

# PROPOSED PATENT LAW

DRAFTED IN CONJUNCTION WITH THE

WORKING PAPER ON  
PATENT LAW REVISION

PREPARED FOR THE DEPARTMENT OF  
CONSUMER AND CORPORATE AFFAIRS

JUNE 1976

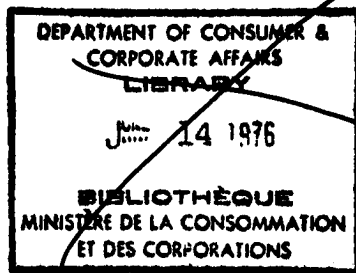
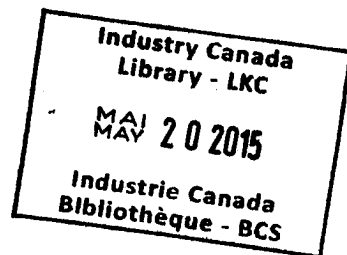


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PROPOSED PATENT LAW

WORKING PAPER  
ON  
PATENT LAW REVISION



DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS  
HON. BRYCE MACKASEY, MINISTER

JUNE 1976

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## PREFACE

This document contains proposed legislation for amending the Canadian patent law. It is intended as a companion document to the Working Paper on Patent Law Revision, prepared by consultants working within the Department of Consumer and Corporate Affairs and published in June, 1976.

This draft law has been prepared by the consultants for discussion purposes only and has not been adopted as a proposal for patent law reform by the government of Canada. The drafting style adopted herein is that of the consultants. To the extent that any legislation may subsequently be prepared for revision of the patent law, such legislation will be drafted by the Department of Justice.

## GLOSSARY

- ANTIDUMPING ACT - Revised Statutes of Canada 1970. Chap A-15.
- BANK ACT - Revised Statutes of Canada 1970. Chap B-1.
- BANKS - "The British Patent System" - Report of the Committee to Examine the Patent System and Patent Law, Chairman - M.A.L. Banks, July, 1970, Cmnd 4407.
- COPYRIGHT ACT - Revised Statutes of Canada 1970, Chap C-30 as amended.
- CMC - "Convention for the European Patent for the Common Market" (Common Market Convention) signed at Luxembourg, December 15, 1975.
- ECONOMIC COUNCIL - Economic Council of Canada "Report on Intellectual and Industrial Property", January, 1971.
- EPT - "Convention on the Grant of European Patents (European Patent Convention)" signed at Munich, October 5, 1973.
- FEDERAL COURT - Federal Court of Canada, Federal Court Act, Revised Statutes of Canada 1970, 2nd Supp, Chap 10.
- ILSLEY - Royal Commission of Patents, Copyright and Industrial Design "Report on Patents of Invention", Chairman - J.L. Ilsley, 1960.
- PARIS CONVENTION - Paris Convention for the Protection of Industrial Property, March 20, 1883, revised at Brussels on December 14, 1900, at Washington on June 2, 1911, at The Hague on November 6, 1925, at London on June 2, 1934, at Lisbon on October 31, 1958, and at Stockholm on July 14, 1967.
- PATENT ACT - Revised Statutes of Canada, 1970, Chap P-4.
- PATENT RULES - Rules Under the Patent Act, established by Privy Council order 1954-1855 as amended.
- S-2504 - Bill S-2504 presented before the Senate of the United States, 93d Congress, by Mr. Hugh Scott, October 1, 1973. (Committee Print, May 8, 1974).
- UK ACT - Patent Act, 1949 of the United Kingdom as amended.
- US CODE - United States Code, Title 35 - Patents. The Patent Act of 1952.
- US CUSTOMS DUTY ACT - United States Code, Title 19 - Customs Duties.

# PROPOSED PATENT LAW

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## Proposed Patent Law

### (References)

### (Proposal)

An Act respecting patents of invention

#### Introductory Provisions

##### Short Title

Corresponds to  
Present Section 1.

- 1 This Act may be cited as the "Patent Act, 1976".

##### Interpretation

Corresponds to  
Present Section 2  
except as noted.

- 2 In this Act, and in any regulation or order made under it,

"applicant" means a person qualified under section 30(1) to apply for a patent;

New

"authority" means the Patent Authority as established pursuant to Chapter 11 of this Act (to be drafted subsequently);

New

"convention country" means Canada or any country adhering to the Convention of Paris for the Protection of Industrial Property or any country with which Canada has established a bilateral agreement, approved by order in council, qualifying such country for treatment as a convention country under this Act;

"Commissioner" means the Commissioner of Patents, appointed pursuant to section 91 of this Act;

New

"computer program" means a series of instructions or statements in, or capable of conversion to, a machine-readable form and capable of being used in controlling a computer or data processing apparatus which is adapted to responding to various types of computer programs or series of instructions, and includes the algorithm associated therewith;

"Federal Court" means the Federal Court of Canada;

## Proposed Patent Law

### (References)

### (Proposal)

New

- 2 "inventor" includes, in the case of an invention made by employees who make an invention while acting within the scope of their duties, those persons responsible for or substantially contributing to the formulation of the invention;

"legal representatives" includes heirs, executors, administrators, guardians, trustees curators, tutors, assignees and all other persons claiming through or under inventors applicants for patents and patentees of inventions by operation of law;

"Minister" means the Minister of Consumer and Corporate Affairs or such other Minister of the Crown as may be appointed by the Governor in Council to administer this Act;

New

"patent" means letters patent for an invention; and, where regulations are passed pursuant to section 4(5) the rights arising upon the granting thereof pursuant to this Act;

"patentee" means the person for the time being entitled to the benefit as owner of a patent for an invention and includes the legal representative of such person;

"prescribed" means in respect of any matter referred to as "prescribed" under the Act, prescribed by regulation made by the Governor in Council pursuant to section 4;

New. Corresponds to  
US Code s 100(b).

"process" means any process, art or method and includes a new use of a known process or product;

New

"product" includes any machine, article, apparatus or composition of matter;

"regulation" includes prescribed forms;

## Proposed Patent Law

### (References)

Corresponds to present definition under section 2 of the present Act except that the last 2 lines are new

New.

The existence of "objects" are implied in the present Act under present section 12(1)a.

Present section 67(3) provides: "...patents are granted not only to encourage invention but to secure that new inventions are worked in Canada without undue delay."

### (Proposal)

- 2 "work on a commercial scale" means the manufacture of the product or the carrying on the process described and claimed in a specification for a patent in or by means of a definite and substantial establishment or organization and on a scale that is adequate and reasonable under the circumstances and in compliance with standards established by regulation.

### Policy for the Grant of Patent Rights

- 3(1) This Act, and the granting of patents under it, shall be interpreted as being made in pursuance of the following objects:
- (a) that the economic and social welfare of Canadians would be served by the early development in Canada of innovation based on new inventions of benefit to Canada;
  - (b) that recognition be given to the importance of inventions and the contribution of inventors as the first stage of the process of innovation;
  - (c) that patent rights are granted not only in acknowledgment of the contribution of inventors, but also to assist the introduction of new technology through the working of inventions in Canada on a commercial scale without undue delay in cases where this can be done efficiently;
  - (d) that the grant of an exclusive monopoly for a limited term be subject to such qualifications as are necessary in the public interest including provisions to avoid encouraging the establishment of industries which do not constitute the most effective use of Canadian resources; and

## Proposed Patent Law

### (References)

### (Proposal)

- 3(1)(e) that technical information relating to inventions or disclosed in patents be promptly disseminated to promote invention and innovation in Canada.
- (2) The Minister shall cause a report to be prepared on the operation of this Act, reviewing both the implementation of the above objects and the objects themselves, such report to be laid before the first session of Parliament convened 10 years after the coming into force of this Act.

### Regulation Power

Corresponds to present section 12 where indicated

s.12(1)a

s.12(1)b

New

New

- 4(1) The Governor in Council, on the recommendation of the Minister, may make regulations as may be deemed expedient:
- (a) for carrying into effect the objects of this Act, or for ensuring the due administration thereof by the Commissioner and other officers and employees of the Patent Office;
- (b) for carrying into effect the terms of any treaty, convention, arrangements or engagement that subsists between Canada and any other country; and
- (c) for giving directions pursuant to and consistent with this Act to the Patent Authority pertaining to any matters to be decided by such authority pursuant to this Act;
- (d) for establishing procedures to be followed in proceedings before the Review Authority including, without limiting the generality of the foregoing;

## Proposed Patent Law

(References)	(Proposal)
Corresponds in part to present section 41(14)b	4(1)(d) (i) the information to be contained in any application or notice,
Corresponds to present section 41(14)c	(ii) the form and manner of making of representations to, and the adducing of evidence before the Authority, with respect to any such proceedings;
Corresponds in part to present section 41(14)e	(e) providing for the making of representations to the Authority on behalf of the Government of Canada with respect to any proceedings under this Act; and
New	(f) pertaining to any procedure, time limit or other matter assigned by this Act to be prescribed; and,
Corresponds to generalizations on present section 12(1)c as indicated	(g) in particular, but without restricting the generality of the foregoing, with respect to the following matters:
s.12(1)c(i)	(i) the form of all documents, delivered to or issued by the Patent Office and the manner of delivery of such documents, including provisions for requiring multiple copies;
s.12(1)c(ii)	(ii) the form of records kept by the Patent Office;
s.12(1)c(iii)	(iii) the recording and pre-requisites for recording of all documents relating to any patent;
s.12(1)c(iv)	(iv) the form and contents of any certificate issued pursuant to the administration of this Act;

## Proposed Patent Law

### (References)

### (Proposal)

- |  |            |  |
|--|------------|--|
| s.12(1)c(v)  | 4(1)(g)(v) | the fees that may be charged in respect of the taking of any step, or transaction or proceeding under this Act or under any rule or regulations made pursuant to this section, or in respect of any services or the use of any facilities provided thereunder by the Commissioner or any person employed in the Patent Office; |
| s.12(1)c(vi)<br>Reference to possible deferral of fees is new. | (vi)       | the payment of any fees assigned to be prescribed by the Act or prescribed by regulation made pursuant to this section, including the time when and the manner in which any such fees shall be paid or may be deferred and the circumstances in which any such fees previously paid may be refunded in whole or in part;       |
| New  | (vii)      | extending time limits for the filing of any documents with the Patent Office in cases of postal disruption, or situations where hardship would arise through strict application of time limits; and  |
| Corresponds to present section 41(14)d in part                 | (viii)     | the form and manner of given any notice required or permitted under this Act.  |
| s.12(2)  | (2)        | Any rule or regulation made by the Governor in Council is of the same force and effect as if it had been enacted herein.   |
| New  | (3)        | Any regulation relating to or establishing time or time limits for the doing of anything, or procedures to be followed within or before the Patent Office may assign power to the Commissioner to vary or implement such regulation by means of standing orders or directives or by the personal exercising of his discretion. |

## Proposed Patent Law

### (References)

### (Proposal)

- New 4(4) All regulations under this Act and matters to be prescribed by the Minister shall be published in the Canada Gazette and in such other manner as is prescribed, at least 60 days prior to their approval by the Governor in Council or the Minister.
- New (5) Regulations may provide that in lieu of issuing actual letters patent, such letters patent shall be deemed to have been granted where the grant of such patent is entered in the records of the Patent Office.
- New (6) Where information is required to be provided pursuant to provisions of this Act, such information may be communicated in either of Canada's official languages, and regulations may further require translations into those languages of any documents.

Corresponds to  
Copyright Act  
section 47

### Adherence to Patent Cooperation Treaty

- 5 The Governor in Council may make such provisions by way of regulation, with respect to the publication, processing, and examination of applications as are necessary in order to qualify for Canada's adherence to the Patent Cooperation Treaty signed at Washington, 1970, and subsequent revisions thereto.

### Date of Proclamation

- 6 This Act shall come into force on a day to be fixed by a proclamation.

### Limited Duration for Granting of Patents

Corresponds to  
Bank Act section 6

- 7 No patent shall be granted under this Act following the twentieth day that Parliament is in session, after 10 years have passed from the coming into force of this Act.

## Proposed Patent Law

### (References)

Replaces old s.2(d)  
(definition of invention)  
and s.28 (definition of  
patentability)

Corresponds to EPT  
Article 52

Corresponds to EPT  
Article 57

Corresponds to EPT  
Article 56 and, in  
part, to US code  
s 103

Replaces old s.28(1)  
(definition of patentable  
novelty)  
Corresponds to EPT  
Article 54(1)

Corresponds to EPT  
Article 54(2)

### (Proposal)

#### Chapter I Patentability

##### Patentable Inventions

10 A patent shall be granted on application for any invention which is:

- (a) susceptible of industrial application,
- (b) new, and
- (c) involves an inventive step.

##### Industrial Application

11 An invention shall be considered as susceptible of industrial application if it can be applied or used in any kind of commercial or industrial activity, including agriculture.

##### Inventive Step

12 An invention shall be considered as involving an inventive step if, having regard to the state of the art as of the priority date of an application it would not have been obvious to a person skilled in the art.

##### Novelty

13 An invention shall be considered to be new if it does not form part of the state of the art as of the priority date of an application.

##### State of the Art

14(1) The state of the art shall be held to comprise everything made available to any member of the public anywhere in the world in a non-confidential manner by means of a written or oral description, by use, or in any other way, before the priority date of the application.

## Proposed Patent Law

### (References)

Corresponds in part  
to EPT Article 54(3)

New - added to clarify  
EPT provisions

New

Replaces present  
section 45(1)-(9)  
(procedure before  
Patent Office and  
Federal Court to  
determine which of  
the applicants is  
the first inventor).  
See also sections  
25(3) and 85(3) infra

### (Proposal)

14(2) Additionally, the specification of any application, the priority date of which is prior to or the same as the date referred to in subsection 1 and which becomes published under section 40, shall be considered as part of the state of the art.

(3) In applying an earlier application under subsection (2) against an application having a later priority date no account shall be taken of amendments to the earlier application filed after the priority date of the later application.

(4) For the purposes of subsection (2), an earlier unpublished application filed by the same applicant shall, when the applicant

(a) so requests, and

(b) disclaims all rights under any patent granted on the later application for the period beyond the term of any patent granted on the earlier application:

not be considered as part of the state of the art.

(5) Where two or more applications for the same or related inventions have the same priority date, and any of the applicants thereof so requests, subsection (2) shall not apply in respect of the application of such applicant, and such application shall be examined and allowed to issue to a patent without regard to the existence of the other applications.

