Federal Court		Cour fédérale

Date: 20091021

Docket: T-166-09

Citation: 2009 FC 1068

Toronto, Ontario, October 21, 2009

PRESENT: The Honourable Madam Justice Tremblay-Lamer

BETWEEN:

SCANNEX TECHNOLOGIES, LLC

Applicant

and

ATTORNEY GENERAL OF CANADA

Respondent

REASONS FOR JUDGMENT AND JUDGMENT

[1] This is an application pursuant Section 18 of the *Federal Courts Act* and Rule 300(a) of the *Federal Courts Rules*, for judicial review of a decision dated January 5, by the Commissioner of Patents refusing to substitute incorrect figures submitted by Scannex Technologies LLC (the "Applicant") in support of its Canadian Patent application Serial No. 2,373,253 (the "Patent Application") pursuant to s.8 of the *Patent Act*, R.S.C. 1985, c. P-4.

PRELIMINARY MATTER

[2] By letter dated October 15, 2009, the Applicant informed the Court that, without having even asked for leave of the Court or consent of the Respondent, he would not appear at the oral hearing scheduled on October 20, 2009, relying solely on his Application Record.

[3] Consequently, the Court proceeded with the oral hearing with the Respondent, and gave little weight the Applicant's written representations.

BACKGROUND FACTS

[4] The Applicant filed a U.S. patent application, serial number 09/311,442, entitled "Non-Destructive Testing of Hidden Flaws" (the "US Application") on May 14, 1999. The Applicant filed a set of figures with the US Application. The US Application was successful and a patent was issued.

[5] The Applicant filed a corresponding international patent application ("PCT Application"), PCT/US00/12780 on May 10, 2000. A set of figures was also filed with this application, but the figures were not the same as those filed with the US Application and were thus incorrect.

[6] That PCT Application then entered national phase in Canada, becoming the Patent Application. The figures filed with the Patent Application were thus also incorrect.

[7] On November 28, 2006, a Canadian Examiner's Report advised the Applicant that figures filed with the Patent Application were incorrect.

[8] In response, the Applicant requested the Commissioner to replace the incorrect figures filed with the Patent Application with correct figures, pursuant to s. 8 of the *Patent Act*, which provides that:

8. Clerical errors in any instrument of record in the Patent Office do not invalidate the instrument, but they may be corrected under the authority of the Commissioner.	**8.** Un document en dépôt au Bureau des brevets n'est pas invalide en raison d'erreurs d'écriture; elles peuvent être corrigées sous l'autorité du commissaire.

[9] The Applicant submitted an affidavit stating that incorrect figures were filed with the PCT Application and thus the Patent Application due to an unintentional error of a clerk of the Applicant's agent in the United States. The Applicant also filed a certified copy of the US Application, which contained the correct figures.

DECISION UNDER REVIEW

[10] In a letter dated January 5, 2009, the Commissioner refused to make the substitution requested by the Applicant. The Commissioner took the position that "the type of error envisaged by section 8 [of the *Patent Act*] clearly imparts a mistake by a clerk or subordinate in the mechanical process of typewriting or transcribing a document but does not extend to the inherent duties and responsibilities of an agent involved in the prosecution of patent applications."

[11] According to the Commissioner, the submission of correct figures is one of the "inherent duties and responsibilities" of an applicant, and the Commissioner has no power to rectify a submission of incorrect figures.

ISSUES

[12] This application raises the following issues:

1) What is or are the appropriate standard(s) of review?

2) Does the Commissioners' decision contain a reviewable error?

ANALYSIS

1) *What is or are the appropriate standard(s) of review?*

[13] The discretion granted by Parliament to the Commissioner to amend patent applications pursuant to Section 8 of the *Patent Act* is limited to correcting "clerical errors." The definition of "clerical error" applied by the Commissioner in this case was articulated in *Bayer*, and recently approved by the Federal Court of Appeal in *Apotex Inc. v. ADIR*, 2009 FCA 222 at par. 124.

