

Federal Court



Cour fédérale

Date: 20180319

Docket: T-568-17

Citation: 2018 FC 311

Ottawa, Ontario, March 19, 2018

PRESENT: The Honourable Mr. Justice Gleeson

BETWEEN:

COPPERHEAD INDUSTRIAL INC.

Applicant

and

THE ATTORNEY GENERAL OF CANADA

Respondent

and

CHANGER & DRESSER INC.

Intervener

JUDGMENT AND REASONS

I. Overview

[1] This is an application under section 52 of the *Patent Act*, RSC, 1985, c P-4 [Act] seeking to vary all entries in the Patent Office relating to the title of patents numbered 2,614,533 [533 patent] and 2,919,266 [266 patent].

[2] The applicant's legal corporate name is Copperhead Industrial Inc. [Copperhead]. The applicant was incorporated in Ontario in 2007. Its Ontario Corporation Number is 002152706.

[3] The applicant claims that the assignment agreement by which it acquired ownership of the 533 patent and all divisionals mistakenly identified Copperhead by its corporation number rather than its legal corporate name. The applicant now seeks to correct the patent records to reflect that Copperhead Industrial Inc., not 002152706 Ontario Ltd. or 002152706 Ontario Limited, owns the patents at issue.

[4] The Notice of Application also seeks to vary records relating to Divisional Patent Application No. 2,937,276. The variance of records in respect of the Divisional Patent Application was not pursued pursuant to section 52 of the Act and is not addressed in this judgment.

[5] The respondent does not oppose the application and did not appear at the hearing.

[6] By Order dated September 13, 2017 Prothonotary Martha Milczynski added Changer and Dresser Inc. as an intervener and authorized the intervener to file written submissions. By Order dated December 11, 2017 I granted the intervener permission to make oral submissions at the hearing of the application.

[7] Having reviewed the written submissions and having heard oral arguments, the application is granted for the reasons that follow.

II. Background

[8] The applicant's sole director, Giuseppe (Joseph) Ruggiero, has filed two affidavits in support of the application. Mr. Ruggiero states that until December 2016 he mistakenly believed that the applicant's legal corporate name was 002152706 Ontario Ltd., and that Copperhead was the applicant's trade name.

[9] The applicant is a distributor of "automotive manufacturing industry products." The patents at issue concern spot welding cap changers invented by a German resident named Werner Kaeseler. Patent 533 was expressly assigned to 002152706 Ontario Ltd. under a February 16, 2013 patent purchase agreement. The patent assignment was registered with the Patent Office and the Canadian Patents Database reflects "002152706 Ontario Ltd." as the owner of the 533 patent.

[10] Patent 266 is a divisional of patent 533. The Canadian Patents Database reflects "002152706 Ontario Limited" as the owner of the 266 patent.

[11] This application arises within the context of separate actions in this Court alleging the intervener, Charger & Dresser has infringed the 533 patent (Docket Number T-1202-16) and the 266 patent (Docket Number T-1817-16). The intervener asserts that 002152706 Ontario Ltd. is not a legal corporate entity, and thus all intellectual property rights in the patents remain with Mr. Kaeseler.

[12] Mr. Kaeseler has not provided evidence in this application. Mr. Ruggiero, in his April 12, 2017 affidavit, reported Mr. Kaeseler as being quite ill and unable to swear an affidavit in this proceeding. In a second affidavit sworn on July 21, 2017 Mr. Ruggiero attaches correspondence from Mr. Kaeseler's legal counsel advising that Mr. Kaeseler is seriously ill and on a ventilator. In a further affidavit sworn by Lori-Anne Deborba on December 14, 2017 the affiant states she had learned that Mr. Kaeseler died on September 15, 2017 and attaches a copy of his death certificate, in German, reflecting this fact.

III. Issues

[13] The applicant has identified a single issue for the Court's consideration; whether the Court should order all records of the Patent Office with respect to the ownership of the 533 patent and the 266 patent be varied to reflect Copperhead as the owner.

