

May 24, 2002

Pierre Trépanier
Director, Patent Branch
Canadian Intellectual Property Office
50 Victoria Street
Place du Portage, Phase 1
Hull, Québec
K1A 0C9

Dear Mr. Trépanier,

RE: Intellectual Property Law Improvement Bill

I write on behalf of the National Intellectual Property Section of the Canadian Bar Association (CBA Section) in response to your letter of February 22, 2002. The CBA Section's Patents Committee has reviewed the letter on behalf of the Section. You requested our comments on specific issues regarding a proposed Intellectual Property Law Improvement Bill planned by Canadian Intellectual Property Office (CIPO). The CBA Section generally supports the ongoing efforts of CIPO to review and make appropriate amendments to improve the *Patent Act*, to update the Act as required to keep pace with new developments, such as electronic commerce, and to ensure that Canada complies with its international treaty obligations.

You attached three documents for our review. The first, "Considered Amendments to the *Canadian Patent Act*", lists fourteen points containing proposed amendments. The first point refers to a second attachment, "Inventorship, Ownership and Transfer Issues". The second point refers to the third attachment, "Patent Law Treaty: Changes Required To Canadian Law & Practice". We have organized our comments in relation to the fourteen points, with reference to the second and third attachment as they occur within those points.

1. The CBA Section generally supports efforts to accelerate procedures and reduce administrative burdens for procedural matters under the *Patent Act*. In particular, we support the need to simplify assignment and licensing registration procedures. CIPO's proposals are in the document entitled "Inventorship, Ownership and Transfer Issues" and we offer our comments on the twelve points itemized in that document:

1. The CBA Section agrees with the proposal to permit an application to be filed by an inventor or by an assignee, but not by a licensee. We also support the proposal to allow the correction (provided the error occurred in good faith) of the name of the applicant, if an application has been filed in the wrong name.

2. The CBA Section supports the proposal to require the identification of inventors through declaration prior to allowance. This appears to eliminate the requirement to file an assignment. It may assist considerably when several named inventors are employed by a company at the time of the invention and assignments are onerous to obtain, particularly where individuals have subsequently left the employ of the applicant. However, a codification of the circumstances in which an employer is entitled to ownership of an invention (see *United Kingdom Patent Act, 1977*) may warrant consideration.
3. We support the proposal to simplify the procedure for filing an application where one of several inventors either refuses to file an application or cannot be found.
4. The CBA Section supports the proposal to allow a patent application to proceed where a dispute arises between joint applicants. However, this raises the question of the appropriate mechanism for an applicant to revoke a common agent and would be relevant given the proposal to take instructions from such an agent.
5. The CBA Section supports the proposal to allow CIPO to delete the name of an applicant, with the applicant's consent, if it appears that the applicant should not have been named or no longer wishes to be named.
6. We support the proposal to allow the CIPO, upon request and with the consent of the further applicant, to join a further applicant where it appears that applicant should have been joined.
7. The CBA Section generally supports the proposal to allow, at any time while an application is pending or after grant, the applicants/patentees to change the identification of the inventors subject to any court order to the contrary. We note that there would be no sanction for incorrect naming of inventors provided the applicant/patentee acted in good faith.
8. The CBA Section is in favour of the proposal to require, if necessary, an applicant to update its declaration explaining the applicants' entitlement to apply for and be granted a patent, in circumstances where an applicant is deleted or joined.
9. We generally support the proposal to protect the intervening rights of third parties who would be prejudiced by a change in the naming of applicants or inventors and who have relied to their detriment on the earlier naming. However, we recommend that there be a procedure, including the making of submissions and filing of evidence, to protect intervening rights.

10. The CBA Section generally supports the proposal to permit a request for recording a transfer of an application or a patent to be submitted by either the current applicant/owner or by the new applicant/owner. We also suggest that consideration be given to recording other interests, such as security agreements, as there is currently significant uncertainty in the area.
11. The CBA Section generally supports the proposal that there be no legal requirement to register any transfer of an application or a patent. The proposal is that such a transfer would be void against any subsequent transferee if the latter transfer was registered in good faith before the former. While the view was expressed that failure to register an assignment or license should preclude standing in litigation (for example, an infringement action), it was also appreciated that infringement proceedings should not be delayed or held up pending registration procedures within the Patent Office. The Federal Court will presumably be able to determine sufficient standing for purposes of infringement proceedings, even in the absence of any registered interest.
12. We support the proposal to permit recording a change in the name of the current applicant/owner based on a submission by that applicant/owner, without requiring evidence to establish the change.
2. The CBA Section appreciates the need for amendments to the *Patent Act* to comply with the Patent Law Treaty. The third attachment, "Patent Law Treaties: Changes Required to Canadian Law & Practice" indicates several minor changes to the language that are of form, rather than substance. We note that one proposed revision would overcome the concern raised by the Court in *Dutch Industries* (14 C.P.R. (4th) 499) by prohibiting, in the absence of fraud, the invalidation of a patent because of non-payment of a fee in the application stage.
3. We generally support the proposal to reconsider the reissue process. However, we are not persuaded by the proposal to allow disclaimer of only whole claims and not parts of claims, on the basis that parts of claims "may constitute what would normally be considered objectionable to an examiner".
4. The CBA Section strongly supports removing any remaining legal impediments to electronic handling of matters such as documents, fees or registers.
5. The CBA Section fully supports the proposed revision to provide greater flexibility for extending deadlines in unusual circumstances, such as ice storms or labour strikes.
6. We support an initiative to redesign the procedures for reinstatement of an application and late payment of maintenance fees on a patent.
9. The CBA Section supports the proposal to amend section 5(2) to allow the exercise of power by a designated officer when the office of the Commissioner is vacant.

12. The CBA Section supports deleting the words “and the best mode” from section 27(3) of the *Patent Act*. This language appears only in respect of a “machine” and has always seemed inconsistent as such, given that the jurisprudence generally addresses best mode regardless of subject matter.
13. The CBA Section requires further information as to CIPO’s intention or concerns before commenting on the proposal to allow specific regulation-making authority in respect of the term “one invention” in section 36(1) of the *Patent Act*, as this is a potentially complicated issue.

Thank you for considering the views of the CBA Section. Please do not hesitate to contact me should you require further clarification or elaboration in regard to these views.

Yours truly,

Gunars A. Gaikis
Chair - Patents Committee
National Intellectual Property Section