



# Disclosure of prior art

## Federal Court of Appeal clarifies “good faith” section of Canadian Patent Act

A characteristic of a strong patent is that it is clearly novel and inventive over prior art (public domain information). The Canadian Patent Office conducts a search for relevant prior art that it will consider before granting the patent.

There is no ongoing duty on Canadian patent applicants to disclose prior art. A list of prior art need only be submitted if and when the Canadian Patent Office requisitions prior art.

The requisition is usually limited to requiring the applicant to provide prior art cited in corresponding patent applications filed in the U.S. and Europe. If the applicant fails to make a good faith response by submitting all the requisitioned prior art within the time allowed, the Patent Office will i) deem the application abandoned and ii) send the applicant a notice that there is a one-year period to satisfy the requisition and reinstate the application (Patent Act, R.S.C. 1985 Section 73(1)(a)).

Absent a requisition, the situation in Canada is similar to that in Europe and most other patent offices, where voluntary prior art disclosures are permitted, but left to the applicant's discretion (in contrast, the United States has a broad, ongoing duty to disclose prior art). Some applicants make voluntary disclosures in Canada because they want the patent to appear stronger after having been granted over all the closest known prior art. Other applicants choose not to voluntarily disclose prior art to avoid incurring additional costs and arguing about prior art that is a “red herring.”

Until *Corlac Inc. v. Weatherford Canada Inc.*, a recent Federal Court of Appeal decision (an application for leave to appeal to the Supreme Court of Canada is pending), the validity of issued Canadian patents had often been challenged on the basis of an alleged lack of good faith in responding to such prior art requisitions. The argument was that the patent application should have been deemed by law to have been abandoned during prosecution

Absent a requisition, the situation in Canada is similar to that in Europe and most other patent offices, where voluntary prior art disclosures are permitted, but left to the applicant's discretion.

tion because a response to a patent office requisition was not made in good faith and the time for doing so had expired.

The court was asked to retroactively abandon such applications even though the patent office had treated the response as satisfactory years before. At first, this type of challenge was widely considered to be a long shot since there had been no previous success. That changed when a pair of Federal Court trial-level decisions, *G.D. Searle & Co. v. Novopharm Ltd.* and *Lundbeck Canada Inc. v. Ratiopharm Inc.*, upheld the argument. In those cases, the court held that certain of the applicants' submissions to the patent office made many years before in response to prior art requisitions were not made in good faith and, therefore, the applications were retroactively deemed to have been abandoned. As the

one-year period to reinstate had long since passed, the patents were invalid.

Now this type of challenge appears to have been eliminated by *Corlac*, in which the appeal court held that these earlier trial-level decisions ought not to be followed, and that the court should not retroactively scrutinize submissions to the patent office made during the prosecution of the patent application.

An issued patent can still be invalidated in court on the narrower, separate basis of wilfully misleading statements (or omissions) to the patent office about the invention. These include i) failure to make adequate disclosure of how to implement the invention or ii) improper statements about the applicant and inventors that are material to the patent (Patent Act, s. 53(1)). Here, courts

enforce the public interest in ensuring the patent was granted to the right person and that it will show others how to practise the invention.

It appears that in the future, courts will leave it to the patent office to police alleged defects in the prior art disclosed to the patent office or inaccurate arguments about prior art. This is much less risky for applicants because in the rare case where the patent office abandons an application for lack of good faith response to a requisition, the applicant will receive notice and a year to correctively reinstate the application. ■

*Adam Bobker and Noel Courage are partners with Bereskin & Parr LLP in Toronto. Adam was one of the counsel who represented Weatherford in the Federal Court of Appeal.*