

Federal Court



Cour fédérale

Date: 20101130

Docket: T-351-09

Citation: 2010 FC 1203

Ottawa, Ontario, November 30, 2010

PRESENT: The Honourable Mr. Justice Lemieux

BETWEEN:

VITA-HERB NUTRICEUTICALS, INC.

Applicant

and

**ATTORNEY GENERAL OF CANADA
and PROBIOHEALTH, LLC**

Respondents

REASONS FOR JUDGMENT AND JUDGMENT

I. Introduction and background

[1] The sole issue in this judicial review application is whether the Commissioner of Patents (the Commissioner) erred in denying to Vita Herb-Nutriceuticals Inc. (Vita-Herb) recognition of its Canadian patent application No. 2, 549, 115 (the ‘115 application) as a divisional application of the Canadian patent No. 2, 503, 510 (the ‘510 application) filed by Probiohealth LLC (Probiohealth) who, although served with this judicial review application, did not participate in the proceedings.

[2] The Commissioner’s reason for denying the ‘115 application divisional status was expressed the following way in a decision dated February 6, 2009:

The Patent Office has carefully reviewed your request. The position of the Patent Office is that only the applicant of the original application meets the statutory requirements to file a divisional application. The Patent Office cannot recognize Vita Herb Nutraceuticals, Inc. as the original applicant and consequently, Canadian patent application 2,549,115 cannot be recognized as a divisional application.

[Emphasis added]

As will be seen this decision is actually a reconsideration decision because as far back as July 2006, Vita-Herb had been advised it would not be granted divisional status since Probiohealth was the Applicant in the original or parent application namely the ‘510 patent application.

[3] The statutory requirement referred to in the Commissioner’s decision is subsection 36(2) of the *Patent Act* (R.S., 1985, c. P-4) (the Act). Section 36 in its entirety reads:

<p>Divisional Applications</p> <p>Patent for one invention only</p> <p><u>36. (1) A patent shall be granted for one invention only but in an action or other proceeding a patent shall not be deemed to be invalid by reason only that it has been granted for more than one invention.</u></p> <p>Limitation of claims by applicant</p> <p>(2) Where an application (the “original application”)</p>	<p>Demandes complémentaires</p> <p>Brevet pour une seule invention</p> <p>36. (1) Un brevet ne peut être accordé que pour une seule invention, mais dans une instance ou autre procédure, un brevet ne peut être tenu pour invalide du seul fait qu’il a été accordé pour plus d’une invention.</p> <p>Demandes complémentaires</p> <p>(2) Si une demande décrit plus d’une invention, <u>le demandeur</u></p>
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describes more than one invention, the applicant may limit the claims to one invention only, and any other invention disclosed may be made the subject of a divisional application, if the divisional application is filed before the issue of a patent on the original application.

Limitation of claims on direction of Commissioner

(2.1) Where an application (the “original application”) describes and claims more than one invention, the applicant shall, on the direction of the Commissioner, limit the claims to one invention only, and any other invention disclosed may be made the subject of a divisional application, if the divisional application is filed before the issue of a patent on the original application.

Original application abandoned

(3) If an original application mentioned in subsection (2) or (2.1) becomes abandoned, the time for filing a divisional application terminates with the expiration of the time for reinstating the original application under this Act.

Separate applications

(4) A divisional application shall be deemed to be a separate

peut restreindre ses revendications à une seule invention, toute autre invention divulguée pouvant faire l’objet d’une demande complémentaire, si celle-ci est déposée avant la délivrance d’un brevet sur la demande originale.

Idem

(2.1) Si une demande décrit et revendique plus d’une invention, le demandeur doit, selon les instructions du commissaire, restreindre ses revendications à une seule invention, toute autre invention divulguée pouvant faire l’objet d’une demande complémentaire, si celle-ci est déposée avant la délivrance d’un brevet sur la demande originale.

Abandon de la demande originale

(3) Si la demande originale a été abandonnée, le délai pour le dépôt d’une demande complémentaire se termine à l’expiration du délai fixé pour le rétablissement de la demande originale aux termes de la présente loi.

Demandes distinctes

(4) Une demande complémentaire est considérée

and distinct application under this Act, to which its provisions apply as fully as may be, and separate fees shall be paid on the divisional application and it shall have the same filing date as the original application.

comme une demande distincte à laquelle la présente loi s'applique aussi complètement que possible. Des taxes distinctes sont acquittées pour la demande complémentaire, et sa date de dépôt est celle de la demande originale.

