

Federal Court



Cour fédérale

Date: 20160510

Docket: T-2639-14

Citation: 2016 FC 517

Ottawa, Ontario, May 10, 2016

PRESENT: The Honourable Madam Justice Elliott

BETWEEN:

BIOGEN IDEC MA INC.

Applicant

and

ATTORNEY GENERAL OF CANADA

Respondent

JUDGMENT AND REASONS

I. NATURE OF THE DISPUTE

[1] This is an application for judicial review of a decision of the Commissioner of Patents (Commissioner) dated December 4, 2014 that determined the Applicant did not respond in time to a requisition because they delivered correspondence by XpresspostTM, not the Registered Mail Service of Canada Post. As a result their patent application, first filed in 1979, has been removed from conflict proceedings. Any of the Applicant's claims in conflict are considered to have been abandoned and will not be considered when patents are awarded for those claims.

II. BACKGROUND

[1] In 1989 the *Patent Act* was significantly and fundamentally modified. The system in Canada for awarding patents changed from “first to invent” to “first to file”. The former legislation is variously referred to as the “Old Act” or “pre-October 1, 1989 Act”. The current Patent Act is referred to as the New Act. The Old Act continues to apply to the patent that is the subject of this application.

[2] The facts are simple. They are not in dispute. The Applicant delivered by Xpresspost™, on the day it was due, correspondence containing affidavit evidence (Evidence) required to be sent in the course of conflict proceedings under the Old Act.

[3] The Commissioner determined that delivery by Xpresspost™ was not delivery by registered mail and as such it was not received until it physically arrived in the office four days after the deadline. The Registered Mail Service of Canada Post is the establishment designated by the Commissioner of Patents (Commissioner) to receive correspondence as if it had been physically delivered to the Commissioner.

[4] I am advised that this might be the last case to be decided under the Old Act. Nonetheless, delivery is now governed by the New Act so my review of the decision by the Commissioner will have an ongoing impact. It will affect more than patents. The *Copyright Regulations, Industrial Design Regulations, Trademarks Regulations* and *Integrated Circuit Topography Regulations*, all of which are overseen by the Commissioner, employ the same delivery process of “designated establishment”.

III. **BACKGROUND FACTS**

A. *Chronology of Events*

[5] On December 21, 1979 the Applicant filed Canadian Patent Application No. XXX,497 (the 497 Application) entitled “Recombinant DNA Molecules and their Method of Production”. No patent has yet been issued.

[6] In November, 2000, the Commissioner notified the Applicant pursuant to section 43(2) of the Old Act that a conflict existed between the ‘497 Application and 12 co-pending applications.

[7] On November 15, 2012 the Commissioner set the time for filing the Evidence in the conflict proceedings as six months from that date. Ten copies of the Evidence were required.

[8] The filing date was extended twice by orders of this Court. The most recent extension was by Order of Mr. Justice Beaudry dated January 24, 2014. He extended the filing time for one of the conflicting applicants as six months from the date of the Order.

[9] On January 31, 2014 the Commissioner notified all remaining parties to the conflict that the deadline for submission of section 43(5) evidence was extended to July 24, 2014.

[10] On July 24, 2014 the Applicant’s patent agent took the Evidence to the office of Canada Post in Montréal in order to send it by registered mail to the Commissioner in accordance with subsection 5(4) of the rules under the New Act (New Rules). The Evidence weighed 12.5kg. It exceeded the Canada Post weight limit of 500g for registered mail therefore they refused to accept it for such delivery. As a result, the patent agent sent it that day using the Xpresspost™ service of Canada Post.

[11] On July 28, 2014 the Evidence was physically received by the Commissioner at the Canadian Intellectual Property Office (CIPO) in Gatineau, Quebec.

[12] On September 29, 2014 the Commissioner advised the Applicant by letter that Xpresspost™ was distinct from the Registered Mail Service of Canada Post so the Evidence was not considered to have been submitted on July 24, 2014 when sent but rather on the date it was physically received, July 28, 2014. The Commissioner concluded the Applicant had failed to respond to a requisition within the time limits set. He deemed the Applicant had abandoned their conflict claims and claims not patentably distinct (NPD) therefrom and removed the Applicant's claims from the conflict proceedings.

[13] On October 21, 2014 the Applicant requested reconsideration of the September 29, 2014 decision and petitioned for reinstatement of the claims deemed abandoned. They requested a four day extension of the time within which to file the Evidence.

[14] On December 4, 2014 the Commissioner refused to reconsider the original decision. He denied reinstatement to the conflict proceedings and refused to provide an extension of time.

B. *The Application for Judicial Review*

[15] The application, filed December 31, 2014, seeks to have the Commissioner's decisions quashed. They also seek various alternate forms of relief effectively curing any procedural defect with the filing of the Evidence, restore the Applicant's patent application to the conflict proceeding and, if necessary, obtain an order pursuant to subsection 18.1(2) of the *Federal Courts Act* (FC Act) granting an extension of time to file the application, *nunc pro tunc*.

IV. CONFLICT PROCEEDINGS

[16] The purpose of conflict proceedings is to determine who was the first to invent the subject matter of the patent application. With multiple parties, as here, some may be first with respect to certain claims but not first with respect to other claims. At the hearing of this application counsel for the Respondent indicated the Commissioner would not move the conflict proceedings forward until a final determination has been made on this application. The next step, when it occurs, will be to open all the sealed envelopes received from parties to the conflict, in order to determine who was the first to invent each claim.

A. *Overview*

[17] Under the Old Act, the actual date of filing an application for a patent was not determinative of receiving a patent. The date of invention of the matter for which patent protection was claimed governed awarding the patent. If two or more applicants claimed patent protection over substantially the same invention or components thereof those applications would be in conflict. When there was a conflict, section 43, attached as Annex A to these reasons, contained the process to be followed to resolve it. For ease of reference, set out below are the relevant parts of the two subsections of section 43 that explain the purpose and use of the

Evidence sent by the Applicant:

43(5) Formal declaration of conflict—Where the subject matter of the claims described in subsection (3) is found to be patentable and the conflicting claims are retained in the applications, the Commissioner shall require each applicant to file in the Patent Office, in a sealed envelope duly endorsed, within

43(5) Si l'objet des revendications visées au paragraphe (3) est reconnu brevetable et que les revendications concurrentes sont maintenues dans les demandes, le commissaire exige de chaque demandeur le dépôt, au Bureau des brevets, dans une enveloppe scellée portant une souscription

a time specified by him, an affidavit of the record of invention . . .

(6) Opening envelopes containing record of invention—No envelope containing any affidavit mentioned in subsection (5) shall be opened, nor shall the affidavits be permitted to be inspected, unless there continues to be a conflict between two or more applicants, in which event all the envelopes shall be opened at the same time by the Commissioner in the presence of the Assistant Commissioner or an examiner as witness thereto, and the date of the opening shall be endorsed on the affidavits.

régulière, dans un délai qu'il spécifie, d'un affidavit du relevé de l'invention. . . .

(6) Aucune enveloppe contenant l'affidavit mentionné au paragraphe (5) ne peut être ouverte, et il n'est pas permis d'examiner les affidavits, à moins que ne subsiste un conflit entre deux ou plusieurs demandeurs, auquel cas toutes les enveloppes sont ouvertes en même temps par le commissaire en présence du sous-commissaire ou d'un examinateur en qualité de témoin, et la date de l'ouverture des enveloppes est inscrite sur les affidavits.

[18] In *Mycogen Plant Science, Inc. v. Bayer Biosciences N.V.*, 2010 FC 124 (*Mycogen*) Mr.

Justice Hughes provided a useful overview of conflict proceedings. In this excerpt, I have underlined the portions most germane to this dispute:

[7] Under the “first to invent” system when there was only one application for a patent before the Patent Office, the person named as inventor was assumed to be the first person to invent the subject matter of the application. However, as happens from time to time, there may be two or more applications filed with the Patent Office which appear to be directed to the same subject matter. In such circumstances the Commissioner of Patents was required to decide who was the first person to invent. That person was to be granted a patent for the subject matter to the exclusion of the other applicants.

[8] Section 43 of the pre-October 1, 1989 version of the *Patent Act* specifically addressed conflict proceedings. Those provisions remain in force today to deal with the very few remaining conflict proceedings. A copy of section 43 of the pre-October 1, 1989 *Patent Act* is appended to these reasons. There are no specific Patent Rules or Federal Courts Rules dealing with such

proceedings. Previously the pre-1998 version of the Federal Court Rules had specific rules dealing with such proceedings but they have not been carried forward.

[9] Essentially the conflict process began when the Patent Office examiners perceived that there were two or more applications pending before the Office that appeared to be directed to the same subject matter. Under the pre-October 1, 1989 system all patent applications were confidential and not available to the public. That remains the case with the applications at issue here. The Patent Office would select claims from the applications that appeared best to cover the subject matter common to all applications, or even draft such claims. These common claims would be presented to each of the applicants who could choose to remain in the conflict proceedings by including some or all of these claims in their application if they were not there already. The applicants were then invited to submit affidavits setting out facts that would establish the date of invention by their named inventors. Some would choose to rely only on the filing date of the application in Canada or a foreign country if the Canadian application claimed priority from such application. When all evidence was in, the Commissioner of Patents would review the evidence and make a determination as to which inventors had first made the invention as described in the subject matter of the conflict claims. Sometimes some inventors were first in respect of some of the claims and other inventors in respect of other claims. The claims would be awarded by the Commissioner to the application of the first inventor of each claim at issue and all the applications would proceed to final examination. However any party to the conflict could, after receipt of the Commissioner's decision, if dissatisfied, commence an action in the Federal Court for a re-determination as to first to invent and consequent award of claims. This is not an appeal nor a judicial review but an action in which a fresh determination is made. In such an action redrafted claims (so-called substitute claims) could be proposed for resolution in the conflict. The Federal Court action would proceed as any other action and would be subject to appeal in the usual way.

[19] In *Mycogen* the issue was whether the Commissioner could grant an extension of time to a party to determine under subsection 43(4) whether to add or retain claims in conflict in order to remain in the conflict proceedings. That is the step before the section 43(5) issue in this matter.

The sections are similar enough though that *Mycogen* will be addressed later in these reasons when dealing with whether the Commissioner could have extended the time to file the Evidence.

B. *The Old Act and Old Rules*

[20] Although the Old Act applies in this case the rules that existed under the Old Act (*Old Rules*) were completely repealed on October 1, 1996 with passage of the New Rules. No transitional rules relevant to this matter were put in place.

