

## Plus Ça Change: CIPO Persists In its Views on Patentable Subject Matter

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On April 2, 2012 the Canadian Intellectual Property Office (CIPO) [released three draft practice notices](#) related to patentable subject matter for a 30-day “consultation period”:

1. Statutory Subject Matter Under the Patent Act
2. Office Practice Respecting Inventive Concept
3. Office Practice Respecting Claims to Diagnostic Methods and Medical Uses

CIPO’s practice notices describe the manner in which CIPO proposes to examine patent applications. These notices are guidelines that reflect the views of the Office, and although they have no force in law, they affect the examination procedure applied by the Office to patent applications.

The draft practice notices come in the wake of the controversial Federal Court of Appeal (FCA) decision in *Amazon.com*. In that case, the FCA was critical of CIPO for overstepping its authority when it applied a test without basis in Canadian law to refuse Amazon.com’s “1-Click” patent application. Following the Court of Appeal decision, CIPO quietly granted the Amazon.com patent, without amendment, thereby precluding a much-needed further appeal to the Supreme Court of Canada.

The current draft practice notices relate to CIPO’s views on claim interpretation (“purposive construction”) as it applies to determining what constitutes patentable subject matter, on the meaning of the newly-important term “inventive concept,” and on the application of this “inventive concept” to patent claims in the diagnostic and medical fields.

Casual observers might have hoped that CIPO would moderate its approach. However, oddly undeterred by the law or by the clear rebuke by both the Federal Court and the FCA, CIPO appears once again to be returning to its *twice rejected* “form and substance” approach for evaluating patentable subject matter, re-branding it as a search for “inventive concept.”

CIPO’s new approach, especially the commentary that some claim elements may be “essential” in one context but not in another, retains many of the problematic characteristics of its earlier incarnations. In particular, this new approach conflicts with s-s. 27(4) of the Patent Act, which mandates that the claims define in explicit terms the subject matter of the invention. CIPO’s approach is also contrary to binding Supreme Court of Canada precedent that requires a single purposive construction of the claims for all purposes.

Unfortunately, the proposed approach would allow a patent Examiner effectively to ignore portions of a claim that, in the Examiner’s view, do not contribute to the “inventive concept.”

The Notices also suggest that the identified “inventive concept” then limits the allowable breadth of the claims. CIPO seems to be confusing the existence of statutory subject matter under s.2 with (i) the requirements for support in the specification under s-s. 27(3) and s. 38.2; and (ii) the limits on claim scope imposed by prior art in the context of novelty or non-obviousness under ss. 28.2 and 28.3. Existence of patent eligible subject matter is a question of the *nature* of the claimed invention. It is not a question of breadth. *Breadth* of claim scope is an issue of substantive prior art, i.e., of novelty and non-obviousness. These are entirely separate inquiries. The approach now proposed by CIPO may continue to be problematic for many inventions, particularly for software and diagnostic methods.

Notably, the term “inventive concept” appears repeatedly in all three draft guidelines and is the subject of great discussion. However, this “critical” term appears **only once** in the FCA decision, and even then **only** in a paragraph confirming that the Commissioner had “adopted an analysis that is **incorrect in law**.” (para. [47]). As a result, the CIPO’s heavy reliance on this term is troubling.

The draft Practice Notices also re-iterate CIPO’s emphasis on the technical-problem-and-solution approach where “technical” is used in the context of the manual and productive arts. Given that the government had expressly argued the point, though perhaps not well, in *Amazon.com*, the emphasis on “technical” is difficult to reconcile with the decisions in both the Federal Court and the FCA that

Canadian law does not require that inventions be “technological.”

On the highly contested issue of “physicality,” arising in *Amazon.com* from the issue of “practicality”, with which it is often confused, CIPO takes the position that “an inventive concept” must have either “physical existence or manifest[s] a discernible effect or change and that provides a solution to a technical problem.” The metamorphosed requirement of physicality apparently originated in a passage from an uncited US text, (itself a gloss on *Cochrane v. Deener* (1876), 94 US 780 per Bradley J., at 788), quoted out-of-context in the *Lawson v. Commissioner of Patents* decision. It is not found in the Act, in earlier case law, or in a proper understanding of Supreme Court of Canada precedent in *Shell Oil*.

These proposed guidelines may not be the final word on the topic. Paradoxically, they may hasten further litigation, possibly even the kind of appeal CIPO apparently sought to avoid in *Amazon.com*. In the meantime, the proper approach to analysing patent eligible subject matter remains unsettled. Correction of this badly muddled area of the law by the Supreme Court of Canada is still awaited.

Plus ça change, plus c'est la même chose.