

Federal Court



Cour fédérale

Date: 20211103

Docket: T-1534-20

Citation: 2021 FC 1169

Ottawa, Ontario, November 3, 2021

PRESENT: The Honourable Mr. Justice Zinn

BETWEEN:

**SECURE ENERGY (DRILLING SERVICES)
INC.**

Applicant

and

**CANADIAN ENERGY SERVICES L.P. AND JOHN EWANEK
AND THE ATTORNEY GENERAL OF
CANADA**

Respondents

JUDGMENT AND REASONS

[1] This is an application brought pursuant to section 52 of the *Patent Act*, RSC 1985, c P-4 seeking to vary the records of the Patent Office relating to the named inventors of Canadian Patent No. 2,508,339 [the ‘339 Patent].

[2] The Applicant, Secure Energy (Drilling Services) Inc. [Secure], is the registered owner of the '339 Patent. It is seeking a declaration that Simon Levey [Levey] is the sole inventor of the '339 Patent and an order directing the Commissioner of Patents to vary the records of the Patent Office to reflect this.

[3] The current records of the Patent Office list both Levey and the Respondent John Ewanek [Ewanek] as co-inventors of the '339 Patent. The Respondent Canadian Energy Services L.P. [CES] has no ownership or other interest in the '339 Patent and is a party to this proceeding as a result of this application's procedural history.

[4] CES and Ewanek [the Respondents] assert that they "take no position on the merits of Secure's application." The Attorney General is not participating in this application.

I. Facts

A. *Procedural History*

[5] This application originally sought declarations that Levey is the sole inventor of both the '339 Patent and Canadian Patent No. 2,624,834 [the '834 Patent]. The '834 Patent is owned by CES. Ewanek is currently listed as its sole inventor.

[6] The '834 Patent is the subject of a patent infringement action in the Alberta Court of Queen's Bench commenced by CES against Secure [the Alberta Action]. In the Alberta Action, Secure alleges that it is the true owner of the '834 Patent because CES's ownership of the '834

Patent arises from Ewanek's erroneous status of sole inventor. Secure's ownership claim in the Alberta Action was dismissed in August 2020 on the grounds that it is statute-barred by a limitation period. Secure is appealing this decision.

[7] On July 13, 2021, Prothonotary Aalto, acting in his capacity as the case management judge, ordered that, given the pending appeal in Alberta, only issues and allegations in this application relating to the '339 Patent would proceed at this time. Prothonotary Aalto acknowledged that there was some overlap between issues relating to the two patents, for example an inquiry into ownership would require reviewing the same lab notebooks.

[8] Prior to Prothonotary Aalto's Order, the Respondents indicated in a letter to the Court that, in order to not waste the parties' and the Court's resources, and in light of the fact that Secure already owned the '339 Patent, they would not oppose Secure's application with respect to the '339 Patent, nor would they file evidence or cross-examine Secure's affiants. However, they maintained that Ewanek was an inventor of the '339 Patent and reserved the right to file submissions if required to defend Ewanek's credibility or to respond to arguments straying into issues relating to the '834 Patent.

[9] On July 23, 2021, Secure filed its Application Record. This Application Record contains almost 2,500 pages across 8 volumes. It includes significant material relating to the '834 Patent, including the Statement of Claim, Statement of Defence and Counterclaim, Decision, and Notice of Appeal from the Alberta Action, along with a transcript of a three-day hearing.

[10] The Applicant's record also includes the affidavit of Dr. Eric Rivard [the Rivard Affidavit]. Dr. Rivard is the Applicant's expert in this application and is also its expert in the Alberta Action. Dr. Rivard has attached as exhibits to his affidavit, among other things, lab notebooks detailing the development of the subject matter of the '339 Patent [the Notebooks], a copy of the '339 Patent itself that appears to have been downloaded from the CIPO website, and a number of materials from the Alberta Action.

[11] On August 20, 2021, the Respondents filed their submissions. Consistent with their previous comments, the Respondents take no position on the merits of this application. However, the Respondents provided submissions aimed at defending Ewanek's credibility, protecting their interests in the '834 Patent, and contesting the admissibility of several exhibits to the Rivard Affidavit.

B. *The '339 Patent*

[12] A detailed understanding of the '339 Patent is not necessary for the disposition of this application. The following description is based on the affidavit of Levey sworn in this application [the Levey Affidavit] and the '339 Patent.

[13] The '339 Patent is aimed towards preventing the accretion (i.e. buildup) of bitumen and/or heavy oil on drilling equipment. During drilling, these materials can stick to the drilling equipment. This buildup must be removed, leading to delays and increased expenses.

[14] The '339 Patent contains 31 claims. Claims 1, 15, and 24 are independent claims. Claim 1 is for a drilling fluid comprising a water soluble cationic copolymer made up of (1) either acrylamide or substituted acrylamide, and (2) cationic monomers. This copolymer is a "dispersion polymer", a term defined in the specification. The claims are, in layman's terms and overly simplified, for a chemical dissolved in water made up of chains of acrylamide – or groups of atoms very similar to acrylamide – and other groups of atoms, with those other groups being positively charged. These positive charges attract bitumen, preventing it from sticking to drilling equipment.