[Emphasis added.]

[4] The parties agree the question involved in this proceeding turns on matters of statutory interpretation, thus questions of law where the standard of review is correctness (see *Dutch Industries Ltd. v. Canada (Commissioner of Patents)*, 2003 FCA 121, [2003] F.C.J. No. 396 at para. 23. I should add to the extent the decision turns on the application of the proper legal standard to the facts of this case such exercise is a mixed question of fact and law to which the standard of reasonableness applies.

[5] Counsel also agree there is no jurisprudence directly on point and the applicable principle of statutory interpretation is the one set out by Justice Iacobucci, on behalf of the Supreme Court of Canada, in *Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 S.C.R. 27 at para. 21, where he cites the following extract from Elmer Driedger, *The Construction of Statutes* (3rd ed., 1994) which according to him “[...] best encapsulates the approach upon which I prefer to rely.” [Adding:] “He recognizes that statutory interpretation cannot be founded on the wording of the legislation alone” and then quoted the following from the learned author:

Today there is only one principle or approach, namely, the words of an Act are to be read in their entire context and in their grammatical and ordinary sense harmoniously with the scheme of the Act, the object of the Act, and the intention of Parliament. [Emphasis added]

II. Facts

[6] The following facts are in the Certified Tribunal Records (CTR) of the '510 and '115 applications.

[7] On September 26, 2003, Probiohealth filed with the World Intellectual Property Organization (WIPO) an international patent application entitled: "Prebiotic and Preservative Uses Of Oil-Emulsified Probiotic Encapsulations". It claimed a priority date of the 26th of September 2002 based on US patent application 60/414,083. The named inventors were Satyanarayan Naidu (Naidu) and Bing Baksh (Baksh). Canada was designated as one of the countries in which patent protection would be sought.

[8] The field of the invention described in the WIPO application reads:

The present invention is directed at probiotic compositions and methods for making same. More specifically the present invention is directed at probiotic compositions derived from lactic acid bacteria that have been emulsified in prebiotic edible oils and packaged in an anaerobic encapsulation system.

[9] In furtherance of its WIPO filing, on April 22, 2005, Probiohealth filed with the Canadian Intellectual Property Office (CIPO) the '510 application which has the same title as in its WIPO application. It named Naidu and Baksh as the inventors. It claimed the same priority date in the WIPO filing based on the same US application in September 2002. Probiohealth requested CIPO to commence the national phase process.

[10] As I understand it, the probiotic composition is sold in capsule form and is useful in maintaining one's health particularly facilitating digestion.

[11] It is recognized by the parties the '510 application covered two inventions – the primary one for the probiotic composition itself and the second invention for the encapsulation process using a novel Nitrogen-Purge, Instant-Bonding system (the NPIB system).

[12] On May 11, 2006, the patent agents for Probiohealth filed with CIPO an amendment to the '510 application. It cancelled claims 5, 7, 14 to 22. Those claims relate to the second invention comprising a "hard two piece capsule wherein said gelatin/vegetable capsule is nitrogen purged and instantly bonded (NPIB)".

[13] On June 19, 2006, Vita-Herb filed the '115 application with the same title as the '510 application. The field of the invention is said "to relate to a nitrogen-purge-instant bonding system and its use for encapsulating a composition". It claimed Baksh as its single inventor and requested the same priority date as the '510 application. Vita-Herb stated the 'application' was a division of the '510 application filed in Canada on September 26, 2003 (which is the date of the WIPO filing).

[14] The '115 application claims the NPIB system comprising of (1) a composition in need of encapsulation, (2) a two-piece capsule comprising a capsule cap and a capsule body, (3) a gas to purge air from said composition within said capsule and (4) a sealing solution to seal said capsule cap to said capsule body.

[15] On July 11, 2006, CIPO wrote to Vita-Herb's Canadian patent agents (who at that time were also agents for the '510 application) to indicate the '115 application could not be granted divisional status citing subsection 36(2) of the Act and indicating the position of CIPO to be that "only the applicant (or subsequent owner) of an application is entitled to file a divisional. I note here that the letter mentions "an application" without reference to the words "original application" which appears in subsection 36(2). It added:

It is worthwhile to note that in this particular case, nothing prevents Probiohealth LLC from properly filing a divisional and subsequently assigning its rights to Vita-Herb under section 49 of the *Patent Act*.

