

Federal Court



Cour fédérale

**Date: 20140829**

**Docket: T-806-12**

**Citation: 2014 FC 831**

**Ottawa, Ontario, August 29, 2014**

**PRESENT: The Honourable Madam Justice Kane**

**BETWEEN:**

**LOUIS BROWN and  
2202240 ONTARIO INC. d/b/a  
NOR ENVIRONMENTAL INTERNATIONAL**

**Plaintiffs  
(Respondents)**

**and**

**HER MAJESTY THE QUEEN  
IN RIGHT OF CANADA and  
HDT TACTICAL SYSTEMS, INC. d/b/a  
HDT ENGINEERED TECHNOLOGIES**

**Defendants  
(Her Majesty the Queen, Moving Party)**

**ORDER AND REASONS**

**I. Overview**

[1] This motion arises in proceedings brought by the plaintiffs, Louis Brown and NOR Environmental International (“NOR”), against the defendants, her Majesty the Queen in Right of

Canada (“Canada”) and HDT Tactical Systems (“HDT”) for infringement of Canadian Patent No 2,285,748 (the “748 Patent”). The ‘748 Patent is for a transportable collective protection system for decontamination and containment of biological and chemical hazards (referred to as ColPro Systems).

[2] Canada now seeks dismissal of the plaintiffs’ claim and summary judgment for the invalidation of the ‘748 Patent pursuant to section 53 of the *Patent Act*, RSC 1985, c P-4 on the basis that the plaintiff, Mr Brown, who was a member of the Canadian Forces when he filed the patent, breached his statutory duties pursuant to section 4 of the *Public Servants Inventions Act*, RSC 1985, c P-32 [the “PSIA”] because he did not disclose in his application to the Commissioner of Patents that he was a public servant.

[3] Canada acknowledges that the facts raise a novel issue, in particular the interplay between the *PSIA* and the *Patent Act*, but submits that this should not deter the Court from granting summary judgment.

[4] In the alternative, Canada seeks summary judgment pursuant to section 8 of the *Crown Liability and Proceedings Act*, RSC 1985, c C-50 [the “CLPA”], on the basis that Canada is immune from any proceedings claiming damages for patent infringement because the invention is necessary for the defence of Canada and for the training or maintaining the efficiency of the Canadian Forces [CF].

[5] In the further alternative, Canada seeks summary judgment pursuant to section 22 of the *CLPA* on the basis that it is immune from both a permanent injunction preventing it from using or procuring ColPro Systems and an order for Canada to deliver-up or destroy ColPro Systems.

[6] Mr Brown submits that summary judgment should not be granted because there are several genuine issues for trial.

[7] Mr Brown argues that he was not a public servant as defined in the *PSIA* at the relevant time because he was in the Supplementary Reserve of the Canadian Forces and not employed in a government department.

[8] Alternatively, he argues that if he were a public servant at the relevant time, the '748 Patent would not be void pursuant to section 53 of the *Patent Act* because his failure to disclose his status was not a material untrue allegation and because he did not wilfully mislead the Commissioner of Patents.

[9] Mr Brown also argues that the *PSIA* provides its own penalties for breach of its provisions. The *PSIA* provides for a maximum penalty of \$500 or up to six months imprisonment or both. It does not provide the penalty of invalidating the resulting patent, which Mr Brown argues is a draconian result.

[10] In response to Canada's alternative grounds for summary judgment pursuant to the *CLPA*, Mr Brown argues that sections 2.1 and 19 of the *Patent Act* explicitly state that Canada is subject to a patentee's rights and is subject to liability for infringement.

[11] Mr Brown seeks dismissal of Canada's motion for summary judgment. Instead, he seeks summary judgment that he was *not* a public servant at the relevant time, that Canada is not immune from liability pursuant to the *CLPA* and seeks an Order deferring all other issues until trial.

[12] Alternatively, Mr Brown seeks an Order that, even if he were a public servant under the *PSIA*, his omission or untrue allegation regarding his status on his application for the Patent does not render the Patent void.

[13] Mr Brown now submits that he does not want Canada to deliver up the invention; rather, he wants to enforce his Patent rights.

[14] The relevant provisions of the applicable legislation are attached at Annex A.

[15] For the reasons provided in more detail below, I find that the applicant was a public servant at the relevant time and that he failed to disclose his status in contravention of section 4 of the *PSIA*. The failure to disclose his status was an untrue material allegation. However, whether an untrue material allegation must be made wilfully to mislead the Commissioner is a genuine issue for trial. If the Court determines that such an intention is required, it must also be

determined whether Mr Brown had such an intention. The determination of these issues will lead to a determination of whether the Patent is void.

[16] The alternative grounds asserted by the applicant, Canada, for summary judgment, pursuant to the *CLPA* would also raise genuine issues for trial, in the event that the patent is not found to be void.

## II. Background

[17] The defendant's memorandum set out the relevant facts and chronology which are not in dispute and which provide the necessary context.

[18] In June 1973, Mr Brown enrolled in the Canadian Forces in the Regular Force. He served until 1993, when he became a reservist in the Primary Reserve. From June 30, 1993 to June 16, 1999, he transferred between the Primary Reserve and the Supplementary Reserve.

[19] The Canadian Forces is composed of two main branches: the Regular Force and the Reserve Force. The Supplementary Reserve is a sub-component of the Reserve Force. Supplementary Reserve members are not required to perform military duty or training except when on active service. The Governor in Council may place Supplementary Reserve members on active service in an emergency. Otherwise, in peacetime, a Supplementary Reserve member may consent to serve in the Regular Force or other sub-components of the Reserve Force. A Supplementary Reserve member serves for 10 years or until retirement age, whichever comes first.

[20] In 1993, Mr Brown founded NOR while serving in the Reserve Forces and as an Air Defence Technician.

[21] In 1995, Mr Brown accepted a position with the Air Force reserve due to his experience and knowledge of transportable decontamination and containment systems and requirements. His responsibilities included writing training and equipment manuals for the safe deployment of Canadian military personnel in hazardous environments. He was also tasked with updating the requirements for decontamination equipment and collective protection shelters.

[22] Mr Brown filed the '748 Patent in 1999, while still in the Supplementary Reserve. In his application, he did not disclose that he was a public servant and did not notify the Department of National Defence ["DND"] or the Commissioner of Patents of his invention.

[23] Mr Brown also filed patents for the invention in the US and in Europe between 1999 and 2002.

[24] In June 2008, Public Works and Government Services Canada ["PWGSC"] published draft performance specifications for ColPro Systems which were posted on the PWGSC website.

[25] On June 10, 2009, Mr Brown was released from the Supplementary Reserve.

[26] In or around July 2009, PWGSC published a request for proposal [RFP] for ColPro Systems. Several bids were submitted, including from NOR and HDT. In December 2009, HDT was awarded the contract for the supply of ColPro Systems.

[27] On April 19, 2012, Mr Brown and his co-plaintiffs commenced the action for infringement of the '748 Patent in this Court.

[28] Mr Brown provided additional information in support of his position that he was not a public servant at the time he applied for the Patent.

