Date: 20070815

Docket: T-262-06

Citation: 2007 FC 843

Ottawa, Ontario, August 15, 2007

PRESENT: The Honourable Madam Justice Hansen

BETWEEN:

GENENCOR INTERNATIONAL, INC.

Appellant

and

COMMISSIONER OF PATENTS and ATTORNEY GENERAL OF CANADA

Respondents

and

NOVOZYMES A/S

Proposed Intervener

REASONS FOR ORDER AND ORDER

[1] Novozymes A/S (Novozymes) appeals from a decision of Prothonotary Tabib dismissing its application for leave to intervene in these proceedings.

[2] Genencor International, Inc. (Genencor) is the owner of Canadian Patent 2,093,422 (’422 Patent). Novozymes’ request for a re-examination of all claims of the ’422 Patent pursuant to section 48.1 of the *Patent Act*, R.S.C. 1985, c. P-4 (Act) ultimately resulted in the Re-examination Board (Board) concluding that all of the claims of the ’422 Patent were anticipated by Canadian patent application 2,082,279 (Rasmussen) owned by Novozymes and tendered as prior art.

[3] Genencor appealed the decision of the Board to this Court naming the Commissioner of Patents as the sole Respondent. Novozymes brought a motion to be named as a party Respondent, or, in the alternative, that it be named as an intervener in the proceedings. By order of a Prothonotary, Novozymes was added as a party Respondent. This decision was overturned on appeal with leave granted to Novozymes to reapply for intervener status. The Federal Court of Appeal upheld this latter decision.

[4] In dismissing the appeal, the Court of Appeal explained that the re-examination procedure provided in sections 48.1 to 48.5 of the Act is a two-stage process and that the same parties are not involved in both stages. At the second stage, only the patentee is given notice of the Board’s determination that a substantial new question of patentability is raised, is entitled to make submissions, and has a right of appeal from the Board’s decision. The requester is not a party to the second stage of the process.

[5] Pursuant to the leave granted by this Court, Novozymes applied for leave to intervene in this proceeding. Prothonotary Tabib dismissed the motion. Novozymes now appeals from this decision.

[6] The standard of review applicable to a prothonotary's discretionary order is well established. The order should not be disturbed unless it is based on a misapprehension of the facts or a wrong principle or if the questions raised in the motion are vital to the final issue in the proceeding (*Merck & Co. v. Apotex Inc.*, 2003 FCA 488 at para. 19). Although Novozymes did not address the question of the appropriate standard of review, it did not take issue with Genencor's submission that the grant of intervener status was not a question vital to the final issue in the case.

[7] Novozymes submits that the Prothonotary's decision is underpinned by her finding that since Novozymes did not have standing on Genencor's appeal it should not have standing as an intervener.

[8] Novozymes maintains the jurisprudence establishes that the central focus of the analysis is whether the participation of the proposed intervener will assist the Court in resolving the dispute. Despite having recognized and acknowledged that the participation of Novozymes would assist the Court in determining the merits of Genencor's appeal, the Prothonotary nonetheless dismissed the motion on the basis that the Court could decide the appeal without the active participation of a party defending the Board's decision.

[9] Further, in reaching the conclusion that Novozymes should not be granted intervener status, the Prothonotary misconstrued and misapplied the factors relevant to the analysis identified in the jurisprudence.

[10] Novozymes argues that Prothonotary Tabib erred by failing to recognize that its legal rights and interests would be affected by the construction of the ’422 Patent claims and, potentially, the Rasmussen claims within the context of Genencor’s appeal on its merits. Since claims construction is a question of law, any construction of the ’422 Patent claims or those of Rasmussen adopted by the Court on the Genencor appeal, would be viewed as conclusive in any later proceeding in which Novozymes may be involved.

[11] Novozymes submits that the Prothonotary erred in finding that it was both reasonable and efficient for a fresh proceeding to be commenced to address a question already before the Court. That is, Novozymes could institute an impeachment action to invalidate the ’422 Patent.

[12] Novozymes submits that Prothonotary Tabib erred in law by finding that the Commissioner was the appropriate party to oppose Genencor’s appeal on the merits, to defend the decision of the Board, and to adequately defend the position of the proposed intervener.

[13] As well, having found that there is no public interest at stake in Genencor's appeal and that the appeal relates only to private economic interests, the Prothonotary erroneously concluded that Novozymes' participation would not assist the Court in Genencor's appeal.

[14] In my opinion, Novozymes has grounded certain of its arguments on a misinterpretation or misstatement of the Prothonotary's reasons. Contrary to Novozymes' submission, the Prothonotary did not find that since Novozymes did not have party status it should not be granted intervener status.

