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Court File No. T-

FEDERAL COURT

B E T W E E N :

ROBERT TAILLEFER

Applicant

- and -

ATTORNEY GENERAL OF CANADA

Respondent

-and-

SYLVAIN FREDETTE

Respondent

NOTICE OF APPLICATION

TO THE RESPONDENT:

A PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the applicant. The relief claimed by the applicant appears below.

THIS APPLICATION will be heard by the Court at a time and place to be fixed by the Judicial Administrator. Unless the Court orders otherwise, the place of hearing will be as requested by the applicant. The applicant requests that this application be heard at Toronto.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or a solicitor acting for you must file a notice of appearance in Form 305 prescribed by the [Federal Courts Rules](#) and serve it on the applicant's solicitor or, if the applicant is self-represented, on the applicant, WITHIN 10 DAYS after being served with this notice of application.

Copies of the [Federal Courts Rules](#), information concerning the local offices of the Court and other necessary information may be obtained on request to the Administrator of this Court at Ottawa (telephone 613-992-4238) or at any local office.

IF YOU FAIL TO OPPOSE THIS APPLICATION, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

January __, 2023

Issued by: _____
(*Registry Officer*)

Address of local office:
180 Queen Street West
Toronto, ON M5V 3L6

TO: **THE ADMINISTRATOR**
Federal Court
180 Queen Street West, Suite 200
Toronto, ON M5V 3L6

AND TO: **THE ATTORNEY GENERAL OF CANADA**
(Service to be effected by filing duplicate copies in the Registry pursuant to Rule 133 of the *Federal Courts Rules* and section 48 of the *Federal Courts Act*)

AND TO: **THE COMMISSIONER OF PATENTS**
Canadian Intellectual Property Office
Place du Portage I
50 Victoria Street, Room C114
Gatineau, QC, Canada K1A 0C9
Konstantinos Georgaras, Commissioner of Patents

AND TO: **SYLVAIN FREDETTE**
111 County Road 19
Wendover, Ontario K0A 3K0

APPLICATION

This is an Application for Judicial Review pursuant to sections 18 and 18.1 of the *Federal Courts Act*, RSC 1985, c. F-7, as amended, of the decision of the Director of the Patent Policy and International Affairs Division (“**Director**”) of the Canadian Intellectual Property Office (“**CIPO**”), for and on behalf of the Commissioner of Patents (“**Commissioner**”) denying the Applicant’s request for reinstatement of Canadian Patent No. 2,690,767 (the “**767 Patent**”) which decision was received December 29, 2022 (the “**Decision**”).

THE APPLICANT ASKS for:

- (a) A Declaration that the Commissioner erred in requiring the Applicant to take “all possible actions” and both “reasonable and unreasonable” measures to meet the requirement of “due care” set out in s. 46(5)(b) of the *Patent Act*;
- (b) A Declaration that the Commissioner erred in failing to apply a standard of reasonableness in assessing “due care”- whether the Applicant took the measures that a reasonably prudent patent holder would have take;
- (c) A Declaration that the standard of “due care” applied by the Commissioner in the Decision is arbitrary and lacks procedural fairness as it was contrary to s. 46(5)(b) of the *Patent Act* and the standard set by the Commissioner in ss. 27.03.03 and .06 of the *Manual of Patent Office Practice*, the considerations described in paragraph 166M of the *Receiving Office Guidelines*, and the Commissioner’s advice and guidance to patent holders and their agents;
- (d) The Decision be set aside, quashed or otherwise declared to be null and void;
- (e) An Order directing the Commissioner to reinstate Canadian Patent No. 2,690,767;
- (f) In the alternative, an Order referring the matter back to the Commissioner for redetermination on proper principles; and
- (g) Such further and other relief as counsel may advise and the Court may permit.

THE GROUNDS OF APPLICATION are as follows:

A. Overview

1. The Applicant seeks judicial review of the Commissioner's Decision refusing to reinstate the 767 Patent after it was deemed abandoned for failure to pay an annual maintenance fee caused by an unforeseen breakdown in communication between the Applicant and his patent agent.
2. The Commissioner was unsatisfied that the failure to pay the maintenance fee by the prescribed date occurred in spite of the due care required by the circumstances having been taken, despite repeated communication efforts between the agent and the Applicant using methods that had worked, consistently and successfully, for over six years.
3. The Commissioner committed a number of errors in arriving at the Decision, including,
 - (a) holding that a patentee must take "all possible actions" and both "reasonable and unreasonable" measures to show "due care",
 - (b) failing to apply a standard of reasonableness in assessing "due care" contrary to s. 46(5) of the *Patent Act*, the *Manual of Patent Office Practice* ("**MOPOP**") and international law and standards, and
 - (c) acting in an arbitrary manner by failing to apply the Commissioner's own stated standard of "due care" in ss. 27.03.03 and .06 of MOPOP, the considerations described in paragraph 166M of the *Receiving Office Guidelines* ("**Guidelines**"), and the Commissioner's advice and guidance to patent holders and their agents.
4. This Court's intervention is required to correct the Commissioner's errors and reinstate the 767 Patent.