Proposed Patent Law

(References)

(Proposal)

Effect of Secret Commercial  
Use on Patentability

New - no corresponding  
reference under EPT

- 15(1) An invention shall not be considered to be new if it has been in commercial use by the applicant or by persons under whom the applicant claims the right to apply for a patent, in a secret or confidential manner (such as to not make the invention available to the public) where any such commercial use occurred before the prescribed period prior to the applicant's priority date.
- (2) Where an invention was in secret commercial use during the period prescribed under subsection (1), the term of any patent issuing thereon shall not extend beyond nine years from the priority date of the patent.

Nonprejudicial Disclosures

Corresponds to EPT  
Article 55

- 16(1) For the application of section 13 a disclosure of the invention shall not be taken into consideration if it occurred no earlier than the prescribed period preceding the priority date of the patent application, and if it was due to, or in consequence of:
- (a) an evident abuse in relation to the applicant or his legal predecessor of confidence or duty;
- (b) the fact that the applicant or his legal predecessor has displayed the invention or made a presentation describing the invention at an official exhibition or public meeting as may be prescribed; or

## Proposed Patent Law

### (References)

Follows Ilsley recommendations, Part VI, section 2(5), p. 70.  
No corresponding reference in EPT

New - no corresponding reference under EPT

Replaces old s.28(3) (exceptions to patentability)

Corresponds to:  
EPT Article 52(2)a

EPT Article 52(2)b

EPT Article 52(2)c

### (Proposal)

16(1)(c) experimental activities necessarily carried out in public by the inventor, or any person claiming under the inventor.

(2) Where an applicant asserts that a disclosure had occurred by reason of any of the facts set forth in subsection (1), the Commissioner shall in accordance with the prescribed procedure, decide for the purposes of proceedings before the Patent Office whether such facts exist.

(3) An appeal lies from a refusal by the Commissioner to accept that facts under subsection (1) exist and the Federal Court shall have exclusive jurisdiction to hear such appeal.

(4) Regulations may prescribe procedures to be followed by a person proposing to carry on activities covered by subsection (1) by which a presumption of the application of subsection (1) shall arise.

### Exceptions to patentability

17(1) Patents shall not be granted with respect to the following:

(a) discoveries, scientific principles or theories, mathematical methods or algorithms;

(b) aesthetic creations;

(c) schemes, rules and methods for performing mental acts, playing games or doing business, and programs for computers, or use of computer programs;

## Proposed Patent Law

(References)	(Proposal)
New - no corresponding reference under EPT	17(1)(d) a general or multipurpose computing or data processing apparatus adapted to execute a given computer program as an instance of an ability to execute a variety of computer programs;
EPT Article 52(2)d	(e) presentations of information;
EPT Article 53(b)	(f) plant or animal varieties or essentially biological processes for the productions of plants or animals; this exception does not include microbiological processes or the products thereof;
EPT Article 52(4)	(g) methods for treatment of the human or animal body by surgery or therapy and diagnostic methods practised on the human or animal body. This provision shall not apply to products, in particular substances or compositions, for use in any of these methods.
Corresponds to EPT Article 52(3)	(2) The provisions of subsection 1 shall apply to the subject matter or activities referred to in that provision only to the extent to which a patent application or patent relates to such subjectmatter or activities as such.
This type of provision was recommended by the UK Banks Report para 229	(3) Regulations may prescribe further definitions as to what shall or shall not be deemed to be exceptions to patentability both with respect to subsection (1) and otherwise.
Reflects the policy of s.35 of the Interpretation Act.	(4) Regulations under subsection (3) shall not operate retroactively against any patent previously granted or any application which has been already filed.

Proposed Patent Law

(References)

(Proposal)

Chapter 2

Rights Accruing under Patents

Prohibition of Direct Use  
of an Invention

Replaces present  
section 46. Corresponds  
to CMC Art 29 in part

20(1) Upon the issue of a patent, all third parties not having the consent of the patentee shall be prohibited for the term thereof:

- (a) In the case of a product, from making, offering, putting on the market or using the subject matter claimed in the patent, or either importing or stocking such product for these purposes;
- (b) In the case of a process, from offering, putting on the market or using the subject matter claimed in the patent.

Added for clarity

- (2) The effect of a patent under subsection (1) shall not extend to:
  - (a) any of the matters set forth in section 24.
  - (b) goods to which section 25 applies
  - (c) a person who had acquired intervening rights under sections 50 or 51, in respect of such rights;
  - (d) Her Majesty or any person designated or authorized under the provisions of section 56.

## Proposed Patent Law

### (References)

Corresponds to CMC  
Article 30 and US  
Code s 271(c)

This is a deviation  
from CMC provisions,  
reversing the CMC  
policy.

### (Proposal)

#### Prohibition of Indirect Use of the Invention

- 21(1) Upon issue of a patent, all third parties not having the consent of the patentee shall be prohibited from supplying or offering to supply a person, other than a party entitled to exploit the invention, with means, relating to an essential element, for carrying out an act prohibited under section 20 when:
- (a) these means are suitable solely for putting the invention into effect, or
  - (b) the third party knows or ought to have known that these means are suitable and intended for putting the invention into effect.
- (2) The following persons shall be deemed as entitled to exploit the invention within the meaning of subsection (1):
- (a) persons performing the acts referred to in section 24(1) to the extent permitted under section 24.
  - (b) persons offering, putting on the market or using, or importing or stocking for such purposes, a product to which section 25 applies.
  - (c) Her Majesty or any person authorized or designated under section 56.

## Proposed Patent Law

### (References)

New  
Replaces the similar  
right now available  
under present section  
46  
  
Corresponds in effect  
to present section 337  
in the US Customs Duty  
Act

### (Proposal)

#### Rights to Protect Manufacture in Canada under a Patented Process

- 22(1) Where, during the term of a patent, persons are engaged in the importation of products directly produced by the patented process outside of Canada, the patentee may, on presentation of the certificate issued under subsection (2), obtain an order from the Federal Court directing that such persons cease further importations of such products.
- (2) Where a patentee, on the basis of evidence adduced before the Patent Authority, satisfies the Authority that a patented process is being worked in Canada on a commercial scale the Authority shall issue a certificate to such effect.
- (3) Upon issuing a certificate under subsection (2) the Authority may impose conditions pursuant to the following provisions:
- (a) the certificate may be for a limited period after which renewal may be required;
  - (b) the patentee may be required to provide information returns as to the continued working of the process;
  - (c) the certificate may be subject to recall and cancellation for failure to maintain a designated standard of working of the process; and
  - (d) such further provisions as may be prescribed.
- (4) An order under subsection (1) shall not apply with respect to:

## Proposed Patent Law

### (References)

### (Proposal)

- 22(4) (a) goods to which section 25 applies
- (b) a person importing a product for use in accordance with any of the acts set out in section 24;
- (c) a person who has acquired intervening rights under sections 50 or 51, in respect of such rights;
- (d) Her Majesty or any person authorized or designated under section 56.
- (5) For the purposes of this section "patentee" shall be deemed to include persons holding an interest in the patent by compulsory licence under section 53 of this Act.

### Interim Rights Conferred by a Patent Application after Publication

#### New

Corresponds to CMC Article 36 and the policy of EPT Article 67.

#### 23(1) Where:

- (a) a patent application has been published under section 40 and
- (b) examination has been requested under section 43(4) (if such request is prescribed) the application shall provisionally confer upon the applicant from the date of publication, the right to claim compensation later from any person who has used the invention in circumstances where that person would be liable for infringement of an issued patent.
- (2) Such compensation shall not be due unless and until the patent actually issues and compensation shall be payable for the period after the person from whom compensation is claimed has actual notice of the patent application.

Proposed Patent Law

(References)

(Proposal)

23(3) The rate of compensation shall be set on application by the Patent Authority on the basis of what a willing licensee would pay to a willing licensor, and the obligation to pay may be enforced by proceedings in the Federal Court, which shall have exclusive jurisdiction over such matters.

Corresponds to EPT  
Article 69(2)

(4) For the period up to issue of the patent, the extent of the protection conferred by the patent application shall be determined by the latest filed claims on record. However, the patent as issued shall determine retroactively the protection conferred during pendency of the application, in so far as intervening rights have not been established under section 52.

New - no corresponding  
reference under CMC

(5) An applicant for a patent may apply to the Federal Court for an interim order directing

(a) that the defendant keep account of his use of the invention as claimed; and

(b) that provision for security be made.

(6) An order under subsection (5) may issue upon such conditions imposed on the applicant as the Court deems necessary.

(7) The Court may, on the application of a party in proceedings under this section direct that the Patent Office expedite prosecution of the application.

(8) The payment of any compensation by a person under this section shall not relieve such person from the consequences of infringement of a patent granted under this Act.

## Proposed Patent Law

### (References)

### (Proposal)

#### Actions not Constituting Infringement

- |   |   |
|---|---|
| New<br>Corresponds to<br>CMC Article 31       | 24(1) Notwithstanding any other provisions in this act, a patent shall not be deemed to extend to prevent or affect the following:  |
| CMC Article 31(a)                             | (a) acts done for private, non-commercial purposes;   |
| CMC Article 31(b)<br>further qualified        | (b) acts done for experimental purposes which do not pre-judice directly a patentee's ability to exploit the patent commercially;   |
| New. CMC Article<br>31(c) further<br>extended | (c) the administration of a medicine or its preparation in individual cases for such use;   |
| Corresponds to<br>present section 23          | (d) the use of any invention in or for any ship, vessel, aircraft or land vehicle of any other country entering Canada temporarily or accidentally if such invention is employed exclusively for the needs of the ship, vessel, and not so used for the manufacture of any goods to be vended within Canada and, more particularly: |
| Added for clarity                             | (i) acts specified by Article 5 of the Paris Convention for the Protection of Industrial Property; or,<br><br>(ii) acts specified by Article 27 of the Convention of International Civil Aviation of 7 December 1944;   |
| New   | (e) the importation of a product which is ultimately exported, either by itself, or after incorporation in a step of manufacturing;   |

# Proposed Patent Law

## (References)

## (Proposal)

New

- 24(1)(f) a product manufactured in Canada for export and which is actually exported;

New

- (g) the use of a process for the purpose of manufacturing in Canada a product for export where such product is actually exported.

Similar in principle to section 17(2) of this proposed law.

- (2) The exceptions created under subsection (1) shall apply to the subject matter or activities set out there in only to the extent that such activities are restricted to the exceptions listed.

Similar in principle to section 16(4) of this proposed law.

- (3) Regulations may prescribe procedures to be followed by which prima facie presumptions of fact may arise as to whether activities fall under subsection (1).

### Exhaustion of Patent Rights

New  
Corresponds to  
CMC Article 32  
in principle.

- 25(1) Once a patentee, or any person deemed under this section related to the patentee has caused specific goods which either:

- (a) constitute a product, or  
(b) have been produced by means of a process

falling within the scope of a claim of the Canadian patent to be introduced into the market anywhere in the world, no action for infringement and no proceedings under section 22, including proceedings in respect of an order made there under, may thereafter be taken with respect to such actual specific goods as originated with the patentee or related person.

- (2) For the purposes of this section a person is deemed related to the patentee if, at the time such goods are introduced into the market:

Proposed Patent Law

(References)

(Proposal)

- 25(2) (a) that person has or had an interest in or under the patent;
- (b) that person has or had title to or an interest in or under any corresponding foreign patent for the same invention obtained
- (i) by the patentee;
- (ii) by a person under whom the patentee claimed the right to file the Canadian or foreign patent; or,
- (iii) by a person claiming under the patentee;
- (c) the business of such person is owned or controlled, directly or indirectly, by the patentee; or
- (d) the business of the patentee is owned or controlled, directly or indirectly by such person;
- (e) both the business of such person and the business of the patentee are owned or directly controlled by a third person.
- (3) Where two patents for the same invention, or for subject matter which is not patentably different, issue by reason of the application of sections 14(4) or 14(5), the patentees and all persons holding an interest in or under each such patent, shall be deemed related for the purposes of proceedings in respect of such patents.
- (4) Regulations may further define when a person shall be deemed related to the patentee.
- (5) This section shall operate notwithstanding conditions or limitations with respect to the sale of goods imposed upon a person by the patentee or by any related person on introducing goods into the market or thereafter.

# Proposed Patent Law

## (References)

## (Proposal)

- 25(6) Where goods are introduced into a market subject to local patent rights, a prima facie presumption shall arise that such goods have originated with a related person.

### Term of Protection of a Patent

Replaces present section 48 which provides 17 years from grant. EPT Article 63 provides 20 years from filing

- 26(1) The rights accorded by a patent grant shall, so long as returns are made and maintenance fees are paid in accordance with the provisions of subsection (2) and (3) extend for an initial period of 9 years from the priority date of the application and, subject to section 27, for a further extension of 5 years, unless earlier terminated under the provisions of this Act.

New-follows general international practice

- (2) Maintenance fees, in prescribed amounts, shall be paid prior to end of the third, sixth, ninth and twelfth year from the priority date of an application or a patent unless deferred as prescribed.

New-recommended by Economic Council

- (3) At the time of payment of the maintenance fees established under subsection (2), or within the prescribed period thereafter, and at such other times as the Minister prescribes the applicant or patentee shall submit such information returns as the Minister prescribes providing information available to the patentee pertaining to the invention and its use and activities of the patentee related thereto.

- (4) Upon failure to pay a maintenance fee or file a return pursuant to subsections (2) or (3), the application shall be deemed abandoned and in the case of a patent the term shall expire.

## Proposed Patent Law

### (References)

Required by the  
Paris Convention,  
Article 5bis (2)

New. Completes  
provisions of  
preceding  
section 26

### (Proposal)

- 26(5) The Commissioner on being satisfied, on an application made by the patentee in the prescribed manner that failure to pay a fee or make a return at the times established under subsections (2) or (3) was unintentional, may extend such time limits for a further period of up to 6 months.