[15] On the motion before the Prothonotary, Novozymes premised its argument on its contention that the re-examination provisions of the Act provide a summary procedure for third parties to seek revocation of some or of all of the claims of a patent similar to the summary expungment procedure found in section 45 of the *Trade-marks Act*, R.S.C. 1985, c. T-13. Based on the Court of Appeal's reasons in relation to Novozymes' standing as a party, the Prothonotary rejected Novozymes' characterization of the re-examination provisions. In particular, given that third parties did not have a role beyond the first stage in the re-examination procedure, she concluded that Parliament did not intend to give third parties a summary process to directly challenge a patent. The Prothonotary went on to consider the factors identified in the jurisprudence to determine whether Novozymes should be granted leave intervene in the proceedings.

[16] Further, contrary to Novozymes' assertion, the Prothonotary did not find that the presence of Novozymes would assist the Court in deciding the merits of the appeal. Instead, the Prothonotary

observed that an active respondent would make the Court's work easier but that it was not necessary for the Court to fulfill its role in the matter.

[17] As noted earlier, Novozymes argues that the Prothonotary erred in finding that Novozymes' interest was only economic and that it did not have a legal interest. First, with respect to the consequences to Novozymes flowing from a construction of the '422 Patent claims on the appeal of the re-examination decision, it remains open whether in these circumstances the principle of judicial comity would be applicable in subsequent proceedings in which the construction of the '422 Patent claims would arise. However, even if it did apply, such a construction would have general application and would not be limited to Novozymes.

[18] Second, Novozymes' submission that a construction of the Rasmussen claims within Genencor's appeal will directly affect its legal interest is also flawed. On appeal, the Court will have to determine whether the Board erred in concluding that the '422 Patent claims are anticipated by the Rasmussen application. Given the nature of the question, I am not persuaded that it will be necessary for the Court to engage in a construction of the Rasmussen claims. Instead, the Court will have to consider what the Rasmussen application discloses as a piece of prior art.

[19] As to Novozymes' assertion that the Prothonotary erred in relation to the factor as to whether there is a lack of any other reasonable or efficient means of submitting the question to the Court, Novozymes frames the question as the correctness of the Board's decision to revoke the '422 Patent. Novozymes argues that there is no other avenue to determine the "correctness" of this

decision. Alternatively, Novozymes argues that if the "question before the Court" is framed as whether the '422 Patent is anticipated by Rasmussen, then the Prothonotary's finding that it would be both reasonable and efficient for a fresh proceeding to be commenced to address the identical issue already before the Court runs contrary to the principle that a multiplicity of proceedings should be discouraged.

[20] I accept the submission that there is no other means to review the Board's decision other than by way of the statutory appeal. However, for the purpose of resolving whether intervener status ought to be granted, the "question before the Court" is whether the '422 Patent claims are anticipated by Rasmussen. The Prothonotary found that in terms of Novozymes' interest in the patentability of the claims, an impeachment action under section 60 of the Act was the appropriate vehicle to submit the same question to the Court. I agree. In my view, taking Novozymes' argument to its logical conclusion would in effect create a summary impeachment procedure through the re-examination process. As Prothonotary Tabib concluded, this was not Parliament's intent when the re-examination provisions were enacted.

[21] As to Novozymes argument concerning the role of the Commissioner of Patents in Genencor's appeal, on my reading of the Prothonotary's reasons she did not find that the Commissioner was best placed to defend the decision on its merits. In fact, the Prothonotary observed that the Commissioner quite properly did not intend to defend the substantive issue on its merits. In terms of a potential dispute with respect to the completeness of the record on appeal, the

Prothonotary noted that the Commissioner is in the best position to ensure that a complete and accurate record is before the Court on the appeal in the event a dispute should arise.

[22] Regarding the argument that there is no other party in a position to defend Novozymes' position, it follows from the earlier discussion regarding the nature of Novozymes' interest that Novozymes does not have a legal interest requiring representation in the proceedings.

[23] Turning to the last argument advanced, Novozymes submits that the Prothonotary erroneously concluded that the interests of justice would be better served without the presence of a "counterweight" to the position advanced by Genencor. As to the role of the Attorney General of Canada, Novozymes takes the position that the Attorney General may be reluctant to participate in a proceeding where he is defending the private interests of one party over those of another particularly in the absence of a public interest issue. On this latter point, at the present time there is nothing before the Court to support this view.

[24] With regard to whether the interests of justice would be better served by the intervention of the third party, the only argument advanced before the Prothonotary by Novozymes centres on the difficulties for a judge on appeal when no party appears to defend its merits. As the Prothonotary pointed out, while the participation of an active respondent may make the task easier, this alone does not justify the granting of intervener status.

[25] For these reasons, I conclude that Prothonotary Tabib's decision was not based on a misapprehension of the facts or a wrong principle. Accordingly, the appeal is dismissed with costs to Genencor.

ORDER

THIS COURT ORDERS that: the appeal is dismissed with costs payable by Novozymes to Genencor.

"Dolores M. Hansen"
Judge

FEDERAL COURT

SOLICITORS OF RECORD

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APPEARANCES:

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