

Federal Court



Cour fédérale

Date: 20111027

Docket: T-864-08

Citation: 2011 FC 1228

Ottawa, Ontario, October 27, 2011

PRESENT: The Honourable Mr. Justice Barnes

BETWEEN:

REINHARD DELP

Plaintiff

and

**FRESH HEADIES INTERNET SALES LTD.
GREEN HARVEST INC.
XXX TRACTOR INC.
CRYSTAL MOUNTAIN MANUFACTURING
ALSO KNOWN AS
CRYSTAL MOUNTAIN PRODUCTS**

Defendants

REASONS FOR ORDER AND ORDER

[1] This is a motion by the Defendants, Fresh Headies Internet Sales Ltd. and Crystal Mountain Manufacturing, seeking to have this action summarily dismissed under Rules 213 and 215 of the *Federal Courts Rules*, SOR/98-106 [Rules].

Background

[2] The underlying action concerns a claim by the Plaintiff, Reinhard Delp, that the Defendants have wrongfully infringed Canadian Letters Patent No. 2,321,815 (the 815 Patent).

[3] The Plaintiff asserts that he is the inventor and patentee of a method and an apparatus for extracting resins from plants and that the Defendants have infringed his rights by marketing his method to third parties. The Defendants deny that they have infringed the 815 Patent and, in the alternative, they raise the defences of non-patentable subject matter, anticipation, obviousness, inutility, a failure to disclose and that the patent claims are broader than the disclosed invention.

The 815 Patent

[4] The 815 Patent describes a method and an apparatus for extracting resins from plant material which the inventor asserts is an improvement over conventional methods which typically use chemical solvents.

[5] The method claimed by the 815 Patent involves the following six steps:

- (a) placing a quantity of water having a temperature in the range of 0°C to 15°C into a washing chamber;
- (b) placing a quantity of plant material into the water in the washing chamber;
- (c) adding a quantity of ice to the quantity of plant material and water in the washing chamber;
- (d) mixing the water and plant material to separate resin from the plant material and to create a solution;

- (e) filtering the plant material from the resin and solution; and
- (f) filtering the resin from the solution.

[6] The apparatus in Claim 2 of the patent describes a washing chamber with an agitator and an open top, with a screen filter above a settling chamber and valve. It is this apparatus that is used in accordance with the proposed method either with or without additional ice in accordance with Claim 3.

[7] The patent specification adds further detail describing how the method and the apparatus function together in the extraction process. It is clear from the specification that the cold water bath causes the plant resins to become brittle and the plant material to become flexible. When the mixture is agitated the resin particles are released into the water and fall to the bottom of the chamber where they can be segregated by filtration. The specification describes the process as “an ice-water resin extraction method” which has, as one advantage, an end product that is not adulterated by chemical solvent residue. Throughout the specification there are references to the need to begin with “cold water” which is exemplified by a temperature range of between 0°C and 15°C. With the addition of ice cubes, crushed ice or snow the temperature of the water “will drop...to a point where the resins become brittle and break off the surfaces of the agitated, flexible plant material”. The specification then states that “[i]n general a washing time from 30 to 60 minutes will separate more than 90% of the resin”. The specification concludes with advice that the chosen methods of agitation and filtration are plant specific and require appropriate adjustment. A final caveat states:

While this invention has been described in connection with preferred embodiments thereof, it is obvious that modifications and changes

therein may be made by those skilled in the art to which it pertains without departing from the spirit and scope of the invention. Accordingly, the scope of this invention is to be limited only by the appended claims and equivalents.

Legal Principles

[8] The principles that apply to a motion for summary judgment were set out by Justice Judith Snider in *AMR Technology, Inc v Novopharm Ltd*, 2008 FC 970, 70 CPR (4th) 177 and I would adopt the following passages from her reasons:

7 The issue of summary judgment was recently discussed by the Court of Appeal in *Suntec Environmental Inc. v. Trojan Technologies Inc.*, 2004 FCA 140, (2004) 320 N.R. 322 (F.C.A.). In sum, the Court in *Suntec*, at para. 15, 16, concluded that the test is not whether the plaintiff cannot succeed at trial; rather, it is whether the court reaches the conclusion that the case is so doubtful that it does not deserve consideration by the trier of fact at a future trial. Claims clearly without foundation should not take up the time and incur the costs of a trial.