[14] However, somewhat different approaches have been taken by this Court to determine the appropriate standard of review of a Commissioner's decision to accept or deny an applicant's request to correct an alleged clerical error.

[15] One approach, described by Justice Roger Hughes in *Pason Systems Corp. v. Canada (Commissioner of Patents)*, 2006 FC 753, [2007] 2 F.C.R. 269 at par. 21, requires the reviewing

court, first, to review the Commissioner's determination whether there has been a "clerical error"; and second, if the Commissioner concluded that there has indeed been a "clerical error", to review the Commissioner's decision to correct it or not. Endorsing this approach in *Laboratoires Servier v. Apotex Inc*., 2008 FC 825, 67 C.P.R. (4th) 241 Justice Judith Snider concluded, at par. 205, "that the appropriate standard of review with respect to both steps of a s. 8 decision is reasonableness." She also agreed with Hughes' J. finding in *Pason*, *supra*, at par. 21, that "[t]he determination of what constitutes a clerical error is highly factual."

[16] On this approach, the determination whether the amendment sought by an applicant is a "clerical error" involves a single step, based on a "you know it when you see it" understanding of the term "clerical error."

[17] A second approach was adopted by Justice Robert Barnes in *Procter & Gamble Co. v. Canada (Commissioner of Patents)*, 2006 FC 976, [2007] 2 F.C.R. 542. In that case, the Commissioner refused to make the requested amendments, finding that he lacked jurisdiction to do so because the error that the applicant sought to correct was not a "clerical error." Barnes J. held, at par. 19, that "the question decided by the Commissioner involved a legal interpretation which was determinative of his authority under section 8 of the Act. It was also not a question at the core of any special expertise or which raised a number of competing policy considerations. In such cases, correctness is inevitably the appropriate standard of review."

[18] On this approach, the determination whether the amendment being sought is a clerical error involves two steps: first, a legal decision, namely the interpretation of the statutory term "clerical error**;**" and second, a factual finding whether the error at issue in a case is or is not a "clerical error" within the meaning of the *Patent Act*.

[19] The *Bayer* case, on which the Commissioner relies, can itself be seen as a precursor of the two-step approach, dealing as it did almost exclusively with the definition of the term "clerical error."

[20] In *Dow Chemical Co. v. Canada (Attorney General)*, 2007 FC 1236, 63 C.P.R. (4th) 89, Barnes J. had to review a decision of the Commissioner rejecting a request for a rectification of an alleged "clerical error." Incidentally, the facts of that case were similar to the present one: due to a mistake of the applicant's U.S. patent agent, nine pages of its U.S. patent application had not been inserted into the Canadian patent application for the same invention. The Commissioner found that the omission of nine pages goes beyond what is contemplated by the concept of "clerical error" as interpreted in *Bayer*, *supra*, and that even if it does not, it was a case where he would refuse to exercise his discretionary authority to correct a "clerical error." Barnes J. wrote, at par. 12 of his decision, that:

> [t]here are, of course, cases where the issue presented on judicial review is nominally one of mixed fact and law but where the legal issue can be isolated from the facts surrounding it. Where a legal issue can be segregated in this way from the evidence and where the decision-maker has incorrectly identified the legal principle or standard required to be applied to the relevant evidence, the standard of review will usually be correctness … However, in cases where fact and law are truly mixed, the deference owed to the decision-

> maker will usually be assessed at least against the standard of reasonableness.

[21] According to Barnes J., the *Procter & Gamble* case fell in the first category – the legal issue in it stood alone and could be reviewed on a correctness standard. The *Dow Chemical* case was one where fact and law were inextricably mixed. Barnes J. upheld the Commissioner's decision because he found that the Commissioner's exercise of discretion not to correct a clerical error even if there was one was not unreasonable.

