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Don't Make Me Say It a Fourth Time: Federal Court Weighs in (Again) on Patentable Subject Matter

Associate Chief Justice Gagné's decision in *Benjamin Moore & Co v Attorney General of Canada*, 2022 FC 923 ("**Benjamin Moore**") marks the second time that the Federal Court has had to weigh in to tell the Commissioner that it was not applying the correct test for patentability of computer-implemented inventions. Unlike past decisions (discussed below), the Court in *Benjamin Moore*, provided instruction on how the Commissioner ought to assess patentability of such inventions. As a top line, these instructions appear to level the playing field – reducing the artificially high standard that computer-implemented inventions face during patent examination.

Background

The Commissioner of Patents only grants patents for inventions that claim subject matter set out in the *Patent Act* (i.e., art, process, machine, manufacture or composition of matter) and not "mere scientific principle or abstract theorem".

In 2011, the Federal Court of Appeal, in the context of Amazon's patent application for its one-click technology, provided guidance to applicants and the Commissioner on (i) whether a business method can ever be patentable subject matter, and (ii) whether patentable subject matter must be something with physical existence or something that manifests a discernible effect or change (see *Canada (Attorney General) v Amazon.com, Inc*, referred to in this comment as "**Amazon**"). The Federal Court of Appeal answered both questions in the affirmative. It also ordered the Commissioner to re-examine the patent, which was later granted without substantive amendment.

In its analysis in *Amazon*, the Federal Court of Appeal confirmed that the "determination of subject matter must be based on a purposive construction of the patent claims" (i.e., not solely the inventive concept of those claims or the substance of the invention used by the Commissioner).

In response to the Federal Court of Appeal's decision in *Amazon*, the Canadian Intellectual Property Office ("CIPO") issued a Practice Notice, entitled Examination Practice Respecting Computer Implemented Inventions – PN 2013-03

(the “**2013 Practice Notice**”).

The 2013 Practice Notice focused examination on essential elements rather than claimed subject matter. In practice, the manner in which CIPO identified essential elements was problematic and resulted in an improper determination of subject matter, which was akin to the inventive concept or substance of the invention approaches repudiated in *Amazon*. As a result, patents implemented using a computer were unnecessarily held to a higher standard than the *Patent Act* required.

In the nearly ten years following *Amazon*, the Federal Court did not have an opportunity to weigh in on this issue. That changed in August 2020, with the Federal Court’s decision in *Choueifaty v Canada (Attorney General)* (“**Choueifaty**”). *Choueifaty* was an appeal from a decision of the Commissioner refusing a patent application on the ground that the essential elements of the claimed patent fell outside the subject matter set out in the *Patent Act*. The Federal Court allowed the appeal and determined that the Commissioner had not applied the proper test when construing the essential claims of the patent application. In brief, the Commissioner used a “problem-solution approach” to determine the essential elements of the claimed invention, which was akin to using the “substance of the invention” approach discredited by the Supreme Court of Canada in *Free World Trust v Électro Santé Inc.* (see *Choueifaty*, here).

In response, the Canadian Intellectual Property Office (CIPO) released a practice notice (entitled “Patentable Subject-Matter under the *Patent Act*”) (the “**2020 Practice Notice**”), which provided CIPO’s interpretation of the *Patent Act* in light of *Choueifaty*.

As we noted in our comment on *Choueifaty* (available here), the 2020 Practice Notice “does not track the language of the decision precisely and may leave room for patent examiners to more broadly refuse applications of this type”. For example, the 2020 Practice Notice referred to identification of the “actual invention” – a term that did not feature prominently in *Choueifaty* – which seemed well placed to morph into an independent question not based on a purposive construction, contrary to Federal Court jurisprudence (see *Amazon*, here and here). By way of further example, the 2020 Practice Notice indicated that “a computer used in a well-known manner will not be sufficient to render these patentable”, which appeared to improperly confound questions of novelty and obviousness with questions of patentable subject-matter.

The Decision in *Benjamin Moore*

Like *Amazon* and *Choueifaty*, *Benjamin Moore* was an appeal from the decision of the Commissioner to refuse a patent application on the basis of non-patentable subject matter. However, unlike those cases, all parties agreed that “the Commissioner has erred in her assessment” of the applications at issue. The only question was the appropriate remedy.

In *Amazon* and *Choueifaty*, the Court set aside the Commissioner’s refusal and ordered the Commissioner to re-examine the applications in question. The Attorney General argued that this was the appropriate remedy in *Benjamin Moore* as well.

The applicant, Benjamin Moore & Co., initially asked the Federal Court to make its own decision, seeking an order declaring the applications in question patentable inventions. However, the applicant backed away from this position at the hearing. Instead, it focused on its alternative relief asking the Court to send the matter back to CIPO with a direction to follow the leading Supreme Court of Canada decisions on claims construction and non-patentable subject matter. However, the utility of such a direction is of questionable value – CIPO had always purported to follow these decisions.

The intervenor, the Intellectual Property Institute of Canada (“**IPIC**”), took similar positions to the applicant. The key difference was that IPIC provided a framework such that the Court could provide precise instructions to the Commissioner on the redetermination. The applicant agreed with this framework and adopted it as an appropriate statement of the law. This framework requires examiners to:

- Purposively construe the claim;
- Ask whether the construed claim as a whole consists of only a mere scientific principle or abstract theorem, or whether it comprises a practical application that employs a scientific principle or abstract theorem; and
- If the construed claim comprises a practical application, assess the construed claim for the remaining patentability criteria: statutory categories and judicial exclusions, as well as novelty, obviousness, and utility.

Weighing these positions, the Court declined to simply remit the matter to CIPO. Instead, Associate Chief Justice Gagné held that “the determination of the proper legal test to be applied is well within the purview of” the Federal Court.

On the question of what the proper test was, the Court held that “the legal framework proposed by [IPIC] and endorsed by the [a]pplicant is in keeping with the Supreme Court’s teachings” and the Federal Court of Appeal’s decision in *Amazon*. Accordingly, the Court found that the framework was “the proper procedure for claims construction and identifying patentable subject matter.” The applications in question were remitted to CIPO for a new determination along with a direction to follow IPIC’s framework.

Takeaways

Benjamin Moore is a victory for all innovators.

The framework adopted by the Court should shift the analysis back to all essential elements of a purposively construed claim. For innovators in the technology space, if a computer is an essential element of a claim to an otherwise patentable invention, the subject matter requirements should not act as a bar to patentability.

As Associate Chief Justice Gagné noted, the framework “ensures consistency i) between the law applied to patent applications by CIPO and the law applied to issued patents by the Courts; and ii) between the way patent law is applied to computer-implemented inventions and the way patent law is applied to all other types of inventions”.