8 The responding party has the evidential burden of showing that there is a genuine issue for trial, but the moving party bears the legal onus of establishing the facts necessary to obtain summary judgment. Both parties must put their best foot forward to enable the motions judge to determine whether there is an issue that should go to trial (*F. Von Langsdorff Licensing Ltd. v. S.F. Concrete Technology, Inc.* (1999), 165 F.T.R. 74, 1 C.P.R. (4th) 88 (T.D.)).

The Evidence

[9] The Defendants say that they were able to obtain unequivocal admissions from the Plaintiff during an examination for discovery which clearly established that the invention does not work for certain plants at a water temperature of 13°C or above. The Defendants assert that by claiming efficacy at temperatures up to 15°C the 815 Patent is void for inutility and that there remains no triable issue with respect to that issue of validity.

[10] In order to place the Plaintiff's discovery evidence into a proper context, it is necessary to construe the patent and the scope of the claimed invention as viewed by a person skilled in the art. Here I am placed at somewhat of a disadvantage because neither party has attempted to describe the person skilled in the art and, more significantly, neither party presented expert evidence to indicate how such a person would interpret the language of the patent claims. I am therefore left to construe the patent language unaided by any evidence.

[11] It seems to me that the significance the Defendants place on stipulated temperature range in the 815 Patent is misplaced. They have resultantly misconstrued the significance of the answers they obtained from the Plaintiff on discovery.

[12] The claimed method does not purport to be efficacious for all plants at temperatures approaching 15°C nor does it suggest or predict efficacy for all plants at any particular temperature. Instead, it indicates that variability is to be expected and that the person skilled in the art may need to "modify" the process to make it work. It is also clear that it is not necessarily the beginning temperature of the water that is essential but rather the optimal operating temperature which is

achieved by the addition of ice to the water bath. It is through the addition of ice that the water temperature drops to a point that the resin becomes brittle and can be separated. For any given plant, this temperature of optimal performance may be different and the patent assumes that the person skilled in the art can find that temperature point through trial and error. Indeed, the use of a range of beginning temperatures implies that variability is to be expected.

[13] The Defendants' contention that the patent contains a promise of utility at all temperature points within the stated range of 0°C to 15°C is, therefore, incorrect. The promise of the patent is that it will work for different plants at different temperatures and that the person skilled in the art will be quite capable of optimally working the invention through some routine trial and error.

[14] The fact that some adjustments may be required by a person skilled in the art to work an invention does not render a patent void for inutility. I am reinforced in this view by the Supreme Court of Canada decision in *Burton Parsons Chemicals Inc v Hewlett-Packard (Canada) Ltd*, [1976] 1 SCR 555, 54 DLR (3d) 711 and by the House of Lords decision in *Henriksen v Tallon Limited*, (1965) RPC 434 HL (Eng).

[15] *Burton Parsons* concerned a patent for the invention of a conductive cream useful in facilitating electrocardiograms. The argument advanced there for inutility was similar to the one advanced in this case: that the patent claims were broader than the effective scope of the invention. The Court did acknowledge the basic point that where the scope of a claim includes some method which is useless, the claim cannot be saved by showing that no skilled person would ever try that

method. Nevertheless, the Court found that a patent does not fail simply because it leaves some room to the person skilled in the art to employ suitable methods or materials.