[21] The repealed rules under the Old Act dealt specifically with conflict proceedings in rules 66 to 74. Rules 138 to 140 gave the Commissioner power to fix and extend time, both before or after it expired. Unfortunately although those rules would otherwise have applied and might have made this application unnecessary, they are now only of historical interest.

[22] Given the repeal of the Old Rules, the parties agree that there are *no rules* in place governing the conflict proceedings.

[23] In addition to rules, there were procedures written to guide examiners in implementing the Old Act and the Old Rules. The Canadian Patent Office Manual of Patent Office Practice (MOPOP) dated January 1990 and the Handbook of Patent Examination (HOPE) dated February, 1993 were both submitted by the Commissioner as part of the Certified Tribunal Record (CTR) as being documents the Commissioner considered relevant. They are referred to later in these reasons.

C. *The New Act and New Rules*

[24] Section 78.1 of the New Act stipulates that applications for patents filed before October 1, 1989 shall be dealt with and disposed of under the Old Act.

[25] A few of the New Rules apply to this matter although not to the conflict proceedings.

Part I of the New Rules contains “Rules of General Application”. These rules apply to aspects of this application such as Communications and Time within which to take certain actions.

[26] On January 13, 1994 a new section 10(b) was added to the rules by SOR/94-30. It is now rule 5(4) in the New Rules. The part most relevant to this matter provides that “Correspondence addressed to the Commissioner may be physically delivered to an establishment that is designated by the Commissioner” and “the correspondence shall be considered to be received by the Commissioner on that day” provided that it is a day that the Patent Office is otherwise open for business.

[27] Prior to the amendment in 1994, the Commissioner could only designate “any office of the Government of Canada” as an office to which mail addressed to CIPO could be delivered. With the amendment, the Commissioner could designate simply “an establishment” to receive such deliveries by setting it out in the Canadian Patent Office Record (CPOR).

[28] Section 15 of the CPOR, Vol. 143, No. 2, January 13, 2015 (effective May 8, 2012) deals with “Correspondence Procedures”. Subsection 15.2 of the CPOR is entitled “Registered Mail Service of Canada Post”. It sets out that:

For the purposes of subsections 5(4) and 54(3) of the *Patent Rules*, . . . the Registered Mail Service of Canada Post is a designated establishment or designated office to which correspondence addressed to the Commissioner of Patents . . . may be delivered.

Correspondence delivered through the Registered Mail Service of Canada Post will be considered to be received on the date stamped on the envelope by Canada Post, only if it is also a day on which the CIPO is open for business. If the date stamp on the Registered Mail is a day when CIPO is closed for business, the Registered Mail will be considered to be received on the next day on which CIPO is open for business.

[29] More will be said about the 1994 Amendment and the CPOR provisions later in these reasons when examining whether the Applicant complied with rule 5(4).

V. **ISSUES**

A. *Overview of the Issues*

[30] The Applicant, who insists delivery was in time, accuses the Commissioner of wrongfully refusing to exercise discretion.

[31] The Respondent says the Commissioner has no discretion to provide any relief as strict compliance with the Act is required.

B. *Applicant's Statement of Issues*

[32] The Applicant submits the issues to be decided are:

- i. What is the standard of review?
- ii. Was the Commissioner's conclusion that XpresspostTM is a distinct establishment from the "Registered Mail Service of Canada Post" unreasonable?
- iii. Was the Commissioner's decision to refuse to grant an extension of time pursuant to Rule 26 of the *Patent Rules* unreasonable?
- iv. Did the Commissioner exceed his jurisdiction when he deemed the Applicant's conflict claims abandoned?
- v. Did the Commissioner erroneously fetter or fail to exercise his discretion by refusing to even consider reinstatement of the Applicant's conflict claims?

C. *Respondent's Statement of Issues*

[33] The Respondent submits the issues to be decided are:

- i. Was the Applicant out of time to apply for judicial review?
- ii. If not, was the Commissioner correct in concluding the Applicant, by operation of law, had missed the deadline upon concluding that XpresspostTM is not a "designated establishment".

- iii. Whether the Commissioner had any discretion to extend the time fixed by Order of this Court for delivery of the evidence? If so, whether the decision to refuse to extend the time was reasonable.
- iv. Whether the Commissioner or the Court has power to “reinstate” claims removed from an application.

D. *Statement of Issues as Framed by the Court*

[34] As can be seen, the parties are largely in agreement as to the issues although they approach them somewhat differently. I have reformulated the issues and will consider them this way, in this order:

- i. What is the applicable standard of review?
- ii. Is the application properly before the Court in accordance with section 18.1 of the *Federal Courts Act*?
- iii. If delivery of the Evidence was late, did the Commissioner have the power to grant an extension of time and, if he did, was that power exercised properly?
- iv. What consequences flow from a party’s failure to file evidence in a conflict proceeding?

VI. **STANDARD OF REVIEW**

A. *The Position of the Parties*

[35] The Applicant submits that the standard of review for all matters, including any matters of statutory interpretation, is reasonableness as the Commissioner is dealing with his home statute and rules. The Applicant however says the Commissioner’s decisions are not justifiable, transparent, intelligible or defensible in respect of the facts and the law.

[36] The Respondent did not address the standard of review in their written materials. At the hearing, relying on the patent cases dealing with small entity fees and authorized correspondents, they submitted that the Commissioner’s interpretation of subsection 5(4) of the *New Rules* at the

time he created the designated establishments is reviewable on a correctness standard as the Court is in as good a position as the Commissioner to make the determination. They then say that the application of that interpretation is subject to a reasonableness review.

[37] Ultimately, the Respondent says that all the issues – timeliness of the delivery of the evidence, whether an extension of time can be granted, the consequences of not filing in the conflict proceedings – come down to the same thing. Either there was no discretion possessed by the Commissioner because of operation of law or, he had discretion and exercised it and is entitled to deference. That of course is the reasonableness standard.

B. *Analysis and Decision*

[38] Regardless of the position of the parties it falls to the Court to determine the standard of review. When a decision-maker is interpreting their home statute the standard of review presumptively is reasonableness. (*Alberta (Information and Privacy Commissioner) v. Alberta Teachers' Association*), 2011 SCC 61 (*Alberta Teachers'*) at paragraph 39).

[39] If the standard of review has previously been satisfactorily determined it is not necessary to conduct another analysis. (*Dunsmuir v New Brunswick*, 2008 SCC 9 (*Dunsmuir*) at paragraph 62.)

[40] However, prior decisions of this Court and the Federal Court of Appeal, decided before *Alberta Teachers'*, have held that the Commissioner's interpretation of the New Rules is reviewable on a standard of correctness. (*Belzberg v. Canada (Commissioner of Patents)*, 2009 FC 657 at paragraph 34; *Dutch Industries Ltd. v. Canada (Commissioner of Patents)*, 2003 FCA 121 at paragraph 23).

[41] Similarly, prior decisions have found the Commissioner's interpretation of the governing legislation whether considering the Old Act or New Act is also reviewable on a standard of correctness. (*Bayer Schering Pharma Aktiengesellschaft v Canada (Attorney General)*, 2010 FCA 275 at paragraph 19.)

[42] The Respondent put forward no basis upon which to rebut the presumption of reasonableness other than that the Court is in as good a position as the Commissioner to make the determination. I find no basis to rebut the presumption exists. This case does not involve constitutional questions or questions of law that are of central importance to the legal system as a whole and that are outside the adjudicator's expertise. Nor is there any true question of jurisdiction or *vires* raised.

[43] The Commissioner's interpretation of rule 5(4) at the time he designated the establishment is therefore reviewable on a standard of reasonableness. The application of that interpretation to the facts, being a question of mixed fact and law, is also reviewable on a standard of reasonableness. (*Karolinska Institutet Innovations AB v. Canada (Attorney General)*, 2013 FC 715 at paragraph 20).

[44] The consequential issues of extension of time, deemed abandonment and reinstatement to the conflict proceedings are also matters of statutory interpretation that arise from the Commissioner's home statute. They will also be reviewed on a standard of reasonableness.

[45] A decision is reasonable if the decision-making process is justified, transparent and intelligible and the decision is within a range of possible, acceptable outcomes, defensible in respect of the facts and law. (*Dunsmuir* paragraph 47.)

VII. **IS THE APPLICATION PROPERLY FILED UNDER S.18.1(2) OF THE FC ACT?**

[46] A preliminary issue is whether this application is properly before the court. The Respondent says it is out of time with respect to the XpresspostTM delivery issue because the September 29, 2014 letter from the Commissioner dealt with the matter and the December 4, 2014 letter was merely a courtesy letter.

[47] The Respondent acknowledges the issue of whether an extension of time should or could have been granted and the consequential decisions of abandonment and no reinstatement to the conflict proceedings were raised only in the second letter and are brought within time.

[48] However, the Respondent next alleges there is no decision capable of review because all the other issues - late delivery, abandonment of the proceeding, no extension of time - arose purely by operation of law. In particular they say the late delivery issue was not only out of time, it was also not a decision in any event because it arose by operation of law in that it did not comply with the designation made by the Commissioner. After that the other matters also unfolded by operation of law.

A. *Reconsideration or Courtesy Letter?*

(1) The Applicant's Position

[49] After receiving the September 29, 2014 letter the solicitors for the Applicant wrote to the Commissioner on October 21, 2014. The three-page letter asked the Commissioner to reconsider the original decision. In support of that request they filed an affidavit that detailed the reasons for using XpresspostTM and made legal arguments that the Applicant had fully complied with the requirements of the legislation. The letter also contained a request for reinstatement to the conflict proceedings should the Commissioner still consider the evidence to have been filed late.

In the alternative the Applicant requested an extension of time to file to July 28, 2014 and submitted legal arguments supporting that request.

[50] It is the Commissioner's December 4, 2014 response to the October 21, 2014 letter that the Applicant says was the final decision and started the judicial review time period clock running.

[51] The Applicant relies on both *Independent Contractors & Business Assn. v Canada (Minister of Labour)*, [1998] FCJ No. 352 (FCA) (*Independent Contractors*) and *Merham v Royal Bank of Canada*, 2009 FC 1127 (*Merham*) to say that (1) when the matter is reconsidered on the basis of new facts it is a new decision and (2) the reconsideration itself is a reviewable decision. I accept both those propositions are accurate statements of the law.