[15] Claim 24 is identical to Claim 1, except that it claims an additive to drilling fluid rather than a drilling fluid itself. Claim 15 is for a method of encapsulating bitumen and/or heavy oil by adding an additive to drilling fluid. The additive in Claim 15 is identical to that of Claim 24, except that it need not be a "dispersion polymer".

[16] According to the Levey Affidavit (and corroborated by the Rivard Affidavit), the novel inventive concept of the '339 Patent is the use of cationic (i.e. positively charged) polymers, while past methods of preventing accretion involved the use of solvents (to dissolve the bitumen) and surfactants (to lower surface tension and encourage mixing).

C. *Development of the '339 Patent*

[17] As noted above, the Respondents take issue with some of the exhibits to the Rivard Affidavit and ask the Court to exclude them in this application. I have determined that the Court

need not rely on any of that contested material in order to reach a determination on this application, and thus their request for exclusion need not be addressed.

[18] Levey was employed as a chemist at Genesis International Oilfield Services Inc. [Genesis] from about July 2002 until November 2005. Levey deposes that he found his old lab notebooks from his employment at Genesis [the Notebooks] on or about April 13, 2018, and gave them to Secure. Levey indicates in his affidavit that he has not attached the Notebooks as exhibits because he was informed that these would be introduced into evidence through another witness (i.e. Dr. Rivard) and this would avoid duplication of evidence.

[19] At the hearing, the Court expressed its strong preference that the Notebooks be attached as an exhibit to the affidavit of their author, Levey, rather than that of another whose only knowledge of them is based on information and belief. However, the Court accepts the submission of Secure that the relevant positions of the Notebooks for the purposes of inventorship are reproduced in the Levey Affidavit wherein he states that the entries are his and they parallel the Notebooks. Accordingly, the Court's hearsay concerns have been alleviated.

[20] The pages of the Notebooks are numbered in the form SL-X-Y, where X is the notebook volume number and Y is the page number within that volume. The Notebooks, while described in the materials as the "Levey Notebooks", were not authored solely by Levey. These Notebooks pre-date Levey's employment at Genesis and the first entry from Levey appears at page SL-1-64. Levey deposes that every page after this point, with the exception of two, are in his handwriting. The only relevant portions are authored by Levey.

[21] In his affidavit, Levey discusses the motivation for his work. As discussed above, bitumen sticks to drilling equipment and must be removed. Reducing this accretion improves productivity. Levey describes previous approaches he was aware of, including the use of solvents and surfactants. Levey notes that pages SL-1-35 to SL-1-46 show examples of Ewanek's own testing, which was in relation to solvents and surfactants.

[22] Levey deposes that he believed that a polymer could be used to encapsulate bitumen and prevent accretion. Levey was aware that polymers had previously been used to interact with clay, which contains charged particles, as well as to separate suspended solids from fluids. Levey deposes that his idea was to take advantage of the negatively charged particles in bitumen to coat the bitumen with positively charged polymers.

[23] Levey then discusses his development and testing methodology. This includes noting that he learned that the cationic polymers may interact with negatively charged viscosifiers (thickeners) that are also present drilling fluid, which causes both the polymers and viscosifiers to no longer function. Levey determined through experiments that the addition of a salt (a neutral ionic compound) could prevent this interaction.

[24] Levey deposes that Christopher Delamere of Orange & Chari [Delamere] was hired as a patent agent for the '339 Patent. Levey attaches as an exhibit an email chain from Delamere in which he asks Levey to provide the full names, addresses, and citizenship of all inventors, and whether the invention will be assigned to Genesis. Levey deposes that neither Delamere nor

Ewanek informed him of the test for inventorship; he was simply asked who should be named as inventors.

[25] Levey claims that after receiving the email, he discussed it with Ewanek, who told Levey that they should both be listed as inventors. Levey responded to Delamere with both his and Ewanek's information.

[26] Levey deposes that he was informed of the proper test for inventorship in 2018 and now believes that he is the sole inventor of the '339 Patent. He deposes that he conceived of the idea to use cationic polymers comprising cationic monomers and acrylamide or substituted acrylamide as part of aqueous drilling fluids.

D. *Chain of Title*

[27] Secure has filed the affidavit of James Anderson, a Senior Vice President at Secure. In his affidavit, Anderson outlines how Secure has come to be the registered owner of the '339 Patent. These documents include certificates indicating corporate name changes and assignment agreements. Based on these documents, there is a clear chain of title from Levey and Ewanek as inventors to Secure.

II. Issues

A. *Are All the Proper Parties Named?*

[28] The Respondents have brought to the Court's attention that Secure is the defendant in Federal Court matter number T-89-18 [the T-89-18 Action] and is alleging by counterclaim infringement of the '339 Patent by the plaintiffs in that action. The Respondents note that the plaintiffs in that proceeding are not named as respondents in this application and suggest that it is unclear what implications the relief sought on this application will have on the T-89-18 Action. Secure was not asked to respond to this concern.