[16] I do not read *Burton Parsons*, above, as narrowly as counsel for the Defendants urged. It did not turn solely on the language of the impugned claim which included a reference to the product being compatible with normal skin. The Court went further than that as can be seen from the following passages:

This is the distinguishing feature from the other cases in which the properties of xanthates in froth flotation and those of some substituted diamines as antihistamines were the object of the invention. The inutility of cellulose xanthate in Minerals separation as well as that of some isomers of tripeleannamine in Rhône-Poulenc was not known to the prior art. This is totally unlike the undesirable properties of some highly ionizable salts which Hewlett-Packard listed as objectionable. Their noxious character was well known and no man skilled in the art would have thought of using them in making a cream for use with skin contact electrodes any more than any such worker would have needed to be told that in making such a cream, he had to use such proportions of liquid and of emulsified material as to obtain a suitable consistency.

Such applications of the art of a skilled person is to be put on the same footing as the addition of a pharmaceutically acceptable carrier to a drug when this is required for its proper administration. In *Commissioner of Patents v. Farbwerke Hoechst A.G.* [[1964] S.C.R. 49], this Court held that this last step in the production of a drug in dosage form was not patentable because there is no invention involved in it. In my view, the avoidance of unsuitable salts due to their known noxious properties is similarly nothing but the application of the proper knowledge to be expected from a man skilled in the art. In *Sandoz Patents Ltd. v. Gilcross Ltd.* [(1973), 8 C.P.R. (2d) 210], we had no hesitation in upholding claims for "therapeutically tolerable salts" of thioridazine to be obtained by reacting "with a therapeutically acceptable acid". I cannot think that the omission of the qualification "therapeutically acceptable" would have voided the patent and I will note that in the Rhône-Poulenc case this question was left open.

[17] To similar effect is the House of Lords decision in *Henriksen*, above. There the Court emphasized the point that a patent need only describe the invention in a way that will permit the skilled reader to work it. Beyond that, the patentee “is entitled within fairly wide limits to leave it to the addressee to choose appropriate material from a class which he specifies if he makes it plain that the choice is left to the addressee.” [see p 441]. This point is made again in the following passages from the decision:

I can now return to what I have called the crucial question. Claim 1 applies to jumbo as well as to capillary tubes. One must approach its construction with the knowledge of the skilled man that a liquid can form a satisfactory plug in a capillary tube but that no liquid can do so in a jumbo tube. There a paste-like mass is required. If the patentee has asserted or represented that even for a jumbo tube a liquid can be used (if the right one is chosen) then, the claim is invalid and it is not saved by the fact that the skilled man knows that that is untrue. But if he has merely asserted that the addressee must choose a suitable liquid or viscous or paste-like mass as the case may be according to the kind of tube he wants to make then the objections of inutility and false representation disappear. Applying the ordinary methods of construction I have no doubt that the latter is the true meaning.

It is a general principle of construction that, where there is a choice between two meanings, one should if possible reject that meaning which leads to an absurd result. One must construe this claim with the knowledge that the skilled addressee would know that it would be absurd to claim that any kind of liquid plug could be effective in a jumbo tube. That factor, added to those to which I have already referred, tips the scale conclusively in favour of the latter meaning. I have therefore no doubt that claim 1 is valid.

[per Lord Reid at p 443]

...

The claim must be fairly and reasonably construed and words must be given a natural and not a strained meaning. As a matter of construction it may well be that the words in claim 1 give rise when they are read to a moment of hesitation. In the words “a liquid or a viscous or paste-like mass” does the word “or” denote that each one of several kinds of plugs may in each and every one of several kinds

of pens be used, or does it denote that a process of rational selection is involved? When construing the specification it is reasonable to pay regard to the fact that the claim is addressed to persons skilled in the art. How, then, would the skilled pen-maker understand claim 1? He would, I consider, understand it as giving him an answer to the problem of preventing that deterioration of ink which contact with the air will cause. He and he alone would know what variety of ball tip fountain pen he proposed to produce: he and he alone would know what size and type of reservoir he intended to use: he and he alone would know what kind of ink he proposed to use (which might be in a fluid or pasty condition). If he were following the direction contained in claim 1 and wished to have a plug for the purpose of keeping the air from the ink he would choose that form of plug (within the range of a liquid or viscous or paste-like mass) which would be appropriate for his pen. He would know that (within the range of a liquid or viscous or paste-like mass) he must choose so that (a) his plug will not mix with his ink and (b) so that his plug must move with the surface of the ink column and (c) so that his plug will prevent air from contacting the surface of the ink. He would not consider that any and every kind of viscous or paste-like mass would do for any and every kind of pen or for any and every kind of ink. He would not consider that a liquid plug would do for any and every pen and for any and every size of reservoir. He would not consider that the inventor was so claiming. He would understand that in following claim 1 he would be directed to choose such form of plug (within the range of a liquid or viscous or paste-like mass) as would be appropriate for the pen he was producing having the kind and size of tubular ink reservoir that he was adopting and with the kind of ink that he was using. A pen maker skilled in the art could by trial and error and without the exercise of any inventive faculty readily discover for himself the particular type of plug that suited his particular type of pen (compare *No-Fume Ltd. v. Pitchford* (1935) 52 R.P.C. 231).