#### Conditions for Continuation of Patent Rights

- 27(1) The rights accorded under a patent shall terminate at the end of the ninth year from the priority date of a patent, unless the patentee:
- (a) has as of the end of the 9th year from the priority date commenced and is continuing to work the invention for which such patent issued, on a commercial scale in Canada, and
  - (b) causes a declaration to be filed within the period provided by subsection (3) setting forth facts believed to constitute working of the invention in Canada on a commercial scale as of and continuously from the end of the 9th year from the priority date, together with prescribed particulars thereof.
- (2) Following the end of the 9th year from the priority date, the rights accorded under a patent shall cease when the patentee ceases to work the invention on a commercial scale in Canada.
- (3) The declaration required under subsection (1) may be filed at any time following the end of the 9th year from the priority date, unless the patentee has received a notice pursuant to subsection (4), in which case

## Proposed Patent Law

### (References)

### (Proposal)

- 27(3) the declaration must be filed within the prescribed period following the giving of such notice.
- 27(4) The Commissioner shall on the request of an interested person, at any time after the 9th year from the priority date of a patent by notice in writing addressed to the patentee and to every person who has an interest in such patent registered under section 81, advise the patentee and such persons that a declaration pursuant to subsection (1)(b) is required to be filed within the prescribed period from the date of such notice.

(5) For the purposes of this section:

(a) "patentee" shall be deemed to include any persons authorized by the patentee or by compulsory licence under this Act to work the invention in Canada; and

(b) "work on a commercial scale" means the manufacture of a product or the use of a process falling within the scope of a claim in a patent, in or by means of a definite and substantial establishment or organization and on a scale that is adequate and reasonable under the circumstances, and in accordance with such standards as may be prescribed by regulation pursuant to this section.

(6) Regulations made pursuant to subsection (5) shall apply to issued patents only insofar as provision is made for a period of at least 3 years from the date of proclamation of such regulations for compliance therewith.

Corresponds in part to definition under Present section 2.

## Proposed Patent Law

### (References)

### (Proposal)

#### Chapter 3

#### Application Requirements for Acquiring a Patent

#### Entitlement to a Patent

Corresponds to present  
section 28(1) in part

30(1) An application for a patent for an  
invention may be made by:

New. Replaces present  
section 33

- (a) the inventor thereof or his  
legal representative;
- (b) in the case of a joint inven-  
tion, any one of the inven-  
tors thereof, or the legal  
representative of any of  
such inventors;

New. Corresponds to  
the definition of  
'inventor' herein

- (c) the employer of persons  
constituting the employees  
responsible for or substan-  
tially contributing to the  
formulation of the invention,  
where such persons made the  
invention while acting within  
the scope of their duties;

Corresponds to the  
definition of  
applicant under  
present section 2.

- (d) any person entitled to an  
interest in the invention  
which includes the right to  
apply for a patent thereon,  
acquired from any of the  
above or from Her Majesty  
whether by assignment or by  
operation of law

where such person otherwise qua-  
lifies under subsection (2), and

Corresponds to  
present section  
20(1)

- (e) Her Majesty the Queen in the  
right of Canada pursuant to  
the Public Servants Inven-  
tions Act.

New

- (2) A person shall be deemed to  
qualify under subsection (1)  
to apply for a patent only  
where he is a national of, or  
a person domiciled within the  
jurisdiction of any convention  
country.

## Proposed Patent Law

### (References)

### (Proposal)

- 30(3) Regulations may prescribe procedures by which an applicant may establish his qualifications under subsections (1) and (2), for the purpose of proceedings before the Patent Office.

#### Form of Application

Corresponds to present sections 12(1)c and 32

Corresponds to present section 35 and to EPT Article 81

Corresponds to EPT Article 80

Corresponds in part to present Rule 20

New

- 31(1) Every application for a patent shall be made in the prescribed form and shall be filed in the prescribed manner.
- (2) Every application shall recite the facts by which under section 30 the applicant is qualified to apply for a patent, including designation of all inventors, and such further information as is prescribed.
- (3) Every application for a patent shall include a specification in the form prescribed under section 34 disclosing the invention for which it is intended to obtain a patent.
- (4) All documents and any communications with the Patent Office may be made in either the English or French languages, but regulations may provide for consistent use of one language only.

#### Designation of Inventors in Applications

- 32(1) An application shall not be held invalid by reason of failure of the applicant to constitute or identify all of the inventors, provided that at least one such person or inventor is properly named and that the applicant holds or has acquired an interest in the invention.

## Proposed Patent Law

### (References)

### (Proposal)

Corresponds to present  
section 33(3)

32(2) Where an application is filed naming more than one inventor, and it subsequently appears that one or more but not all, of the named inventors has had no part in the invention, the application may be amended to delete reference to the improperly named inventor with the consent of that person.

Corresponds to present  
section 33(4)

(3) Where an application is filed and it subsequently appears that one or more further inventors should have been named, the application may be amended to insert such further reference with the consent of the previously named inventors.

New - Replaces present  
section 33(2)

(4) Where

(a) a person refuses or is unable to grant consent; or

(b) an applicant refuses to apply for an amendment

under this section, the Federal Court shall have exclusive jurisdiction to direct, on application by any interested party, that an amendment may be made under this section in the absence of such consent.

### Priority Date

New

33(1) Subject to subsection (2), the date of filing of an application under section 31 shall constitute the priority date of an application and of any patent issuing thereon.

Corresponds to present  
section 29(1)

(2) Where an application filed in Canada is accompanied by a specification which conforms with a disclosure filed with a corresponding application, first filed in a Convention country within

## Proposed Patent Law

### (References)

### (Proposal)

33(2) the prescribed period prior to the filing date of the Canadian application, such application shall have a priority date as if it had actually been filed in Canada on the date when the corresponding application was first filed.

(3) Regulations may define when specifications conform under subsection (2) and shall provide deadlines and procedures by which a priority date under subsection (2) may be established before the Patent Office.

Corresponds to Paris Convention, Stockholm Revision Article 4C(4) and EPT Article 87(4)

(4) The filing of an application in a Convention country which is subsequently abandoned without having been made available to the public shall for the purposes of subsection (2) be deemed not to have occurred.

Corresponds to Paris Convention, Stockholm Revision Articles 4A(1) and 4I(2) and EPT Article 87(1)

(5) "Application" for the purposes of subsection (2) includes an application for a patent, or for registration of a utility model, for a utility certificate, or for an inventor's certificate.

#### Disclosure Requirements for a Patent Specification

New

34 The requirements for disclosure of an invention in the specification shall be prescribed by regulation subject to the objects set forth below:

#### Disclosure Requirements at Time of Filing an Application

Corresponds to present sections 35 and 36(1), to EPT Article 83, and to EPT Rule 27

(1) At the time of filing, the specification accompanying a patent application shall disclose and identify an invention and an instance of its application so as to,

## Proposed Patent Law

### (References)

### (Proposal)

- 34(1)(a) allow either the principle, or an application of the invention to be understood and applied by a person skilled in the art;
- (b) enable a search of the state of the art to be made to determine if the invention is patentable; and
- (c) include a claim or claims defining the processes or products incorporating the invention and over which the applicant seeks to obtain an exclusive right;

Corresponds in part to present sections 35 and 36(2)

New, - corresponds to EPT Rule 28

- (2) In the case of products prepared by use of a microbiological process, the specification shall, at the time of publication under section 40 refer to a source approved by regulation where samples of the relevant microorganism may be obtained.

### Disclosure Requirements of Specification at Time of Issue

Corresponds to present section 36(1), EPT Article 83 and EPT Rule 27

- (3) At the time that a request for grant of a patent is made pursuant to section 44 the specification shall:
- (a) describe the invention and the principle or technical effect by which it achieves its advantageous results;
- (b) disclose the best mode or modes known to the applicant for applying the invention to useful ends; and
- (c) particularly describe the application of the invention for use in one or more preferred embodiments so as to demonstrate the principle or technical effect of the invention, and the mode or

# Proposed Patent Law

## (References)

## (Proposal)

34(3)(c) modes of its application as contemplated by the applicant;

in such full, clear and accurate terms as to enable any person skilled in the art to which the invention pertains (or with which it is most closely connected) to understand and apply the same, and shall be free from:

- (d) avoidable obscurity or ambiguity, and
- (e) erroneous misstatements likely to deceive.

### Delineation of the Scope of Monopoly

New - corresponds to  
Present section 36(1)

34(4) The specification shall also, at the time that a request for grant of a patent is made pursuant to section 44:

- (a) particularly indicate and identify the aspects and characteristics of:
  - (i) the invention;
  - (ii) the preferred embodiments described; and
  - (iii) all embodiments of the invention contemplated by the applicant

which are new and which distinguish the invention and its application from the most closely related prior art as then known to the applicant; and additionally,

Corresponds to present  
section 36(2), to EPT  
Article 84 and EPT Rule  
29

- (b) include a claim or claims which state distinctly and in explicit terms the products and process that the applicant regards as new and embodying the invention, and over which the applicant claims an exclusive right. Such claims shall:

## Proposed Patent Law

### (References)

### (Proposal)

Corresponds to present jurisprudence in Canada, USA and UK

- 34(4)(b)(i) extend only to products or processes embodying the invention as disclosed in the specification apart from the claims;
- (ii) not extend to products or processes forming part of the state of the art existing as of the applicant's priority date; and
- (iii) not extend to products or processes which, having regard to the state of the art as of the priority date of the application, would have been obvious to a person skilled in the art,

setting forth such information in a full, clear and accurate manner, free from avoidable obscurity or ambiguity likely to confuse.

#### Provision for Preparation of Abstracts

Presently required by Rules 27A and 31(1)d

35

Regulations may require the preparation by the applicant of an abstract indicating the application of the invention. An abstract shall not govern the legal interpretation of a specification.

Corresponds to EPT Article 85

#### Provision of Evidence, Models and Samples on Request

Corresponds to present section 40

36(1)

The Commissioner on his own initiative or on application by any person, may require such evidence of the operability or utility of embodiments of the invention as he sees fit including:

- (a) in all cases in which the invention admits of demonstration by model, a model of convenient size exhibiting its several parts in due proportion; and

## Proposed Patent Law

### (References)

### (Proposal)

- 36(1) (b) when the invention is a composition of matter or requires the use of a micro-organism, specimens of the ingredients or microorganisms and or the composition, sufficient in quantity for the purpose of experiment.
- (2) Models, ingredients, micro-organisms or composition shall not be delivered to the Patent Office unless so required by the Commissioner. Where a model, ingredients, micro-organisms or composition are requested by the Commissioner and are of an explosive or dangerous character, they shall be furnished with due precautions.

### Liability for False Disclosure

- 37(1) Where by reason of any false statement, false suggestion or inaccuracy in a specification introduced knowingly or recklessly by an applicant, a person suffers loss or injury, he shall be entitled to obtain compensation from such applicant or from anyone acquiring the application or patent containing such false suggestion.
- (2) The Federal Court shall have exclusive jurisdiction to enforce rights arising under subsection (1).
- (3) The limitation period within which action to recover such compensation may be commenced shall extend for 3 years from the date of such loss or injury, but in any event, no later than 10 years following the end of the patent term.
- (4) No compensation shall be recoverable for injury occurring in the course of infringement of the patent, or an attempt to infringe the patent.

## Proposed Patent Law

### (References)

New as a statutory provision. Present rule 52 allows only certain limited amendments.

### (Proposal)

- 37(5) Compensation shall be limited to the loss that would accrue to a prudent and observant man who would mitigate such injury or loss on recognition that the patent contained a false statement, false suggestion or inaccuracy.

#### Amendment to Disclosure

- 38(1) Amendment to a specification accompanying an application or a patent, apart from the claims, may be made on application to the Patent Office by an applicant or patentee at any time so as to correct errors or add further information related to the invention or its application.
- (2) The Patent Office shall accept and enter in its records any amendment made in accordance with the provisions of this section. An amendment made under subsection (1) shall be effective as of the time that it is entered in the records of the Patent Office.

#### Amendment to Broaden a Claim

- (3) Any claim in an application may be amended at any time during the prescribed period after the priority date of the application to broaden the scope of products or processes covered by the claim, so long as the amended claim complies with the provisions of subsections (5) and (6).

#### Amendment to Narrow a Claim

- (4) Any claim in an application or a patent may be amended at any time to narrow the scope of products or processes covered by the amended claim, so long as the amended claim complies with the provisions of subsections (5) and (6).

## Proposed Patent Law

(References)

(Proposal)

### Prerequisites to Amendment of a Claim

- 38(5) An amended claim introduced under subsection (3) or (4) shall
- (a) be supported by the original disclosure from which priority is claimed, or
  - (b) be supported by amendments to the disclosure which conform with the original disclosure from which priority is claimed.

### Definition as to when Disclosures Conform

- (6) Amendments to the disclosure shall be deemed to conform with the original disclosure where
- (a) such amendments demonstrate further applications of the principle of the invention as originally disclosed; or
  - (b) such amendments provide further information as to the application of the invention originally disclosed.
- but where, in any event,
- (c) such amendments do not constitute an inventive step over the original disclosure from which priority is claimed on the basis of the state of the art as of the priority date.

## Proposed Patent Law

(References)

(Proposal)

### Amendment to Designation of Inventors after Grant of a Patent

New

- 39(1) Where a patent has issued on an application naming more than one inventor, and it subsequently appears that one or more but not all, of the named inventors has had no part in the invention, subject to section 39A(1), the patent may be amended on application to the Patent Office to delete reference to the improperly named inventors with the consent of those persons.
- (2) Where a patent has issued on an application naming more than one inventor and it subsequently appears that one or more further inventors should have been named, subject to section 39A(1), the patent may be amended on application before the Patent Office to insert such further reference with the consent of the previously named inventors.
- (3) Where a person refuses to grant consent under this section the Federal Court shall have exclusive jurisdiction to direct on application that an amendment may be made under this section in the absence of such consent.

### Amendments after Revocation Proceedings are Commenced

New

- 39A(1) No application for amendment of a patent may proceed before the Patent Office while proceedings for revocation of the patent are pending before the Federal Court unless the presiding Judge so consents.

## Proposed Patent Law

### (References)

Corresponds to  
UK section 30(2)

### (Proposal)

- 39A(2) Where a judge of the Federal Court on the application of the patentee during the course of proceedings has, pursuant to section 76, referred a proposed amendment to the Commissioner for his advice, the Commissioner shall before giving such advice advertise such reference in the prescribed manner so as to give notice thereof to the public and shall give for any persons who may wish to make written submissions thereon an opportunity to do so.
- (3) Copies of written submissions delivered under this section shall be forwarded to the patentee, and the patentee shall be given an opportunity to comment thereon.
- (4) When requested by the person making a submission under subsection (2), the identity of such person shall not be disclosed to the patentee or form part of any public record.