[29] I find that there is no need to name the plaintiffs in the T-89-18 Action as respondents in this application.

[30] Rule 303 of the *Federal Courts Rules*, SOR/98-106 requires that applicants name as a respondent every person directly affected by the order sought. According to the records of the Patent Office, Secure is the registered owner of the '339 Patent. This is confirmed by the documents establishing chain of title in the Anderson Affidavit.

[31] Secure's chain of title in the '339 Patent does not depend on whether Ewanek is a co-inventor. Exhibit C of the Anderson Affidavit is an agreement executed by both Levey and Ewanek assigning their interests in United States Patent Application 60/430,045 to Genesis. The '339 Patent claims priority to this US application and the exhibits in the Anderson Affidavit demonstrate that Genesis is Secure's predecessor in title.

[32] The original assignment to Genesis was executed by both Levey and Ewanek. Even if there were flaws in this assignment that could affect Secure's title in the '339 Patent, it would not

matter whether Levey alone or Levey and Ewanek together assigned the rights. Regardless of the Court's decision on Ewanek's contribution to the '339 Patent, the ownership is unaffected and the ruling on this application will have no consequences with respect to title in the '339 Patent.

[33] As a result, the outcome of this proceeding cannot have any effect on of the T-89-18 Action and the plaintiffs in that action were not required to be parties in this application.

B. *Was Levey the Sole Inventor of the '339 Patent?*

[34] I find that there is sufficient evidence outside of the contested exhibits to establish that Levey is the sole inventor of the '339 Patent.

[35] The Court needs only to rely on paragraphs 1-37 of the Levey Affidavit, along with the Notebooks and the '339 Patent.

[36] The Levey Affidavit contains a clear narrative of the history of his employment at Genesis and the subject matter of the '339 Patent. It also contains a clear declaration that he is the sole inventor of the '339 Patent. Levey was not subjected to cross-examination on his affidavit and the Respondents have not filed any evidence to counter the claims in the Levey Affidavit. In fact, at paragraph 21 of their memorandum, the Respondents appear to invite this Court to draw a negative inference against Ewanek's inventorship as a result of not filing evidence.

[37] As noted above, in his affidavit, Levey relies on and quotes from his Notebooks and the '339 Patent. This is sufficient for the present purposes; however, had it been necessary to admit the Notebooks as attached as an Exhibit to the Rivard Affidavit, I would have done so.

[38] The Notebooks were created by Levey as part of his duties as an employee of Genesis. Dr. Rivard notes at paragraph 171 of his affidavit that the creation of such notebooks "is common practice for chemists" and that notebooks such as these "are made in the usual and ordinary course of business." As a result, the Notebooks constitute business records and are admissible pursuant to subsection 30(1) of the *Canada Evidence Act*, RSC 1985, c C-5.

[39] The '339 Patent is a letter patent, and as such is a public document issued by the Government of Canada. While it may have been preferable to provide a certified copy of the '339 Patent featuring the Commissioner's seal, I see no reason why an uncertified copy of a patent should not be admitted in this proceeding absent any objection from the Respondents.

[40] With the Notebooks and '339 Patent admitted into evidence, the Levey Affidavit paints a complete picture of the development of the invention and Levey's contributions. It also contains a clear statement that he is the sole inventor. He states that he "was the one who solely conceived of the idea that adding a cationic polymer in a drilling fluid may interact with the negatively charged surfactants and thus encapsulate the bitumen, and I successfully tested this idea."

[41] This evidence is uncontradicted and is consistent with the record before the Court.

Accordingly, the requested relief shall issue.

JUDGMENT IN T-1534-20

THIS COURT's JUDGMENT is that:

1. This application is granted;
2. The Court declares that Simon J. M. Levey is the sole inventor of Canadian Patent No. 2,508,339;
3. Pursuant to section 52 of the *Patent Act*, the Commissioner of Patents shall vary all entries in the records of the Patent Office relating to Canadian Patent No. 2,508,339 issued October 24, 2006, to correct the names of the inventors by deleting John Ewanek as an inventor; and
4. No costs are awarded on this application.

"Russel W. Zinn"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-1534-20

STYLE OF CAUSE: SECURE ENERGY (DRILLING SERVICES) INC. v
CANADIAN ENERGY SERVICES L.P. ET AL

PLACE OF HEARING: HELD BY VIDEOCONFERENCE

DATE OF HEARING: SEPTEMBER 15, 2021

JUDGMENT AND REASONS: ZINN J.

DATED: NOVEMBER 3, 2021

APPEARANCES:

Patrick Smith
Sharn Mashiana
Scott Foster
Mike Myschyshyn

FOR THE APPLICANT

Bentley Gaikis

FOR THE RESPONDENTS
CANADIAN ENERGY SERVICES L.P.
AND JOHN EWANEK

SOLICITORS OF RECORD:

Seastone IP LLP
Barristers & Solicitors
Calgary, Alberta

FOR THE APPLICANT

DLA Piper (Canada) LLP
Barristers & Solicitors
Toronto, Ontario

FOR THE RESPONDENTS
CANADIAN ENERGY SERVICES L.P.
AND JOHN EWANEK