[52] In *Independent Contractors* the Court of Appeal at paragraph 19 adopted what Mr. Justice Noël said in *Dumbrava v Canada (Minister of Citizenship and Immigration)* (1995), 101 FTR 230 (*Dumbrava*) at page 236 (citations omitted):

Whenever a decision maker who is empowered to do so agrees to reconsider a decision on the basis of new facts, a fresh decision will result whether or not the original decision is changed, varied or maintained. (omitted citation) What is relevant is that there be a fresh exercise of discretion, and such will always be the case when a decision maker agrees to reconsider his or her decision by reference to facts and submissions which were not on the record when the original decision was reached.

[53] The Applicant submits new facts and submissions were made by them and were considered by the Commissioner so there was a fresh decision, not just a simple courtesy letter.

(2) The Respondent's Position

[54] The Respondent takes the position that the Applicant's October 21, 2014 letter seeking a reconsideration and requesting an extension of time and reinstatement to the conflict proceedings does not "reset the clock" with respect to the question of whether there was "late delivery" of the Evidence.

(3) Analysis and Decision

(a) Overview

[55] Subsection 18.1(2) of the FC Act provides that an application for judicial review in respect of a decision shall be made within 30 days after the decision was first communicated. Not surprisingly, the Applicant says the second letter is the final decision and starts time running under section 18.1(2) while the Respondent says the first letter is the decision with respect to delivery and the second letter was merely a courtesy letter.

[56] This matter can be resolved by examining only the second letter. If it is a reconsideration of the "late delivery" then the application was filed in time. If it is merely a courtesy letter with respect to the "late delivery" then the application was filed outside the 30 days. If that is the case then the Applicant's request that I grant an extension of time *nunc pro tunc* pursuant to section 18.1(2) of the FC Act will be considered.

(b) The Letters

[57] The October 21, 2014 letter from the solicitors for the Applicant contained new evidence in the form of an affidavit by the patent agent of record. Although the affidavit itself was not in evidence, it is clear from the cover letter that the affidavit supported the fact that the evidence for the conflict proceeding was boxed and delivered to Canada Post and a request was made to an

employee that it be delivered by Canada Post's Registered Mail Service. However, the employee refused to accept the box for delivery. The letter (and presumably the affidavit) then details the 500g weight issue and the decision by the Applicant's agent to use XpresspostTM to effect delivery. That is new evidence, the details of which the Commissioner would not have known on receiving the box by XpresspostTM.

[58] The letter from counsel then makes submissions and argues that “[b]y physically delivering the Section 43(5) evidence to Canada Post on July 24, 2014 and requesting that it be sent by the Registered Mail Service, the Applicant fully complied with the requirements of rule 5(4) of the Patent Rules”. It goes on to explain their rationale, which is that they used a “registered” parcel service of Canada Post.

[59] The response letter specifically addresses the new facts and argument made with respect to the weight of the box and the submission that the inability to avail themselves of the Registered Mail Service was not reasonably avoidable. The balance of the letter deals with the other requests that the Respondent is not challenging have been brought within time.

[60] The Commissioner's December 4, 2014 letter directly addresses the evidence and submissions in the October 21, 2014 letter with respect to the delivery by XpresspostTM. It restates and responds substantively to the issues raised by the Applicant and contains language such as “having considered Applicant's arguments” and “in conclusion, the Office takes the final position that the affidavits and evidence received in the Patent Office on July 28, 2014 continue to be considered not to have been timely submitted.”

[61] Despite use of the word “continue” I find the December 4, 2014 letter is a more thorough and detailed explanation and analysis of the reasons provided in the September 29, 2014 letter. In my opinion it clearly, in the words used by Justice Noël in *Dumbrava*, “referred to facts and submissions that were not on the record when the original decision was made”. It expressly dealt with the additional facts and evidence submitted by the Applicant.

(c) *Conclusion*

[62] I conclude the application filed December 31, 2014 that seeks review of “the final decision of the Commissioner of Patents set out in a letter dated December 4, 2014” was filed within time under subsection 18.1(2) of the FC Act. Accordingly it is not necessary to address the *nunc pro tunc* relief sought by the Applicant.

B. *Operation of Law or Discretion – is there a Reviewable Decision?*

[63] One of the determinative factors in resolving the matters in dispute and also a major difference between the parties is the question of whether the Commissioner had any discretion or whether everything simply unfolded by operation of law.

[64] This question of whether there was discretion or consequences arose by operation of law applies to each of the findings of delivery of the Evidence, refusal to grant an extension of time, deemed abandonment and refusal to reinstate. The Respondent has conceded that the application to review the extension of time, abandonment and reinstatement findings are all brought within time. The question for each of those matters is whether the Commissioner was exercising discretion or, was each outcome determined by operation of law? This will be separately addressed for each matter beginning with the “late delivery” finding.

(1) The Respondent's Position

[65] The Respondent says there was no decision involved when the Evidence arrived by Xpresspost™. Because it was not delivered by the designated establishment it was automatically late by operation of law.

[66] The Respondent's position is clear. In their written submissions they say:

[8] Neither the Court nor the Commissioner have any power to relieve the Applicant from the consequence of its failure to contest priority with respect to conflicting subject matter by failing to provide timely delivery of the evidence mandated by ss. 43(5) of the Old Act in accordance with the statutory scheme and the Order of Justice Beaudry. Accordingly, this application for judicial review should be dismissed with costs.

They conclude their submissions with:

[51] This case is thus just another long [sic] line of patent cases where the most "elemental precautions" were not taken and, while "unfortunate", the Applicant's right to pursue the grant of a patent which includes its conflict claims has been lost by operation of the *Patent Act* following a reasonable decision of the Commissioner to not retroactively grant the Applicant an extension of time.

[67] In support of this position, the Respondent relies on *DBC Marine Safety Systems Ltd. v Canada (Commissioner of Patents)*, 2008 FCA 256 (*DBC Marine*) and other cases dealing either with payment of maintenance fees or corresponding only with authorized agents. For example, in *DBC Marine* at paragraph 2 the Court of Appeal said:

[2] The regime for patent applications is firmly established by the *Patent Act* and the *Patent Rules*. Together, the various legislative provisions set out a complete code governing the duties of an applicant for a patent, the consequences of a failure to comply with those duties, and the steps that may be taken to avoid those consequences.

(2) The Applicant's Position

[68] The Applicant's general position is that the jurisprudence upon which the Respondent relies is distinguishable because it was determined under the New Act where the legislative wording is quite specific as to the consequences of a failure to comply. There is no such specific consequence in the Old Act according to the Applicant. Without the strict legislative consequence, there is no operation of law. This position also applies with respect to the consequential issues of extension of time, abandonment and reinstatement.

[69] In terms of late delivery, the Applicant's position is that there was no operation of law and the Commissioner made a decision that was unreasonable. They add that, in any event, the reasons provided do not meet the *Dunsmuir* requirements of justification, intelligibility and transparency and they are not defensible on the facts and law as the Commissioner simply stated a conclusion.

(3) Analysis and Decision

[70] The jurisprudence relied upon by the Respondent was determined under very different legislation – either the New Act or the *Patent Act* that was in place for applications filed after October 1, 1989 and before October 1, 1996. In considering whether consequences arose by operation of law it will be important to examine the provisions of the Old Act.

[71] The Respondent's position that there is no reviewable decision with respect to the delivery by XpresspostTM depends on whether the Commissioner's literal interpretation of the designation of the Registered Mail Service of Canada Post as an establishment distinct from XpresspostTM was reasonable. In other words, did delivery comply with rule 5(4)?

C. *Did the Applicant Comply with subsection 5(4) of the New Rules?*

(1) The Commissioner's Decision

[72] The Commissioner's reason for finding the Applicant's evidence was not delivered in accordance with rule 5(4) and therefore was late is expressed in his letter of September 29, 2014 this way:

Applicant has submitted one box of documents pertaining to the present conflict using Canada Post's Xpresspost service. While the date stamped on the box is July 24, 2014, this service of Canada Post is held by the Office to be an establishment distinct from the Registered Mail Service of Canada Post and thus, is not regarded as a designated establishment by the Commissioner of Patents pursuant to sections 5(4) and 54(3) of the Patent Rules. Therefore, correspondence sent to the Patent Office using Xpresspost will only be considered received on the date it is physically delivered to the Patent Office in Gatineau. Therefore, the Office considers the date of receipt of the submitted documents to be July 28, 2014.

(my emphasis)

[73] In his letter of December 4, 2014 the Commissioner added that:

Despite Applicant's attempts to effect timely delivery using the Registered Mail Service of Canada Post, the Commissioner does not conclude that a failed attempt to timely deliver the evidence can equate to a successful delivery. All parties to the conflict were subject to the same requirements for delivery of the affidavits and evidence; any further extension of time would constitute a favourable treatment of one party over another.

(my emphasis)

(2) The Applicant's Position

[74] The Applicant makes several arguments regarding this core issue. Firstly, the Applicant says by physically delivering the evidence to Canada Post on July 24, 2014 and with Canada Post date stamping the parcel on that day they have complied with rule 5(4) as it is written. They say it was unreasonable for the Commissioner to limit the types of registered delivery services

provided by Canada Post that satisfy the requirement for proof of mailing and delivery. The Applicant submits it was unreasonable for the Commissioner to conclude that registered delivery by the Canada Post product marketed as “Xpresspost” is a “distinct establishment” from registered delivery by the Canada Post product marketed as “Registered Mail”.

[75] The Applicant notes that although the CPOR speaks of the “Registered Mail Service”, Canada Post does not use that term. It simply refers to “Registered Mail” as part of a category of delivery services that provides proof of receipt, tracking and delivery. They say that XpresspostTM is also a type of service in that category.

[76] The Applicant submitted uncontradicted evidence that XpresspostTM offers the same benefits and features as registered mail (a tracking number, delivery confirmation, delivery updates) but they say it is overall a superior service to registered mail as it provides faster, guaranteed delivery times.

[77] The Applicant urges that as both Registered MailTM and XpresspostTM are types of *service* in a category provided by Canada Post there is no reasonable basis for the Commissioner to find that they are different *establishments*.

[78] The Applicant points to the fact that there is no definition of “Registered Mail Service” in the New Act (or the Old Act) or in the New Rules or the CPOR or even in the *Canada Post Corporation Act*. They also point out that the names of the products and services Canada Post offers are established by Canada Post, not the Commissioner. Canada Post can change those names from time to time without consultation with the Commissioner.

[79] The Applicant relies on the case *Biggs and Nova Scotia (Director of Occupational Health and Safety)*, 2014 NSLB 243 (*Biggs*) in which the issue was whether service of documents by the Director under the *Occupational Health and Safety Act* had been complied with when made by XpresspostTM given that subsection 40(2)(b) of that legislation provided:

40(2) An order, notice, document or other communication may be served or delivered for the purpose of this Act or the regulations by

(b) registered mail to the last known address of the addressee;

and, the Nova Scotia Labour Board, at paragraph 12 of their decision “accepts that Canada Post Xpresspost is a form of registered mail”.

