCARY J.A.
LÉTOURNEAU J.A.
NADON J.A.**

BETWEEN:

DISTRIMEDIC INC.

Appellant

and

RICHARDS PACKAGING INC.

Respondent

Heard at Montréal, Quebec, on January 8, 2008.

Judgment delivered from the Bench at Montréal, Quebec, on January 8, 2008.

REASONS FOR JUDGMENT OF THE COURT BY:

LÉTOURNEAU J.A.

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REASONS FOR JUDGMENT OF THE COURT
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LÉTOURNEAU J.A.

[1] The respondent filed an alleged disclaimer with the Canadian Intellectual Property Office pursuant to subsection 48(1) of the *Patent Act*, R.S.C. 1985, c. P-4 as amended.

[2] The Commissioner of Patents (Commissioner) refused to record the alleged disclaimer on the basis that it was not a disclaimer because it attempted to broaden, rather than narrow, the scope of at least one claim of the “045 Patent”.

[3] The respondent successfully sought judicial review before the Federal Court. Relying basically on this Court's decision in *Monsanto Co. v. Canada (Commissioner of Patents)*, [1976] 2 F.C. 476 (F.C.A.), Martineau J. (judge) ruled that the Commissioner or an examiner possesses no discretion under section 48 of the Act to make any inquiry or to take any decision with respect to a disclaimer submitted by a patentee in the prescribed form and manner: see paragraph 27 of his reasons for judgment.

[4] The judge set aside the decision of the Commissioner and ordered the "disclaimer filed and effective as of its filing date of November 8, 2005, subject to its propriety or validity being questioned before a court of competent jurisdiction in an action or proceeding under the Act respecting the patent in issue": see paragraph 2 of the Order. Hence the appeal from that decision.

[5] The appeal raises the following five issues as stated by the appellant in its memorandum of fact and law:

Did Mr. Justice Martineau err in concluding that the Commissioner did not have the power to refuse the filing or recordal of the Alleged Disclaimer?

Did Mr. Justice Martineau err in concluding that the Commissioner did not have the power to refer the Alleged Disclaimer to an examiner?

Did the Commissioner review the Alleged Disclaimer in order to determine whether it was, in fact, a disclaimer?

Was the Commissioner correct in concluding that the Alleged Disclaimer was not a disclaimer?

In concluding that the Alleged Disclaimer was not a disclaimer, did the Commissioner fail to observe a principle of natural justice or procedural fairness?

[6] The appellant agrees that issue no. 1 is the central issue which needs to be determined.

Consequently, this Court does not have to address the other four issues if it concludes that the judge did not err on issue no. 1.

[7] The appellant's position is that the Commissioner has the duty under section 48 of the Act to accept only those disclaimers which are, in actual fact, disclaiming part of the invention. In other words, implicit by necessary implication in the obligation to verify that a disclaimer is in the proper form is the power to refuse to record a disclaimer.

[8] As is often the case when a claim of implied power is made, the Court is asked to read and find in the provision a power of which there is simply no mention.

[9] Indeed, not only is there no mention of such power in the provision, the Act, and more specifically section 48, as well as the Rules, provide no administrative and procedural framework to properly and effectively allow a substantive consideration of the contents of a disclaimer. This is in contrast with numerous other situations where an administrative structure is provided and authority is given to the Commissioner or delegate to act: see for example section 35 (request for examination), Rule 30 (procedural guarantees), section 65 and ff. (abuse of rights under patents).

[10] We believe that it is in vain that the appellant has tried to distinguish the earlier ruling of this Court in the *Monsanto* case. Thirty-two years have elapsed since that decision and Parliament has

not seen fit to amend section 48 to include the power that this Court denied then and that the appellant now claims. When legislating, Parliament is presumed to know the law as interpreted by the courts. The warning of Bastarache J. in *Atco Gas & Pipelines Ltd. v. Alberta (Energy Institute & Utilities Board)*, [2006] 5 W.W.R. 1, at paragraph 86 (S.C.C.) is apposite here. He wrote:

This Court's role in this case has been one of interpreting the enabling statutes using the appropriate interpretive tools, i.e. context, legislative intention and objective. Going further than required by reading in *unnecessary* powers of an administrative agency under the guise of statutory interpretation is not consistent with the rules of statutory interpretation. It is particularly dangerous to adopt such an approach when property rights are at stake.

[11] Giving the Commissioner the power claimed by the appellant entails significant procedural differences. It means that the Commissioner's decision must be reviewed summarily, without disclosure, by way of judicial review, rather than by way of a claim or a defence in an action with all the procedural guarantees of a full trial at which oral evidence can be given as to the proper scope of the invention and the claim in issue as well as to whether the disclaimer is a disclaimer.

[12] Finally, if the Commissioner does not possess the power to refuse to record a disclaimer, as is presently the case, the appellant recognizes that it suffers no loss of rights and no prejudice other than having the trouble and bearing the cost of litigating the effect of the disclaimer. Once the possibility of recording a disclaimer is given to a patentee, possible litigation as to the effect of the disclaimer is something inherent to the very fact that a disclaimer is made and sought to be recorded.

[13] In view of the conclusion that we reached on issue no. 1, we did not hear from the appellant on the remaining grounds of appeal.

[14] For these reasons, the appeal will be dismissed with costs.

“Gilles Létourneau”

J.A.

FEDERAL COURT OF APPEAL

NAMES OF COUNSEL AND SOLICITORS OF RECORD

DOCKET: A-68-07

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DELIVERED FROM THE BENCH BY: LÉTOURNEAU J.A.

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