Supreme Court of Canada to hear 2 patent cases

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The Supreme Court of Canada recently granted leave to appeal in two patent cases. This is big news for patent nerds because it's been many years since the Court heard a patent case (except one or two pharmaceutical cases really about regulatory, not patent, issues).

The Supremes last dealt directly with patent law in the Pioneer Hi-Bred case in 1989 ([1989] 1 S.C.R. 1623). That case dealt with the somewhat exotic question of the patentability of life forms. The Court has not dealt with central patent issues such as claim construction since Consolboard Inc. v. MacMillan Bloedel, [1981] 1 S.C.R. 504, almost two decades ago.

It could be the Supreme Court, perhaps finally tiring of Charter cases, has decided to pay more attention to intellectual property. The Court also granted leave to hear a trade-mark case recently, the first in years. (But that case, United Artists Corp. v. Pink Panther Beauty Corp., 80 C.P.R. (3d) 247, now looks likely to settle.)

The two patent cases, Whirlpool Corp. v. Camco Inc., General Electric Company (1997), 76 C.P.R. (3d) 150, (affirmed, FCA No. A-630-97, unreported, January 22, 1999), and Free World Trust et al. v. Électro Santé Inc. et al. (1997), 81 C.P.R. (3d) 456 (Que. C.A.) will be heard together. Both are unremarkable, garden-variety patent cases about mechanical patents. Neither deals with sexy, high tech issues such as the patentability of genetically altered life-forms or software.

In Free World, the plaintiff patentee lost both at trial and on appeal. The case dealt with two patents concerning low-frequency electromagnetic fields that irradiate a part of the body for therapeutic purposes. At trial, the judge relied entirely on the defendant's expert, who said the alleged invention was obvious, and found the patents invalid. The Quebec Court of Appeal disagreed, finding that "simplicity can co-exist with novelty."

On the question of infringement, however, the Court of Appeal found a number of differences between the invention in the claims and the defendant's electro-magnetic system. "It is beyond dispute [the differences] would have a material effect of the functioning of the system." Therefore, the patent claims were not infringed, and the patentee was still out of luck.

In Whirlpool, on the other hand, the plaintiff patentee won both at trial and on appeal. The case involves washing machine "agitators", those things that slosh back and forth in the suds. One of the defences raised by the defendants was “double patenting” i.e. that the patented invention was not really different from an earlier expired patent, and therefore was not itself an “invention.”

The Federal Court of Appeal found the onus in establishing the invalidity of a patent to be a heavy one, and agreed with the trial judge that the defendants had not met it. Therefore, the patent was valid. As to infringement, the defendant’s agitator was a “virtual copy” of the plaintiff’s agitator. Both the trial and appeal court seemed to have no difficulty finding infringement.

Both cases have in common the workaday question that must be decided in any patent case: claim construction i.e. how should a court determine what the claims of a patent mean. Ron Dimock, who represented the defendant GE at trial and on appeal in Whirlpool, thinks that this is why the Court granted leave. "Claim construction has been dealt with by the Federal Court of Appeal quite a few times, and they've said various things. It looks as though the Supreme Court now wants to get into the area, possibly dealing, for example, with the Catnic test. Mr. Justice Binnie is on the Court now, who tried some patent cases as a counsel, and he's pretty familiar with patents," Dimock told me.

Catnic v. Hill, [1981] F.S.R. 60 was a decision of the English House of Lords. As incorporated into Canadian law in various decisions, it introduced the somewhat elastic doctrine of “purposive”, as opposed to literal, claim construction. It could be that the Catnic doctrine is what the Court has its eye on.

The Supreme Court intended originally that only one patent case would get leave to appeal. It granted leave to Free World first. The Court then granted leave to the Whirlpool case later this spring when it became clear that the respondent in Free World (i.e. the alleged infringer) was not going to appear. Granting leave to the Whirlpool case too ensured a respondent would be represented before the Court.

The cases will probably be heard in late 1999, possibly in November.