#### Division of an Application for a Patent

Replaces present  
section 38

Corresponds to  
EPT Article 82

- 39B(1) The patent specification accompanying an application shall be directed to:
- (a) a single invention only; or
- (b) to a group of embodiments or inventions so linked as to be related to a single general inventive concept.
- (2) In any action or other proceeding, a patent shall not be deemed to be invalid by reason only that it is directed to or has been granted for more than one invention.

## Proposed Patent Law

### (References)

### (Proposal)

39B(3) Where a claim is made under section 33(2) to multiple priority dates and the applicant so requests within the prescribed period or where uncertainty exists as to whether a specification is directed to

(a) a single invention; or

(b) a group of embodiments or inventions other than as set out in subsection (1)b,

the Commissioner may direct that the patent shall be limited to a single invention or group of embodiments only, and that the invention or inventions otherwise described in the application may be made subject of one or more divisional applications.

(4) Where a divisional application has been directed under subsection (3), such application shall be filed before a request for grant of a patent on the earlier application has been filed under section 45.

(5) Divisional applications shall be deemed to be separate and distinct applications under this Act. Such an application shall be entitled to the same priority date as the original application, or, in the case of a claim to multiple priority dates, to the priority date of the earliest application to which it conforms.

Corresponds to present section 38(3) and Paris Convention, Stockholm Revision, Article 4F and 4G

# Proposed Patent Law

(References)

(Proposal)

## Chapter 4

### Proceedings Before the Patent Office

#### Publication of a Patent Application

New - Corresponds  
to EPT Article 93

40(1) A patent application together with any amendments thereto, if not then abandoned under subsection (5), shall be published by the Patent Office forthwith after the expiry of the prescribed period from the priority date. Nevertheless, at the request of the applicant the application may be published before the expiry of the period referred to above.

Corresponds to  
Present section 10

(2) Regulations may prescribe the manner by which applications shall be published, which shall at least provide for publication by means of laying open the application for inspection by the public.

New

(3) Members of the public shall be entitled to obtain copies of all documents published under this section upon payment of the prescribed fee.

Corresponds to  
EPT Article 149(6)

(4) Regulations may provide for the publication forthwith after receipt by the Patent Office of:

- (a) the name of the applicant;
- (b) the title of the invention;
- (c) the Canadian filing date and number of the application;
- (d) the priority date;

and may provide for publication, after the period prescribed in

## Proposed Patent Law

### (References)

### (Proposal)

- 40(4) subsection (1), of correspondence between the applicant and the Patent Office and other documents arising in the course of examination of the application.

#### Right to Abandon an Application

- (5) An applicant may, at any time, by notice in writing abandon his application and if abandonment is made prior to publication under subsection (1) then no publication shall be made under that subsection.

Replaces present sections 20(6)-(16).  
Corresponds to Ilsley proposals Part IV, Section 30, p 54.

#### Secrecy for Patent Applications Relating to the Safety and Security of Canada

Identification of  
Security - Related  
Applications

- 41(1) Where an application for a patent is made in respect of an invention that is one of a category established and communicated to the Patent Office by a prescribed agency as being relevant for the safety and security of Canada:

- (a) the application shall be held in secrecy;
- (b) the agency shall be given notice in writing that the application is being so held; and,
- (c) the application shall be made available to such agency for inspection.

Evaluation of Security  
Relevance of Applications

- (2) Within three months of the receipt of the notice under subsection (1), the agency shall consider whether the safety or security of Canada would be prejudiced by publication or communication of information with respect to the invention.

## Proposed Patent Law

### (References)

Continued Secrecy of  
Pending Applications

Prosecution and  
Disposition of Secret  
Applications

Release of Obligation  
of Secrecy

### (Proposal)

- 41(3) Where the agency considers that the safety or security of Canada would be so prejudiced, the Commissioner shall be so advised in writing and information shall not be published or communicated with respect to the invention without prior authorization of the agency.
- (4) Upon receipt of advice from the agency under subsection (3) the Commissioner shall cause the application and invention, and all information pertaining thereto to continue to be kept in secrecy.
- (5) Unless the agency directs that the application may be examined and prosecuted to allowance or rejection under section 45, with the publication and grant of the patent being withheld, the Commissioner shall cause the application to be kept in a sealed packet without examination beyond the stage reached as of the time of the receipt by the Commissioner of the direction, until such time as a further direction has been made by the agency.
- (6) Where at any time the agency considers that the safety or security of Canada would not be prejudiced and that the application may be proceeded with as otherwise provided in the Act, the Commissioner shall be so advised in writing.
- (7) Upon receipt of a written direction made pursuant to subsection (6) the Commissioner shall:
  - (a) treat any restriction imposed with respect to the application under this section as at an end, and

Proposed Patent Law

(References)

(Proposal)

- 41(7)b) cause the application to be dealt with as otherwise provided in this Act, and may
- (c) subject to such conditions as he thinks fair, extend the time for doing anything required or authorized to be done by or under this Act in connection with the application, whether or not that time has previously expired.
- (8) In the case of an application prosecuted to allowance under subsection (5), such allowance shall, on resumption of proceedings under subsection (7)b, be withdrawn pending publication of the application pursuant to section 40, and examination of such application shall not be resumed until after the prescribed period following such publication.
- (9) Upon receipt of advice from the agency under subsection (3) the Commissioner shall issue and deliver a secrecy order directed to the applicant informing him not to publish information with respect to the invention, or to communicate such information to any person unless authorized by the Commissioner to do so.
- (10) From and after the receipt of the secrecy order by the applicant he shall be deemed, for the purpose of the Official Secrets Act, to be a person having in his possession or control information relating to the invention that has been entrusted to him by a person holding office under Her Majesty; and the communication of any of the said information by him to any person other than to one to whom he is authorized by the Commissioner to communicate it, shall be an offence under section 4 of that Act.

Secrecy Order to  
Bind Applicant

## Proposed Patent Law

### (References)

### (Proposal)

Annual Reconsideration  
of Security

41(11) Where the agency has issued advice to the Commissioner pursuant to subsection (3), the authority shall reconsider the question established under subsection (2) within the calendar year following the year within which the application was filed in Canada, and at least once in every subsequent calendar year.

(12) On each occasion that the question is so reconsidered the agency shall inform the Commissioner of the conclusion of the reconsideration.

(13) If upon reconsideration of the question as aforesaid or at any other time it appears to the agency that the publication or communication of information with respect to the invention would no longer be prejudicial to the safety or security of Canada, the authority shall give notice to the Commissioner to that effect.

Default in Annual  
Reconsideration

(14) If in any year subsequent to the year in which the application was filed, the Commissioner has not been informed pursuant to subsection (12) on or before the 31st day of December of that year, he shall, after giving the agency the prescribed notice and failing further direction from the agency within the prescribed period, deal with the application as if notice had been given to him under subsection (13).

Proposed Patent Law

(References)

Revocation of  
Secrecy Order

(Proposal)

41(15) Upon receipt of a notice made pursuant to subsection (13) the Commissioner shall:

- (a) treat any restriction imposed with respect to the application under this section as at end;
- (b) cause the application to be dealt with as otherwise provided in this Act;
- (c) revoke the secrecy order and inform the applicant of such revocation;

and may,

- (d) subject to such conditions as he thinks fair, extend the time for doing anything required or authorized to be done by or under this Act in connection with the application, whether or not that time has previously expired.

Compensation for Use  
by Her Majesty

(16) When an application in respect of which a secrecy order has been issued, has been found allowable for grant of a patent, then, during the continuance in force of such secrecy order, if any use of the invention is made by or on behalf of Her Majesty the provisions of section 56 of this Act shall apply to that use as if the patent had been granted for the invention.

(17) During the continuance of the secrecy order any hearing on an application for compensation by reason of the use described in subsection (16) shall be held in camera, unless the agency directs otherwise.

## Proposed Patent Law

### (References)

Compensation for Hardship arising from Secrecy Order

Defence of Invalidity

Corresponds to present sections 4(2), 6 and 37

Reverses the effect of present section 42.  
Corresponds to S-2504 section 137

### (Proposal)

41(18) If a secrecy order has been issued in respect of an application that applicant may, after his application has been found to be allowable, claim compensation from the Government of Canada for such hardships as resulted from the secrecy order in an amount to be set by the Patent Authority, in the prescribed manner.

(19) Her Majesty may oppose any application under subsections (16) or (18) for compensation on the ground that any application found allowable pursuant to subsection (5) would, if issued to a patent, be revocable.

(20) For the purposes of section 27 and 53, an application which has been held in secrecy pursuant to this section shall be deemed to have as its priority date, the date upon which such application is released from secrecy.

### Examination of Applications

42(1) The Commissioner shall make provisions for the reception and examination of applications for patents within the Patent Office to determine whether a patent should be granted in compliance with the provisions of this Act.

(2) In proceedings before the Patent Office, the burden shall be on the applicant to establish that, on the basis of the application made, a patent should be granted under this Act.

## Proposed Patent Law

### (References)

New - permits deferral of examination.  
Corresponds to S-2504 sections 191.

Corresponds to present Rule 39 and to S-2504 sections 115(a) (1), and 131(b) 1

### (Proposal)

#### Right of Applicant to Amend

- 42(3) An applicant shall be given an opportunity to overcome objections to his application in accordance with prescribed procedures, including the making of amendments to the specification in accordance with section 38 and the filing of a request pursuant to sections 14(4) and 14(5).
- (4) Regulations may prescribe the procedures to be followed in the course of the examination of applications under subsection (1) and may further provide for:
- (a) postponement of examination of applications unless the applicant requests that examination proceed;
  - (b) a period of time after publication of an application within which a request for examination must be made;
  - (c) a time for filing of a request that examination proceed where the Commissioner is satisfied on the application of an interested party that it is in the public interest that examination of an application is not postponed;
  - (d) time periods within which an applicant must respond to objections to the application;
  - (e) the submission by the applicant at any time throughout the period that the application is pending before the Patent Office, of:
    - (i) information pertaining to the nature and extent of use of the invention known by the applicant;

## Proposed Patent Law

### (References)

### (Proposal)

42(4) (e) (ii) information relating to the invention and the state of the art known or acquired by the applicant in the course of preparing the Canadian application, or acquired in the course of the preparation or prosecution of corresponding applications in foreign countries;

(iii) information relating to proceedings with respect to corresponding applications or patents in foreign countries; and

(iv) such further information as is prescribed to the extent that such information is available to the applicant.

New

(f) criteria for allowance of applications in accordance with the disposition of corresponding applications before designated foreign patent offices.

(5) Regulations under subsection (4) may establish conditions to be accepted by the applicant in order to qualify thereunder, and failure to comply with any requirements established by regulation under subsection (4) may result in the application being deemed abandoned if the regulations so provide.

#### Procedure for Intervention to Oppose Grant of Patents

New - adopts an informal procedure now in effect under rules 12 to 15

Corresponds to EPT Article 115

43(1) After publication of an application, any interested person may within the time prescribed, intervene to oppose issuance of a patent by delivering to the Patent Office written submissions and documentary evidence in the prescribed form, in support of any allegations of fact supporting grounds for refusal of the application.

## Proposed Patent Law

### (References)

### (Proposal)

- 43(2) Copies of written submissions and evidence delivered under this section shall be forwarded to the applicant, and the applicant shall be given an opportunity to comment thereon.
- (3) Disputed issues of fact, raised under subsection (1), shall be decided by the Commissioner in accordance with the prescribed procedure.
- (4) When requested by the intervenant, the identity of such intervant shall not be disclosed to the applicant nor form part of any public record.
- (5) The Commissioner may, thereafter provide for either party to introduce further evidence and make further submissions at any time thereafter with respect to the submissions of the other party or inquiries by the Patent Office.
- (6) No communication shall be made to the Patent Office in respect of an application after commencement of the procedure under this section unless disclosed to all participating parties.
- (7) The Commissioner shall on request of an intervenant after grant of a patent based upon an application which the intervenant opposed, make provision for the preparation and delivery of written reasons regarding submissions filed under this section in so far as they relate to the disposition of such application.
- (8) Every intervenant who objects to the issuance of a patent which he opposed by intervention under this section may, within a time to be prescribed following grant of the patent, apply to the Federal Court for an order revoking the patent.

## Proposed Patent Law

### (References)

### (Proposal)

- 43(9) the presumption under section 74 shall not operate during proceedings under subsection (8).

#### Allowance of Applications and Request for Grant of a Patent

Replaces the forfeiture and reinstatement procedure under present section 75

- 44(1) Where, in accordance with the provisions under section 42, it is determined that an applicant is entitled to be granted a patent, the Commissioner shall cause the applicant to be notified.
- (2) The applicant shall be given an opportunity following the notice under subsection (1) to request grant of a patent.
- (3) Unless the applicant
- (a) requests withdrawal of the notice of allowance and files an amendment (if otherwise permitted) to his application; or,
- (b) requests grant of a patent, within the prescribed period from the notice under subsection (1), the application shall be deemed abandoned.

#### Grant of a Patent

- (4) Where the applicant so requests within the prescribed period following the notice under subsection (1) the Commissioner shall cause a patent to be granted.

#### Rejection of Applications

- (5) Where, in accordance with the provisions under section 42, it is determined that an applicant is not entitled to be granted a patent, the application shall be refused, and the applicant notified in the prescribed manner.

Corresponds to present section 42

## Proposed Patent Law

### (References)

New - adopts an informal procedure now in effect

Replaces present section 42, reversing the onus

### (Proposal)

#### Review of the Refusal of an Application

- 45(1) The Commissioner may maintain an advisory board within the Patent Office to be known as the Industrial Property Advisory Board. The composition of this Board shall be prescribed by regulations which may provide for the Commissioner to appoint members, from time to time, from
- (a) the staff of the Patent Office
  - (b) persons qualified to practice as patent agents before the Patent Office, or
  - (c) persons qualified to practice as solicitors or barristers before the Federal Court.
- (2) Where an application for review is made within a prescribed time following refusal of an application under section 44 (5), the Board shall if so directed by the Commissioner, review de novo and make recommendations to the Commissioner regarding whether a patent should be granted on such application with or without any amendments thereto.
- (3) The Commissioner, after receiving any recommendations of the Board arising from its initial considerations or any reconsideration directed by the Commissioner, shall, unless he is satisfied that an applicant is entitled under this Act to the grant of a patent, direct that no patent be issued on the application and forthwith cause the applicant to be so notified in the prescribed manner.

## Proposed Patent Law

### (References)

### (Proposal)

45(4) The Commissioner shall, upon request by an applicant refuse issuance of a patent cause to be prepared and delivered within the prescribed period, written reasons setting forth the grounds for such refusal.