[29] Mr Brown notes that after his retirement from the Regular Force in 1993, he did not provide any services to, or receive any payment from, the Canadian Forces except between 1995 and July 1998, when he worked for the Air Force part-time, 10 days per month, writing training and equipment manuals.

[30] After June 1999, he remained on the list only for the Supplementary Holding Reserve, which is one part of the Supplementary Reserve. Individuals listed in the Supplementary Holding Reserve: are listed as not militarily current or available to undertake any duties, including in time of emergency; do not receive any benefits or remuneration, but may apply for opportunities within the Canadian Forces; are not obliged to train and serve unless placed on active service by the Governor in Council; cannot be called upon to perform any duties without their consent while not on active service; are not subject to the Canadian Forces' *Code of Service Discipline*;

and, are not permitted to refer to their rank except as “Retd” or “Retired”, unless on duty or engaged in matters directly related to military duties.

[31] Mr Brown notes that he was never placed on active service while he was listed in the Supplementary Holding Reserve.

[32] Mr Brown also relies on responses provided to him on September 17, 2013 by Mr Lyle Borden, a human resources advisor at the Department of National Defence, who informed him that while he was in the Supplementary Holding Reserve, he was “at no time employed” and, therefore, was “not an employee of the Federal Public Service”. The HR advisor later stated that he did not know whether Mr Brown was employed pursuant to the *PSIA* while he was in the Supplementary Holding Reserve and that his responses were based on the *Public Service Employment Act*, SC 2003, c 22 [the “*PSEA*”].

[33] Mr Brown acknowledges that he did not notify the Minister of National Defence and the Canadian Forces or the Commissioner of Patents of the subject of the invention and he did not obtain the written consent of the Minister of National Defence to file the application for patents outside of Canada.

[34] Mr Brown also agrees (and pleads in his own Statement of Claim) that ColPro Systems are for the defence of Canada or for the training of or maintaining the efficiency of the Canadian Forces.

### III. The Issues

[35] The defendant's motion raises several issues including whether the general principles governing summary judgment support granting the relief requested. This turns on whether all or some of the following issues can be determined now, or whether they raise a genuine issue for trial:

- Is the '748 Patent void because Mr Brown breached his statutory duties pursuant to section 4 of the PSIA? This requires consideration of the following:
  - Was Mr Brown a "public servant" pursuant to the PSIA when he applied for the '748 Patent on October 8, 1999?
  - Was Mr Brown's failure to indicate his status as a public servant an omission or an untrue allegation and was it "material" for the purposes of subsection 53(1) of the Patent Act?
  - Does subsection 53(1) of the Patent Act require an intention to mislead, i.e., wilfulness, where an applicant makes an untrue material allegation or is such intention required only for an omission?
- In the alternative, if the Patent is not void, is Canada immune from liability regarding infringement of the '748 Patent pursuant to section 8 of the *CLPA* because ColPro Systems are necessary for the defence of Canada or for the training of or maintaining the efficiency of the Canadian Forces?
- In the further alternative, is DND immune from an order to deliver-up, destroy, or stop using or procuring ColPro Systems pursuant to section 22 of the *CLPA*?

***Summary Judgment in general***

[36] The *Federal Courts Rules* 214-219 provide for summary judgment. The Court will grant summary judgment where it is satisfied that there is no genuine issue for trial. If the Court is satisfied that there is a genuine issue for trial, it may either determine that issue by summary trial, or it may dismiss the motion in whole or in part and order that the action proceed to trial – or the parts not disposed of by summary judgment proceed to trial or that the action be conducted as a specially managed proceeding.

[37] If the Court finds that the only genuine issue is the quantum of relief, it may order a trial of that issue or a reference under Rule 153. If the only genuine issue is a question of law, the Court may determine the question and grant summary judgment.

[38] In *Granville Shipping Co v Pegasus Lines Ltd SA* (1996), 111 FTR 189 at para 8 [*Granville Shipping*], Justice Tremblay-Lamer considered the relevant case law and set out the general principles governing summary judgment as follows:

- 1) the purpose of the summary judgment provisions is to allow the Court to summarily dispense with cases which ought not proceed to trial because there is no genuine issue to be tried;
- 2) the test is not whether a party cannot possibly succeed a trial, it is whether the case is so doubtful that it does not deserve consideration by the trier of fact at a future trial;
- 3) each case should be interpreted in reference to its own contextual framework;
- 4) provincial practice rules can aid in interpretation;

- 5) this Court may determine questions of fact and law on the motion for summary judgment if this can be done on the material before the Court;
- 6) on the whole of the evidence, summary judgment cannot be granted if the necessary facts cannot be found or if it would be unjust to do so; and,
- 7) where the court determines that there is a serious issue with respect to credibility, the case should go to trial because the parties should be cross-examined before the trial judge.

[39] In *Teva Canada Limited v Wyeth and Pfizer Canada Inc*, 2011 FC 1169 [*Teva*], Justice Hughes considered the principles regarding summary judgment and summary trial in this Court noting the general principle set out in Rule 3, that the *Federal Courts Rules* be interpreted and applied to secure the just, most expeditious and least expensive determination (at para 31-32). Therefore, a summary trial and summary judgment should be pursued in appropriate circumstances. The Court should determine the issues or questions that can be dealt with appropriately by summary trial. Justice Hughes added that the Court should not avoid summary trial because there is a serious legal issue.

[40] I have also considered the guidance provided by the Supreme Court of Canada in the recent case of *Hryniak v Mauldin*, 2014 SCC 7 [*Hryniak*] regarding the approach to Ontario's recently amended summary judgment provisions, Rule 20 of the *Rules of Civil Procedure*. The Court more generally highlighted the need to consider summary judgment in appropriate cases to ensure access to justice. Rule 20 is similar in purpose but is not identical to Rule 215 of the *Federal Courts Rules*.

[41] The Court noted the change in language of Rule 20, which now provides that the test is whether the case presents a “genuine issue *requiring* a trial”, and the new rules, which provide additional discretionary powers to the motions judge and may be exercised unless it is in the interest of justice to wait for trial. These powers include the power to weigh evidence, evaluate credibility, and to draw reasonable inferences in determining whether to grant a summary judgment.

[42] The Court noted that “the amendments are designed to transform Rule 20 from a means to weed out unmeritorious claims to a significant alternative model of adjudication.”

[43] The message or principle in *Hryniak* that a culture shift is called for, that a trial is not the default process, and that efforts should be made to align the process or procedure with the complexity of the issues suggests that Courts should not be too hesitant to order summary judgment. At para 28, the Supreme Court of Canada stated:

[28] This requires a shift in culture. The principal goal remains the same: a fair process that results in a just adjudication of disputes. A fair and just process must permit a judge to find the facts necessary to resolve the dispute and to apply the relevant legal principles to the facts as found. However, that process is illusory unless it is also accessible — proportionate, timely and affordable. The proportionality principle means that the best forum for resolving a dispute is not always that with the most painstaking procedure.