[14] The intervener generally agrees with the broad issue identified by the applicant but has taken the position that this broadly defined issue encompasses at least three narrower issues:

- A. In the absence of non-hearsay evidence from the inventor is the evidentiary record sufficient to allow the Court to vary the Patent Office records?
- B. If the Court allows the Patent Office records to be varied should the effective date of any variance be determined on this application?
- C. If the Court allows the Patent Office records to be varied and determines the effective date, what is the effective date of the variance?

[15] I have framed the issues as follows:

- A. Does the application fall within the Court’s jurisdiction?
- B. Should the Court order the records varied? and
- C. Is there a requirement to identify an effective date of variation?

IV. Analysis

[16] After the issuance of a patent, the Commissioner of Patents has no discretion to amend or address errors (*Micromass UK Ltd v Canada (Commissioner of Patents)* 2006 FC 117 at para 12 [*Micromass*]). Instead, section 52 of the Act gives the Federal Court jurisdiction “on the application of the Commissioner or of any other person interested, to order that any entry in the records of the Patent Office relating to the title to a patent be varied or expunged” (*Gray Manufacturing Company, Inc v Canada (Attorney General)*, 2016 FC 55 at para 8 [*Gray Manufacturing*], citing *Imperial Oil Resources Ltd v Canada (Attorney General)*, 2015 FC 1218 at para 12).

[17] The power provided by section 52 of the Act is broad and its purpose has been described by Justice Cameron in *Clopay Corporation and Canadian General Tower Limited v Metalix Limited* (1960), 34 CPR 232 at 235, 1960 CarswellNat 24 (WL) (Ex Ct), affirmed (1961), 39 CPR 23 (SCC) as being:

...to enable the rectification by the Court of the records in the Patent Office relating to title in order that the party or parties actually entitled to the grant, or to be registered as to the assignees of the patent, might have their rights properly recorded.

A. *Does the application fall within the Court's jurisdiction?*

[18] An application for an order to vary an entry in the Patent Office may arise in various circumstances including where by inadvertence or mistake an owner of the patent has not been listed. Such applications generally do not raise contested issues of ownership or contractual interpretation and the Court readily recognizes and assumes its jurisdiction pursuant to section 52 and adjudicates the application (*Gray Manufacturing* at para 19).

[19] The Court will be without jurisdiction under section 52 of the Act where the proceedings require the Court to determine proper ownership of a patent through the application and interpretation of contract law principles (*Salt Canada Inc v Baker*, 2016 FC 830 at para 20 citing *Lawther v 424470 BC Ltd* (1995), 95 FTR 81, 60 CPR (3d) 510 (TD)). However, the existence of a related dispute or a contested section 52 application does not, without more, serve as a basis to conclude a lack of jurisdiction. In such a circumstance jurisdiction rests with the Court where it is satisfied the issues relate primarily to patent law and parties having a potential interest have had notice (*Gray Manufacturing* at para 22). There is no suggestion that there are other potentially interested parties that have not had notice of this proceeding.

[20] The Court's jurisdiction to act under section 52 has not been directly raised in this application. However the intervener has made submissions in respect of the "effective date of an amended assignment," suggesting the Court's determination may result in a variation or amendment to a contract.

[21] I have carefully considered whether the application or interpretation of the provincial law of contract arises in this case. I am satisfied it does not: there is no question of contested ownership (*Imperial Oil Resources Ltd and Exxonmobil Upstream Research Co v Attorney General of Canada*, 2015 FC 1218 at para 18). The issues raised do not involve an interpretation of the assignment agreement. Rather, the Court must decide whether there is sufficient evidence to conclude that as the result of mistake or inadvertence the owner of the 533 and 266 patents has not been correctly identified in the Patent Office records. This is an issue that is properly before me pursuant to section 52.