[16] The next document which appears in the CTR for the '115 application is a letter from CIPO to the patent agents dated February 1, 2007 noting defects in sequential listing. On March 6, 2007, the patent agents responded by arguing the sequential listing was proper because the application was a divisional application noting CIPO "presently disputes that this application is entitled to divisional status" adding "Applicant disagrees" and maintained the '115" was entitled to divisional status. The author suggested "the formal issues concerning proper format of the sequence be deferred until the issue of divisional status is resolved".

[17] In October 2007, new Canadian patent agents were appointed for Vita-Herb's '115 application. On December 19, 2007, they forwarded to CIPO an assignment by Mr. Baksh of his invention to Vita-Herb. That document is dated November 16, 2007.

[18] On April 21, 2008, the new patent agents wrote to CIPO responding to its July 11, 2006 letter “wherein divisional status for the above application was not granted” because “only the applicant (or subsequent owner) of an application can file a divisional application”. The agents requested reconsideration on the basis of the definition in the Act of “applicant” which is defined that term: “includes an inventor and the legal representatives of the application or inventor...”. The agents argued Mr. Baksh is one of the inventors named in the ‘510 application and the sole inventor named in the ‘115 application. Vita-Herb is the legal representative of Mr. Baksh by virtue of the assignment. He enclosed an affidavit deposed to by Mr. Baksh who stated he had not executed any assignment of the ‘510 patent application nor entered into any agreement to transfer his interest in it to Probiohealth LLC who is currently named as the applicant.

[19] On September 25, 2008, the patent agents wrote to CIPO enquiring if the ‘115 application had been granted divisional status to the ‘510. On February 6, 2009, CIPO responded as noted.

[20] To complete the factual record this time taken from the CTR in Court file T-1948-09, I note that on July 27, 2009, Probiohealth’s new Canadian patent agents requested the removal of Mr. Baksh as an inventor of the ‘510 application. The agents specifically referred to the fact that on May 11, 2006, Probiohealth had filed a voluntary amendment to the ‘510 application which cancelled their pending claims 5, 7 and 14 to 22 and the remaining claims renumbered accordingly. The patent agents further wrote:

By virtue of making this amendment, the undersigned submits that Bing Baksh is not the inventor of the currently claimed subject matter in the present application. As such, Bing Baksh should be removed as a named inventor”.

[21] CIPO informed Probiohealth's agents on October 15, 2009 its request to remove Mr. Baksh as an inventor in the '510 application was granted. CIPO stated "As per the applicant's letter of May 11, 2006, the Patent Office is satisfied that any claims relating to the inventive contribution of Bing Baksh have been cancelled" (my emphasis).

[22] Mr. Baksh challenged in this Court CIPO's October 15, 2009 decision by way of judicial review under Court file T-1948-09. Moreover, the subject matter of that challenge spilled over into this proceeding when Protonotary Lafrenière by order dated December 7, 2009, granted the Commissioner leave to file the affidavit of Krista Rooney and Vita-Herb the right to a supplementary reply. On June 10, 2010, Mr. Baksh discontinued against both Probiohealth and the Commissioner his challenge to his removal as a co-inventor of the '510 patent

[23] In support of its judicial review application in this proceeding Vita-Herb filed the affidavit of its President Bing Baksh. He stated he developed the NPIB and was asked in late 2002 or early 2003 by Probiohealth if it could incorporate the NPIB into its patent application which eventually resulted in the '510 application. He states the subject matter of the '510 application "involves a probiotic composition and my nitrogen-purge-instant fonding system for encapsulating and delivering such a probiotic composition". He states he never entered into any agreement to transfer his rights or entered in the '510 application to Probiohealth.

[24] Mr. Baksh was subject to written examination.

[25] In one of the answers, Mr. Baskh referred to the file history in the US Patent Office of Patent Application 10/672,668 (the US application) which is the foreign equivalent of the '510 patent application.

[26] This history shows that on December 5, 2005, the US Patent Attorneys for Probiohealth submitted an amendment to the existing claims by cancelling claims 5, 7 and 14 to 22 and requesting there be a correction for inventorship by removing Mr. Baksh as one of the inventors, the other one being Mr. Naidu. Probiohealth's US patent agents submitted that by cancelling the aforementioned claims, Mr. Naidu is the sole inventor of the remaining claims because "Mr. Baksh's invention is no longer being claimed in the instant application." Mr. Baksh's claims which had been included in the US application relate to his NPIB system.