[44] The Supreme Court’s encouragement of resort to summary judgment in appropriate cases in the context of Ontario’s rules buttresses the guidance provided by Justice Hughes in *Teva* regarding the options provided in the *Federal Courts Rules* which should be applied to secure a “just, expeditious and inexpensive determination”.

[45] These principles regarding summary judgment have been considered in the determination of the questions below.

[46] The issues are well defined, and the facts necessary to address some of the issues are clearly set out. Some of the issues can be resolved now.

[47] The relationship between section 4 of the *PSIA* and section 53 of the *Patent Act* and the potential result that the '748 Patent is void raises a novel issue. Although the determination of a novel issue is not a deterrent to granting summary judgment, other principles must also be considered, including whether it would be unjust to grant summary judgment in whole or in part in the absence of additional facts and evidence and more comprehensive submissions on the jurisprudence.

**Is the '748 Patent void because Mr Brown breached his statutory duties pursuant to Section 4 of the PSIA?**

*Was Mr Brown a "public servant" pursuant to the PSIA when he applied for the '748 Patent on October 8, 1999?*

[48] Canada relies on the definition of "public servant" in section 2 of the *PSIA*, in particular the phrase "includes a member of the Canadian Forces", to support its position that Mr Brown was a public servant despite his status as a member of the Supplementary Reserve.

[49] Canada has established, with reference to the *National Defence Act*, that as part the Supplementary Reserve, Mr Brown was a member of the Canadian Forces.

[50] Canada has also established that the Canadian Forces Administrative Orders 2-8 [CFAO] describes the Reserve Force as including the Supplementary Reserve.

[51] Mr Brown argues that he was not a public servant and that the definition in the *PSIA* cannot be read to include members of the Canadian Forces who are not employed in a department. He argues that the *PSIA* does not say that *all* members of the Canadian Forces are public servants; rather, it says that public servants are those “employed in a department, including a member of the Canadian Forces”. Mr Brown further submits that if Parliament had intended to deem *all* members of the Canadian Forces to be public servants, it would have explicitly said so.

[52] Mr Brown notes that Form 1 appended to the *Regulations* to the *PSIA* requires the “public servant inventor” to identify the “Department or Government Agency in which you are employed” and the “Position(s) and type of work”. Mr Brown submits that Form 1 clearly does not contemplate members of the Supplementary Reserve, as they are not employed and do not perform a type of work.

[53] Mr Brown also argues that an HR advisor at DND was not aware whether Mr Brown was a public servant pursuant to the *PSIA*.

[54] Mr Brown submits that he was not a public servant for the purposes of the *PSIA* because he was not an employee in any ordinary or legal sense. As a member of the Supplementary Holding Reserve, and not on active service, he was simply named on a list and not obliged to

serve, received no remuneration and had no responsibilities other than keeping contact information up to date.

*Mr Brown was a public servant*

[55] Mr Brown, as a member of the Supplementary Reserve was a member of the Canadian Forces when he applied for the '748 Patent and was a public servant for the purposes of the *PSIA*.

[56] The wording of the *PSIA* is sufficiently clear in English and is crystal clear in French.

[57] Section 2 provides the definition: “‘public servant’ means any person employed in a department, and includes a member of the Canadian Forces or the Royal Canadian Mounted Police.”

[58] Mr Brown argues that the first requirement is to be employed in a Department and those employees would include members of the CF or RCMP.

[59] I do not agree with Mr Brown's proposed interpretation. I interpret the provision to say that “public servant” means any person employed in a department and “public servant” also includes a member of the CF or RCMP. Employment in a department is not essential for a member of the CF or RCMP to be covered by the definition of “public servant” according to the *PSIA*.

[60] The French version leaves no doubt : “Toute personne employée dans un ministère *et tout membre du personnel des Forces canadiennes* ou de la Gendarmerie royale du Canada.”

[Emphasis added.]

[61] The framework for bilingual interpretation is outlined by the Supreme Court in *R v SAC*, 2008 SCC 47 at paras 15-16. The Court set out three scenarios, and the second arises in this case:

[15] [...] Second, one version may be ambiguous while the other is plain and unequivocal. The shared meaning will then be that of the version that is plain and unambiguous: *Daoust*, at para. 28; *Côté*, at p. 327. [...]

[16] At the second step, it must be determined whether the shared meaning is consistent with Parliament’s intent: *Daoust*, at para. 30. In the penal context, courts must also ensure that any ambiguity is resolved in favour of the accused whose liberty is at stake (*Marcotte v. Deputy Attorney General for Canada*, [1976] 1 S.C.R. 108).

[62] If there is any ambiguity in the English version, the French definition of “public servant” is plain and unambiguous; the term includes *all* members of the Canadian Forces, regardless of employment status or whether they were in the Regular Force or the Reserve Force or a subcomponent.

[63] The shared meaning of the *PSIA*, which contemplates all members of the Canadian Forces to be public servants, is consistent with Parliament’s intent.

[64] Contrary to Mr Brown’s argument that Parliament’s sole policy concern was to encourage innovation among those transitioning into a post-military career, other policy considerations underlie the *PSIA*. Innovation and disclosure under the *Patent Act* regime must be

balanced with the Government's concerns about inadvertent disclosure of sensitive information available to a public servant, as well as the misappropriation of public resources for private intellectual property gains. The requirements of section 4 of the *PSIA* impose duties on public servant inventors to address these objectives.

[65] Mr Brown also notes that he was advised by the HR advisor at DND that he was not a public servant. He argues that if the HR advisor was of this view, then he should not be assumed or expected to know that he was a public servant.

[66] The HR advisor, Lyle Borden, attests in his affidavit that he is a retired public servant working as a casual employee with DND. Mr Borden attests that he provided responses to questions posed by Mr Brown in September 2013, but was never told about the current litigation. Mr Borden responded in the context of the *PSEA* to an inquiry whether Mr Brown was an employee while in the Supplementary Reserve and indicated that Mr Brown was not an employee. Mr Borden attests that the *PSEA* does not define "public servant" but does define "employee". He also attests that he assumed Mr Brown was referring to the *PSEA* and that he did not comment on the *PSIA* as he has no experience with the *PSIA*.

[67] Although Mr Brown asserts that the definition of public servant requires him to also be an employee of a Department, this is not the correct interpretation. Therefore, the issue is not whether Mr Brown was an employee but whether he was a public servant. Moreover, Mr Brown's inquiry to DND in 2013, without any context, comes too late given that his duty to

disclose his status – or to disclose his uncertainty about his status – arose in 1999 at the time of his application.

[68] The record also establishes that Mr Brown engaged a Patent Agent to make the application. As Canada notes, a Patent Agent would be aware of the Manual of Patent Office Procedure and the disclosure requirements of the relevant statutes including the *PSIA*.

*Was Mr Brown's failure to indicate his status as a public servant an omission or an untrue allegation and was it "material" for the purposes of section 53(1) of the Patent Act?*

[69] Canada submits that Mr Brown's failure to disclose his status as a public servant was a material untrue allegation under subsection 53(1) of the *Patent Act*. Canada notes that disclosure was a mandatory statutory duty and, as such, a true condition precedent to apply for and obtain a patent. Canada submits that the untrue allegation breached the duty under section 4 of the *PSIA* and also breached a CF Administrative Order and a DND Administrative Order which applies to both employees of DND and members of the CF. Canada notes that Mr Brown's failure to disclose prevented the Commissioner of Patents from fulfilling its obligations, pursuant to subsection 4(2) of the *PSIA*, to inform the Minister of National Defence about the '748 Patent. This in turn precluded the Minister from considering the options available pursuant to the *Patent Act*.