[per Lord Morris at pp 446-447]

[18] In this case, the 815 Patent claims an invention over a new method for extracting resin from different plant species by using an ice-water bath. I have no doubt that the skilled person would be capable of working the invention by the described method without adding any inventive ingenuity

to the exercise and, indeed, the patent expressly contemplates the application of some practical skill depending on the nature of the plant material being utilized.

[19] Counsel for the Defendants submitted that the 815 Patent could have been saved by omitting any temperature range from the claims and by substituting a reference to “water at a suitable temperature”. However, that is what the drafter did by the device of leaving it to the skilled person to find a suitable operational temperature. Such a person would not assume from the patent language that the claimed method would work optimally, or necessarily at all, with any beginning temperature in the stipulated range.

[20] The Defendants argue that the Plaintiff admitted under examination that certain applications of the 815 Patent as claimed would not work. This position is based on the above-described misreading of the patent and on an over-reading of the Plaintiff’s evidence. Even if I am wrong about what the 815 Patent promises, I do not agree that the Plaintiff’s evidence is sufficiently clear that it meets the test for summary judgment. The passages relied upon by the Defendants are the following:

Q. Where is that point?

A. That point is where the resin gets brittle in the physical environment, the temperature is low enough to brittle the resins, and the leaf flexibility is not broken up and the resin is separated.

Q. So, it depends on the plant?

A. It depends also on the plant, yeah.

Q. That’s something that you would run --

A. I would say 12 degrees for cannabis.

Q. For cannabis?

A. Yeah.

Q. Would you have to do an experiment to figure out what that point is?

A. Depending on the species, yeah, you would have to figure out what the best point is. So, regularly you just go to ice water, you go way below this point, you just increase the process. It's all positive for the process so that this closes the discussion. If you put ice in, then you have ice water.

...

Q. I'll quickly ask, then, just for the temperature, did you, in fact, as of February 24, 1998, predict that resins can be extracted from plant material using any temperature between zero and 15 degrees Celsius using the method described in the patent?

A. Ice water and I think I wouldn't go to 15. That's the critical situation there. Depending on the resin, though, I would just be sure and make it ice water below 10.

Q. Fair enough. So, are you saying that the extraction wouldn't work at 15 degrees Celsius?

A. Not with all plants, no.

Q. So, which plants would it not work with?

A. I can't give you the specific answer to that right now.

Q. Can you name one plant that has surface resins that your method would not work on at 15 degrees Celsius?

A. I would predict that it does not work with cannabis, I would predict that it does not work with other trichome resins and I predict that it doesn't work mostly. Maybe 90 percent dysfunctional.

Q. So, 90 percent dysfunctional for most plants the method wouldn't work at 15 degrees Celsius?

A. Yes, it would not work.

Q. You used the 10 degrees Celsius cutoff a little earlier. If I ask you all the questions the same with respect to 14 degrees Celsius, would you give me the same answers?

A. I guess. I would give you the answer, I would refer to difference in plant species, and it would be the same answer, yes.

Q. But the method would not work as described in your patent for cannabis at 14 degrees Celsius?

A. I would say that it doesn't work or it's definitely not an optimal function of the method. The water is ice-water method, so to use the method as prescribed, you would use ice-water temperature.