[27] On March 15, 2006, the US Patent Attorneys for Probiohealth wrote to Probiohealth's Canadian Patent Attorneys for the recently filed '510 application to instruct them that they had recently received instructions from Probiohealth regarding "a new claim listing for filing in a new divisional application of the '510 and an amended claims set for the pending '510". They said the divisional application should have as the sole inventor being Baksh and the Applicant for the divisional as Vita-Herb. The new claims for the divisional are in originally filed claims 5, 7, 14-16 and 20-22, ie. in the originally filed '510 application. The other set of claims to be prosecuted under the '510 application with A.S. Naidu as the sole inventor. Bing Baksh should be removed from the '510 due to the cancellation of claims for which he was the inventor.

[28] Pursuant to these instructions, as previously noted, Probiohealth's Canadian Patent Attorneys on May 11, 2006 filed with CIPO an amendment to the '510 application cancelling the above noted claims related to the NPIB system and on June 19, 2006 filed on behalf of Vita-Herb the '115 divisional application. The correspondence between US and Canadian Patent Attorneys is found at pages 30 to 35 of the Applicant's record.

III. The arguments

A. *From Vita-Herb's Counsel*

[29] Counsel for Vita-Herb submits the Commissioner is incorrect in law in asserting that only the applicant of the original application meets statutory requirements to file a divisional application and, in the alternative, argues, even if subsection 36(2) could be so construed i.e. that only the applicant to the original application is entitled to file a divisional application, the '115 application should still be granted divisional status to the "510" application.

[30] As the foundation to both arguments counsel states the '510 is the parent of the '115 application. It named two inventors and covered two inventions, (1) the probiotic composition and (2) the NPIB system that encapsulates the probiotic composition in order to maintain its stability. Mr. Baksh is the inventor of the NPIB system which is the sole subject matter of the '115 application.

[31] For his preferred position, Counsel for Vita-Herb builds his argument on the following propositions:

- a) Subsection 36(2) of the Act is silent on who can file a divisional application.
- b) That being the case, he then poses the question “who then is entitled to file a divisional application?” The answer, he suggests, is found by examining the other subsections of section 36 of the Act and also in reviewing other provisions in the Act to discover its overall scheme.
- c) He points to the following provisions of the Act:
 - i. Subsection 36(4) provides that a divisional application “shall be deemed to be a separate application under this Act to which its provisions apply as fully as may be (s’applique aussi complètement que possible) and ‘it shall have the same filing date as the original application”.
 - ii. Subsection 27(1), under the heading “Application for Patents” states: The Commissioner shall grant a patent to the inventor or the inventor’s legal representative if the application for the patent in Canada is filed in accordance with this Act and all other requirements for the issuance of a patent under this Act are met”.
 - iii. He then looks to the definition of “legal representatives” which reads:

“legal representatives” includes heirs, executors, administrators, guardians, curators, tutors, assigns and all other persons claiming through or under applicants for patents and patentees of inventions;

« représentants légaux » Sont assimilés aux représentants légaux les héritiers, exécuteurs testamentaires, administrateurs, gardiens, curateurs, tuteurs, ayants droit, ainsi que toutes autres personnes réclamant par l’intermédiaire ou à la faveur de

[Emphasis added] demandeurs et de titulaires de brevets.

[32] Based on this statutory construction counsel concludes in his written memorandum:

The evidence of Mr. Baksh establishes that he is the inventor of the NPIB System and is therefore the inventor with respect to the claims in the '510 application directed towards the NPIB System. Pursuant to Section 34(2), 27(1), and 27(2), Mr. Baksh is therefore entitled to file a divisional application with respect to those claims. Vita-Herb is an assign of Mr. Baksh, as evidenced and confirmed by the executed assignment of the invention filed for the '115 application.

Consequently, pursuant to the definition of “legal representatives” in Section 2, Vita-Herb is a legal representative of Mr. Baksh. The '115 application filed by Vita-Herb satisfies the statutory requirements for a divisional application of the '115 application and should be accorded status as such.