[70] The *Regulations* to the *PSIA* provide forms for disclosure. The forms permit a person to disclose that they are not a public servant (or to disclose that they are uncertain of their status). The forms also permit an inventor to note any sensitive information. The Commissioner of

Patents cannot lay the patent out to public inspection if there is secret material or defence-related material in the application.

[71] Canada notes that public servants are given access to potentially injurious information belonging to the Crown and submits that, in not disclosing that he was a public servant, Mr Brown circumvented the checks and balances provided by the *PSIA* to ensure that his conduct did not violate his duties as a public servant or compromise the public interest.

[72] Canada submits that the case law has established that there are two parts to subsection 53(1); the first part refers to a material allegation which is untrue and does not require that the allegation be wilfully made for the purpose of misleading, and the second part refers to omissions or additions in the specifications or drawings and does require that the addition or omission be wilfully made for the purpose of misleading (*Novo Nordisk Canada Inc v Cobalt Pharmaceuticals Inc*, 2010 FC 746 at paras 330-331 [*Novo Nordisk*]).

[73] Canada also relies on *Corlac Inc v Weatherford Canada Ltd*, 2011 FCA 228 [*Corlac*] at para 126 which established that the determination of whether an untrue allegation is material is a fact-specific determination.

[74] Canada agrees that the *PSIA* includes penalties which are less severe than the consequences of invalidation of the Patent pursuant to section 53 of the *Patent Act* but submits that the penalties in the *PSIA* are not exhaustive and that it would be absurd to allow a patentee to profit from an “ill gotten” patent. Moreover, Canada submits that patent invalidation is the

logical civil consequence to conduct that may also attract a criminal sanction, which is the case with a breach of section 4 of the *PSIA*.

[75] Mr Brown acknowledges that section 4 of the *PSIA* is a statutory duty to disclose and that he did not so disclose. He argues that his failure to disclose his status as a public servant would have had no impact on how the public could make use of the teachings of the patent, on the term or the substance of the invention, or could otherwise have affected the Commissioner's decision to grant the patent and would, therefore, not be material (*Corlac, supra*, at paras 113-129).

[76] Although Mr Brown refers to his failure to disclose as an omission, he relies on the case law which has addressed whether untrue allegations are material. He submits that the case law has not addressed the issue of whether failure to disclose status as a public servant is material. He further submits that the case law is divided on whether other failures to disclose, particularly the failure to name an inventor, are material.

[77] Mr Brown argues that if his failure to disclose his status was an untrue allegation it was not material. He also argues that subsection 53(1) requires an intention to mislead the Commissioner, that he had no such intention, and that Canada has not provided any evidence of such an intention, only a bare assertion.

[78] Mr Brown submits that the consequences of wilfully misleading the Commissioner are drastic, and the allegation is akin to fraud [*Novo Nordisk*]. Where an allegation akin to fraud is made, some evidence of intention is required.

[79] Mr Brown further argues that the invalidation of the Patent is a grossly excessive penalty and that the Court should invite further evidence on whether such a penalty is contemplated or is a just consequence for an untrue allegation made without an intention to mislead.

*The untrue allegation was material*

[80] Although Mr Brown has referred to his failure to disclose his status as an omission, the jurisprudence has established that some omissions may be untrue allegations. In *Apotex Inc v Eli Lilly and Company* (2000), 8 CPR (4th) 52 at page 55, the Court of Appeal noted, “Indeed, a material allegation in a petition may be untrue because of an omission to disclose relevant material facts.”

[81] The jurisprudence regarding whether an untrue allegation is material can be distinguished on the particular facts of each case.

[82] In *Apotex Inc v Wellcome Foundation Ltd*, 2002 SCC 77 [*Wellcome*], the Supreme Court of Canada noted that the failure to name co-inventors may be material in some circumstances, but found it did not need to decide the issue because it found that the names omitted were not co-inventors.

[83] In *671905 Alberta Inc v Q’Max Solutions Inc*, 2003 FCA 241 [*Q’Max*], the Court of Appeal accepted that a failure to name a co-inventor could be a material untrue allegation.

[84] In *Corlac*, statements made by one inventor to have his co-inventor removed were found to be misrepresentations, but were not material because the inventor had acquired the interest of the co-inventor prior to the grant of the patent. Justice Layden-Stevenson concluded that the determination of whether an untrue statement is material is a fact-specific determination (*Corlac*, *supra*, at para 126).

[85] Mr Brown's failure to disclose his status is properly characterised as an untrue allegation. By not disclosing his status, his application would have been considered by the Commissioner of Patents as that of a non-public servant, which was not the case, given the definition in the *PSIA*.

[86] Given the facts of the present case, including the explicit statutory duty to disclose imposed by the *PSIA* and the applicable Administrative Orders, Mr Brown's failure to disclose his status as a public servant on his patent application was an untrue allegation which was material.

[87] In *Corlac*, the Court of Appeal considered whether the inventor had made a material misstatement by not including the name of a deceased co-inventor. The trial judge had concluded that naming the co-inventor would have no impact on how the public makes use of teachings of the patent. On appeal, Justice Layden-Stevenson considered three grounds advanced to support the argument that the misstatements were material: (1) they led to a proper inventor being removed from the petition; (2) they prevented the Commissioner from carrying out his obligations under subsection 31(3) of the Act; and (3) they caused the public to lose the benefit of knowing that a particular person was an inventor (at para 121). With respect to the second

argument, Justice Layden-Stevenson found on the facts that it could not be said that the Commissioner was prevented from exercising jurisdiction under the Act. As noted above, the trial judge's conclusion was supported on the basis that materiality is a fact-specific determination.

[88] The present facts can be distinguished from those in *Corlac*. With respect to the second justification, unlike the inventor in *Corlac*, Mr Brown did not follow the procedure prescribed by the *PSIA* because he failed to disclose his status as a public servant. As a result, the Commissioner of Patents was unable to properly fulfill the obligation pursuant to subsection 4(2) of the *PSIA* to alert and inform the Minister about the patent application. In turn, the Minister was denied the right to consider and/or to take action to resist the petition for the grant of a patent, or to pursue a divesture of rights pursuant to section 5 of the *PSIA* or to pursue options pursuant to the *Patent Act*. Depending on the course of action that could have been undertaken by the Minister, the right of the public to make use of the teachings of the patent could have been affected.

[89] A fact-specific determination of materiality leads to the conclusion that in this case Mr Brown's untrue allegation was material.

*Does subsection 53(1) of the Patent Act require an intention to mislead, i.e., does the subsection require that an untrue material allegation be wilfully made for the purpose of misleading, or is such intention required only for an omission?*

[90] Canada submits that proof of wilfulness is only required for omissions and additions, but is not required for material untrue allegations (*Novo Nordisk, supra*, at para 330-331).