B. *Should the Court order the records varied?*

[22] The intervener submits that non-hearsay evidence from relevant inventors and assignors is required in order to succeed in a section 52 application. The intervener relies on a number of decisions of this Court to support this position (*Gray Manufacturing; Qualcomm Incorporated v Canada (Commissioner of Patents)*, 2016 FC 1092; *Imperial Oil Resources Ltd v Canada (Attorney General)*, 2015 FC 1218; *Dr Falk Pharma GmbH v Canada (Commissioner of Patents)*, 2014 FC 1117; *Segatoys Co Ltd v Canada (Attorney General)*, 2013 FC 98 [*Segatoys*]; and *Micromass*). The intervener submits that this “evidentiary standard” has not been met in this case as the only evidence to support the application is from Mr. Ruggiero. Mr. Ruggiero is the sole director and president of Copperhead, he is not the assignor of the patent, and he has provided only hearsay evidence in respect of Mr. Kaeseler’s intentions at the time of the assignment. The intervener argues that allowing the application will set a dangerous precedent by lowering the evidentiary bar, interested parties could vary patent records without an the inventor’s knowledge.

[23] I have reviewed each of the cases the intervener relies upon and acknowledge that affidavit evidence from all interested parties is commonly provided, and is of assistance to the Court. However, I am unable to conclude that the jurisprudence establishes this as an evidentiary standard that an applicant must meet.

[24] In *Segatoys* one of two inventors to be removed from patent records could not be located. This situation did not prevent the court from finding the uncontradicted evidence of other affiants to be sufficient in granting the relief sought. In *Qualcomm Inc v Canada (Commissioner of Patents)*, 2016 FC 499, Justice Sandra Simpson held at para 11 that affidavit evidence of all parties was not required in a section 52 application where the court was otherwise satisfied that the relief should be granted.

[25] I also do not accept the intervener's view that granting the application in this case lowers the evidentiary bar or invites mischief. That argument is speculative and assumes the Court will rubber stamp applications without a probing examination of the evidence.

[26] Having concluded that affidavit evidence is not required from all inventors and assignors in a section 52 application I must now consider whether the evidence satisfies me that the records of the Patent Office should be varied to reflect Copperhead as the owner of the 533 patent and the 266 patent.

[27] Mr. Ruggiero's evidence as it relates to: (1) Copperhead's business relationship with Mr. Kaeseler; and (2) the entry into the Patent Purchase Agreement, satisfies me that Copperhead is an interested party for the purposes of section 52 of the Act.

[28] Mr Ruggiero's evidence is to the effect that Copperhead was identified by its corporate record number as a result of a misunderstanding on his part. The applicant's Corporation Profile Report produced by Ontario's Ministry of Government Services clearly establishes the link between the corporate number and Copperhead, and shows Mr. Ruggiero's role as the sole owner, director and president of Copperhead. Mr. Ruggiero has also provided evidence of other contractual documentation where Copperhead has been described by its corporation number and not its legal name due to his misunderstanding.

[29] There is also evidence of a payment from Copperhead to REU Schweibtechnik GmbH in amounts that accord with the terms of the purchase agreement. The intervener dismisses this evidence on the basis that the amounts were not paid to Mr. Kaeseler. Although the payment evidence alone does not establish Copperhead's purchase of the patents from Mr. Kaeseler, it is corroborative of the remainder of Mr. Ruggiero's evidence in respect of his misunderstanding and that the patents in issue were assigned to Copperhead.

[30] The absence of affidavit evidence from the other party to the assignment agreement, Mr. Kaeseler, has been explained by Mr. Ruggiero and in the affidavit of Lori-Anne Deborb. While the intervener takes issue with the quality of the evidence the applicant has placed before the Court in this regard, it has not questioned either the reliability or accuracy of that evidence.