(3) The Respondent’s Position

[80] The Respondent points out that the Applicant has been involved in the conflict proceedings since the year 2000 but waited until *the day the materials were due* to deliver its evidence. If the Applicant had delivered its evidence to any one of the five Industry Canada Offices or, had sent it by the Registered Mail Service of Canada Post it would have obtained a same-day delivery date just as if it had been filed directly with the Patent Office. But, by not doing so, they were not able to avail themselves of what the Respondent calls the “Hail Mary” provisions of a designated establishment.

[81] The Respondent’s written submissions state:

[13] . . . *Patent Rule 5(4)* was enacted to assist applicants who choose to wait until the last day to file materials by considering delivery to a prescribed “designated establishment” to be the “same day” delivery as opposed to actually physically delivering the documents to the Patent Office, the latter of which is the most common method of corresponding with the Patent Office.

(my emphasis)

[82] The Respondent does not dispute that XpresspostTM can provide the same registered mail service features as Registered MailTM.

[83] The Respondent is concerned though that to obtain a signature on delivery when using XpresspostTM requires payment of an optional fee. Therefore, to accept deliveries by XpresspostTM “would add an additional layer of administrative oversight to confirm whether, in each particular case, the optional fee was paid to ensure compliance with the statutory regime.” Relying on the Court of Appeal decision in *Unicrop v Canada (Attorney General)*, 2011 FCA 55 (*Unicrop*) they add that “to interpret “The Registered Mail Service” of Canada Post broadly to include any options to additionally purchase a registered signature service would create the very uncertainty which the definition seeks to eliminate as the Commissioner would be left to decide in each case whether or not the communication was through a designated establishment.”

[84] Further, the Respondent says the onus is on the Applicant to ensure compliance not only with timelines but also with the applicable limits of the designated establishments such as operating hours, cost, size and weight restrictions. They state the Evidence should have been divided into as many separate envelopes as would have been required to meet those size and weight limits. The Applicant in reply points out that to divide the Evidence this way would result in over 25 separate envelopes being sent rather than 1 box.

[85] The Respondent submits that if the Commissioner had intended to permit filing by *any* kind of registered mail service that could have been done by using more general language rather than specifying “Registered Mail Service” of Canada Post. They also point to the capitalization of the words saying a meaning must be ascribed to the capital letters.

[86] At the hearing the Respondent submitted, with respect to *Biggs*, that reference to registered mail service in the legislation under consideration there was not capitalized nor was there any qualifying language suggesting any limitation on the kind of registered mail service that would be acceptable.

[87] Additionally, Counsel for the Respondent mentioned more than once that other interested parties are always lined up to challenge any decision made by the Commissioner in order to gain an advantage for their patent application. Therefore strict compliance with the legislation and rules is required. Over time the Commissioner has learned from this Court and the Court of Appeal that he or, in some years she, has no discretion because the legislation and rules form a complete code.

[88] Finally, the Respondent points out that as the same language of designated establishment is used in all the intellectual property statutes “consistency in the interpretation of the correspondence procedures enable efficient administration of the various intellectual property statutes, including the *Patent Act*, in Canada.”

(4) Analysis and Decision

(a) *Consistency of Interpretation*

[89] Dealing with the last point first, as the parties have surmised that this is a case of first impression I do not see how consistency in the interpretation of the correspondence procedures is an issue or a factor in this matter. This particular interpretation has not previously come before this Court. If I support the Commissioner’s current interpretation nothing changes. If I do not support it presumably there is either a new interpretation that is adopted or the Commissioner

changes the designated establishments. Consistent interpretation follows as the same rule applies to all the intellectual property legislation and the Commissioner oversees each such statute.

(b) *Obtaining a Signature at CIPO*

[90] The Respondent did not explain why obtaining a signature, that proves delivery to CIPO, would “impose an additional administrative layer” to determine whether an additional fee to obtain such a signature had in fact been paid. If no fee was paid, no one would ask for a signature. If someone in CIPO gratuitously provided a signature without being asked to do so there is no evidence that a fee would be charged to the Commissioner. I therefore fail to see what administrative layer is added either in performance (after all someone has to sign for registered mail so it already is “a burden”) or, in additional cost.

[91] The Respondent’s reliance on *Unicrop* is misplaced in this case. *Unicrop* dealt with confusion over who was the authorized agent and how the Commissioner would sort that out if the definition of “authorized agent” was read out of the Rules. It bears no similarity to rule 5(4) and there is no suggestion to “read out” registered mail but rather to read it more generically.

[92] It is not clear why the Commissioner considers it necessary to have a signature obtained *on delivery to CIPO* in order to ensure compliance with the statutory regime. The date the materials are delivered *to the establishment* designated by the Commissioner is the important element of designating an establishment. The date materials are delivered *by* the establishment is not important.

[93] The concept is to substitute physical delivery to the designated establishment for actual physical delivery to the Patent Office or one of the five Industry Canada Offices. Obtaining a

signature at CIPO confirming delivery is certainly prudent but is not required. Parliament very carefully said in rule 5(4):

5.(4) Correspondence addressed to the Commissioner may be physically delivered to an establishment that is designated by the Commissioner . . .

(a) where the delivery is made to the establishment . . . the correspondence shall be considered to be received by the Commissioner on that day;

(my emphasis)

[94] Writing the new rule this way made sense. There is no point in *requiring* an Applicant to obtain a signature from CIPO other than as a form of reassurance or, perhaps, proof in the event the delivery was misplaced inside CIPO. Having said that, I cannot imagine an Applicant would not always pay whatever fee was necessary in order to obtain proof of delivery to CIPO. That prudence is quite different than saying it is a requirement of either the legislation or of the designation made by the Commissioner. The Commissioner's designation cannot change the legislation to add a requirement for a signature upon delivery to CIPO in lieu of the deemed receipt by CIPO set out in rule 5(4).

[95] When the staff at CIPO receive materials, whether by Registered MailTM or by XpresspostTM they are simply required to confirm the date stamped by Canada Post on the materials. They then apply rule 5(4) to determine whether the day upon which Canada Post *received and date stamped the materials was also a day when CIPO was open for business*. If it was, then the date stamped by Canada Post is the date of receipt by CIPO. Nothing more is required. Neither the Commissioner nor his staff is required to verify whether a fee has been paid or not or whether a signature has been provided at CIPO upon delivery. The only verification process is reviewing the date stamp on the materials.

[96] In conclusion, I do not accept as valid the Respondent's position that when interpreting the effect of delivery by XpresspostTM a consideration is that an additional administrative burden would be placed on CIPO to verify whether a signature is required. I find no such burden exists.

(c) *Use of Capital Letters*

[97] I am not prepared to find that by capitalizing the words "Registered Mail Service" the Commissioner intended to exclude all forms of registered mail. No authority was provided to support that proposition.

[98] Section 38 of the Interpretation Act, RSC 1985, c I-21 states that the name commonly applied to any "thing" means "the thing to which the name is commonly applied, although the name is not the formal or extended designation thereof." I understand this may mean that if XpresspostTM is commonly referred to as registered mail then, even though it is called something else, it may be registered mail. My decision however does not turn on that one way or the other.

(d) *Concern that Other Parties will Challenge any Decision*

[99] As an outgrowth of the Commissioner's position that everything in this case has unfolded by operation of law, the Respondent suggested that the Commissioner dare not take any helpful position because other parties are always waiting to challenge those decisions. Be that as it may, by not being helpful to the Applicant in this case the Commissioner has still been challenged. He is required to consider matters and act to the best of his ability in accordance with the legislation regardless of whether he will be challenged or not. Not acting out of concern for being challenged is a fettering of discretion in cases where he possesses discretion.

[100] In each precedent to which I was referred the jurisprudence was developed under the more recent “first to file” patent legislation. Each issue here falls under a different section of the Old Act or of the New Act than was considered in the cases to which I was referred such as *Unicrop* or *DBC Marine*.

[101] The argument that the Commissioner cannot be helpful because he might be challenged is not a valid reason for him to take a narrow rather than a broad interpretation of the designated establishment Registered Mail Service of Canada Post.

(e) *Statutory Interpretation of Rule 5(4)*

[102] The central question is whether the Commissioner reasonably interpreted the authority given to him in 1994 by SOR/94-30 to designate establishments to accept delivery of correspondence sent to CIPO. The answer requires an examination of the statutory interpretation by the Commissioner both in designating establishments under rule 5(4) and then, in this case, in applying that designation to the fact that delivery by the Applicant was effected by XpresspostTM. Whether delivery was late by operation of law can only be determined once that analysis has been completed.

[103] In conducting the reasonableness review of the Commissioner’s various statutory interpretations one approach is to assess whether it is consistent with the purposes of the provision authorizing the decision and the purposes of the overall legislation. (*Canada (Minister of Transport, Infrastructure and Communities) v. Jagjit Singh Farwaha*, 2014 FCA 56, (*Farwaha*) at paragraph 100.)

[104] Similarly, the guiding principle for the exercise of discretion in the patent area is that it must be compatible with and promote the object and purpose of a statute or a statutory provision. (*Repligen Corporation v Canada (Attorney General)* 2010 FC 1288 (paragraph 46) (*Repligen*)).

[105] Why were the rules changed in 1994 to allow the Commissioner to designate establishments? What was the object and purpose of empowering the Commissioner to designate establishments for the delivery of correspondence to CIPO?

[106] To help answer these questions I determined following the hearing that it would be useful to consider the Regulatory Impact Analysis Statement (RIAS) that accompanied SOR/94-30. A copy of the RIAS was sent to the parties together with an invitation to make further submissions. Further submissions were received and have been considered in these reasons.

(i) The RIAS

[107] In their submissions the parties agreed the RIAS is a useful tool for the interpretation of legislation. In *Bristol-Myers Squibb Co v Canada (Attorney General)*, 2005 SCC 26, at paragraph 100, Mr. Justice Bastarache, in dissent, confirmed the utility of consulting the RIAS to find the intention of the regulation and “information as to the purpose and effect of the proposed regulation”.

[108] Attached as Annex B are the most relevant extracts of the RIAS. Rather than quote them verbatim, I will simply summarize the key points.