[91] Canada alternatively submits that if wilfulness to mislead is required for a material untrue allegation, Mr Brown had this intent.

[92] Mr Brown argues that where an untrue allegation in a patent application is determined to have marginal materiality, the Court of Appeal has been reluctant to invalidate the patent if the allegation was not wilfully made for the purpose of misleading, given the “draconian” nature of a patent invalidation (*Corlac supra*, at para 116).

[93] Mr Brown further submits that Canada has not provided any evidence supporting its allegation that he wilfully misled the Commissioner of Patents. He asserts that Canada’s allegations, which are akin to an allegation of fraud against a former member of its military, are egregious.

[94] He further submits that given that the loss of patent is a grossly excessive penalty for a failure to disclose his status, without any intention to mislead, the Court should hear evidence on the issue of whether intention is required.

*A Genuine Issue for Trial; does subsection 53(1) require that an untrue material allegation be “wilfully made for the purpose of misleading”?*

[95] In *Novo Nordisk* at paras 328-330, Justice Mactavish commented on the law governing subsection 53(1) of the *Patent Act*, noting that it implicates the notion of fraud and distinguishing the two parts of the subsection:

328 An allegation of invalidity under section 53 "implicates the notion of fraud". As such, "[a] party should not merely speculate or

make imputations as to motive in a reckless manner or without sufficient evidence so as to have a reasonable belief as to its truthfulness": *Eli Lilly Canada Inc. v. Apotex Inc.*, 2008 FC 142, 63 C.P.R. (4th) 406 at para. 62, aff'd 2009 FCA 97, 392 N.R. 243, leave to appeal refused [2009] S.C.C.A. No. 219 [*Apotex*].

329 There are two parts to subsection 53(1) of the Act. In *Hughes and Woodley on Patents*, 2nd ed., the authors describe the components of section 53 of the *Patent Act* as follows:

A patent is invalid if any statement made in the petition or specification is untrue or is more or less than is necessary for the end for which it purports to be made, and such was made wilfully, for the purpose of misleading. If, however, such omission or addition was not wilful, the patentee is entitled to the balance of the patent and the Court may act upon that balance in an action. *The wording of the section does not require wilfulness for an untrue allegation, only for an omission or addition.* A party alleging such an issue who fails to prove it may suffer serious consequences as to costs. The issue must be clearly and precisely pleaded.

*This provision of the Act provides that a patent can be void simply if any material allegation in the petition is untrue; no proof of wilfulness is required. However, if there is an improper omission or addition, then willfulness is an element.* [at s.24]

330 Thus, the requirement of willfulness relates specifically to omissions or additions. Generally speaking, untrue allegations, if material, shall void the patent even if there is no intent to mislead: *Mobil Oil Corp. v. Hercules Canada Inc.*, 82 F.T.R. 211, 57 C.P.R. (3d) 488 at 509 (T.D.), rev'd in part without discussion on this point (1995), 188 N.R. 382, 63 C.P.R. (3d) 473 (C.A.). [Emphasis in original.]

[96] I note that Justice Mactavish aptly premised her statement that material untrue allegations do not require an intention to mislead with "Generally speaking". This reflects the lack of certainty in the law on this issue.

[97] The leading publications, including *Hughes and Woodley on Patents*, *Fox on Canadian Law of Patents, Fifth Edition* and the *Annotated Patent Act*, (Bruce Stratton), note the nuances in the interpretation of the cases relied upon by the parties in this proceeding.

[98] As noted in *Novo Nordisk*, Hughes and Woodley highlight the two parts of subsection 53 noting that the wording does not require wilfulness for an untrue allegation, only for an omission or addition.

[99] Stratton notes that while the Supreme Court of Canada in *Wellcome* referred to the lack of intention for a material untrue allegation, the Federal Court has continued to observe the two parts of subsection 53(1) and to apply the requirement of wilfulness only to omissions.

[100] Fox takes a different view; that *Wellcome* authoritatively settled the issue that a patent is not void under subsection 53(1) unless the untrue material allegation or omission was wilfully made for the purpose of misleading. In other words, both an untrue material allegation and an omission must be wilfully made for the purpose of misleading.

[101] In *Wellcome*, Justice Binnie found that the failure to name the co-inventors may be material in some circumstances, but also found that the Court did not need to decide the issue because the names omitted were not co-inventors. However, Justice Binnie then went on to state at para 109:

109 There is no need to consider the issue of materiality further in this case however, not only because of the conclusion that Drs. Broder and Mitsuya were not in fact co-inventors in this case, *but also because there is no evidence whatsoever that the omission to*

*name them was “wilfully made for the purpose of misleading”, as required by the concluding words of s. 53(1).*

[My emphasis]

[102] Although Justice Binnie referred to “the omission”, a failure to name a co-inventor is generally characterized as an untrue allegation. Justice Binnie’s statement has been relied on to support the proposition that wilfulness to mislead is required for both untrue allegations and omissions. However, it has also been regarded as an *obiter* statement (*Zambon Group SpA v Teva Pharmaceutical Industries Ltd*, 2005 FC 1585 [*Zambon*]). It remains the origin of the unsettled law.

[103] In *Q’Max*, the Court of Appeal agreed with the trial judge that there was no intention to wilfully mislead and relied on the statement of Justice Binnie in *Wellcome* to find that the inventor’s failure to name a co-inventor would not justify “the draconian remedy provided for in subsection 53(1)”.

[104] In *Corlac* at para 116 Justice Layden-Stevenson referred to *Q’Max* with approval.

[116] [...] First, with respect to the wilfulness requirement, in *671905 Alberta Inc. v. Q’Max Solutions Inc.*, 2003 FCA 241, [2003] 4 F.C. 713 (*Q’Max*), Stone J.A., writing for a unanimous court, considered this issue and concluded at paragraph 31 that “an untrue ‘material allegation’ that consists of a failure to name co-inventors in a petition for a patent will not render the patent void if the allegation was not ‘wilfully made for the purpose of misleading’.” [...]

[105] The jurisprudence regarding section 53 and the requirement for intention, including *Wellcome* and *Q’Max*, was thoroughly considered by Justice Hansen in the context of an appeal

of a decision of a Prothonotary on a motion to strike a pleading in *Zambon*. Justice Hansen regarded Justice Binnie's statement in *Wellcome* as *obiter* given that Justice Binnie had agreed with the Court of Appeal and the trial judge that the failure to name the co-inventors was not material, therefore, Justice Binnie need not have addressed the issue of whether an intention to mislead was required. Justice Hansen also regarded Justice Stone's comments in *Q'Max* as *obiter*. Justice Hansen was not prepared to conclusively state that intention was required for a material untrue allegation based on *obiter* statements in the jurisprudence and which did not address the facts that she was faced with. She noted:

[30] With respect to the case of a failure to name a co-inventor, Justice Sexton agreed with Justice Wetson's analysis that this was not a "material" allegation. Given that Justices Binnie and Stone's statements regarding "wilfulness" in this circumstance are *obiter* and *Justice Binnie did not deal with the issue of materiality, it is arguable whether wilfulness is an essential element or whether these kinds of cases will be resolved in the future on the basis of materiality.*

[31] Finally, taking into account that:

- a) the two cases dealt specifically with inventorship and not with the kinds of allegations raised in the present case;
- b) the reluctance on the part of the courts to invalidate a patent based on an innocent error in the naming of inventors; and
- c) since the decision of Justice Walsh in *Beloit Canada Ltd. et al. v. Valmet Oy*, the working of subsection 53(1) has not been specifically addressed;

I am not persuaded that in the circumstances of the present case it is settled law that wilfulness is an essential element of the first ground of invalidity under subsection 53(1). [...]