[Emphasis added]

[33] In support of his alternative proposition that the '115 application should still be granted divisional status even if the Commissioner's ruling is correct, counsel points to the definition of “applicant” in section 2 of the Act which reads:

“applicant” includes an inventor and the legal representatives of an applicant or inventor;	« demandeur » Sont assimilés à un demandeur un inventeur et les représentants légaux d'un demandeur ou d'un inventeur.
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[34] Based on this provision, he then argues by definition Mr. Baksh or his legal representative Vita-Herb should be entitled to file a divisional application because (1) Mr. Baksh is the inventor of the NPIB, (2) he is one of the two inventors named in the original '510 application and (3) Vita-Herb is his legal representative through assignment. He concludes:

Consequently, Vita-Herb, as the legal representative of an inventor named in the original application, falls within the definition of an “applicant” and is entitled to file a divisional application, if one follows the Commissioner of Patents’ own reasoning in her decision.

[35] He makes a third ground of attack. He notes the Commissioner, in her decision, stated she could not recognize Vita-Herb as “the original applicant” in order to enable conferring divisional status to the ‘115 application.

[36] He argues being “an original applicant” is being an applicant at the time the ‘510 application was filed. He reiterates that Mr. Baksh was one of the named inventors to that application and would by definition fall within the scope of the concept of “original applicant”. He argues:

If the intention of the Commissioner of Patents is that only the actual entity that filed the original application is entitled to file a divisional application, then the use of the term “applicant” in her decision is incorrect and misleading. There is also no support for this interpretation in the *Act*.

[37] He submits that applicant in subsection 36(2) cannot mean the actual applicant Probiohealth who filed the original application i.e. the ‘510 application. He submits that such an interpretation would violate the definition of “applicant” and would furthermore impose a restriction in subsection 36(2), that is not stated there.

B. From Counsel for the Attorney General on Behalf of the Commissioner

[38] The position of the Respondent is that subsection 36(2) of the Act is not silent as to who is entitled to file a divisional application. Proper statutory interpretation has provided the answer: the only person who can file a divisional application is the entity that filed the original or parent patent

application from which the divisional application is derived. Vita-Herb, as legal representative of Mr. Baksh, was not entitled to file the '115 application because Probiohealth was the entity which filed the original or parent patent applicant, namely the '510 application. The Commissioner's decision is correct, she argues.

[39] In support of her conclusion, counsel for the Respondent cites (1) the ordinary principles of statutory construction of subsection 36(2) which is supported by a decided case in this Court, (2) the purpose of divisional applications and (3) the scheme and object of the subsection 36(2) and of the Patent Act as a whole.

[40] She argues Counsel for Vita-Herb's argument that, as legal representative of Mr. Baksh, a named inventor in the '510 parent application, thus falling under the definition of "applicant" in section 2 of the Act cannot be given credence because "it is based on an interpretation of the Act that would create commercial uncertainty in the public patent system contrary to the object and purpose of the statute which requires certainty". She writes the following at paragraph 37 of her memorandum:

Any number of people could fall within this broad definition of "applicant" for any given patent application. For example, multiple joint inventors, the legal representatives of the inventors, and associate patent or patent agents could all fit within this Section 2 definition of "applicant" for one single patent application. To adopt the Applicant's interpretation and allow all these persons to file a divisional application would create confusion and uncertainty in the patent scheme. It would create the potential for the Commissioner to be faced with divisional applications from an "applicant" attempting to claim inventions and priorities to which he/she is not entitled to, or even with competing divisional applications from different "applicants" who are all claiming the same invention. Such a result

would not be consistent with the scheme of the *Patent Act* and *Patent Rules* as a whole.

[41] As a matter of statutory interpretation, she begins by arguing that subsection 36(1) provides “a patent shall be granted for one invention only and (2) the premise of subsection 36(2) which provides “where an application (the original application) describes more than one invention the applicant may limit the claims to one invention only” coupled with the provisions of 36(2.1) which obliges, on the Commissioner’s direction, the applicant to limit the claims to one invention only are the key to who is entitled to file a divisional application in respect of “any other invention disclosed [in the original application]”.

[42] She argues, in this case, Vita-Herb filed the ‘115 application as a divisional application in an attempt to divide inventions out of the ‘510 patent application when it was not the applicant to the ‘510. She states, that, in this case, Mr. Baksh did not file a regular patent application for his invention but chose instead to enter into an alleged oral agreement with Probiohealth whereby that corporation would include his invention in the ‘510 patent application and subsequently divided this invention out in a divisional application which Probiohealth purportedly reneged on.