[109] The RIAS indicates the purpose and objectives of SOR/94-30 was to:

- i. respond to complaints by clients that the existing service favoured Canadians filing in the National Capital Region or at a designated regional or district office;
- ii. provide additional remote filing options across Canada;

- iii. facilitate and improve filing by having the establishments date stamp the documents upon receipt;
- iv. provide the Commissioner with flexibility to designate establishments for the delivery of correspondence at even the most remote locations in Canada;
- v. be a convenient means of depositing documents because filing by a particular date established by statute is critical particularly in the first-to-file system;
- vi. provide the advantage of longer office hours, and
- vii. eliminate a “major problem” “since there is no time loss between the deposit of the documents and the receipt by the CPO”.

[110] In addition to articulating the reasons for the introduction of the new rule the RIAS also sets out the alternatives that were considered and rejected. These were:

- i. status quo - this was rejected as it did not address the underlying reason of complaints by members of the public and the intellectual property bar with respect to the existing delivery system.
- ii. regular mail - this was rejected as it would be uncertain as to the date the materials were delivered as date stamping itself was inconsistent and unreliable. (Note: this was published only in *Canada Gazette* Part I. It was omitted from Part II)
- iii. use Priority Post to headquarters and to regional and district offices for filing - this was rejected as it was believed it would create unfair competition to restrict the delivery service to Priority Post.

[111] The Applicant submitted that, given the size and weight restrictions placed on Registered Mail, the Commissioner has effectively excluded the use of a designated establishment for correspondence that exceeds the size or weight. In that manner, the Commissioner has frustrated the purpose of making delivery available to all Canadians. He has also imposed an arbitrary limit that defeats the objective of “virtually [guaranteeing] to all Canadians a means for conveniently depositing documents” with the CIPO.

[112] The Applicant indicates the interpretation also fails to ensure equitable treatment of Canadians located outside the National Capital Region or the major urban centres with one of the five designated Industry Canada Offices. Any individual or patent agent located outside those

areas must rely on delivery by a Registered Mail Service to obtain a filing date but the option is removed if the narrow interpretation includes the size and weight limits of Registered Mail rather than including other forms of registered mail delivery.

[113] The Respondent notes the amendment followed broad consultation and makes it clear the policy objective of increasing accessibility to all Canadians to make “same day” delivery was to be implemented in a way that ensures clear and predictable procedures for dated delivery without unduly increasing the administrative burden on CIPO.

[114] The need for having correspondence clearly date stamped was because, as stated in the RIAS, “a difference of one day may result in the refusal of an application because a relevant document failed to reach the Office on time.”

[115] The Respondent also notes courier services such as Priority Post were specifically considered and rejected as was regular mail. They draw the conclusion that “[t]he fact that other delivery services were considered and rejected demonstrates the Commissioner’s intention that only the Registered Mail Service of CP be recognized as an alternative delivery service option.” And that restricting delivery to Priority Post was rejected by the government.

[116] The Respondent outlines the qualities for determining the specific delivery date as being:

- i. delivery during regular business hours of the establishment
- ii. date-stamping of the documents by the establishment upon receipt
- iii. requiring the Applicant to pay a fee for the delivery service

[117] In support of the Commissioner’s designation of the Registered Mail Service the Respondent says the Commissioner had to balance greater accessibility and fairness for Canadians without creating an additional administrative burden for CIPO. This is because

“Benefits and Costs” outlined in the RIAS included reduced workload for regional and district offices with no additional human or monetary resources required to implement the amendments, all of which would have a positive effect on the efficiency of filing procedures across Canada.

[118] The designation of Registered Mail Service is said to “avo[ic]d guess work over the date stamp and ensur[e] a consistent practice for corresponding with CPO consistent with the RIAS.”

[119] The Applicant in reply points out that XpresspostTM not only provides the requisite clear and certain date stamping, it also increases accessibility by not having the limited weight and size restrictions of Registered Mail. Excluding XpresspostTM, says the Applicant, does not advance the objectives of certainty and predictability of a specific delivery date. Instead, it restricts access by refusing delivery based on size and/or weight.

[120] The Applicant points out that rejection of the alternative delivery by Canada Post’s Priority Post service was done because the legislators did not want to restrict delivery to a single service. They say the rejection for that reason cannot logically support a service restricted to a different single delivery method by Canada Post.

[121] Finally, the Applicant makes the point that to meet the weight restrictions of registered mail in this case by dividing it into smaller packages as suggested by the Respondent would have required 25 separate 500g parcels to be delivered to CIPO. The staff would then have to reassemble them to construct the 10 different Affidavits. Contrary to the RIAS objectives, that process would create an unnecessary administrative burden.

(ii) The Commissioner's Exercise of Discretion in Implementing SOR/94-30

[122] When the 1994 Amendment was enacted the Commissioner left in place the existing Industry Canada offices and added "the Registered Mail Service of Canada Post" as a designated establishment. No evidence was presented of "how" or "why" or even "when" the Commissioner first acted on his authority to designate establishments.

[123] By virtue of subsection 12(2) of the post-October 1, 1989 Act, when SOR/94-30 was enacted and rule 5(4) was added, it had "the same force and effect as if it had been enacted" as part of the legislation. Although the rule is part of a regulation, it is not subordinate to the legislation. As provided by section 12 of the *Interpretation Act*, rule 5(4) is a remedial provision that is to be given a fair, large and liberal construction.

[124] The Applicant would interpret the words "Registered Mail Service of Canada Post" more broadly than the Commissioner has done. They say that any form of service by Canada Post that provides date of delivery by date stamping documents at the time of receipt by Canada Post complies with Parliament's intention and is also supported by the RIAS. The Applicant propounds the "ordinary meaning" approach to statutory construction to say that registered mail is something more than the narrow service marketed by Canada Post under that name.

[125] The Respondent says "the Registered Mail Service" is not the same as any registered mail service. They prefer the "plain meaning" and "literal" approach to statutory interpretation, saying the Commissioner's "literal and restrictive interpretation is correct". XpresspostTM is not Registered Mail Service.

[126] The arguments of the parties show that neither an ordinary meaning nor a literal approach to interpretation is clearly appropriate in this case. There are competing plausible interpretations to resolve.

[127] Ruth Sullivan, in *Sullivan on the Construction of Statutes* (5th ed. 2008) (Sullivan) deals with competing interpretations by pointing out it is not just an academic exercise in which the Court chooses one or the other. As the well-being of individuals and communities is affected by the interpretation, courts are interested in the consequences of each interpretation and whether a particular consequence is acceptable. At page 299 Sullivan says:

If adopting an interpretation in favour of a plausible alternative would lead to absurdity, the courts may reject that interpretation in favour of a plausible alternative that avoids the absurdity.

[128] Various categories of “absurdity” have been identified by Sullivan. The categories I find most applicable are “Purpose is defeated”, “Irrational distinctions” and “Consequences that are self-evidently irrational or unjust”. (Sullivan page 300)

[129] Briefly, each category is described as follows:

- i. Purpose is defeated: an interpretation that would tend to frustrate the purpose of the legislation is likely to be labelled absurd.
- ii. Irrational distinctions: making the fate of the parties turn on something that appears to be foolish or trivial; there is no rational connection between the consequence and the key determining factor.
- iii. Irrational or Unjust Consequences: Sullivan describes this as “a large residual category of absurdity consisting of consequences that violate the court’s conception of what is fair, good or sensible.”

(1) Does the Commissioner's Interpretation Defeat the Purpose of rule 5(4) and the Old Act?

[130] One problem is the Commissioner in 2014 is interpreting the designation made in or about 1994 by a different Commissioner. The reasons for the former Commissioner making the initial designation appear to be lost in time, if they were ever known.

[131] Another problem is that when rule 5(4) was added the Old Act had been repealed five years earlier. However in 1994 the legislators and the Commissioner certainly would have been aware that there were still a number of applications under the Old Act wending their way through the system. The Commissioner at that time had the perhaps unenviable task of having a foot in both the Old Act and the New Act when he designated establishments.

[132] The purpose of the Old Act was to award a patent to the first to invent. The filing date was unimportant unless it was the only evidence proving date of invention. The first to invent purpose was supported by the scheme of the Old Act. For example, the final determination of who was "first to invent" was so important that there was an automatic right under section 43(8) for a party to the conflict proceedings to have a completely fresh determination of their rights by this Court.

[133] The purpose of the conflict proceedings was to resolve any overlapping claims of first invention so that ultimately the first inventor of each conflicting claim, as determined through that process, would be awarded a patent for each such claim.

[134] On reviewing the RIAS and considering the scheme of the legislation and submissions of the parties I find that creating an accessible system of conveniently filing with CIPO was the primary object and purpose of introducing the change to provide the Commissioner with the

power to designate establishments. The process that was laid out was relatively simple. The designated establishment was required to clearly date stamp the documents upon receipt. That was the only requirement. It mimicked what occurred in the Industry Canada offices and the process at CIPO where, when a document was received, it was date-stamped.

[135] It was also expected the designated establishments would have longer office hours than CIPO and the Industry Canada offices as a means of providing more accessibility. I note parenthetically that the January 1990 MOPOP indicates in section 4.00 there were 23 designated regional and district offices at which an application might be filed, in addition to the Canadian Patent Office. By 2014 there were only 5 such offices. One of the two reasons stated in the RIAS for changing the rule was that clients were concerned some designated mail points might be affected by Government resource restraints. In light of that concern, the rule amendment was said to “virtually guarantee to all Canadians a means for conveniently depositing documents with CPO”.

[136] I think it self-evident that it is not convenient to divide one box of documents into 25 or more separate envelopes. Nor, I suspect, would CIPO prefer 25 envelopes to open and assemble rather than 1 box fully assembled for use. The Commissioner in 1994 would have been freshly aware that in conflict proceedings extensive evidence is required to support the claim of first to invent. He would also have been aware conflict proceedings involve multiple parties. Here, even if there was only 1 other party, not 10, the 500g weight limit meant that at least 4 separate envelopes would have been required. I cannot believe that the Commissioner in 1994, fully conversant with the nature of the conflict proceedings would knowingly make a designation that

caused extra work for the CIPO staff and inconvenience for clients. To do so would have defeated the stated purpose of the rule amendment and, as such would have been absurd.

[137] The interpretation that supports accessibility through convenience and with no increased administrative burden is that advanced by the Applicant – a registered mail service by Canada Post that provides date-stamping of the documents being delivered. It also accords with the wording of rule 5(4).

(2) Was there a Rational Connection between the Consequence and the Key Determining Factor?

[138] There is a clear “no harm, no foul” aspect to the present situation. The process set out in section 43(6) to open the affidavits submitted under section 43(5) is that all envelopes are opened at once.