Corresponds to  
Present section  
44

(5) Every applicant who has failed to obtain a patent by reason of a refusal of the Commissioner to grant it may, within the prescribed period, appeal from the decision of the Commissioner to the Federal Court.

New

(6) The Commissioner may refer a question of law relating to a principle regarding the grant of patents to the Federal Court on a stated case for a declaration to be heard either jointly with an appeal under subsection (5) or otherwise.

### Validity of Patents

New. Replaces  
Present section 48.  
See also section  
71(2) infra

46 Every patent granted and every patent for which an amendment has been entered pursuant to sections 38, 39, 76 or 77 shall be deemed valid until terminated or revoked pursuant to this Act.

### Review of Patentability upon Discovery of New Art after Grant of a Patent

New

47(1) After grant of a patent, any interested person may apply in the prescribed manner for review of the validity of a patent, based upon documentary evidence existing as of the priority date but not previously considered during examination of the application leading to such patent.

(2) No application may be made under subsection (1) by an applicant who was aware of such documentary evidence during the period prescribed under section 43(1) for intervening to oppose issuance of a patent.

## Proposed Patent Law

### (References)

### (Proposal)

- 47(3) An application under subsection (1) shall include;
- (a) a request for review;
  - (b) copies of the alleged relevant prior art;
  - (c) a written submission alleging the grounds upon which it is submitted that the prior art would have affected the form of the patent as allowed, had it then been available;
  - (d) particulars as to how the new prior art and its relevance to the patent, came to the applicant's attention;
  - (e) such other information as may be prescribed.
- (4) Copies of the written submission and relevant evidence filed with an application under this section shall be forwarded to the patentee, and the patentee shall be given an opportunity to comment thereon.
- (5) When requested by the applicant, the identity of the applicant shall not be disclosed to the patentee or form part of any public record.
- (6) The Commissioner may thereafter provide for either the applicant or patentee to make submissions with respect to the submissions of the other party or inquiries by the Patent Office including proposals for amendments to the patent specification.

Proposed Patent Law .

(References)

(Proposal)

- 47 (7) After all submissions have been received, the Commissioner shall cause a written opinion with reasons to be issued indicating whether the patent would have issued either in the form as granted, or with the amendments proposed under subsection (6), in view of the new available documentary evidence.
- (8) The opinion and reasons issued under subsection (7) shall form part of the public record kept by the Patent Office with respect to the patent.
- (9) After issuance of the opinion of the Commissioner, the applicant may, within the prescribed time, commence proceedings under Chapter 7 before the Federal Court to obtain revocation of the patent.
- (10) Proceedings under subsection (9) shall be based upon the patent specification existing as of the date that the application for review was made under subsection (1) and no account shall be taken of amendments thereafter made to the patent under subsection 44.
- (11) This section will come into force on a date designated by order in council and may be suspended and reinstated thereafter at any time by order in council.

Proposed Patent Law

(References)

(Proposal)

Chapter 5

Qualifications on Patent Rights

Intervening Rights - Independent  
Acquisition

Replaces present  
section 58.  
Corresponds in  
part to CMC  
Article 34

- 50(1) Where, prior to the date on which an invention has been
- (a) published under section 40,
  - (b) described in a publication in the english or french language generally available in Canada or as otherwise prescribed, or
  - (c) put into commercial use in Canada,
- a person has taken steps in Canada to work the invention in Canada, he shall acquire intervening rights with respect to such invention and any patent issuing thereon.
- (2) A person entitled to claim intervening rights with respect to an invention shall be deemed:
- (a) to have the consent of the patentee to do any of the things otherwise prohibited under section 20, except the importation of patented products, and
  - (b) for the purposes of section 25, to be related to the patentee in respect of any application or use of such invention.
- (3) Where a person has acquired intervening rights under this section by taking steps in Canada to carry out an activity which would infringe any single claim of a patent, he shall be deemed to have intervening rights under all claims of a patent.

Proposed Patent Law

(References)

(Proposal)

- 50(4) No rights may be acquired under this section by way of communication of knowledge of the invention known to have originated from the inventor.

Intervening Rights Arising  
Through Amendment or  
During a Grace Period

New

- 51(1) Where a person after the publication of an application takes steps in Canada to work the invention in Canada in a manner which would not infringe a claim of the application, such person shall be deemed to have acquired intervening rights with respect to such application and any patent issuing thereon, notwithstanding any amendment made pursuant to section 38(3).

- (2) Where a person intervenes to oppose issuance of a patent pursuant to section 43, he shall be entitled to acquire intervening rights under subsection (1) by taking the steps set out in subsection (1) at any time after publication, up to within the prescribed period from the termination of procedures under section 43.

Corresponds to  
S-2504 section 152

- (3) Any person who takes steps in Canada to apply the invention for commercial use in Canada following the failure of an applicant or patentee to comply with section 26(2) or 26(3) shall, if a further period is granted under section 26(5), be entitled to intervening rights with respect to the application or patent involved.

Proposed Patent Law

(References)

(Proposal)

Transfer of Intervening Rights

New

- 52(1) Intervening rights are personal to the person who caused the steps by which such rights arise to be taken.
- (2) Such rights may not be transferred to other except for:
- (a) transfers to persons who are successors to the business in respect of which such rights arose, or
  - (b) transfer to which the patentee consents in writing.
- (3) Regulations may prescribe formalities required to effect a transfer under subsection (2) and for the registration of particulars of such a transfer.

Compulsory Licence for NonWorking

Corresponds to present section 67(2)a

- 53(1) The Commissioner shall on the request of an interested person, at any time after the 7th year from the priority date of a patent, by notice in writing addressed to the patentee, advise the patentee that a declaration is required to be filed within the prescribed period from the date of such notice, setting-forth:
- (a) whether the invention for which the patent issued is being worked in Canada on a commercial scale; and
  - (b) the facts believed to constitute such working of the invention together with prescribed particulars thereof.

## Proposed Patent Law

### (References)

### (Proposal)

- 53(2) Following the prescribed period established pursuant to subsection (1), the Authority shall grant pursuant to the provisions of section 58, on application by any interested person a licence for such person to work the invention in Canada unless the patentee has, within the aforesaid prescribed period:
- (a) filed a declaration pursuant to subsection (1); and
  - (b) applied to the Authority for a ruling that:
    - (i) the invention is being worked in Canada on a commercial scale, or
    - (ii) there is a reasonable prospect that the invention will likely be worked in Canada by the end of the 9th year from the priority date of the patent without grant of a licence under this section.
- (3) Where the patentee has made an application pursuant to subsection (2)b within the time prescribed, the Authority shall rule whether the facts set out in subsection (2)b(i) or (2)b(ii) exist.
- (4) Where the patentee, subsequent to the period prescribed, files a declaration under subsection (1) stating that the invention is being worked as set forth in that subsection, and applies to the Authority for a ruling, the Authority shall rule whether the invention is being worked in Canada on a commercial scale.

## Proposed Patent Law

### (References)

### (Proposal)

- 53(5) Where a patentee makes an application pursuant to subsections (2)b or (4), any application for grant of a licence pursuant to this section shall be adjourned pending the decision of the Authority under subsections (3) or (4).
- (6) If the Authority rules pursuant to subsections (3) or (4) that the facts as asserted have been established to exist, any application for a licence under this section then pending shall be rejected.
- (7) If the Authority rules that the patentee has failed to establish the facts asserted pursuant to subsections (3) or (4), the Authority shall grant pursuant to the provisions of section 58 any application for a licence under this section then pending.
- (8) For the purposes of this section:

Corresponds to  
section 27(5) of  
this proposed law

- (a) "patentee" shall be deemed to include any person authorized by the patentee or by compulsory licence under this Act to work the invention in Canada;
- (b) "work on a commercial scale" means the manufacture of the article or the carrying on of the process falling within the scope of a claim in a patent, in or by means of a definite and substantial establishment or organization and on a scale that is adequate and reasonable under the circumstances, and in accordance with such standards as may be prescribed by regulation pursuant to this section.

## Proposed Patent Law

### (References)

Corresponds to  
section 27(6) of  
this proposed law

New. Recommended by  
Economic Council.  
Corresponds in part  
to Ilsley proposals  
Part VIII,  
section 2(2)(f)(ii),  
page 75

### (Proposal)

- 53(9) Regulations made pursuant to subsection (8)b shall apply to an issued patent only insofar as provision is made in such regulations for a period of at least 3 years for compliance therewith.

#### Licences for Complementary Inventions

- 54(1) Any person who has acquired a patent for an invention and proposes to work the invention in a manner which:

- (a) is included within the scope of any of the claims of such patent, and
- (b) might involve infringement of another patent,

may file with the Authority an application in the prescribed form and manner for a compulsory licence to use the invention for which the other patent issued by working such invention in Canada.

- (2) After giving the owner of the other patent an opportunity to make submissions with respect to an application hereunder, the Authority shall grant pursuant to the provisions of section 58, a compulsory licence to do the things requested in the application unless the Authority is satisfied:
  - (a) that the issue of such licence would substantially prejudice lawful working in Canada of the other patented invention;
  - (b) that the invention associated with the patent held by the applicant is of minor commercial significance to the public of Canada in comparison to the other patented invention; or,

## Proposed Patent Law

### (References)

### (Proposal)

54(2)(c) that the applicant may reasonably work his invention on a practical, commercial scale without use of the other invention.

(3) The Authority may impose as a condition upon the applicant who accepts a compulsory licence hereunder an obligation to issue a cross-licence between the parties under the patents in issue.

### Licences for Food and Medicine

Present sections 41(1) and (2) are repealed. The principles of present sections 41(3) to (16) are retained, subject to the changes noted.

Section 55(1) corresponds to present section 41(3)

Corresponds to present section 41(4)

55(1) In the case of any patent for an invention intended or capable of being used for the preparation or production of food, the Authority shall, unless it sees good reason to the contrary, grant to any person applying for the same a licence limited to the use of the invention for the purposes of the preparation or production of food and its distribution.

(2) Where, in the case of any patent for an invention intended or capable of being used for medicine or for the preparation or production of medicine, an application is made by any person for a licence to do one or more of the following things as specified in the application, namely:

(a) where the invention is a process, to use the invention for the preparation or production of medicine, import any medicine in the preparation or production of which the invention has been used or sell any medicine in the preparation or production of which the invention has been used, or

## Proposed Patent Law

### (References)

### (Proposal)

- 55 (2)(b) where the invention is other than a process, to import, make, use or sell the invention for medicine or for the preparation or production of medicine,

the Authority shall grant to the applicant a licence to do the things specified in the application except such, in any, of those things in respect of which it sees good reason not to grant such a licence.

Corresponds to part of present sections 41(3) and (4)

- (3) In settling the terms of the licence granted under subsection (1) and (2) and in fixing the amount of royalty or other consideration payable, the Authority shall have regard to the desirability of making the food or medicine available to the public at the lowest possible price consistent with giving to the patentee due reward for the research leading to the invention and for such other factors as may be prescribed.

The delay of 6 months under section 41(5) has been omitted

- (4) At any time after the day on which a copy of an application to the Authority pursuant to subsection (2) is served on the patentee in the prescribed manner, the Authority shall grant to the applicant on request an interim licence to do such one or more of the things specified in the application as are specified in the request. The Authority shall, upon granting an interim licence, forthwith serve upon the patentee a notice stating that such interim licence has been granted.

New.  
This codifies the present practice, but only for the interim licence

- (5) In settling the terms of an interim licence granted pursuant to subsection (4), the amount of the royalty shall be set at a rate of 4% of the net selling price of the medicine in final packaged form.

## Proposed Patent Law

### (References)

Corresponds to present  
section 41(8)

Corresponds to present  
section 41(9) changed  
to allow an indefinite  
number of interim  
licences

Corresponds to present  
section 41(10)

Corresponds to present  
section 41(11)

### (Proposal)

55(6) The Authority shall not grant an interim licence pursuant to subsection (4) unless the applicant has filed with the Authority a guarantee bond satisfactory to the Authority payable to Her Majesty in right of Canada, to secure the payment by the applicant of the royalties or other consideration that may become payable to the patentee under the interim licence.

(7) Subject to subsection (8), an interim licence granted pursuant to subsection (4) shall have effect according to its terms for an initial period, not exceeding six months from the day on which the interim licence is granted, specified by the Authority in the licence and may, in prescribed circumstances, be renewed by order of the Authority for a further period or periods not individually greater than six months.

(8) An interim licence granted to an applicant pursuant to subsection (4) ceases to have effect

(a) where the Authority grants a licence to the applicant pursuant to his application made under subsection (2), on the day on which such licence becomes effective; or

(b) where the Authority rejects such application, on the expiration of the period for which the interim licence is then in effect.

(9) A decision of the Authority with respect to an interim licence is final for all purposes and is not subject to appeal or to review by any court.

## Proposed Patent Law

### (References)

### (Proposal)

Corresponds to present  
section 41(13)

55(10) Where an application is made pursuant to subsection (2) or a request is made pursuant to subsection (4), the Authority shall forthwith give notice of such application or request to the Department of National Health and Welfare and to any other prescribed department or agency of the Government of Canada.

Corresponds to present  
section 41(16)

(11) Nothing in this section or in any licence or interim licence granted pursuant to this section shall be construed as conferring upon any person authorized to prepare, produce, import or sell any medicine contrary to, or otherwise than in accordance with, the requirements of the Food and Drugs Act and the regulations thereunder and of any other law applicable thereto.

New. Refers to  
section 55(5) of  
this proposed law

(12) The term "net selling price" as used herein shall mean that price charged any arm's length customer after deduction of allowances for returns, sales tax or other tax forming part of the price and required to be remitted to any governmental authority.

### Government Use of Patented Inventions

Replaces present  
section 19.

Corresponds in  
part to Ilsley  
proposals Part IX,  
p 99

56(1) In this section:

- (a) "Her Majesty" means Her Majesty acting either in the right of Canada or in the right of any Province of Canada.
- (b) "Minister" means any Minister of a department of the Government of Canada designated by order in council to act under this section.

Proposed Patent Law

(References)

(Proposal)

56(2) Her Majesty may at any time do anything specified under sections 20 or 21.

(3) Her Majesty may authorize any person to do anything specified under sections 20 or 21 or otherwise subject to an order under section 22 for the benefit or purposes of Her Majesty. Such authorization shall be in writing and may be made either before or after any acts have been done under such authorization.