(1) The Statutory Interpretation Argument

[43] On the statutory interpretation argument, Counsel for the Respondent argues subsection 36(2) must be read as a whole which Vita-Herb failed to do since it gave an isolated reading to the last part of the provision reading “and any other invention disclosed may be the subject of a divisional application” to support its argument the provision is silent as to who can file a divisional

application. She submits subsection 36(2) must be read as a whole, including the first part, which I repeat, reads “Where an application (the original application) describes more than one invention the applicant may limit the claims to one invention only”. In her submission the remainder (the second part of subsection 36(2) “logically deals with actions to be taken by an applicant that limits such claims” (my emphasis).

[44] She refers to Justice Roger Hughes’ decision in *Merck & Co. v. Apotex*, 2000 FC 524 at paragraph 193 (*Merck*) for the proposition that my colleague “already interpreted subsection 36(2) to specify the applicant of the parent patent application is the proper party to file a divisional application”. She quotes the following extract:

Section 36(2) requires the Commissioner to divide applications where more than one invention is detected. That subsection permits, but does not require, the applicant to do likewise.

[My emphasis]

[45] She also points to the heading to subsection 36(2) which reads “Limitations of claims by the Applicant”. She also invokes section 27(2) of the Patent Act which requires that a patent application must contain a prescribed petition set out in Form 3 of the Patent Rules which according to her “provides no option to have a separate applicant for a divisional application.”

(2) The Purpose of Divisional Applications Argument

[46] Her argument is largely based on CIPO’s Office Manual at sections 14.05, 14.06 and 14.07. She writes:

The purpose of divisional applications under Section 36 of the *Patent Act* is to prevent patent applications that describe or claim more than one invention from being invalidated on the basis that they fail to meet the requirement of unity of invention. This purpose supports the Commissioner's interpretation that it must be the applicant (or subsequent owner) of an original application who files a divisional application.

Referring again to subsection 36(1) she submits that a patent application does not claim more than one invention if the subject matters defined by the claims are so linked as to form a general inventive concept i.e. a "unity of invention" within the claims of a patent and, if not, subsections 36(2) and 36(2.1) come into play whereby the applicant of that patent application, here the '510 application, may voluntarily or is obliged to under 36(2.1) limit those claims to one invention only and [that applicant] may claim other inventions described in the parent application as a divisional application. Counsel for the Respondent further argues, according to the Manual, an original or parent application will not be cited as prior art against a divisional which retains the filing date of the parent and any priorities claimed by the parent flow into the divisional.

[47] She puts forward an argument there must be some commonality between the parent and the divisional i.e. some common link. She submits the Commissioner's ruling that the applicant of the parent be the same applicant who files the divisional provides that common link, arguing, if there was no such link, the applications are independent from one another and cannot be afforded divisional status and, in any event in this case, the link has been broken because Mr. Baksh was removed as an inventor of the '510.

(3) The Scheme and Object of Subsection 36(2) and the Act as a Whole Argument

[48] I have substantially set out counsel's submission on this point which is to the effect Vita-Herb's argument is in disharmony with subsection 36(2) and the Act as a whole because of the uncertainty created by accepting it citing in support Justice Yves de Montigny's decision in *Rendina v. Attorney General of Canada*, 2007 FC 914 at paragraph 15, a case where multiple persons had corresponded with CIPO on maintenance fee problems.

IV. Conclusions

[49] For the reasons that follow this judicial review application must be allowed.

[50] I begin by mentioning two factual errors in the Respondent's argument:

- a) She submitted Vita-Herb filed the '115 application in an attempt to divide inventions out of the '510 application when it was not the applicant to the '510 application; and
- b) Mr. Baksh, who did not file a regular patent application, chose instead to enter into an alleged oral agreement with Probiohealth whereby this Corporation would include his inventions in the '510 patent application and subsequently divide those inventions out into a divisional application which Probiohealth purportedly reneged on.

[51] These factual statements are incorrect, and in my view, fundamentally impacted on her interpretation of the relevant statutory provisions.

[52] The record is clear. Probiohealth, as it did in the WIPO and US applications, filed in Canada a patent application which contained two distinct inventions. In the US, it divided out those inventions which related to Mr. Baksh's invention by cancelling the claims related thereto from its original filing. It then instructed its Canadian Patent agents to do the same with the '510 application. The claims which concerned the NPIB invention were carved out by Probiotech (the applicant to the original application – the '510) not by Vita-Herb which left it with a single inventor – Mr. Naidu. The carving out in this manner accords with section 36(1) and, is the actual mechanism for its compliance as spelled out in subsection 36(2) i.e., in this case, a voluntary carving out by the original applicant of claims related to the second invention. As noted, subsection 36(2.1) deals with involuntary carving out at the direction of the Commissioner.

