
Sana Halwani
416-865-3733
shalwani@litigate.com


Jim Lepore
416-865-2881
jlepore@litigate.com

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Innovation in Limbo: A Disappointing Turn in the Benjamin Moore Saga

In our last comment on non-patentable subject matter, we provided our thoughts on the Federal Court of Appeal's decision in *Canada (Attorney General) v Benjamin Moore & Co* (the "*Benjamin Moore Appeal*"). As a top line, this decision was a loss for Canadian innovation. As we discussed in detail, the Federal Court of Appeal missed an opportunity to clarify the law of patentable subject matter, adopt the IPIC framework endorsed by Associate Chief Justice Gagné, and signal to the Canadian Intellectual Property Office ("CIPO") that its examination practices were out of step with the law. Instead, the Federal Court of Appeal further complicated an already complex area of the law, which will increase the costs of innovators to register their technologies in Canada.

Late last week, the Supreme Court of Canada denied leave to appeal. This disappointing outcome was not on the merits but rather was based on a procedural point – that is, the Court held that the Intellectual Property Institute of Canada ("IPIC") could not substitute itself as a party in order to pursue this appeal.

By way of brief background and as readers of our last comment might recall, a material divergence of position between Benjamin Moore (the Patent Applicant) and the Intervenor (IPIC) arose before the Federal Court of Appeal, exacerbating the Court's procedural criticisms of how the IPIC framework arose and (in our view) contributing to the Court's ultimate decision not to adopt the IPIC framework on those procedural grounds. Although the Patent Applicant (Benjamin Moore) was likely to benefit from the application of the IPIC framework, Benjamin Moore only belatedly "endorsed" the IPIC framework at first instance. Benjamin Moore later changed its position and distanced itself from the framework on appeal, claiming to be suffering prejudice "while a test it did not even request itself is being debated". Consistent with that position, Benjamin Moore opted not to seek leave to appeal, instead opting to proceed before CIPO, while IPIC unsuccessfully sought to clarify this area of the law before the Supreme Court on Benjamin Moore's behalf.

With hindsight, it is unclear whether Benjamin Moore would have proceeded in the same fashion. We note that their

application (no. 2,695,130) has yet to be allowed by CIPO and appears to (yet again) be at an impasse before the Patent Appeal Board on the issue of non-patentable subject matter. For the broader Canadian innovative community, however, the Federal Court of Appeal's ruling remains in place, and the issues regarding non-patentable subject matter for computer-implemented inventions identified in our last comment remain unresolved. If there is a silver lining, it is that the procedural nature of the Supreme Court's decision leaves the door slightly more open to raising this issue on the merits going forward.