[31] In considering the assignment agreement, evidence of intent, such as that provided by Mr. Ruggiero or sought from Mr. Kaeseler, is not required. When viewed in light of the applicant's corporate profile report, the explanation for the error and the evidence that Copperhead had been misidentified in other situations by its corporation number, I am satisfied that the assignment agreement demonstrates that Copperhead was the assignee of the 533 patent and the 266 patent. I need not address the intervener's arguments in respect of hearsay and the application of Rule 81 of the *Federal Courts Rules*, SOR/98-106.

[32] The intervener has submitted that the corporate number in the assignment agreement may have been a reference to another corporate entity. The assignment agreement includes reference to the applicant's corporation number, jurisdiction of incorporation, and corporate address, and was signed by the applicant's director. This is entirely consistent with Mr. Ruggiero's claim that he made an honest mistake about his corporation's legal name, and there is no evidence that any other party is the true assignee. That Copperhead was identified by its corporate number instead of its legal names does not deprive Copperhead of the right to be identified as the owner of the patents in issue.

[33] Mr. Ruggiero has explained the circumstances surrounding the error. The intervener has not argued that Mr. Kaeseler's evidence was relevant to an assessment of the corporate documents or to Mr. Ruggiero's mistaken understanding relating to Copperhead's legal name. It was Mr. Ruggiero's misunderstanding that led to a mistaken entry in the Patent Office records. Those entries are to be varied to accurately reflect Copperhead as the owner of the 533 patent and the 266 patent.

C. *Is there a requirement to identify an effective date of variation?*

[34] The intervener submits that in varying the Patent Office records an effective date of variation is required. I disagree. The intervener has not identified any authority that requires or provides for the identification of an effective date where records are expunged or varied pursuant to section 52.

[35] The effect of an order pursuant to section 52 is the correction of an inadvertent error or mistake. The intervener, in seeking an order establishing an effective date for the order to vary appears to conflate issues relating to the interpretation and enforceability of an assignment agreement with the purpose of section 52 of the Act. An order under section 52 of the Act alone does not alter the effective date of a Patent Purchase Agreement or Patent Assignment Agreement or other underlying contractual documents and there is no requirement to identify an effective date for an order to vary or expunge.

V. Conclusion

[36] I am satisfied that as the intended owner of the patents in issue the applicant is an interested party, and has presented sufficient evidence to satisfy the Court that the relief sought should be granted. An order to vary the records of the Patent Office under section 52 of the Act alone does not alter the effective date of a Patent Purchase Agreement or Patent Assignment Agreement nor has it been demonstrated that an order to vary will prejudice the ability of the intervener to address any substantive issues that may arise in the related litigation. The

misidentification of the legal owner of the patent was the result of an honest misunderstanding on the part of the applicant and shall be corrected.

[37] The applicant seeks costs in the amount of \$5,323.02. The need for this application arose from the applicant's misunderstanding and error. It was unopposed by the respondent. The intervener advanced submissions that were of value to the Court in light of the related and ongoing infringement proceeding, issues that otherwise would not have been addressed. In the circumstances and despite my conclusion that the applicant is to succeed on this application, costs are not warranted.

JUDGMENT

THIS COURT'S JUDGMENT is that:

1. The application is granted.
2. The Commissioner of Patents shall vary all entries in the records of the Patent Office with respect to the ownership of Canadian Patent No. 2,614,533, filed July 19, 2006 and issued April 12, 2016 to show Copperhead Industrial Inc. as owner.
3. The Commissioner of Patents shall vary all entries in the records of the Patent Office with respect to the ownership of Canadian Patent No. 2,919,266 filed July 19, 2006 and issued September 20, 2016 to show Copperhead Industrial Inc. as owner.
4. No costs are awarded.

"Patrick Gleeson"

Judge

FEDERAL COURT
SOLICITORS OF RECORD

DOCKET: T-568-17

STYLE OF CAUSE: COPPERHEAD INDUSTRIAL INC. v ATTORNEY
GENERAL OF CANADA AND CHANGER AND
DRESSER INC.

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JUDGMENT AND REASONS: GLEESON J.

DATED: MARCH 19, 2018

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