[My Emphasis]

[106] *Zambon* was decided before *Novo Nordisk* where Justice Mactavish noted that “[G]enerally speaking”, untrue material allegations will void the patent where there is no intention to mislead. However, *Novo Nordisk* was decided before *Corlac*, where the Court of Appeal cited *Q’Max* with approval that the failure to name a co-inventor (which is an untrue allegation) will *not* void the patent where the allegation is not wilfully made for the purpose of misleading.

[107] The issue has not been clarified since the analysis provided by Justice Hansen.

[108] In the present case, neither party addressed whether the findings in *Q’Max* and *Corlac* regarding subsection 53(1) should apply only to similar facts, i.e., to untrue material allegations consisting of a failure to name co-inventors. In *Q’Max* and *Corlac* the Court of Appeal considered the draconian nature of invalidating a patent due only to misnaming or omitting an inventor. In the present case, however, the consequence of invalidating a patent due to Mr Brown’s material untrue allegation arising from his failure to disclose that he was a public servant may not be regarded as disproportionately harsh given the objectives of section 4 of the *PSIA*; the desire to safeguard inadvertent disclosure of information pertaining to the public interest and potentially (although not on the facts) national security. As submitted by Canada, Mr Brown’s failure to disclose his status as a public servant has far-reaching potential consequences implicating statutes and legislative schemes other than the *Patent Act* and *PSIA*. This issue requires further consideration.

[109] As noted by Justice Hansen in *Zambon*, the failure to name a co-inventor could be decided in the future on the basis of materiality; if it is not material, there is no need to consider the issue of intention. But that is not the situation we are faced with.

[110] If Justice Binnie's comment in *Wellcome* is not *obiter* but authoritative, as suggested by Fox, it would have broader application to other untrue material allegations, such as the failure to disclose status as a public servant.

[111] The law remains unsettled, despite the words of subsection 53(1) which draw a distinction between untrue material allegations and omissions and the intention required for the latter.

[112] However, the jurisprudence is very consistent in noting that an untrue material allegation is akin to fraud. Given the consequences of an untrue material allegation, further consideration of the requirement for intention – that the allegation be wilfully made for the purpose of misleading – is called for. The *Patent Act* does not make any provision to excuse an innocent or inadvertent untrue material allegation. Mr Brown suggests that his failure to disclose his status was inadvertent or a mistake. Mr Brown, however, has not adduced evidence regarding his mistake or whether he had a reasonable belief in 2009 that he was not a public servant, other than his submission that the information from the HR advisor at DND, which he sought in 2013, supports his view that he would not be expected to know he was a public servant.

[113] As indicated above, Mr Brown's inquiry in 2013 does little to address his obligations at the time of his application for the Patent. In addition, he relied on a Patent Agent, who would or should have been aware of the disclosure obligations.

[114] In any event, whether intention is required to support an allegation which is akin to an allegation of fraud, and whether Mr Brown had such an intention, is a genuine issue that should be explored at trial. The Court does not have sufficient evidence or submissions to address this issue on summary judgment. Nor would it advance the state of the unsettled law to determine the issue on summary judgment on these very specific facts.

[115] If the Court ultimately determines that intention is required, some evidence, other than the bare assertion by Canada, is required to establish on a balance of probabilities that Mr Brown had such an intention.

**In the alternative, if the Patent is not void, is Canada immune from liability regarding infringement of the '748 Patent pursuant to section 8 of the CLPA because ColPro Systems are necessary for the defence of Canada or for the training of or maintaining the efficiency of the Canadian Forces?**

[116] Canada argues that it cannot be sued for patent infringement for its use of ColPro Systems.

[117] Canada submits that there is no common law authority to sue the Crown and that the statutory authority, the *CLPA*, sets out what the Crown is liable for but precludes liability in specific circumstances. Canada relies on section 8 of the *CLPA* and the admission that ColPro

Systems are for the defence of Canada or for training of or maintaining the efficiency of the CF to argue that it is not liable for patent infringement.

[118] Canada acknowledges that the *Patent Act* binds the Government, but in the present circumstances, because of the nature and purpose of the invention, the Crown is not liable for infringement.

[119] Mr Brown notes that the *Patent Act* provides for the use of patents by the Government with compensation to the patentee. Such a provision would have no effect if Canada had immunity for patent infringement pursuant to the *CLPA*.

*Genuine Issue for Trial; Section 8, CLPA*

[120] I agree with Mr Brown that whether the operation of the *CLPA* trumps the *Patent Act* is a genuine issue for trial. In the event that the Patent is not void, the issue remains to be determined whether Canada is immune from liability pursuant to the *CLPA* because the invention falls within the exception of section 8.

[121] Section 19 of the *Patent Act* permits the Government to apply to the Commissioner of Patents for authority to use the patented invention. The Commissioner will then set out the terms for the use of the invention upon consideration of the principles set out in the Act. The Commissioner is also required to set out the remuneration which the authorized user shall pay to the patentee.

[122] Although the *Patent Act* permits the Government to use patented inventions, insufficient argument and facts have been advanced to determine whether the *Patent Act* permits the government to avoid the requirements where an invention is for the defence of Canada.

[123] I note that in these circumstances, the Commissioner was not aware that Mr Brown was a public servant, nor was the Minister of National Defence made aware of the invention at the appropriate time. If the disclosure requirements of the *PSIA* had been observed, the course of action pursued by the Commissioner and the Minister would have been different.

**In the further alternative, is DND immune from an order to deliver-up, destroy, or stop using or procuring ColPro Systems pursuant to section 22 of the CLPA?**

[124] Canada submits the Court does not have jurisdiction to order injunctive relief, specifically to order Canada to deliver up, destroy or stop procuring ColPro Systems. Canada relies on section 22 of the *CLPA* which provides that the Court shall not grant an injunction or order specific performance against the Crown.

[125] Mr Brown now submits that he is not seeking such an injunction, rather he seeks to enforce his rights as a patentee. He submits however, that injunctive relief would be possible, despite that he did not seek judicial review of the decision to grant the contract to HDT and not to NOR. Mr Brown again submits that the Court should be reluctant to grant summary judgment on this issue given the lack of jurisprudence to support Canada's position and the scant argument on the issue.

[126] This issue need not be addressed because Mr Brown has indicated that he is not seeking injunctive relief. Moreover, because the issue of the validity of the patent remains to be determined, the Court cannot make any declaration regarding the rights of the patentee.