B. Background

(i) Patentee and Agent Relationship

5. The Applicant and the Respondent, Sylvain Fredette, are the owners of the 767 Patent. The Applicant (“**Patent Owner**”) appointed Moffat & Co. (“**Agent**”) as patent agent in respect of the filing, prosecution and maintenance of the 767 Patent and provided all instruction to the Agent on behalf of both owners of the 767 Patent.

6. The application of the 767 Patent was filed on January 21, 2010 and the patent issued on January 19, 2016.

7. In accordance with section 46(1) of the *Patent Act*, maintenance fees in respect of the 767 Patent were first required in 2012 and were due annually on or about January 20th of each year. The arrangement between the Patent Owner and Agent was such that the Agent was to pay maintenance fees for the 767 Patent on specific instruction from the Patent Owner to do so.

8. At all material times, the medium of communication between Patent Owner and Agent was e-mail. The Patent Owner’s e-mail address remained the same from 2012 to 2019, and indeed through to the present (“**Owner Contact**”).

9. From at least 2012 to mid-2019, the Agent sought instructions by sending correspondence to the Owner Contact. The Patent Owner consistently received the correspondence sent by the Agent to the Owner Contact and consistently sent instructions to the Agent from the Owner Contact, including instructions to pay the maintenance fees every year from 2012 through 2019.

10. From 2012 through 2019, the annual maintenance fees in respect of the 767 Patent were paid on or before the deadline.

(ii) 2020 Maintenance Fee

11. In accordance with the Agent’s usual practice, the Agent first sought instructions to pay the maintenance fees due on January 20, 2020 (the “**2020 Fee**”) by sending correspondence to the Owner Contact on September 18, 2019 (i.e., five months before the deadline).

12. As no response was received, multiple further communications were sent by the Agent to the Owner Contact seeking instructions concerning the 2020 Fee. No communications were returned to the Agent and no response was received by the Agent. As the necessary instruction was not received, the 2020 Fee was not paid.

13. On March 31, 2020, the Agent sent correspondence to the Owner Contact to advise that the deadline for correcting this non-payment via late fee was July 21, 2020. Two further communications were sent in advance of the late fee deadline. No communications were returned to the Agent and no response was received by the Agent. As the necessary instruction was not received, the late fee was not paid.

14. By letter dated September 21, 2020, CIPO advised the Agent that the 767 Patent was deemed expired for non-payment of maintenance fees (“**September Letter**”). The Agent forwarded this correspondence to the Owner Contact.

15. On October 29, 2020, the Patent Owner found the correspondence forwarding the September Letter in his “junk folder” and responded to the Agent. Unbeknownst to the Agent and to the Patent Owner, the Agent’s communications from mid-2019 onwards had been misdirected to the Patent Owner’s “junk folder”. No such issue had occurred previously.

16. The Patent Owner promptly instructed the Agent to seek reinstatement of the 767 Patent.

(iii) Reinstatement pursuant to s. 46(5) of the *Patent Act*

17. Pursuant to s. 46(5) of the *Patent Act*, patents that lapse for non-payment of maintenance fees may be reinstated if the Commissioner determines that the failure to pay the fees “occurred in spite of the due care required by the circumstances having been taken.”

18. MOPOP at s. 27.03.03 provides that when evaluating “due care” pursuant to s. 46(5) of the *Patent Act*, the Commissioner “will assess whether the patentee took all measures that a **reasonably** prudent patent holder would have taken” (emphasis added).

19. MOPOP further provides at s. 27.03.06, that in assessing due care, the Commissioner will have “regard to the considerations that are taken into account by the International Bureau and Receiving Offices as described in paragraph 166M of the Receiving Office Guidelines”.

20. In discussing the “due care” standard, paragraph 116M of the Guidelines provides, *inter alia*:

A prudent applicant acquires the requisite knowledge of the PCT system in order to be able to timely file a complete international application, and/or **appoints a competent agent to file on his behalf if the applicant lacks the requisite knowledge.**

Where the failure to timely file an international application was caused by technical difficulties (e.g. unexpected email delivery failure between the applicant and the agent), **both the applicant and the agent may have acted with “due care” if they can demonstrate that the system had worked reliably in the past and that the breakdown could not have been anticipated by either party.** [emphasis added]

(iv) Reinstatement Request

21. On November 16, 2020, the Agent made a request to the Commissioner for reinstatement of the 767 Patent pursuant to s.46(5) of the *Patent Act* and provided the requisite fees.