New

(4) The Minister may, in pursuance of any agreement or arrangement made with a government of a foreign country authorize the government of that country or any person designated by that government to make use and sell any subject matter claimed in a patent in respect of matters relating to defence purposes of that country or such other government purposes as are approved by order in council.

(5) On the making, use or sale of any subject matter claimed in a patent or the granting of any authorization under this section the patentee shall:

New

(a) be informed by Her Majesty of the fact forthwith; and,

New in respect of claims under prior agreements

(b) be entitled to reasonable compensation from Her Majesty for use of the subject matter claimed in the patent, including compensation as to save the patentee harmless from any claims arising from prior licence agreements by reason of such making, use or sale.

(6) Compensation, in the absence of agreement, shall be fixed by the Authority.

## Proposed Patent Law

### (References)

New

- 56(7) No compensation shall be payable to a patentee under subsection (5) in respect of any use pursuant to section (2), (3) or (4) of subject matter claimed in a patent except insofar as claimed within the three year period following the time that patentee received actual notice of such making use.
- (8) No action for infringement lies in respect of any activities carried out by any person pursuant to authorization granted under this section.

### Compulsory Licences in the Public Interest

These provisions are taken from Ilsley Part VIII, section 2, p 74, deleting the working and importing provisions

- 57(1) Any interested person may apply to the Authority upon any one or more of the grounds specified in subsection (2) for an order for the grant of a licence under a patent, or in anticipation of the grant of a patent to do anything otherwise prohibited under sections 20 or 22.
- (2) Under subsection (1) an application may be made of any of the following grounds:

Corresponds to present section 67(2)c, and Ilsley, part VIII, section 2(2)c

- (a) that a demand for the patented product or process in Canada is not being met on reasonable terms;

Corresponds to present section 67(2)d, and Ilsley, part VIII, section 2(2)f(ii)

- (b) that by reason of the refusal of the patentee to grant a licence or licences on reasonable terms the establishment or development of commercial or industrial activities in Canada is unfairly prejudiced; or,

## Proposed Patent Law

### (References)

Corresponds to present section 67(2)e and f and Ilsley, part VIII, section 2(2)g(i) and (ii)

New - not included in Ilsley

### (Proposal)

57(2)c) that by reason of any condition imposed or sought to be imposed by the patentee:

(i) upon the grant of a licence or licences in respect of the patent; or

(ii) upon the purchase, hire or use of the patented product or process,

the manufacture, use or sale by any person of any article not protected by the patent is unfairly prejudiced; or the establishment or development of commercial or industrial activities in Canada is unfairly prejudiced.

(3) For the purposes of subsection (2) the following shall not constitute reasonable terms and shall be presumed to unfairly prejudice commercial or industrial activities in Canada:

(a) terms more onerous than those imposed on licensees in respect of a corresponding patent in a foreign country; or

(b) terms as to royalty payments or otherwise which are unduly burdensome on the licensee, seriously impairing his ability to compete with the patentee, where the patentee, through prior licence royalties and profits from exploitation of the invention has more than recovered the costs allocable to Canada of inventing and innovation associated with the invention.

(c) such further matters as are prescribed.

Proposed Patent Law .

(References)

These remedial qualifications are new, while not expressly included, their effect is inherent in the Ilsley proposal, part VIII, section 4(2) (a) and (b)

Corresponds to Ilsley, part VIII, section 2(5)

New

Corresponds to Ilsley, part VIII, section 6

New

(Proposal)

- 57(4) Subject as hereinafter provided the Authority may, if satisfied that any of the grounds aforesaid are established, make an order pursuant to the provisions of section 58 for the grant of a licence in respect of the patent, where, in the opinion of the Authority, such grant is
- (a) likely to correct the condition constituting the ground under which a licence is sought;
  - (b) in the absence of such grant such condition is likely to continue; and
  - (c) in the opinion of the Authority it is in the public interest that such a licence be granted.
- (5) An application under this section may be made by any person notwithstanding that he is already the holder of a licence under the patent; and no person shall be estopped from alleging any of the matters specified in subsection (2) of this section by reason of any admission made by him, whether in such a licence or otherwise, or by reason of his having accepted such a licence.
- (6) The Authority shall upon request by a party following grant or refusal of a licence deliver within a prescribed period written reasons as to the grounds upon which licence was granted or refused.
- (7) For the purposes of this section, "patented product" includes:
- (a) the product of a patented process; and
  - (b) an article incorporating a patented product.

## Proposed Patent Law

### (References)

### (Proposal)

#### Conditions and Compensation on Grant of Licences

New. Replaces  
present section 68.  
Corresponds to  
Ilsley part VIII,  
section 2(3), p 75

Follows in part  
recommendation of  
the Economic Council

New

Reverses the Ilsley  
proposal, part VIII,  
section 2(4)

Corresponds to Ilsley,  
part VIII, s 3(2), p 76

- 58(1) The Authority shall have jurisdiction on the grant of a licence under sections 53, 54 and 57 to impose such conditions under the licence as it deems fit.
- (2) On issuing a licence, the Authority may impose an interim royalty, subject to further proceedings to establish the amount of compensation.
- (3) In determining compensation to be paid under the licence the Authority shall set as a royalty an amount equivalent to that which the Authority deems would be paid by a willing licensee to a willing licensor.
- (4) The Authority shall have jurisdiction on application by either the licensor or licensee to vary conditions and compensation established pursuant to subsections (1) or (2) where circumstances not contemplated under the prior licence arise.
- (5) The Authority may authorize the transfer of a licence on such terms as it deems fit.
- (6) In issuing a licence, the Authority may by order suspend or amend the operation of any prior licence and all terms and conditions related thereto, whether granted by consent of the patentee or pursuant to the provisions of this Act, insofar as such prior licence applies to activities subject to a licence under sections 53, 54 or 57.

Proposed Patent Law

(References)

(Proposal)

General Provisions Respecting  
Statutory Licences

New

- 59(1) The Federal Court shall have exclusive jurisdiction to enforce payments and compliance with any terms established under a licence issued pursuant to sections 53, 54, 55, 57 or 58.
- (2) The provisions of section 25 shall continue to apply during the period that a licence issued under sections 53, 54, 55, 57 or 58 is extant.

New. Antidumping  
provisions

- (3) Where a licence has been issued under sections 53, 54, 55 or 57, the patentee and any related person within the definition of section 25(2) shall be prohibited from introducing patented goods into Canada at a price which is below the normal value for which such goods are being sold by the patentee or by such related person, in a country where the goods enjoy patent protection.
- (4) Where a licence has been issued under sections 53, 54, 55 or 57 and the patentee or any related person causes patent goods to be imported into Canada, the provisions of the Antidumping Act shall, subject to the provisions of subsection (5), apply to such goods.
- (5) For the purposes of subsection (4), section 9(1)b of the Antidumping Act shall be deemed to read as follows:
- "5(1) Subject to subsection (5), the normal value of any goods is the price of like goods when sold by the exporter,

Underlined portion is  
the only change, replacing  
"under competitive  
conditions"

(b) in the ordinary course  
of trade for home consump-  
tion under protection of  
exclusive patent rights."

## Proposed Patent Law

### (References)

### (Proposal)

#### Enforcement of Patent Rights

#### Proceedings for Infringement of a Patent

Defines "infringement"

- 60(1) Any person who after grant of a patent, carries on activities
- (a) prohibited under section 20 and 21;
  - (b) in violation of an order under section 22
- with respect to such patent shall be deemed to have infringed the patent.

Replaces present section 56(1)

- (2) The Federal Court shall have exclusive jurisdiction to enforce rights arising under this Act or to grant any remedy at law or in equity in respect of a violation of such rights, not contrary to the provisions of this Act.

New. Corresponds to Copyright Act, section 24 and IIsley proposals, Part XI, section 9, p 111

- (3) No action for any acts of infringement may be commenced and no damages shall be payable on account thereof after 3 years from the time such acts occurred.

Corresponds in part to present section 57(1)

- (4) Proceedings for infringement of a patent may be taken by the patentee or by any person claiming under him, but only those persons whose interest in the patent have been registered pursuant to section 81 may participate in such proceedings.

Similar to present section 57(2)

- (5) Except under circumstances prescribed by regulation, the patentee and all persons claiming under him shall be or shall be made a party to any action for infringement.

## Proposed Patent Law

### (References)

New. Corresponds to US code, section 287 and Ilsley proposals, Part XI, section 5(1), p 108

New.

### (Proposal)

#### Effect of Actual Notice

- 61(1) Where a person has infringed a patent without having actual notice of such patent, he shall not be liable for payment of damages for infringement in respect of anything done prior to acquiring such notice.
- (2) A person who imports or manufactures a product falling within the scope of a claim of a patent shall be deemed to have had actual notice of a patent where goods manufactured in or imported into Canada under the patent or while the application therefore was pending have, with the consent of the patentee, been introduced into the market in Canada, and all or substantially all of such goods have been marked in accordance with subsection (3).
- (3) Patented goods marked in the prescribed manner with the words "Canadian Patent", "Canadian Patent Pending" or the abbreviations "Can Pat" or "Can Pat Pending" and the number of the patent or application shall be deemed as being sufficiently marked for the purpose of subsection (2).
- (4) Goods marked with reference to several applications or patents where one or more such applications or patents do not apply in respect of such goods shall be deemed as not being sufficiently marked for the purposes of subsection (2).

## Proposed Patent Law

### (References)

### (Proposal)

#### Stock in the Hands of Innocent Infringers

New

62 A person who has, prior to having actual notice of the existence of a patent, acquired a stock of goods for trade which infringe the patent, shall be entitled to freely dispose of such goods:

- (a) outside of Canada;
  - (b) within Canada upon payment of compensation set by the Court (or on reference by the Court to the Authority), if the patentee is unwilling to purchase such goods at cost; or
  - (c) by storing such goods pending the end of the term of patent protection,
- at the election of the infringer.

#### Powers of the Court in Infringement Actions

Corresponds to present section 57(1)

63(1) Any person who infringes a patent is liable to the patentee and to all persons claiming under him who are parties to the action, for all damages sustained by the patentee or by any such person, by reason of such infringement, in an amount to be awarded by the Court.

Similar to present Federal Court powers under Federal Court Rule 500

(2) The Court, either upon application or upon its own initiative, may refer the assessment of damages to the Authority or such other person as the Court may approve.

New

(3) In awarding damages under subsection (1), the Court may on application direct that such damages be made payable according to a time schedule approved by the Court.

## Proposed Patent Law

### (References)

Expresses present  
Court power

Similar to present  
section 59(1)a

Similar to present  
section 59(1)b

Present jurisprudence  
where account of  
profits taken

New. Proposed by  
Ilsley, Part XI,  
section 1(1), p 105

### (Proposal)

- 63(4) In lieu of awarding damages either in part or in whole, the Court may, on application of the plaintiff, order that products subsequently produced or imported in violation of sections 20 or 21 after actual notice under section 61 was acquired, or in violation of an order under section 22 be delivered up to the plaintiff or dealt with as the Court sees fit.
- (5) In addition to awarding damages under subsection (1), the Court may on application make such order as the Court sees fit, in accordance with the principles of equity:
- (a) restraining the defendant from committing further acts in violation of sections 20 or 21; or
  - (b) directing disposition of any article or material which is adapted for carrying-out any activities which would infringe the patent;
  - (c) for and respecting inspection and account and generally, respecting the proceedings in the action.
- (6) Where damages have been awarded in respect of the production or importation of any specific goods in violation of section 20, 21 or 22, the patentees rights with respect to such goods shall be deemed exhausted.
- (7) No order for an account of profits shall be made in any patent proceedings.

Proposed Patent Law

(References)	(Proposal)
	<u>Limitation of Right to Obtain Damages</u>
New	64 No damages shall be awarded to any party on account of acts arising within a period during which:  (a) the party's interest in the patent was not registered under section 81, or  (b) the patentee has failed to make the designation required under section 99.
	<u>Nature of Damages to Be Awarded on Infringement</u>
New	65 Damages awarded under section 63 shall be established so as to save the plaintiff harmless from any loss that is attributable to the defendant's infringing activities and may:
Established jurisprudence	(a) compensate the plaintiff for his loss of profits on sales by reason of the defendant's infringing activities;
New	(b) compensate the plaintiff for any loss of goodwill arising by reason of the defendant's infringing activities;
	and, in any event, shall:
Established jurisprudence. Corresponds to US code, section 284	(c) be at least equivalent to a reasonable royalty which would be payable for use of the patented invention.

Proposed Patent Law

(References)

(Proposal)

Exemplary Damages for  
Repeated Infringement

New. Possible under established jurisprudence but rarely applied

66 Where a defendant is found in infringement proceedings again to have infringed the same patent after

(a) earlier infringement proceedings, or

(b) having undertaken to the patentee not to further infringe,

the Court may award exemplary damages for the patentee as against the defendant, in addition to any contempt proceeding.

Defences in Infringement  
Proceedings

Similar to present section 61

67(1) A defendant, in any action for infringement of a patent may rely on as a defence:

(a) any fact which, by reason of the provisions of this Act, would support an order for revocation of the patent or a claim thereof;

(b) any fact which by reason of law renders the patent unenforceable.

New

(2) The Federal Court may, either on application of a party or on the initiative of the trial judge, refer an issue respecting whether an invention is being worked in Canada on a commercial scale to the Authority.

## Proposed Patent Law

### (References)

### (Proposal)

#### Chapter 7

#### Revocation of Patents

#### Jurisdiction of Federal Court

Corresponds in part to section 20, Federal Court Act. See also section 73, *infra*

Corresponds to present section 62(1)

New - follows US Presidential Commission's recommendation 23

New - similar to provisions in S-2504, section 139(a)1

- 70(1) The Federal Court shall have exclusive jurisdiction under this Act to revoke a patent in whole or in part or to declare a patent terminated pursuant to the provisions of this Act.
- (2) Proceedings to obtain a judgment under subsection (1) may be commenced at the instance of the Attorney General of Canada or any interested person.
- (3) A patent may be revoked under this Act only in pursuance of the provisions of this Chapter.
- (4) Where in the course of infringement proceedings grounds for the revocation of a patent are established by way of defence pursuant to section 67(1)a, the patent shall accordingly be revoked as against all persons.
- (5) Where proceedings to revoke a patent have been commenced, or a defence under section 67(1) has been raised, such action may not be discontinued without:
  - (a) disclosure to the Court of all terms of any agreement between the parties relating to the proceedings; and,
  - (b) the approval of all such terms by the Court as not being contrary to the public interest.
- (6) Prior to granting approval under subsection (5), the Court may refer the terms of settlement to the Attorney General for his opinion as to whether any of the terms are contrary to the public interest.