#### IV. Conclusion

[127] I have found that Mr Brown was a public servant within the definition of the *PSIA* at the time he made application for the Patent and, as he acknowledged, he failed to disclose his status as a public servant in accordance with section 4 of the *PSIA*.

[128] I have also found that Mr Brown's failure to disclose his status in contravention of section 4 of the *PSIA* and in contravention of Administrative Orders of the CF and DND was an untrue allegation which was material.

[129] The issue whether untrue material allegations must be wilfully made for the purpose of misleading is a genuine issue which should be determined at trial. If this intention is a requirement, whether Mr Brown had such an intention must be established on a balance of probabilities.

[130] Although Mr Brown argues that the penalties in the *PSIA* are less serious and do not include invalidation of the Patent, the penalties in the *PSIA* are not exhaustive. Civil and criminal consequences are both possible. Moreover, a patentee should not risk or accept the lesser consequences of the *PSIA* as a cost of doing business. Section 53 of the *Patent Act* would be

meaningless if a patentee could maintain their patent in all cases despite a material untrue allegation arising from the requirements of the *PSIA*.

[131] Both parties seek costs of this motion and both have been partly successful. The issue of costs is best left to the trial judge to determine.

**ORDER**

**THIS COURT ORDERS that:**

1. The application for summary judgment that the '748 Patent is void is dismissed and the issue of whether an untrue material allegation must be wilfully made for the purpose of misleading in order to void a patent and whether the plaintiff had the required intention shall be determined at trial.
2. The costs of this motion will be determined by the trial judge in the context of the outcome of the action.

"Catherine M. Kane"

---

Judge

ANNEX AAPPLICABLE LEGISLATION

*Public Servants Inventions Act, RSC 1985, c P-32*

*Loi sur les inventions des fonctionnaires, LRC 1985 ch P-32*

**Definitions****Définitions**

2. In this Act, [...]

2. Les définitions qui suivent s'appliquent à la présente loi.

“public servant” «  
fonctionnaire »

« fonctionnaire » “public  
servant”

“public servant” means any person employed in a department, and includes a member of the Canadian Forces or the Royal Canadian Mounted Police.

« fonctionnaire » Toute personne employée dans un ministère et tout membre du personnel des Forces canadiennes ou de la Gendarmerie royale du Canada.

**Duties of inventor****Obligations de l'inventeur**

4. (1) Every public servant who makes an invention

4. (1) Le fonctionnaire auteur d'une invention a l'obligation :

(a) shall inform the appropriate minister of the invention and shall provide the minister with such information and documents with respect thereto as the minister requires;

a) d'en informer le ministre compétent et de fournir à celui-ci les renseignements et documents qu'il lui demande à ce sujet;

(b) shall not file outside Canada an application for a patent in respect of the invention without the written consent of the appropriate minister; and

b) d'obtenir le consentement écrit du ministre compétent avant de déposer, hors du Canada, une demande de brevet concernant l'invention;

(c) shall, in any application in Canada for a patent in respect

c) de révéler sa qualité de fonctionnaire, dans toute demande de brevet déposée

of the invention, disclose in his application that he is a public servant.

**Duties of Commissioner of Patents**

(2) If it appears to the Commissioner of Patents that an application for a patent relates to an invention made by a public servant, the Commissioner shall inform the appropriate minister of the application and give to the minister such information with respect thereto as the minister requires.

*Patent Act, RSC 1985, c P-4*

**Binding on Her Majesty**

2.1 This Act is binding on Her Majesty in right of Canada or a province.

**Government may apply to use patented invention**

19. (1) Subject to section 19.1, the Commissioner may, on application by the Government of Canada or the government of a province, authorize the use of a patented invention by that government.

**Terms of use**

(2) Subject to section 19.1, the use of the patented invention may be authorized for such purpose, for such period and on such other terms as the Commissioner

au Canada à l'égard de l'invention.

**Obligation du commissaire aux brevets**

(2) S'il lui apparaît qu'une demande de brevet vise une invention dont l'auteur est un fonctionnaire, le commissaire aux brevets en informe le ministre compétent et fournit à ce dernier les renseignements qu'il sollicite à cet égard.

*Loi sur les brevets, LRC 1985, ch P-4*

**Obligation de Sa Majesté**

2.1 La présente loi lie Sa Majesté du chef du Canada ou d'une province.

**Demande d'usage d'une invention brevetée par le gouvernement**

19. (1) Sous réserve de l'article 19.1, le commissaire peut, sur demande du gouvernement du Canada ou d'une province, autoriser celui-ci à faire usage d'une invention brevetée.

**Modalités**

(2) Sous réserve de l'article 19.1, l'usage de l'invention brevetée peut être autorisé aux fins, pour la durée et selon les autres modalités que le commissaire estime

considers expedient but the Commissioner shall settle those terms in accordance with the following principles:

- (a) the scope and duration of the use shall be limited to the purpose for which the use is authorized;
- (b) the use authorized shall be non-exclusive; and
- (c) any use shall be authorized predominantly to supply the domestic market.

#### **Notice**

(3) The Commissioner shall notify the patentee of any use of the patented invention that is authorized under this section.

#### **Payment of remuneration**

(4) Where the use of the patented invention is authorized, the authorized user shall pay to the patentee such amount as the Commissioner considers to be adequate remuneration in the circumstances, taking into account the economic value of the authorization.

#### **Termination of authorization**

(5) The Commissioner may, on application by the patentee and after giving all concerned parties an opportunity to be heard, terminate the

convenables. Celui-ci fixe ces modalités en tenant compte des principes suivants :

- a) la portée et la durée de l'usage doivent être limitées aux fins auxquelles celui-ci a été autorisé;
- b) l'usage ne peut être exclusif;
- c) l'usage doit être avant tout autorisé pour l'approvisionnement du marché intérieur.

#### **Avis**

(3) Le commissaire avise le breveté des usages de l'invention brevetée qui sont autorisés sous le régime du présent article.

#### **Paie ment d'une rémunération**

(4) L'utilisateur de l'invention brevetée paie au breveté la rémunération que le commissaire estime adéquate en l'espèce, compte tenu de la valeur économique de l'autorisation.

#### **Fin de l'autorisation**

(5) Le commissaire peut, sur demande du breveté et après avoir donné aux intéressés la possibilité de se faire entendre, mettre fin à l'autorisation s'il

authorization if the Commissioner is satisfied that the circumstances that led to the granting of the authorization have ceased to exist and are unlikely to recur, subject to such conditions as the Commissioner deems appropriate to protect the legitimate interests of the authorized user.

est convaincu que les circonstances qui y ont conduit ont cessé d'exister et ne se reproduiront vraisemblablement pas. Le cas échéant, il doit toutefois veiller à ce que les intérêts légitimes des personnes autorisées soient protégés de façon adéquate.

**Authorization not transferable**

**Incessibilité**

(6) An authorization granted under this section is not transferable.

(6) L'autorisation prévue au présent article est incessible.