[53] What Probiotech actually did – a voluntary carving out – opened the field for the operation of the divisional status mechanism provided for in section 36 – the filing of divisional application as a separate and distinct application by persons qualified to file a divisional application – the inventor (Mr. Baksh) or his legal representation through assignment (Vita-Herb).

[54] In this factual context, I cannot agree with Counsel for Vita-Herb's alternative argument. The applicant contemplated in subsection 36(2) is not any applicant who would fit the definition of "applicant" in section 2 of the Act but rather the applicant who actually filed the '510 applicant – Probiohealth.

[55] It is Probiohealth who filed the parent application and it is Probiohealth who voluntarily carved out the NPIB claims from the application. It is only Probiohealth – the original applicant – whom the Commissioner could have forced to carve out the NPIB claims to ensure compliance with the single inventor rule Parliament put into place under section 36(1). The Commissioner could not force Vita-Herb to carve those claims related to the NPIB invented by Mr. Baksh from the ‘510 application for the simple reason, the Commissioner had no authority over Vita-Herb since Vita-Herb had no application before CIPO. Vita-Herb’s alternative argument is inconsistent with the proper functioning of section 36 of the Act.

[56] On the other hand, I cannot accept the Respondent’s main argument, that subsections 36(2) and 36(2.1) are not silent as to who may be entitled to file a divisional application. Section 36 of the Act does not say who can file a divisional application but says that such an application is a separate and distinct application to which its provisions apply as fully as may be. I accept Counsel for Vita-Herb’s argument the intent of Parliament is clear that the answer to this question is found by examining the Act as a whole. Such person is a person to whom the Commissioner may grant a patent. That person is an “applicant” as defined in section 2 of the Act. This view is in harmony with subsection 36(4) of the Act.

[57] As an aside, Counsel for the Respondent’s reliance on Justice Hughes’ decision in *Merck* for the proposition that only the applicant to the original applicant can file a divisional application is misplaced. Justice Hughes was not dealing with the issue who could file a divisional application. He was dealing with the question who could carve out patent claims which revealed a second invention.

For reasons previously stated, I agree with his view that only the applicant to the original application may do so. The gap as to who can file a divisional application is as stated found in the Act.

[58] I need not deal in detail with the Respondent's arguments on the scheme, purpose and intent of subsection 36 or the scheme of the Act nor with her arguments on the purpose of divisional applications. It seems to this Court that these arguments are constructed on erroneous factual premises, which led, with respect, the Commissioner to err as to the proper operation of a divisional application in the scheme of the Act.

[59] What Probiohealth and Vita-Herb did in this case was in the exactly in contemplation of the provisions of section 36 and the Act as a whole. Moreover, Vita-Herb, in its divisional application, must satisfy the Commissioner that it is entitled to a grant of patent for the NPIB invention. She, the Commissioner, is in full control of this process and did not need to rely on an unduly restrictive interpretation and operation of section 36 of the Act whereby only the original applicant to the parent application may file a divisional application. The uncertainty argument and others put forward by Counsel for the Respondent are misplaced because only the inventor or its assignee of the NPIB may be granted a patent provided it meets all of the relevant provisions of the Act for that grant.

[60] For these reasons, the judicial review application is allowed with costs.

JUDGMENT

THIS COURT ORDERS AND ADJUDGES that this judicial review application is allowed with costs. The Commissioner's February 6, 2009 decision refusing to grant divisional status to the '115 application is set aside and the matter is remitted to the Commissioner for redetermination in accordance with these reasons. The costs awarded shall be assessed at the upper level of the units in Colum IV of the Court's Tariff.

"François Lemieux"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-351-09

STYLE OF CAUSE: VITA-HERB NUTRICEUTICALS, INC. v.
ATTORNEY GENERAL OF CANADA ET AL

PLACE OF HEARING: Vancouver, British Columbia

DATE OF HEARING: February 17, 2010

**SUSPENSION OF CONSIDERATION OF JUDGMENT PENDING SETTLEMENT
DISCUSSIONS:** June 2010 to October 30th 2010

**REASONS FOR JUDGMENT
AND JUDGMENT BY:** Lemieux J.

DATED: November 30, 2010

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