22. By letter dated August 3, 2021, the Manager of Patent Policy at CIPO, acting for and on behalf of the Commissioner, advised that the Commissioner intended to refuse the request to reinstate (“**Provisional Decision**”). The Patentee was invited to submit a response before a final decision was rendered.

23. By letter dated August 31, 2021, the Agent submitted responding arguments and additional information for the Commissioner’s consideration.

(v) Decision

24. By letter received on December 29, 2022, the Commissioner communicated the Decision refusing to reinstate the 767 Patent as the Commissioner found that the Patentee had not taken “the due care required by the circumstances”.

25. Contrary to s. 46(5) of the *Patent Act*, the guidance provided in MOPOP and the Guidelines, the Commissioner did not apply the standard of a reasonably prudent patent holder in

assessing due care in the Decision. Rather, the Commissioner improperly applied a much more stringent test, holding *inter alia*:

- (a) “Due care is generally understood to mean appropriate measures, reasonable or unreasonable”; and
- (b) “To show due care, it [Patentee] is expected to take “all possible actions” considering the circumstances of the case”.

26. Further, the Commissioner failed to consider that the Patent Owners are not sophisticated patentees; they are individuals who, in accordance with the guidance provided at paragraph 116M of the Guidelines, appointed the Agent as they themselves do not have knowledge of patent law, rules or practice.

27. Moreover, the Commissioner suggested that due care would only be met if the Agent and the Patent Owner **each** had systems in place to monitor and manage the Patent Owner’s patent affairs, including paying fees.

28. In particular, the Commissioner found that, if the patentee does not itself possess the requisite knowledge to monitor and manage its patent affairs, it ought to “engage an experienced third party [i.e., a third party in addition to the Agent]... to monitor or manage its patent affairs, including fulfilling elementary obligations such as the timely payment of annuities, otherwise that patentee will not be viewed as acting with due care.”

29. The Commissioner also declined to find that “due care” had been taken even though the breakdown in communication between the Agent and the Patent Owner in this case fell squarely within an example of “due care” provided in paragraph 116M of the Guidelines: their communication system had worked reliably for the previous 6 years and the subsequent breakdown could not have been reasonably anticipated by either of them.

30. The Commissioner thus made a number of errors and acted unreasonably in refusing to reinstate the 767 Patent including:

- (a) Failing to correctly interpret and apply s. 46(5) of the *Patent Act* in light of the wording of the provision, the statute as a whole, the aim and purpose of provision

and of patent maintenance fees generally, and international law, standards and norms;

- (b) Failing to apply a standard of reasonableness in assessing “due care”;
- (c) Failing to apply a standard of “reasonably prudent patent holder” as set by the Commissioner in ss. 27.03.03 and .06 of MOPOP;
- (d) Failing to apply a standard of “reasonably prudent patent holder” that accords with intentional law, standards and norms;
- (e) Wrongly imposing a standard of “due care” that requires a patentee to take “all possible actions” and both “reasonable and unreasonable”;
- (f) Wrongly imposing a standard of “due care” that requires a patentee to monitor or manage its patent affairs including the payment of fees independently from, and in addition to, any appointed agent; and
- (g) Acting in an arbitrary manner and contrary to the principles of procedural fairness by failing to apply the standard set by the Commissioner in ss. 27.03.03 and .06 of MOPOP, the considerations described in paragraph 166M of the Guidelines, and the Commissioner’s advice and guidance to patent holders and their agents.

31. The Applicant therefore requests the relief sought to correct the Commissioner’s errors and reinstate the 767 Patent.

32. The Applicant requests that this application be heard in Toronto.

THIS APPLICATION WILL BE SUPPORTED BY the following material:

- (a) Affidavit(s) to be sworn on behalf of the Applicant and all exhibits thereto;
- (b) Certified copies of materials to be furnished by the Commissioner of Patents in accordance with R. 318 of the *Federal Courts Rules*;

- (c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

THE APPLICANT REQUESTS that the Commissioner of Patents send a certified copy of the following material that is not in the possession of the applicant but is in the possession of the Commissioner of Patents to the Applicant and to the Registry:

- (a) Prosecution history for the 767 Patent;
- (b) All materials considered and created by the Commissioner, or by any person or entity acting for on behalf of the Commissioner including the Manager of Patent Policy and the Director of the Patent Policy and International Affairs Division, pertaining to the Decision; and
- (c) All communications, internal memoranda and written policies relating to the Commissioner's interpretation and application of "due care" and subsections 46(5)(b) and 73(3)(b) of the *Patent Act*.

DATED at Toronto, Ontario, this 27th day of January, 2023.



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