[22] In light of this jurisprudence, I am of the view that at least in cases where the understanding of the term "clerical error" is contested, as it is by the Applicant in the present case, the reviewing court will need to examine the definition applied by the Commissioner. The interpretation of s. 8 of the *Patent Act* is a legal question, and the applicable standard of review is, accordingly, correctness, as Barnes J. held in *Procter & Gamble*. If the Commissioner used the correct definition, its application to the facts of a case is a question of mixed fact and law, and therefore reviewable on the standard of reasonableness.

2) Does the Commissioner's decision contain a reviewable error?

[23] I recognize that the continued association of the term "clerical error" with the act of (type)writing is increasingly anachronistic. As Barnes J. observed in *Dow Chemical*, at par. 28, "in an age where documents are produced and edited by computer, simple keyboarding or other transcription mistakes can cause seemingly disproportionate effects." However, the jurisprudence is

consistent and does not extend the definition beyond errors that Snider J. described, in *Servier*, *supra*, at par. 215, as "mechanical in nature and made without thought."

[24] Such an understanding of section 8 the *Patent Act* is reinforced by that provision's French text, in which the term corresponding to "clerical error" is "erreur d'écriture."

[25] The French text of the *Interpretation Act*, R.S.C. 1985, c. I-21, s.35, defines "écrit," as "[*m*]*ots pouvant être lus, quel que soit leur mode de présentation ou de reproduction*, notamment impression, dactylographie, peinture, gravure, lithographie ou photographie." [Emphasis mine] While the examples provided with the definition are rather old-fashioned, it extends to reproduction of words, irrespective of the technology used for such reproduction. As for *Le Petit Robert de la langue française*, it states that "écrit" has a meaning of "tracé par l'écriture." An "erreur d'écriture" is, then, an error in the reproduction of words – whether an omission of a word, a misspelling, an addition of a word, or another similar mistake – irrespective of the technology used to reproduce them.

[26] Reading Snider's J. definition of a "clerical error" in light of the foregoing discussion of the terms "erreur d'écriture," it is well settled that s. 8 of the *Patent Act* contemplates errors that occur in the course of "mechanical" writing out or reproduction of a text, irrespective of the technology used for this purpose.

[27] In effect, this definition is an updated version of the one formulated by Justice Mahoney in *Bayer*, though without reference to any specific technology. As the difference between the two is not significant in the circumstances of this case, I conclude that the Commissioner did not err in law by applying the *Bayer* definition.

[28] I realize that, on the one hand it may be that this definition is still too narrow in light of the amount and nature of the clerical work being done electronically in contemporary business practice, and of the potential for inadvertent mistakes in the course of this work.

[29] However, on the other hand, as the Federal Court of Appeal explained in *Bristol-Myers Squibb Co. v. Canada (Commissioner of Patents)*, [1998] 229 N.R. 217, 82 C.P.R. (3d) 192 (F.C.A.) [*Bristol-Myers*], at par. 25, a patent application is a public document, on which third parties may rely, which explains why Parliament limited the Commissioner's discretion retroactively to correct documents submitted with such an application. Any re-balancing of these considerations would be Parliament's to undertake.

[30] Thus**,** it is clear that the error that led to the filing of incorrect figures with the Applicant's Patent Application was not a "clerical error" within the admittedly narrow meaning of the *Patent Act*. The Commissioner's determination was not unreasonable.

[31] For these reasons, the application for judicial review of the decision is dismissed. Considering the time and effort put by the Respondent on this judicial review and the fact that the

Applicant chose at the last minute not to appear at the oral hearing**,** the Court exercising its discretion**,** grants costs to the Respondent payable forthwith, in the amount of $2,159.01, as set out in the Bill of Costs filed by the Respondent.

JUDGMENT

THIS COURT ORDERS that the application for judicial review be dismissed, with costs of $2,159.01 to the Respondent.

"Danièle Tremblay-Lamer"
Judge

FEDERAL COURT

SOLICITORS OF RECORD

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APPEARANCES:

No appearance	FOR THE APPLICANT
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