## Proposed Patent Law

### (References)

### (Proposal)

#### Grounds for Revocation of a Patent

Corresponds to CMC  
Article 57 as  
indicated

71(1) An order revoking a patent shall, subject to section 75, be made where, any of the following circumstances have been established:

CMC Article 57(1)a

(a) the subject matter of the patent was not patentable as of its priority date in accordance with the provisions of chapter 1 of this Act;

CMC Article 57(1)b.  
See also section 76,  
infra

(b) the specification of the patent at the date of commencement of proceedings under section 70 or when a defence under section 67 is raised, does not reasonably and sufficiently disclose the invention in accordance with the regulations made pursuant to section 34(3) and 34(4)a;

CMC Article 57(1)e.  
See also section 77,  
infra

(c) the first applicant for the patent did not qualify under section 30 to apply for a patent;

New. Extends the  
provisions of  
present section 55(1)

(d) the applicant failed to provide the Patent Office correctly and fully with information required under the provisions of this Act, and as a result of such failure, the examination of the application by the Patent Office would likely have been prejudiced;

Corresponds in part to  
present section 59(1)

(e) any statement made by the applicant to the Patent Office in the course of examination of the application was untrue, and as a result of the falsity of such statement, the examination of the application by the Patent Office would likely have been prejudiced;

## Proposed Patent Law

### (References)

### (Proposal)

71(1)(f) every claim within the patent has been declared invalid pursuant to section 72;

New

(g) the patent or rights thereunder:

(i) are being asserted in an infringement action, and

(ii) have been used within the two years prior to commencement of the action to commit or to facilitate the contravention of a prohibition under the Combines Investigation Act; or,

(h) the patentee has failed to comply with terms imposed under section 22.

See also section 46  
supra

(2) A Court order revoking a patent shall be made effective as of the date of commencement of proceedings for revocation.

(3) Subsection (1)g shall not apply in respect of activities for which an order has been made or a conviction entered under the Combines Investigation Act.

(4) The Attorney General shall be entitled to intervene in any action pursuant to subsection (1)g, and after an action thereunder has commenced, proceedings shall be stayed until the Attorney General has received notice of such action.

Parallels the powers available under the Combines Act, section 29

(5) Where grounds for revocation have been established under subsection (1)g or h, the court may, as it sees fit, in lieu of revocation of the patent, deny injunctive relief and damages, in whole or in part, grant a compulsory licence, or vary the conditions of any existing licence between the parties.

## Proposed Patent Law

### (References)

### (Proposal)

#### Grounds for Revoking a Claim of a Patent

Follows generally  
existing jurisprudence  
and present section 60

72(1) An order revoking a claim within the specification of a patent shall, subject to section 75 be made where any of the following circumstances have been established:

- (a) the scope of the monopoly claimed at the date of commencement of proceedings under section 70 does not comply with the requirements of regulations established under section 34(4);
- (b) the claim is supported by a disclosure introduced into the specification by an amendment which was not in accordance with the requirements of section 38; or
- (c) the claim is supported by a disclosure which does not conform with the disclosure of a corresponding application on which priority was based under section 33.

Corresponds to CMC  
Article 57(1)c. See  
also section 76 infra

New

- (2) A claim within a patent shall not be revoked by reason only of the fact that the claim incidentally extends to an apparent embodiment of the invention which is inoperative.

#### Reference of Issues to the Patent Authority

New

- 73 In any proceeding for a declaration that a patent has terminated pursuant to the provisions of this Act, the Federal Court may, either on application by a party or on the initiative of the trial judge, refer any issue as to the working of the invention in Canada on a commercial scale to the Authority.

# Proposed Patent Law

## (References)

Replaces present  
section 47

New

## (Proposal)

### Presumption of Validity

- 74(1) In any proceedings under sections 71 or 72, a patent and the claims thereof, as issued or amended thereafter pursuant to this Act, shall be presumed to have been validly issued or amended, but this presumption shall operate only with respect to prior art and those other matters and issues considered by the Patent Office or raised by the applicant during prosecution of the application for amendment thereafter.
- (2) The presumption established under subsection (1) shall cease to operate where a judge of the Federal Court is satisfied that, notwithstanding such presumption, a patent should be revoked in pursuance of the provisions of this Chapter.

### Limitation on Revocation for Lack of Novelty

- 75(1) A patent shall not after 9 years have passed from its priority date, be revoked by reason that the subject matter is not patentable in accordance with the provisions of sections 12 through 14 inclusive.
- (2) A claim within the specification shall not, after 9 years from the priority date of the patent, be revoked by reason that scope of monopoly claimed does not comply with the provisions of section 34(4)b.
- (3) Subsections (1) and (2) shall not apply in respect of proceedings under sections 43(7) or 70 pending 9 years from the priority date or where a defence under section 67 has been relied upon in an action commenced prior to the end of such period.

## Proposed Patent Law

### (References)

New. Corresponds to  
UK act, section 30

### (Proposal)

#### Amendment during Proceedings to Revoke a Patent

- 76(1) The Federal Court shall have jurisdiction on application by the patentee in the course of proceedings commenced under Chapter 7 or where invalidity is raised as a defence, to amend the patent in suit.
- (2) Where the patentee applies to the Court for approval of a proposed amendment to the specification or to the priority date of the patent, the Court may, if it thinks it desirable that consideration be given to accepting such amendment, refer the proposed amendment, to the Commissioner for his advice.
- (3) If, the Court considers that the patentee would have been entitled to the benefit of his patent in the amended form, and if the Court considers that it would be more just to permit such amendment, subject to terms under subsection (4), than to revoke the patent or a claim thereof, then the Court, instead of making an order pursuant to sections 71 or 72, may by order approve the amendment, declare the patent to be so amended and direct that such amendment be entered in the records of the Patent Office.
- (4) As a condition of granting an amendment under subsection (3) the Court may impose such terms on the patentee as the Court deems fit, including:
- (a) the granting of intervening rights to other parties to the proceedings;
  - (b) the granting of a compulsory licence for the benefit of such parties, with a royalty established by the Court or by reference to the Authority.

## Proposed Patent Law

### (References)

New. Corresponds to  
US code, section 256

### (Proposal)

#### Designation of Inventors after Grant of a Patent

- 77 (1) A patent shall not be revoked by reason of a failure by the applicant to constitute or identify all of the inventors, provided that:
- (a) the first applicant was qualified under section 30 to apply for a patent, and
  - (b) that at least one such person or inventor was properly named pursuant to section 32.

#### Amendment of Designation of Inventors During Legal Proceedings

- (2) Where in the course of proceeding to revoke or enforce a patent it is established before the Court that a failure under subsection (1) has occurred, the patentee's right to enforce a patent so obtained may, at the discretion of the Court:
  - (a) be suspended until the proper inventors or persons are identified by filing an amendment to effect in the prescribed form before the Patent Office, and the Court may
  - (b) direct that no damages shall be payable for the period prior to the filing of such an amendment where by reason of such failure the public, or any party to an action is likely to have been prejudiced.
- (3) The filing of an amendment under this section shall not affect ownership of the patent that has issued; but this provision shall not operate to interfere with any right or proceedings commenced with respect to a right to claim an interest in the patent.

See also section 84  
infra

## Proposed Patent Law

(References)

(Proposal)

### Chapter 8

#### Transfer of Rights

##### Assignability of Patents and Applications for Patents

Corresponds to present  
section 53(1)

- 80(1) The right to obtain a patent, an application for a patent and every patent issued under this Act shall be assignable by an instrument in writing, by bequest or by operation of law.
- (2) Subject to the provisions of subsections (3) and (4) any interest in or under an invention, a patent or an application for a patent in whole or in part, may be assigned, licensed, mortgaged or otherwise transferred or dealt with as personal property by an instrument in writing.

New

- (3) No assignment or transfer of any interest in or under a patent application shall operate so as to sever rights therein territorially within Canada.

New

- (4) No assignment or transfer, nor promise to assign or transfer, any rights or interest in or under a future invention shall be operative, except as provided by this Chapter.

##### Registration of Interests and Public Records in Respect of a Patent

Corresponds to present  
section 53(2)

- 81(1) Every instrument effecting or associated with a transfer of a patent, application or of an interest in or under a patent or application and prescribed particulars thereof shall be recorded with the Patent Office in the prescribed manner.

## Proposed Patent Law

### (References)

### (Proposal)

New. Replaces in part present section 64

- 81(2) The names of parties to and the nature of transfers recorded under subsection (1) shall, after publication of an application under section 34, be of public record.
- (3) Regulations may prescribe further matters pertaining to transfers recorded under subsection (1) which shall be of public record.
- (4) Regulations may prescribe matters that, at the direction of the Commissioner, shall be made of public record in respect of a patent, including a reference to the fact that the patent has been granted by reason of a request made pursuant to sections 14(4) or (5) that a patent has been revoked.

### Effect of Registration of Interests in Patents

Corresponds to present section 53(4)

- 82(1) Every transfer of an interest in or under a patent or an application for a patent is void against any subsequent assignee, except insofar as the instrument and particulars respecting such transfer are recorded pursuant to section 81 before the registration of the instrument and particulars of the transfer under which the subsequent assignee claims.
- (2) Subsection (1) shall not operate as between assignees of a similar interest in or under a patent or application where, at the time that the prior registrant entered his interest under section 81, he had actual notice of the prior unrecorded transfer and where such prior assignee has applied under section 83 to expunge the prior registration.

New

## Proposed Patent Law

### (References)

### (Proposal)

New

- 82(3) Notwithstanding any agreement to the contrary, no consideration shall be due or payable on account of any transfer, acquisition or use of an interest, in or under a patent unless and until the instrument and particulars respecting such transfer are recorded pursuant to section 81.

Amendment by the Federal Court  
to Registrations Affecting  
Interests in Patents

Corresponds to present section 54. Follows Ilsley, Part III, section 3, p 39

- 83(1) The Federal Court shall have exclusive jurisdiction on the application of any interested person or the Commissioner, to order that any entry in the records of the Patent Office relating to a patent or application for a patent be rectified by the making of any entry therein or the variation of any entry therein.
- (2) In proceedings under this section the Federal Court may determine any question which it may be necessary or expedient to decide in connection with the rectification of the record or entry.
- (3) The Commissioner shall be entitled to appear and to be heard on the application and shall appear if so directed by the Federal Court.
- (4) Any order made by the Federal Court under this section shall direct that notice of the order shall be served on the Commissioner in the prescribed manner and the Commissioner shall, on receipt of the notice, cause the records or entry to be amended accordingly.

## Proposed Patent Law

### (References)

### (Proposal)

#### Title and Interests in Patents and Applications

- |                                      |   |
|--------------------------------------|---|
| New                                  | 84(1) A patent issuing on an application filed under section 30 shall be granted to the applicant of record at the time that a request for grant of a patent is made under section 44. But this provision shall not prevent the applicant, pending or following grant of a patent, being deemed to be holding such application or patent as trustee on behalf of himself and other persons or joint inventors, in accordance with their respective interests in the invention.  |
| Corresponds to present section 33(2) | (2) The Federal Court shall have exclusive jurisdiction to settle all disputes as to the entitlement between,<br><br>(a) joint inventors or applicants, or,<br><br>(b) an inventor and any alleged assignees of the right to apply for a patent,<br><br>to apply for or control the prosecution of an application for a patent.<br><br>(3) The Federal Court shall have exclusive jurisdiction to determine and enforce the obligations and responsibilities imposed upon a person applying for or holding a patent pursuant to subsection (1). |

#### Joint Ownership of Patents

- |                                      |  |
|--------------------------------------|--|
| Corresponds to present section 33(5) | 85(1) In cases of joint applications, the patent shall issue to such applicants as coproprietors, in tenancy in common.  |
| Corresponds to US code section 262   | (2) Persons who are coproprietors of a patent shall each be entitled to all rights and privileges with respect to that patent that would be available to a sole proprietor including the granting of consent under sections 20 and 21. |

## Proposed Patent Law

### (References)

### (Proposal)

New

85(3) Where two patents for the same invention or for subject-matter not patentably different actually issue by reason of sections 14(4), (5) or otherwise, the proprietor of each such patent shall, for the purpose of granting any consent under sections 20 and 21, be deemed to be a coproprietor of the other patents in respect of common matters within any of the claims of each of the patents.

#### Rights of Employees in Their Inventions

New

86(1) Except as hereinafter provided an employee who makes an invention in the course of his employment shall be entitled to the benefit of such invention and to obtain a patent thereon.

(2) Where a person

Corresponds to present  
jurisprudence

(a) makes an invention while acting within the scope of his duties as an employee, or

The statutory limit  
of 12 months is new

(b) has agreed in writing that all rights in any future inventions associated with his employment that he may make during the period of his employment or within a reasonable period thereafter, not to exceed 12 months, will vest in his employer,

the employer of such person shall be entitled to the benefit of any inventions so made.

New

(3) Where rights to an invention have vested in an employer pursuant to subsection (2), the inventor may, by notice in writing, request that the employer take the steps set forth in subsection (4), or assign all rights in the invention to the inventor.

## Proposed Patent Law

### (References)

### (Proposal)

86(4) Upon receipt of a notice pursuant to subsection (3), the employer shall:

- (a) file an application for a patent within 3 months, (or such further period as in writing the employer may notify the inventor as being required, not exceeding 12 months), and
- (b) take steps within 3 years from the priority date of the patent to commence the working of the invention in Canada,

failing which, the inventor shall be entitled to an assignment of all rights to the invention.

- (5) Public disclosure of an invention by an employer following the receipt of a notice under subsection (3), and prior to the filing of a patent application shall be deemed to be a breach of confidence under section 16(1)a and shall immediately entitle the inventor to all rights to the invention.
- (6) This section shall not apply to persons to whom the Public Servants' Invention Act applies.

### Grant of Rights Under Future Patents

### New

- 87(1) Where rights have been granted by way of licence under a patent, such licence may include terms by which the licensor will be entitled to use or apply any future inventions originated by the licensee during the term of the licence, where such inventions are improvements on or involve use of the earlier patented invention.