Q. Are there any other plants that you can think of sitting here today where the method would not work at a temperature of 14 degrees Celsius?

A. I think it would not work with yerba santa, for instance.

Q. Is that a plant that has surface resins?

A. It has surface resins appearing as oily coating of the leaves.

Q. The method would not work at 14 degrees Celsius for that plant?

A. I would predict that. I did not try the experiment.

Q. But so I guess you can't predict that it would work for that plant at a temperature of 14 degrees Celsius?

A. I would predict that it doesn't work, yes.

Q. So, the corollary of that is, you couldn't predict that it would work at 14 degrees Celsius for that plant using your method in the patent, correct?

A. I cannot predict that it works?

Q. Yes.

A. That's what I just said.

...

Q. The yerba santa you had, there was no factual basis to predict that you could extract plant resins at 14 degrees Celsius using the method described in the patent, correct?

A. Yes, that's correct, I could not predict that it works.

Q. You had no basis to make that prediction, correct? There was no factual basis to make that prediction?

A. To make something clear, it's always – it's not a cutoff situation. A method has its optimum output, it's useful, right, so if you want to use the method, you go with ice water, ice water described as ice still in the water or any kind of frozen particles still in the water, or between up to 12 degrees. That's what finally was the cutoff point.

...

Q. As you described earlier, the temperature at which the resin becomes brittle will change depending on the specific resin and the specific plant?

A. In general up to 12, 15 degrees maximum, I would say, to make the process work, depending also on the material and on the kind of resin you're trying to extract.

[Deposition upon oral examination of Reinhard Christoph Delp (8 February 2011), pp 33, 69-73, 80.]

In order to place the above passages into their more complete context the following additional two passages are helpful:

Q. What does cold water mean to you?

A. Cold to your hands, to your feeling, to your hands. Like if you see cold and water, if you turn it up, it's like cold would be below boiling temperature maybe, that's the reason you would call it cold.

Q. For your understanding of the term, is water at 10 degrees Celsius cold water?

A. It's cold water. If you wouldn't call it ice water, it's cold water; it's ice water, you would call it at 10 degree.

Q. For you, is water at four degrees Celsius cold water?

A. Ice water I would call it.

MS. SCHEIRER: I'm going to object to this questioning because you're having him define words in the English language which you can look up yourself, and it's not just his definition.

MR. TANNER: I'm asking what it means to him, what his meaning is. He used the term "cold water" and I'm asking what he meant when he used the term. I think that's an entirely fair question. If you want to refuse it, it's up to you.

MS. SCHEIRER: I think we're done with that.

MR. TANNER: I'm going to ask a few more, and if you want to refuse, you can.

Q. When you used the term "cold water," would water at 15 degrees Celsius be cold water?

MS. SCHEIRER: Don't answer that.

Q. Mr. Delp, when you used the term "cold water," would you understand water at one degree Celsius to be cold water?

MS. SCHEIRER: Don't answer that.

Q. Where between one degree Celsius and 15 degrees Celsius is the difference between ice water as you've used that term today and cold water as you've used that term today?

MS. SCHEIRER: Don't answer that.

A. I can answer it. Where resin turns brittle or stays flexible, where it separates and where it doesn't, and that might be even different with different melting points of the resin, different species of plants.

Q. Where is that point?

A. That point is where the resin gets brittle in the physical environment, the temperature is low enough to brittle the resins, and the leaf flexibility is not broken up and the resin is separated.

Q. So, it depends on the plant?

A. It depends also on the plant, yeah.

Q. That's something that you would run --

A. I would say 12 degrees for cannabis.

Q. For cannabis?

A. Yeah.

Q. Would you have to do an experiment to figure out what that point is?

A. Depending on the species, yeah, you would have to figure out what the best point is. So, regularly you just go to ice water, you go way below this point, you just increase the process. It's all positive for the process so that this closes the discussion. If you put ice in, then you have ice water.

...