**Void in certain cases, or valid only for parts**

**Nul en certains cas, ou valide en partie seulement**

53. (1) A patent is void if any material allegation in the petition of the applicant in respect of the patent is untrue, or if the specification and drawings contain more or less than is necessary for obtaining the end for which they purport to be made, and the omission or addition is wilfully made for the purpose of misleading.

53. (1) Le brevet est nul si la pétition du demandeur, relative à ce brevet, contient quelque allégation importante qui n'est pas conforme à la vérité, ou si le mémoire descriptif et les dessins contiennent plus ou moins qu'il n'est nécessaire pour démontrer ce qu'ils sont censés démontrer, et si l'omission ou l'addition est volontairement faite pour induire en erreur.

**Exception**

**Exception**

(2) Where it appears to a court that the omission or addition referred to in subsection (1) was an involuntary error and it is proved that the patentee is entitled to the remainder of his patent, the court shall render a judgment in accordance with the facts, and shall determine

(2) S'il apparaît au tribunal que pareille omission ou addition est le résultat d'une erreur involontaire, et s'il est prouvé que le breveté a droit au reste de son brevet, le tribunal rend jugement selon les faits et statue sur les frais. Le brevet est réputé valide quant à la

the costs, and the patent shall be held valid for that part of the invention described to which the patentee is so found to be entitled. [...]

***Crown Liability and Proceedings Act, RSC 1985, c C-50***

**Saving in respect of prerogative and statutory powers**

8. Nothing in sections 3 to 7 makes the Crown liable in respect of anything done or omitted in the exercise of any power or authority that, if those sections had not been passed, would have been exercisable by virtue of the prerogative of the Crown, or any power or authority conferred on the Crown by any statute, and, in particular, but without restricting the generality of the foregoing, nothing in those sections makes the Crown liable in respect of anything done or omitted in the exercise of any power or authority exercisable by the Crown, whether in time of peace or of war, for the purpose of the defence of Canada or of training, or maintaining the efficiency of, the Canadian Forces.

**Declaration of rights**

22. (1) Where in proceedings against the Crown any relief is sought that might, in proceedings

partie de l'invention décrite à laquelle le breveté est reconnu avoir droit. [...]

***Loi sur la responsabilité civile de l'État et le contentieux administratif, LRC 1985, ch C-50***

**Sauvegarde de la prérogative et des pouvoirs de l'État**

8. Les articles 3 à 7 n'ont pas pour effet d'engager la responsabilité de l'État pour tout fait — acte ou omission — commis dans l'exercice d'un pouvoir qui, sans ces articles, s'exercerait au titre de la prérogative royale ou d'une disposition législative, et notamment pour les faits commis dans l'exercice d'un pouvoir dévolu à l'État, en temps de paix ou de guerre, pour la défense du Canada, l'instruction des Forces canadiennes ou le maintien de leur efficacité.

**Déclaration de droits**

22. (1) Le tribunal ne peut, lorsqu'il connaît d'une demande visant l'État, assujettir celui-ci à une

between persons, be granted by way of injunction or specific performance, a court shall not, as against the Crown, grant an injunction or make an order for specific performance, but in lieu thereof may make an order declaratory of the rights of the parties.

### **Servants of Crown**

(2) A court shall not in any proceedings grant relief or make an order against a servant of the Crown that it is not competent to grant or make against the Crown.

### ***Federal Courts Rules, SOR/98-106***

### **If no genuine issue for trial**

215. (1) If on a motion for summary judgment the Court is satisfied that there is no genuine issue for trial with respect to a claim or defence, the Court shall grant summary judgment accordingly.

### **Genuine issue of amount or question of law**

(2) If the Court is satisfied that the only genuine issue is

(a) the amount to which the moving party is entitled, the Court may order a trial of that issue or grant summary

injonction ou à une ordonnance d'exécution en nature mais, dans les cas où ces recours pourraient être exercés entre personnes, il peut, pour en tenir lieu, déclarer les droits des parties.

### **Préposés de l'État**

(2) Le tribunal ne peut, dans aucune poursuite, rendre contre un préposé de l'État de décision qu'il n'a pas compétence pour rendre contre l'État.

### ***Règles des Cours fédérales, DORS/98-106***

### **Absence de véritable question litigieuse**

215. (1) Si, par suite d'une requête en jugement sommaire, la Cour est convaincue qu'il n'existe pas de véritable question litigieuse quant à une déclaration ou à une défense, elle rend un jugement sommaire en conséquence.

### **Somme d'argent ou point de droit**

(2) Si la Cour est convaincue que la seule véritable question litigieuse est :

a) la somme à laquelle le requérant a droit, elle peut ordonner l'instruction de cette question ou rendre un

judgment with a reference under rule 153 to determine the amount; or

(b) a question of law, the Court may determine the question and grant summary judgment accordingly.

### **Powers of Court**

(3) If the Court is satisfied that there is a genuine issue of fact or law for trial with respect to a claim or a defence, the Court may

(a) nevertheless determine that issue by way of summary trial and make any order necessary for the conduct of the summary trial; or

(b) dismiss the motion in whole or in part and order that the action, or the issues in the action not disposed of by summary judgment, proceed to trial or that the action be conducted as a specially managed proceeding.

jugement sommaire assorti d'un renvoi pour détermination de la somme conformément à la règle 153;

b) un point de droit, elle peut statuer sur celui-ci et rendre un jugement sommaire en conséquence.

### **Pouvoirs de la Cour**

(3) Si la Cour est convaincue qu'il existe une véritable question de fait ou de droit litigieuse à l'égard d'une déclaration ou d'une défense, elle peut :

a) néanmoins trancher cette question par voie de procès sommaire et rendre toute ordonnance nécessaire pour le déroulement de ce procès;

b) rejeter la requête en tout ou en partie et ordonner que l'action ou toute question litigieuse non tranchée par jugement sommaire soit instruite ou que l'action se poursuive à titre d'instance à gestion spéciale.

**FEDERAL COURT**  
**SOLICITORS OF RECORD**

**DOCKET:** T-806-12

**STYLE OF CAUSE:** LOUIS BROWN and 2202240 ONTARIO INC. d/b/a  
NOR ENVIRONMENTAL INTERNATIONAL v  
HER MAJESTY THE QUEEN IN RIGHT OF CANADA  
AND HDT TACTICAL SYSTEMS, INC. d/b/a HDT  
ENGINEERED TECHNOLOGIES

**PLACE OF HEARING:** TORONTO, ONTARIO

**DATE OF HEARING:** MARCH 5, 2014

**ORDER AND REASONS:** KANE J.

**DATED:** AUGUST 29, 2014

**APPEARANCES:**

John Simpson FOR THE PLAINTIFFS  
(Respondents)

Jacqueline Dais-Visca FOR THE DEFENDANTS  
Abigail Browne (Her Majesty the Queen, Moving Party)

**SOLICITORS OF RECORD:**

Shift Law FOR THE PLAINTIFFS  
IP and New Media Law (Respondents)  
Toronto, Ontario

William F. Pentney FOR THE DEFENDANTS  
Deputy Attorney General of Canada (Her Majesty the Queen, Moving Party)  
Toronto, Ontario