## Proposed Patent Law

### (References)

### (Proposal)

- 87(2) A licence with respect to a future invention under sub-section (1) shall be non-exclusive.
- (3) Where research or development is carried-out pursuant to an agreement between parties, such agreement may include terms allocating between the parties ownership of any invention arising therefrom and the right to apply for a patent.

#### Revocation Procedure for Licensees

New. Corresponds to S-2504 section 296

- 88(1) A licensee under a patent may at any time, notwithstanding any agreement to the contrary, take action to obtain an order revoking a patent pursuant to the provisions of this Act.
- (2) Any obligation by a licensee to make payments to a patentee as royalties or licence fees on account of rights under a patent shall be suspended where:
- (a) the licensee takes action to obtain an order revoking the patent; and
  - (b) the licensee thereafter pays all amounts due under the licence into Court, pending disposition of the revocation proceedings.
- (3) Where an order is made revoking a patent, all obligations under any licence agreement in respect thereof shall become void and unenforceable as and from the effective date of revocation and all amounts paid into Court shall be paid to the licensee.
- (4) Where the application for an order to revoke a patent is refused, all amounts paid into Court shall be paid to the patentee and the licence shall continue as if an action had not been commenced under this section

(References)

(Proposal)

Jurisdiction of Federal Court  
in Patent Licensing Matters

- 89     The Federal Court of Canada shall have concurrent jurisdiction to enforce any claim arising out of any agreement or licence in which the patentee has, in pursuance of such agreement given his consent pursuant to sections 20 or 21 of this Act.

Execution and Seizure Against  
Patents

- 89A(1) No execution or court process shall operate against a right in or under a patent in pursuance of the collection of a judgment debt except in accordance with the provisions of this section.
- (2) Any person who under judgment by a court of record of any Province of Canada, by the Federal Court or the Supreme Court of Canada has the right to recover a sum of money from a patentee or from any person having an interest in or under a patent may obtain an order from the Federal Court vesting all rights of such patentee or person in a receiver.
- (3) The Federal Court shall have exclusive jurisdiction to appoint in aid of the collection of a judgment debt a receiver to hold and exercise all rights accruing to a patentee or to any person having an interest in or under a patent or in respect of any licences granted thereunder.

Proposed Patent Law

(References)

{Proposal}

89A(4) A receiver appointed pursuant to subsection (3) may exercise and dispose of such rights as he has acquired in furtherance of recovery of sufficient proceeds to discharge the judgment debt to such extent as the court may allow.

(5) Where a receiver has been appointed under subsection (2) the patentee or person whose interest has been seized shall, subject to payment of such royalty as the receiver may determine, have the right to continue any established use or working of the patented invention.

# Proposed Patent Law

## (References)

## (Proposal)

### Chapter 9

#### Administration

#### Establishment of the Patent Office

Corresponds in part  
to present section 3

- 90(1) There shall be attached to the Department of Consumer and Corporate Affairs or to such other department or agency as may be determined by the Governor in Council an office called the Patent Office.

New - with respect  
to the express  
authority to disse-  
minate information

- (2) The Patent Office shall, under the direction of the Commissioner of Patents, perform all functions assigned to the Patent Office under this Act, and shall in addition accumulate, classify and disseminate technical information relating to inventions, disclosed in patents or related to the patent system in order to promote innovation in Canada.

#### Duties of the Commissioner of Patents

Corresponds to present  
section 4(1)

- 91(1) There shall be a Commissioner of Patents appointed pursuant to the provisions of the Public Service Employment Act who shall exercise and perform the powers and duties conferred and imposed upon his office by or pursuant to this Act and who shall be administratively responsible to the Deputy Minister.
- (2) The Commissioner shall be responsible for the operation of the Patent Office, including supervision and direction of the officers and staff of the Patent Office in the administration of this Act.

## Proposed Patent Law

### (References)

### (Proposal)

Corresponds in part to  
present section 4(2)

Corresponds to part of  
present section 4(2)

Corresponds in part to  
present section 71(3)

- 91(3) The Commissioner shall make provision for the execution of all steps and obligations assigned by this Act to be carried out by the Patent Office and may assign such matters as are required to be done by the Patent Office to the officers and staff thereof.
- (4) The Commissioner shall in particular make provision for:
- (a) the reception of all applications, fees, papers, documents and models for patents,
  - (b) the doing of all acts and things requisite for the granting of patents including the preparation of such standing orders and directives for the guidance of the staff of the Patent Office as are in furtherance of the provisions of this Act or pertain to matters assigned by Regulations to be governed by such orders and directives, and
  - (c) the keeping and custody of books, records, papers, models, machines and other things belonging to the Patent Office.
- (5) The Commissioner shall have, for the purposes of this Act, all the powers that are or may be given by the Inquiries Act to a commissioner appointed under Part II thereof.
- (6) The Commissioner, where required to decide any issue of fact pursuant to this Act, may refer such issue to be decided by the Federal Court.

Proposed Patent Law

(References)

(Proposal)

Present section 25

- 91(7) In all proceedings before any court under this Act, the costs of the Commissioner are in the discretion of the court, but the Commissioner shall not be ordered to pay the costs of any other of the parties.

Seal of the Patent Office and Evidence in Legal Proceedings

Corresponds to present section 13

- 92(1) The Commissioner shall cause a seal to be made for the purposes of this Act and may cause to be sealed therewith in accordance with and as required by Regulation, any instrument or document and copy thereof issuing from the Patent Office.
- (2) Every court, judge and person whosoever shall take notice of the seal of the Patent Office, and shall receive the impressions thereof in evidence in like manner as the impressions of the Great Seal are received in evidence, without further proof and without production of the originals, and shall also take notice of all copies or extracts certified under the seal of the Patent Office to be copies of or extracts from documents deposited in such office.

Corresponds to Copyright Act, section 36

- (3) A certificate issued under the seal of the Patent Office purporting to set forth facts shown to exist by reason of records of the Patent Office shall be prima facie evidence as to the truth of such facts.

Proposed Patent Law

(References)

(Proposal)

Proof of Foreign Patent  
Documents by way of  
Certified Copies

Present section 14

- 92(4) In any action or proceeding respecting a patent of invention authorized to be had or taken in Canada under this Act a copy of any patent granted in any other country, or any official document connected therewith, purporting to be certified under the hand of the proper officer of the government of the country in which such patent has been obtained, may be produced before the court or a judge thereof, and the copy of such patent or document purporting to be so certified may be received in evidence without production of the original and without proof of the signature or the official character of the person appearing to have signed it.

Patent Office Records and  
Publication of Information

Corresponds to present  
section 12(1)(c)ii-iv

- 93(1) The Commissioner shall cause to be established and shall maintain a record of patents granted under this Act, and such other records as are required to be maintained under this Act or by regulation.
- (2) The form of records maintained under subsection (1), and the particulars to be entered therein shall be governed by regulations.
- (3) The Commissioner shall cause to be published particulars of patents and other information and records kept at the Patent Office in accordance with and as required by regulation.

## Proposed Patent Law

### (References)

### (Proposal)

Corresponds to present  
section 10

93(4) The Commissioner shall make provision for the availability for public inspection of

(a) all patents granted under this Act;

(b) all proceedings respecting any patent once the patent has issued;

(c) applications for patents and amendments thereto published under this Act;

(d) such further records of the Patent Office as required by regulations.

93(5) The Commissioner shall make provision for the preparation on request, upon payment of the prescribed fee, of certified copies of any document available for public inspection.

#### Duties of Officers and Staff of the Patent Office

Replaces present  
sections 5(1) and 6

94(1) The officers and staff necessary for the proper administration of this Act shall be appointed in accordance with the Public Service Employment Act.

Replaces present  
section 5(2)

(2) The Commissioner may designate an officer or officers from within the Patent Office who may and shall exercise the powers and perform the duties of the Commissioner.

(3) The Minister may, when the office of the Commissioner is vacant or the Commissioner is unable to make a designation under subsection (2), designate an officer of the Patent Office who may and shall exercise the powers and perform the duties of the Commissioner.

## Proposed Patent Law

### (References)

### (Proposal)

#### Restraints Imposed on Patent Office Staff

Present section 7

Explicitly states present  
present constraints on  
Patent Office staff

Corresponds to present  
section 8

Follows Ilsley proposals  
Part III, section 4, p 40

95(1) No officer or employee of the Patent Office shall buy, sell, acquire or traffic in any invention, patent or right to a patent, or any interest in any thereof, and every purchase, sale, assignment, acquisition or transfer of any invention, patent or right to a patent, or any interest in any thereof, made by or to any such officer or employee is void; but this section does not apply to a sale or licence by an original inventor or to an acquisition under the last will, or by the intestacy, or a deceased person.

(2) Every officer and employee of the Patent Office is bound to maintain in confidence all communications received from members of the public respecting applications for a patent.

#### Amendment Within the Patent Office to Correct Clerical Errors

96(1) Clerical errors in any patent, instrument or other record issued or maintained by the Patent Office shall not be construed as invalidating any rights relating thereto.

(2) The Commissioner may cause corrections to be made to any clerical error in any patent, instrument or other record issued or maintained by the Patent Office.

(3) A correction may be made upon application in the prescribed manner by any interested person.

## Proposed Patent Law

### (References)

### (Proposal)

- 98(1)e) taking steps in Canada to advise on the commercial or industrial exploitation of a patent or invention, either in Canada or abroad.
- (2) No person other than a person recorded under section 97 shall describe himself as "registered patent agent" or "patent agent" or in any other manner hold himself out as available to carry out any of the activities set forth in subsection (1).
- (3) No person other than a person recorded under section 97, or a person entitled to practice as a barrister, solicitor or advocate in any province of Canada shall, for compensation or reward, supply or hold themselves out as available to supply the service of giving an opinion as to the validity of an issued patent or as to any question of infringement.
- (4) Where communications take place or information is acquired in the course of obtaining the opinion of a person recorded under section 97 regarding the validity or infringement of a patent or in respect of proceedings under sections 53 to 57 inclusive, such communications and information shall be subject to the same privilege as communications and information arising from consultations with a solicitor in contemplation of litigation.

Proposed Patent Law

(References)

(Proposal)

Designation of Representation  
for Nonresident Applicants

Corresponds in part to  
present section 31

- 99(1) Any applicant for a patent and any patentee who does not reside or carry on business at a specified address in Canada shall, at the time of filing his application or on acquiring title to an application or a patent (or within such period thereafter as may be prescribed) nominate as his representative a person qualified as a registered patent agent and residing or carrying on business at a specified address in Canada.
- (2) Subject to the other provisions herein, such nominee shall be deemed to be the representative of the applicant, of patentee, and of all persons claiming an interest in or under the application or patent for all purposes of this Act, including the service of any proceedings taken thereunder, and shall be recorded as such by the Commissioner.
- (3) An applicant for a patent or a patentee, by written advice to the Commissioner, may:
- (a) appoint another representative, in place of the latest recorded representative
- and shall:
- (b) advise the Commissioner in writing of a change in the name or address of the latest recorded representative, and

## Proposed Patent Law

### (References)

### (Proposal)

- 99(3)c) appoint a new representative or supply a new and correct address of the latest recorded representative on the dispatch by the Commissioner to him of a notice in writing by registered mail that the latest recorded representative has died or that a letter addressed to him at the latest recorded address and sent by ordinary mail has been returned undelivered.
- (4) Where, after dispatch of a notice under subsection (3)c by the Commissioner no new appointment is made or no new and correct address is supplied by the applicant or patentee within the prescribed period, the Federal Court or the Commissioner may dispose of any proceedings under this Act without requiring service on the applicant or patentee or any person claiming an interest in or under the application or patent of any process therein.
- (5) Where a patentee or applicant fails to designate a representative pursuant to subsection (1), no notice shall be required to be given to the patentee in respect of any proceedings under this Act.

# Proposed Patent Law

(References)

(Proposal)

## Chapter 10

### Prohibitions and Offences

#### False Marking and Advertising

Replaces present  
sections 77, 78

- 100(1) No person shall, without the consent of the patentee or applicant for a patent, represent in anyway by marking, advertising, or otherwise that a product has been or may be made, sold, imported or used by or with consent of the patentee or applicant for a patent.
- (2) No person shall represent in anyway, by marking, advertising or otherwise, that a product is patented in Canada or is subject to an application for a patent in Canada, when such product is not in fact patented in Canada or subject to a pending application for a patent in Canada.
- (3) The Federal Court shall have exclusive original jurisdiction, on the application of any person interested, where it is made to appear to such Court that any act has been done contrary to this section, to make any such order as the circumstances require including provision for relief by way of injunction and recovery of damages, and may give directions with respect to the disposition of any offending articles, packages, labels and advertising material.

## Proposed Patent Law

### (References)

Follows UK section 65;  
similar to Ilsley  
proposal, Part XI,  
section 7, p 109

### (Proposal)

#### Remedy for Groundless Threats of Infringement Proceedings

- 101(1) Where any person by circulars, advertisements or otherwise threatens any other person with proceedings for infringement of a patent, any person aggrieved thereby may bring an action against him for relief as provided in subsection (2).
- (2) Unless in any action brought pursuant to this section the defendant proves that the acts in respect of which proceedings were threatened constitute or, if done, would constitute, an infringement of a patent, the plaintiff shall be entitled to the following relief:
- (a) a declaration to the effect that the threats are unjustifiable;
- (b) an injunction against the continuance of the threats; and
- (c) such damages, if any, as he has sustained thereby.
- (3) Notification of the existence of a patent does not constitute a threat of proceedings within the meaning of this section.
- (4) The Federal Court shall have exclusive jurisdiction to enforce the provisions of this section.

#### Offences

Reproduces present  
section 79 except  
for the amount  
of the fine.

- 102(1) Every person who in relation to the purposes of this Act and knowing it to be false or causes to be made:
- (a) any false representation;

Proposed Patent Law

(References)

(Proposal)

102(1)(c) any false document or alters the form of a copy of any document; or

(d) produces or tenders any document containing false information;

is guilty of an indictable offence and is liable upon conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding six months, or to both.

New. Corresponds to  
Ilsley proposals,  
Part XV, sections 1(8)

(2) Every person who, not being a person recorded under section 97, or a person acting under the direct supervision of a person recorded under section 97, takes any action prohibited under section 98 is guilty of an indictable offence and is liable upon conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding six months, or to both.

(3) Every person who does any act contrary to section 100(2) is liable, upon summary conviction to a fine of \$500 for each such act.

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## Proposed patent law working paper on patent law revision

**DATE DUE**  
DATE DE RETOUR

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