[139] The Applicant delivered their envelope to Canada Post on the deadline day of July 24, 2014. Canada Post date stamped it and accepted it for delivery by Xpresspost™. Canada Post thereafter took care, custody and control of the envelope. The contents of the envelope were “locked in” on July 24, 2014. When the Evidence was delivered to the CIPO on July 28, 2014 the contents were the same as when they had been given to Canada Post for delivery. It is absolutely no different than would have been the case had the Applicant handed the envelope across the counter at CIPO on July 24, 2014. It is also no different than if Canada Post had delivered the envelope by “regular” registered mail had the weight limit not prevented same.

[140] The key determining factor for the Commissioner was not the date of *receipt by* Canada Post or the *date stamping* of the envelope both of which are expressed in rule 5(4). The RIAS flagged the fact that “the amendments also facilitate and improve the filing of patents . . . by

establishing a method to determine a specific delivery date”. These features were also put forward by both parties as being critically important. They were not considered in the Commissioner’s decision.

[141] The key determining factor was the Commissioner’s conclusion that XpresspostTM was not registered mail. Or, put another way, to paraphrase the Applicant’s submission, the marketing words used by Canada Post for the various registered delivery products was the determinative factor. The substantive process of handing correspondence to Canada Post for registered delivery and having it date-stamped by Canada Post meets the requirements of rule 5(4) if the more generic interpretation is accepted. The distinction based on the name of the service rather than the features provided is, in the language of statutory interpretation, “irrational” and therefore unreasonable. There is no “fit” between the conduct and the consequences. The plausible interpretation that avoids this outcome is preferred.

(3) Were the Consequences “Irrational or Unjust”?

[142] The consequences to the Applicant of the Commissioner’s narrow interpretation were extreme. Because the delivery was found to be late the Applicant lost not only the right to be found to be first to invent any of the claims in conflict or NPD – they also lost the right to have a fresh determination in this court under section 43(8). These outcomes do not occur if the equally plausible interpretation that XpresspostTM is an establishment included in the designation of Registered Mail Service of Canada is accepted.

[143] In the context of rule 5(4), the distinction between Registered MailTM and XpresspostTM is artificial. Justifying and compounding the distinction by saying no extension of time could be given because “[a]ll parties to the conflict were subject to the same requirements for delivery of

affidavits and evidence; any further extension of time would constitute a favourable treatment of one party over another” does not stand up to even minimal scrutiny. Regardless of the method of delivery, all sealed envelopes that irrevocably left the hands of parties to the conflict were accorded exactly the same treatment. In fact, the envelopes are still sealed. There is no advantage to the Applicant but there is every disadvantage. I find the consequence imposed violates the Court’s conception of what is fair, good or sensible. It is unreasonable.

(iii) Conclusion

[144] Based on the foregoing, I find the Commissioner’s narrow and strict interpretation of Registered Mail Service of Canada Post is unreasonable. It is rejected in favour of the plausible interpretation put forward by the Applicant that by using XpresspostTM, delivery was made to a designated establishment as set out in rule 5(4).

[145] As previously indicated obtaining a signature *on delivery to CIPO* is not a requirement of rule 5(4). The interpretation that has the effect of changing the requirements of rule 5(4) is rejected in favour of the one that complies which is date-stamping on receipt.

[146] I find the Evidence was not late. Therefore none of the other findings made by the Commissioner need to be addressed but, for completeness, I will deal with each one briefly.

D. *Extension of Time*

(1) Overview

[147] The Commissioner refused to grant an extension of time in order to accept the physical receipt in CIPO of the delivery on July 28th, 2014 as complying with the section 43(5) requirements. As framed by the Respondent the issue is stated as:

Whether the Commissioner had any discretion to extend the time fixed by Order of this Court for delivery of the evidence? If so, whether the decision to refuse to extend the time was reasonable

[148] For the reasons that follow the answers are:

- i. Yes, the Commissioner had discretion to extend time.
- ii. The decision to refuse an extension of time was not reasonable.

[149] In the October 21, 2014 letter the Applicant requested an extension of time of four days until July 28, 2014, the date of physical delivery. The request was made without prejudice to their right to maintain, as they have continued to do, that their response under section 43(5) was timely filed on July 24, 2014. The Applicant relied on the decision by Mr. Justice Hughes in *Mycogen* dealing with the difference between a “fixed” time period and a “specified” time period. The argument is that as the Commissioner specified the original time limit, he had discretion to extend it.

[150] Counsel for the Respondent urged me to find that once the delivery was late the legislation prevented any extension of time being granted because the time was fixed by Order of Mr. Justice Beaudry. The Respondent also says the request to extend time was for a retroactive extension that ought not to be granted because “the detriment to other parties in the conflict proceeding” is paramount as they will be affected “either by the inclusion or the exclusion of the Applicant’s evidence”.

[151] The Commissioner’s reason for not granting the extension, had he the power, was:

The Commissioner considers that a further retroactive grant of an extension of time to one party without similarly being able to extend the deadlines of the other parties would result in an inequitable and unfair treatment of the conflicting parties.

(2) Analysis and Conclusion

[152] Mr. Justice Beaudry granted an extension of time to one of the parties. The Commissioner subsequently granted an extension to all the other parties. In that respect the Commissioner fixed a time for the Applicant and the others. The current wording of rule 26(1) provides that the Commissioner is authorized to extend the time fixed by him, subject to the extension being applied for and any fee set being paid. The Applicant did apply for an extension. There is no fee set for an extension of time so there was nothing to pay.

[153] Rule 26(1) does not state that an extension must be applied for prior to expiry. Under the repealed Old Rules an extension of time could be granted *before or after* expiry. To me that shows it would not offend the conflict proceedings if an extension of time was granted after a deadline had expired. (see HOPE section 18.13 and section 18.17)

[154] In *Mycogen*, Mr. Justice Hughes found rule 26(1) of the New Rules did not preclude extensions in conflict matters. His reasons are set out at paragraph 52:

Rule 26(1) permits extensions of that time period “*except in respect of Part V*”. Part V does not refer to conflict proceedings at all. It does refer to other matters respecting pre-October 1, 1989 applications and, when dealing with time and time periods, does so only in respect of maintenance fees (section 182) and deposit of biological material (sections 183 to 186).

[155] I agree that Part V does not affect rule 26 when conflict proceedings are in issue. The provisions covered in Part V are “Storage”, “Form and Content of Applications”, “Drawings”, “Priority of Applications”, “Maintenance Fees” and “Deposits of Biological Materials”. Conflict proceedings are not included in the itemization of matters dealt with by Part V. Although there is a statement at the beginning that it applies to applications having a filing date before October 1, 1989 that general application then applies to the specific provisions enumerated in the

following sections. Several sections of the Old Act are referred to in the text. In none of them is section 43 referenced directly or indirectly.

[156] I find the Commissioner did have discretion to extend time under the New Rules but, believing he had no discretion, he failed to exercise it. That amounted to an unreasonable fettering of his discretion.

[157] However, the Commissioner's reference to an extension being unfair to the other parties may be an exercise of discretion. It is unclear. If so, it is not a reasonable conclusion for the reasons already provided in the analysis of rule 5(4). The contents of the sealed envelopes were "locked-in" on July 24, 2014 when custody was given to Canada Post. As of the deadline date all parties were and continue to be in the same position. At a minimum, in order to find otherwise the Commissioner should have weighed and balanced the competing interests, articulating his reasons so the parties could understand why he came to the conclusion he did. By not doing so, the reasons provided do not meet the *Dunsmuir* criteria. This is not a case where the record discloses the reasons that could have been provided. The record contains the comments in HOPE that support a contrary position to that taken by the Commissioner.

VIII. WHAT ARE THE CONSEQUENCES OF A FAILURE TO FILE EVIDENCE?

A. *Abandonment of Conflict Claims*

[158] As a consequence of the finding that the Evidence was delivered late the Commissioner in his first letter to the Applicant said the application "is found to have failed to respond to a requisition within the time limit set by the Commissioner of Patents and will be removed from conflict, with abandonment of conflict claims and claims not patentably distinct there from". In his second letter, the Commissioner worded it slightly differently. He said the application did

not respond in time to the requisition under subsection 43(5) and “would be removed from conflict, with loss of conflict claims and claims not patentably distinct therefrom.” The second letter changed the word “abandonment” to “loss”. It also added a reference to subsection 43(5) as the source of the requisition.

[159] The Applicant vigorously disputes that late delivery of their evidence, had it occurred, led to abandonment of their position in the conflict proceedings. The abandonment provisions that dealt with conflict proceedings were all found in the Old Rules. Those rules no longer exist. The Applicant states the repeal of the rules means there is no authority whatsoever for the Commissioner to find late delivery of their materials equates to abandonment within the conflict proceedings.

[160] In response, the Respondent states the Applicant has only lost the right to pursue a patent for claims in conflict or not patentably distinct from such claims. The Applicant still has the right to examination on all claims that are patentably distinct. The Respondent claims that is not “abandonment” because abandonment applies to an entire application. This same response applies to the Applicant’s request for reinstatement that is discussed in the following section.

[161] The Commissioner did not cite any authority for his position. In their written submissions the Respondent, in support of the Commissioner’s position, says the authority is found in HOPE section 18.12.02(3) and Old Rules section 69(2). The reference to HOPE should have been to 18.12.02(2) that states:

2) The application of any applicant who does not submit an affidavit is removed from the conflict. Any conflict and any NPD claim in the application are refused under Rule 69(2). As before the applicant only loses the conflicting subject matter.

(my emphasis)

[162] The status of HOPE is similar to non-binding guidelines. To the extent the procedures and consequences in HOPE rely on the Old Rules it is not authoritative or binding but, it is informative.

[163] HOPE relies on rule 69(2) for the statement that failure to submit an affidavit means the application is removed from the conflict. The Commissioner cannot rely on a repealed rule to make the abandonment determination. He can only rely on the legislation.

[164] There is nothing in the Old Act that deals with abandonment of an application other than section 30. It deals with the time within which applications are to be completed. In that respect the Respondent on behalf of the Commissioner has already alleged that section 30 of the Old Act only applies to abandonment of an *entire* application. Therefore the Commissioner is not relying on section 30 for the conclusion that the application should be removed from the conflict.

[165] I was not referred to, nor can I find, any authority in the Old Act that failure to file an affidavit under section 43(5) leads to abandonment, loss or removal from the conflict proceedings. With the repeal of the Old Rules if an affidavit is not received by the Commissioner under section 43(5) then no further evidence is actually submitted by the Applicant. The logical consequence is that the Applicant must therefore rely upon the original date of filing and any prior art that may have been submitted under section 43(4). A consequence of removal from the conflict proceedings runs counter to the importance of the “first to invent” scheme.