Q. The next sentence, "The temperature of the cold water causes the plant resins to become brittle."

A. Yeah.

Q. Is that the primary function of the water?

A. The ice water. It should be ice water in there, but cold. If you could include ice water and cold water, which you do, then it stays correct.

Q. But the function, whether you called it ice water or cold water -- I'll ask you a question about that in a second -- the function of the water --

A. Is to provide the environment.

Q. To have a cold temperature for the extraction?

A. For the resin to become brittle, like it says here.

Q. As you described earlier, the temperature at which the resin becomes brittle will change depending on the specific resin and the specific plant?

A. In general up to 12, 15 degrees maximum, I would say, to make the process work, depending also on the material and on the kind of resin you're trying to extract.

Q. So, next sentence says -- let me ask you this. In this sentence here, am I correct in understanding that the purpose of the ice is to keep the water cool?

A. Yes.

Q. And I guess you would understand there's other ways to keep water cool than ice?

A. You can chill it, yeah, and you would end up with ice water, right.

Q. How would you chill it?

A. With a chiller.

Q. Would that include a refrigerator?

A. Yeah.

Q. Or a freezer?

A. Yeah.

Q. Or putting it outside in a cold Canadian winter?

A. Correct, chilling the water, getting the temperature down, turning it into ice water.

Q. So, I live in Toronto, and the temperature I know today is below -- or I believe today is below zero degrees Celsius.

A. Yes.

Q. If I put some water outside, it's going to drop in temperature?

A. Yeah, then you can use it, yeah.

Q. That would be consistent with your method, to use that cold water?

A. Yes, you get it to ice-water temperature and use it.

[Deposition upon oral examination of Reinhard Christoph Delp (8 February 2011), pp 31-33, 80-82.]

[21] The Defendants say that the Plaintiff admitted in these exchanges that his process would not work for extracting resin from cannabis with water at 14°C nor would he predict that it would work for yerba santa at that temperature.

[22] It is not entirely clear to me what the Plaintiff meant by the words “would not work” but it appears from the context that he was referring to sub-optimal performance and not to a useless performance. In some applications sub-optimal performance may still be sufficient for a finding of utility. This may be the case where the patent under consideration does not promise a specific result and a “‘mere scintilla’ of utility” will suffice: see *Eli Lilly Canada Inc v Novopharm Ltd*, 2010 FCA 197 at para 76, 85 CPR (4th) 413.

[23] The other significant problem with the Defendants’ argument is that the temperatures that the Plaintiff was referring to for maximizing utility were those of the water bath after the addition of ice and not the range of temperatures stipulated at the beginning of the process. It seems reasonably clear that when the Plaintiff said that the process would not work for some plants at temperatures approaching 15°C he was not referring to the utility of the process described in the patent which contemplated lower operational water temperatures and some trial and error to achieve optimal

results. Moreover the Plaintiff's responses must be evaluated against the inventive promises of the 815 Patent. By describing a beginning range of water temperature, the patent does not promise that the process will work for every plant species at every temperature within that range. As previously stated, the stipulation of a beginning temperature range implies some plant-specific adjustment in approach. With the addition of ice or simply by starting with a water bath at lower temperatures, optimal performance/utility can be obtained by the person of skill.

[24] I do not accept that the Plaintiff's discovery responses constitute an admission of the sort considered by the Federal Court of Appeal in *Harrison v Sterling Lumber Co*, 2010 FCA 21, [2010] FCJ no 74 (QL). Rather, the evidence before me raises a serious issue that can only be resolved at trial.

[25] In the result, the Defendants' motion for summary judgment is dismissed with costs payable to the Plaintiff at the conclusion of the action in the agreed amount of \$2,000.00.

ORDER

THIS COURT ORDERS that this motion for summary judgment is dismissed with costs payable to the Plaintiff at the conclusion of the action in the agreed amount of \$2,000.00.

"R.L. Barnes"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-864-08

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ET AL

PLACE OF HEARING: Toronto, ON

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REASONS FOR : BARNES J.

DATED: October 27, 2011

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Steven Tanner FOR THE DEFENDANT
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