[166] For the Commissioner to find the application is removed from the conflict proceedings required clear legislative authority. It does not exist. Had I not already found the delivery was

not late, I would set aside, for lack of authority, the Commissioner's determination that the application is to be removed from the conflict proceedings.

B. *Reinstatement*

[167] With no abandonment consequence there is no need for reinstatement. But, as with the other issues considered in these reasons, I will address the reinstatement finding in the event I am subsequently found to have been in error.

[168] The Applicant petitioned for reinstatement pursuant to subsection 30(2) of the Old Act. The Respondent says section 30(2) does not apply because section 30(1) only applies to abandonment of an entire application. The Respondent also says Parliament has limited the right to challenge the Commissioner's decision awarding conflict claims to a statutory appeal under section 43(8) and that is available only to those whose claims are the subject of conflict.

[169] My understanding of the conflict process is that the claims are awarded patent protection under the subsection 43(6) process of opening the sealed envelopes and subsection 43(7) examining the evidence to determine who is the first to invent each claim. The Commissioner's decision not to allow the application into the 43(6) process is not one that deals with "awarding conflict claims". Awarding has not yet occurred.

[170] I also do not read subsection 43(8) as limiting "the right to challenge the Commissioner's decision awarding conflict claims to a statutory appeal". It provides access to this Court after the conflicts have been determined, not before such determination.

[171] The Applicant relies upon the decision in *Owens-Illinois Inc v Koehring Waterous Ltd.* (1978), 40 CPR (2d) 72, a case that involved conflict proceedings amongst three applicants.

There, the Commissioner granted the defendant *Koehring Waterous Ltd.* an extension of time within which to file their affidavit evidence under then section 45(5), that is current section 43(5). That extension of time was challenged by one of the other applicants. The court found at paragraphs 23 to 27 that the Commissioner had the power to extend time and “in addition or alternatively, what the Commissioner did in extending the time in this matter in substance was to reinstate the petition of the defendant” under what was then section 32, now section 30, of the Old Act. The Applicant submits that as the reinstatement was said to be in the alternative it confirms it is possible for the Commissioner to reinstate the Applicant to the conflict claims under section 30(2).

[172] I see no reason to disagree with the finding made in *Owens-Illinois*. It was affirmed on appeal and has not been overturned or distinguished. Mr. Justice Hughes applied it *in Mycogen*. I find it is still an accurate statement of the law in that the Commissioner could extend time or, in the alternative, if the claims in conflict were abandoned they could have been re-instated. By not considering *Owens-Illinois*, which was brought to the Commissioner’s attention by the Applicant’s letter of October 21, 2014 the Commissioner unreasonably concluded he had no authority to reinstate the application to the conflict proceedings based on his reading of section 30. *Owens-Illinois*, which holds to the contrary, is binding on the Commissioner.

IX. **DETERMINATION**

[173] My finding that the Applicant’s use of XpresspostTM was delivery to the designated establishment under rule 5(4) of the Registered Mail Service of Canada Post means that the Evidence was delivered on July 24, 2014. It therefore was filed on time.

[174] As a result, there is no basis upon which to remove the Applicant's Evidence from the conflict proceedings.

[175] The issues of extension of time, abandonment and reinstatement have been addressed in the event that I am subsequently found to be wrong with respect to my finding but it is not otherwise necessary to further address them.

[176] Neither party sought costs in this matter.

JUDGMENT

THIS COURT'S JUDGMENT is that:

1. This application for judicial review is granted;
2. The Commissioner's decision set out in his letter of December 4, 2014 is set aside;
3. Use of XpresspostTM service of Canada Post is delivery to a designated establishment within rule 5(4) of the *Patent Rules*;

“E. Susan Elliott”

Judge

ANNEX A

CONFLICTING
APPLICATIONS

43. When conflict exists—

(1) Conflict between two or more pending applications exists

(a) when each of them contains one or more claims defining substantially the same invention; or

(b) when one or more claims of one application describe the invention disclosed in one of the other applications

(2) Procedure to be followed before conflict is declared—
When the Commissioner has before him two or more applications referred to in subsection (1), he shall

(a) notify each of the application of the apparent conflict and transmit to each of them a copy of the conflicting claims, together with a copy of this section; and

(b) give to each applicant the opportunity of inserting the same or similar claims in his application within a specified time.

(3) Preliminary notice of conflict—When each of two or more of the completed applications referred to in subsection (1) contains one or more claims describing as new, and claims on exclusive property or privilege in, things or combinations so nearly

CONFLIT DE DEMANDES
DE BREVETS

43. Cas où conflit existe—

(1) Se produit un conflit entre deux ou plusieurs demandes pendantes dans les cas suivants:

a) chacune d'elles contient une ou plusieurs revendications qui définissent substantiellement la même invention ;

b) une ou plusieurs revendications d'une même demande décrivent l'invention divulguée dans l'autre ou les autres demandes.

(2) Lorsque le commissaire a devant lui deux ou plusieurs de ces demandes, il doit :

a) notifier à chacun des demandeurs le conflit apparent, et transmettre à chacun d'eux une copie des revendications concurrentes, ainsi qu'une copie du présent article ;

b) procurer à chaque demandeur l'occasion d'insérer dans sa demande les mêmes revendications ou des revendications similaires, dans un délai spécifié.

(3) Si deux ou plusieurs de ces demandes complétées contiennent chacune une ou plusieurs revendications décrivant comme nouvelles des choses ou combinaisons de choses, et réclamant un droit de propriété ou privilège exclusif dans des choses ou

identical that, in the opinion of the Commissioner, separate patents to different patentees should not be granted, the Commissioner shall forthwith notify each of the applicants to that effect.

(4) Response—Each of the applicants referred to in subsection (3), within a time to be fixed by the Commissioner, shall either avoid the conflict by the amendment or cancellation of the conflicting claim or claims, or, if unable to make the claims owing to knowledge of a prior art, may submit to the Commissioner the prior art alleged to anticipate the claims, and thereupon each application shall be re-examined with reference to the prior art, and the Commissioner shall decide if the subject matter of the claims is patentable.

(5) Formal declaration of conflict—Where the subject matter of the claims described in subsection (3) is found to be patentable and the conflicting claims are retained in the applications, the Commissioner shall require each applicant to file in the Patent Office, in a sealed envelope duly endorsed, within a time specified by him, an affidavit of the record of invention, which affidavit shall declare

(a) the date at which the idea of the invention described in the conflicting claims was conceived;

combinaisons tellement identiques que, de l'avis du commissaire, des brevets distincts ne peuvent être accordés à des brevetés différents, le commissaire en notifie immédiatement chacun des demandeurs.

(4) Dans le délai fixé par le commissaire, chacun des demandeurs pare au conflit en modifiant ou radiant la ou les revendications concurrentes, ou, s'il est incapable de produire ces revendications parce qu'il connaît la découverte ou l'invention antérieure, il peut soumettre à l'appréciation du commissaire cette découverte ou invention antérieure qui, d'après l'allégation, devance les revendications. Chaque demande est dès lors examinée de nouveau par rapport à cette découverte ou invention antérieure, et le commissaire décide si l'objet de ces revendications est brevetable.

(5) Si l'objet des revendications visées au paragraphe (3) est reconnu brevetable et que les revendications concurrentes sont maintenues dans les demandes, le commissaire exige de chaque demandeur le dépôt, au Bureau des brevets, dans une enveloppe scellée portant une souscription régulière, dans un délai qu'il spécifie, d'un affidavit du relevé de l'invention. L'affidavit déclare :

a) la date à laquelle a été

(b) the date on which the first drawing of the invention was made;

(c) the date when and the mode in which the first written or oral disclosure of the invention was made; and

(d) the dates and nature of the successive steps subsequently taken by the inventor to develop and perfect the invention from time to time up to the date of the filing of the application for patent.

(6) Opening envelopes containing record of invention—No envelope containing any affidavit mentioned in subsection (5) shall be opened, nor shall the affidavits be permitted to be inspected, unless there continues to be a conflict between two or more applicants, in which event all the envelopes shall be opened at the same time by the Commissioner in the presence of the Assistant Commissioner or an examiner as witness thereto, and the date of the opening shall be endorsed on the affidavits.

(7) Decision of Commissioner—The Commissioner, after examining the facts stated in the affidavits, shall determine which of the applicants is the prior inventor to whom he will allow the claims in conflict and shall forward to each applicant a copy of his decision, together with a copy of each affidavit.

conçue l'idée de l'invention décrite dans les revendications concurrentes ;

b) la date à laquelle a été fait le premier dessin de l'invention ;

c) la date à laquelle a été faite la première divulgation écrite ou orale de l'invention et la manière dont elle a été faite ;

d) les dates et la nature des expériences successives que l'inventeur a pratiquées par la suite afin de développer et mettre graduellement au point cette invention jusqu'à la date du dépôt de la demande de brevet.

(6) Aucune enveloppe contenant l'affidavit mentionné au paragraphe (5) ne peut être ouverte, et il n'est pas permis d'examiner les affidavits, à moins que ne subsiste un conflit entre deux ou plusieurs demandeurs, auquel cas toutes les enveloppes sont ouvertes en même temps par le commissaire en présence du sous-commissaire ou d'un examinateur en qualité de témoin, et la date de l'ouverture des enveloppes est inscrite sur les affidavits.

(7) Après l'examen des faits énoncés dans les affidavits, le commissaire décide lequel des demandeurs est le premier inventeur à qui il attribuera les revendications concurrentes, et il expédie à chaque demandeur une copie de sa décision. Copie de chaque affidavit est transmise aux divers

(8) Disposition of applications unless proceedings taken in Federal court—The claims in conflict shall be rejected and allowed accordingly unless within a time to be fixed by the Commissioner and notified to the several applicants one of them commences proceedings in the Federal Court for the determination of their respective rights, in which event the Commissioner shall suspend further action on the applications in conflict until it has been determined in those proceedings that

- (a) there is in fact no conflict between the claims in question;
- (b) none of the applicants is entitled to the issue of a patent containing the claims in conflict applied for by him;
- (c) a patent or patents, including substitute claims approved by the Court, may issue to one or more of the applicants; or
- (d) one of the applicants is entitled as against the others to the issue of a patent including the claims in conflict as applied for by him.

(9) Sending files to Court—The Commissioner shall, on the request of any of the parties to a proceeding under this section, transmit to the Federal Court the papers on file in the Patent Office relating to the applications in conflict.

demandeurs.

(8) Les revendications concurrentes sont rejetées ou admises en conséquence, à moins que, dans un délai fixé par le commissaire et dont avis est donné aux divers demandeurs, l'un d'eux ne commence des procédures à la Cour fédérale en vue de déterminer leurs droits respectifs, auquel cas le commissaire suspend toute action ultérieure sur les demandes concurrentes, jusqu'à ce que, dans ces procédures, il ait été déterminé que, selon le cas :

- a) de fait, il n'existe aucun conflit entre les revendications en question ;
- b) aucun des demandeurs n'a droit à la délivrance d'un brevet contenant les revendications concurrentes, selon la demande qu'il en a faite ;
- c) il peut être délivré, à l'un ou à plusieurs des demandeurs, un ou des brevets contenant des revendications substituées, approuvées par le tribunal ;
- d) l'un des demandeurs a droit à l'encontre des autres, à la délivrance d'un brevet comprenant les revendications concurrentes, selon la demande qu'il en a faite.

(9) À la demande de l'une des parties à une procédure prévue par le présent article, le commissaire transmet à la Cour fédérale les documents

déposés au Bureau des brevets
qui se rattachent aux demandes
concurrentes

ANNEX B

SCHEDULE

1. Section 5 of the *Patent Rules* is revoked and the following substituted therefor:

"5. All communications intended for the Office shall be addressed to the Commissioner."

2. Section 10 of the said Rules is revoked and the following substituted therefor:

"10. Correspondence addressed to the Commissioner shall be considered to be received by the Office on the day the it is delivered to one of the following establishments, where the delivery is made during the ordinary business hours of that establishment:

- (a) the Office; or
- (b) an establishment that is designated by the Commissioner as an establishment to which correspondence addressed to the Commissioner may be delivered."

REGULATORY IMPACT
ANALYSIS STATEMENT

Description

...

There are two basic reasons why this initiative is necessary at this point in time. Firstly, the initiative stems from complaints by clients of the Canadian Intellectual Property Office that the present service,

ANNEXE

1. L'article 5 des *Règles sur les brevets* est abrogé et remplacé par ce qui suit :

« 5. Toute communication destinée au Bureau doit être adressée au commissaire. »

2. L'article 10 des mêmes règles est abrogé et remplacé par ce qui suit :

« 10. La correspondance adressée au commissaire est réputée reçue par le Bureau le jour où elle est livrée à l'un des établissements suivants, si la livraison est effectuée pendant les heures d'ouverture normales de cet établissement :

- a) le Bureau;
- b) tout établissement que le commissaire désigne pour recevoir livraison de la correspondance qui lui est adressée.

RÉSUMÉ DE L'ÉTUDE
D'IMPACT DE LA
RÈGLEMENTATION

Description

...

Deux raisons fondamentales justifient la prise d'une telle initiative en ce moment. Premièrement, des clients de l'Office de la propriété intellectuelle du Canada se sont plaints que le service actuel, quoique gratuit, favorise les Canadiens qui déposent des documents dans la région de la Capitale

although free, favours Canadians filing in the National Capital Region or at a designated regional or district office. Secondly, clients are also concerned that Government resource restraints might affect some designated mail deposit points in regional and district offices.

The amendment to the existing Rule 10 of the *Patent Rules* and to the existing Rule 3 of the *Trade Marks Regulations*, does, in effect, virtually guarantee to all Canadians a means for conveniently depositing documents with the CPO or the Trade-marks Office (TMO). Filing a document with the CPO or the TMO by a particular date established by statute is critical to applicants; a difference of one day may result in the refusal of an application because a relevant document failed to reach the Office on time. The concern over filing dates is particularly valid now, since recent patent legislation introduced a first-to-file system instead of a first-to-invent system.

The amendments also facilitate and improve the filing of patent and trade-marks documents across Canada, by establishing a method to determine a specific delivery date and by providing the Commissioner or Registrar with flexibility to designate establishments for the delivery of correspondence, at even the most remote locations In

nationale ou à un bureau régional ou de district désigné. Deuxièmement, les clients se préoccupent également du fait les restrictions des ressources du Gouvernement pourraient avoir des effets néfastes sur certains centres de dépôt des documents aux bureaux régionaux et de district.

Les modifications apportées à la règle 10 existante *des Règles sur les brevets* et à la règle 3 existante du *Règlement sur les marques de commerce* peuvent, en fait, garantir pratiquement à tous les Canadiens un moyen pratique de déposer des documents auprès du BCB ou du Bureau canadien des marques de commerce (BCMC), notamment dans les cas où les dates de dépôt sont primordiales. La date de dépôt d'un document auprès du BCB ou du BCMC telle que prescrite par la loi est critique pour les demandeurs, puisqu'une différence d'une journée peut se solder par le refus d'une demande si un document pertinent ne parvient pas au Bureau à temps. Il convient particulièrement, à l'heure actuelle, de se préoccuper de la question des dates de dépôt, puisque des dispositions législatives récentes en matière de brevet ont instauré un système de premier déposant plutôt qu'un système de premier inventeur.

En outre, ces modifications faciliteront et amélioreront le système de dépôt de

Canada. Correspondence addressed to the Commissioner or Registrar shall be considered received by the CPO or TMO on the day that it is delivered to the designated establishment, which will in turn date-stamp the documents upon receipt. The designated establishments also provide the advantage of maintaining longer office hours than headquarters and regional and district offices. A major problem is thus eliminated since there is no time loss between the deposit of the documents and the receipt by the CPO and TMO.

Although there is a minimal cost ranging from \$7 to \$13 for the delivery of documents to the CPO and TMO by the designated establishments, the patent and trade-marks practitioners, representing the majority of applicants, support the initiative, and find the cost reasonable. Nevertheless, the Department's headquarters and regional and district offices will continue to provide free filing services for applicants.

The new option for filing provides an equitable service to all Canadians and also aligns Canada with the United States Patent and Trade-Mark Office which follows a similar procedure.

...

Alternatives

Amending the *Patent Rules* and *Trade Marks Regulations*

documents concernant les brevets et les marques de commerce partout au Canada, puisqu'une méthode en vue d'établir la date précise de livraison sera mise sur pied. Ceci donnera ainsi au commissaire ou au registraire toute la latitude pour désigner des établissements qui recevront la correspondance, même aux endroits les plus éloignés, partout au Canada. La correspondance adressée au commissaire ou au registraire est réputée reçue par le BCB ou le BCMC le jour où elle est livrée à l'établissement désigné, qui apposera un timbre-dateur sur les colis au moment où il les recevra. Les établissements désignés ont l'avantage d'habituellement avoir des heures d'affaires plus longues que l'administration centrale, les bureaux régionaux ou ceux de district. On élimine ainsi un problème grave d'écart entre la date de dépôt et la date de réception au BCB ou au BCMC.

Malgré le fait que la livraison des documents au BCB ou au BCMC par les établissements désignés entraînera des frais minimes de 7 \$ à 13 \$, les professionnels des brevets et des marques de commerce, qui représentent la majorité des demandeurs, appuient cette initiative car, selon eux, les coûts sont raisonnables. Il est à noter que les intéressés pourront toujours avoir recours au service gratuit offert par l'administration centrale, les

is the only effective means of implementing the necessary changes. The status quo was considered and rejected as increased workloads at regional and district offices, and discontent expressed by the public with the current system required that adjustments be made. Correspondence rules in other intellectual property legislation are also being changed and consistency in our service to the public is necessary.

An alternative suggested was to use Priority Post, to headquarters and to regional and district offices for filing. It was agreed, however, that it would constitute unfair competition to restrict the delivery service to Priority Post. This option was therefore rejected.

Benefits and Costs

The amendments to the rules and regulations regarding the filing of patent and trade-marks related documents by applicants, owners and their representatives will have a positive effect on the efficiency of filing procedures across Canada.

Designating alternative establishments will reduce the workload for regional and district office staff. There will be no additional human or monetary resources required by the Department to implement the amendments.

A possible negative effect, that

bureaux régionaux et les bureaux de district.

De plus, ce nouveau système sera plus équitable pour tous les Canadiens et alignera le système canadien à celui du United States Patent and Trade Mark Office (bureau américain des brevets et des marques de commerce), qui applique déjà une procédure similaire.

...

Solutions envisagées

Les modifications apportées aux *Règles sur les brevets* et au *Règlements sur les marques de commerce* sont le seul moyen efficace de mettre en place les changements nécessaires. Le statu quo a été envisagé puis rejeté parce que des rajustements s'imposaient en raison de l'augmentation de la charge de travail dans les bureaux régionaux et de district et, aussi, du mécontentement du public à l'égard du système actuel. Les règles concernant la correspondance d'autres lois régissant la propriété intellectuelle sont aussi en train d'être modifiées et il nous faut offrir un service uniforme au grand public.

Une solution envisagée était le recours aux messageries prioritaires, à l'administration centrale et aux bureaux régionaux et de district. On a toutefois convenue que le fait de se limiter aux messageries prioritaires comme service de livraison donnerait lieu à une

of paying for the services of a courier, is offset by the expanded access provided by such designated establishments. The patent and trade-mark practitioners were consulted regarding the \$7 to \$13 fee (depending on location in the country) charged by designated establishments and the consensus was that the amount would not discourage use of this service.

concurrence déloyale. Cette solution a donc été rejetée.

Avantages et coûts

Les modifications apportées aux règles et au règlement, en ce qui concerne le dépôt des documents relatifs aux brevets et aux marques de commerce par les demandeurs, les titulaires et leurs représentants amélioreront l'efficacité des procédures de dépôt de documents partout au Canada.

Le fait de désigner des établissements pour le dépôt de documents réduira la charge de travail du personnel des bureaux régionaux et de district. En outre, le ministère n'aura pas à prévoir des ressources humaines ou financières supplémentaires pour mettre en œuvre les nouvelles dispositions.

L'une des répercussions négatives éventuelles, c'est-à-dire les coûts des services de messagerie, sera contrebalancée par la plus grande facilité d'accès découlant de l'utilisation de services de livraison désignés. Les professionnels des brevets et des marques de commerce ont été consultés au sujet des frais de 7 \$ à 13 \$ (selon les régions) demandés par les établissements désignés, et ils étaient tous d'accord pour dire que ces frais n'empêcheront pas les demandeurs d'y avoir recours.

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-2639-14

STYLE OF CAUSE: BIOGEN IDEC MA INC. v ATTORNEY GENERAL OF CANADA

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DATED: MAY 9, 2016

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