

Patentability Requirements

Jennifer Jannuska, Protein Industries Canada; Updated by Practical Guidance Lawyer Team

Go to: Overview | Subject Matter for a Patent | Novelty | Non-Obviousness (Inventiveness) | Utility

Maintained

This practice note outlines the requirements for patentability in Canada and provides a summary of novelty, inventiveness, utility and subject matter criteria. In particular, this practice note examines Canadian law as it relates to requirements for patentability. Relevant terms such as filing dates and claim dates, as well as the applicable grace periods for disclosure are also discussed. Where applicable, this practice note examines the relevant provisions of the *Patent Act*, R.S.C. 1985, c. P-4, as well as principles derived from case law.

For information on patentability requirements, see the practice note: Patentability of Computer-Implemented Inventions: Computer Software and Business Methods. For information on patent law in general, see the practice notes: Patent Fundamentals, Patent Fundamentals: Training Presentation, Patent Application Drafting and Patent Ownership and Employment Issues. For information on patent filing, prosecution or post-grant issues, see the practice notes: Patent Filing and Prosecution and Post-grant Procedures and Issues: Patents. For information on patent infringement, see the practice notes: Patent Infringement Analysis, and Patent Infringement Action Commencement. For a sample patent application, see the precedent: Patent Application (Sample).

Overview

In order to be patentable, in addition to meeting basic subject matter criteria, an invention must be

- novel (or new);
- non-obvious (or inventive); and
- useful.

Each of these criteria is discussed in more detail below.

Subject Matter for a Patent

Section 2 of the *Patent Act* defines an invention as:

2. Definitions — ... any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter.

There is only one statutory exception to patentable subject matter. Section 27(8) of the *Patent Act* provides that "no patent shall be granted for any mere scientific principle or abstract theorem".

The Supreme Court of Canada has said that the Commissioner has no discretion to exclude categories of subject matter from patentability (see: *Harvard College v. Canada (Commissioner of Patents)*, [2002] S.C.J. No. 77 at 46 ("*Harvard College*")):

Section 40 of the Patent Act does not give the Commissioner discretion to refuse a patent on the basis of public policy considerations independent of any express provision in the Act.

Some categories of subject matter have been excluded from patentability by the courts, such as

- higher life forms (*Harvard College*); and

Patentability Requirements

- methods of medical treatment (see: *Tennessee Eastman Co., a division of Eastman Kodak Co. v. Canada (Commissioner of Patents)*, [1972] S.C.J. No. 112 (S.C.C.)), but not diagnostic methods (see: *Application for Patent of Goldenberg*, 1988 LNCPAT 5).

The Federal Court of Appeal has expressly said that business methods are not excluded subject matter. According to Sharlow J.A., the Commissioner is to have "a mind open to the possibility that a novel business method may be an essential element of a valid patent claim" (see: *Canada (Attorney General) v. Amazon.com, Inc.*, [2011] F.C.J. No. 1621 at para. 63 (C.A.)).

In order to assess patentable subject matter in a claimed invention, the claims are to be analyzed using a "purposive construction", that is, the identification of which elements of the claims would be considered "essential" to those skilled in the art. Based on this purposive construction, a determination is to be made whether the claim qualifies as one of the categories as outlined in s. 2 of the *Patent Act*, namely an art, process, machine, manufacture or composition of matter, or improvements thereof.

This is an area that is evolving in Canadian law, and the examination of applications has not been uniformly consistent with the above case law. The Canadian Intellectual Property Office ("CIPO") has applied (and in some cases may still apply) a problem-solution approach to construction to evaluate patentable subject-matter. This approach (which had the effect of ignoring portions of a claim rather than treating it as a whole) has been rejected by the Federal Court (see *Choueifaty v. Canada (Attorney General)*, [2020] F.C.J. No. 874 (F.C.)), see also: *Benjamin Moore v. Canada (Attorney General)*, [2022] F.C.J. No. 977 (C.J.)). Updated CIPO guidance has been released following the Choueifaty decision (see: Patentable Subject-Matter under the Patent Act), emphasizing the need for purposive construction in this analysis).

Novelty

In order to be patentable, an invention must be "new". It cannot have been previously made available to the public. Information previously available to the public is referred to as "prior art". Applicable prior art for novelty purposes is defined in s. 28.2 of the *Patent Act* as

- information made available to the public by the applicant (or someone who derived knowledge from the applicant) more than a year before the filing date (or before the claim date if that is earlier);
- information made available by someone other than the applicant before the claim date; and
- information made available in a co-pending Canadian patent application.

In order to be novel, the invention must not have been disclosed and enabled by any single piece of prior art that is citable under one of the above categories. The leading case on novelty in Canada is *Apotex Inc. v. Sanofi-Synthelabo Canada Inc.*, [2008] S.C.J. No. 63 (S.C.C.) ("*Sanofi*"). Disclosure means that the prior art discloses all aspects of the claimed invention. A disclosure is enabling if the skilled person of the art is able to work the invention. While routine trials are acceptable, no inventive steps are permitted.

Note that under the first prong of the citability framework above, disclosures by the applicant are *not* considered prior art if they were made less than 1 year before the filing date. This is known as the "grace period" in Canada.

Further, the following are not considered novelty-destroying:

- disclosures under confidentiality agreement or with an air of confidentiality (see: *Weatherford Canada Ltd. v. Corlac Inc.*, [2011] F.C.J. No. 1090 (C.A.)); and
- some experimental uses (see: *Gibney v. Ford Motor Co. of Canada*, [1967] 2 Ex.C.R. 279), *Packers Plus Energy Services Inc. v. Essential Energy Services Ltd.*, [2017] F.C.J. No. 1200 (F.C.)).

Prior to filing a patent application, it is generally recommended not to disclose the invention at all (*i.e.*, to file the application as soon as possible before any planned public disclosure of the invention). Public sales or demonstrations will be novelty-destroying in most cases, even if the product was sold or shown to just one person

Patentability Requirements

(see: *Bombardier Recreational Products Inc. v. Arctic Cat Inc.*, [2017] F.C.J. No. 236 (F.C.)). In chemical cases, a sale to the public is considered a public disclosure even if no reverse engineering of the product occurred (see: *Baker Petrolite Corp. v. Canwell-Enviro Industries Ltd.*, [2002] F.C.J. No. 614 (C.A.); and *Wenzel Downhole Tools Ltd. v. National-Oilwell Canada Ltd.*, [2012] F.C.J. No. 1654 (C.A.)). However, if the inventor needs to disclose the invention before the application is filed, it is recommended to obtain a signed non-disclosure agreement. For a suitable sample for this purpose, see precedent: Non-Disclosure Agreement.

Non-Obviousness (Inventiveness)

In order to be patentable, an invention must not be obvious (see *Patent Act*, s. 28.3) to a person skilled in the art having regard to

- information disclosed more than 1 year before the filing date (or before the claim date if that is earlier) by the applicant (or someone who derived knowledge from the applicant); and
- information disclosed before the claim date by another person.

In Canada, an invention is assessed for obviousness based on the following test (from the leading case on obviousness (*Sanofi*):

- Who is the person having ordinary skill in the art?
- What is the relevant general knowledge of the person having ordinary skill in the art?
- What is the inventive concept of the claim?
- What are the differences between the state of the art and the inventive concept?
- Viewed without any knowledge of the alleged invention as claimed, would those differences have been obvious to the person having ordinary skill in the art or do they require any degree of inventiveness?

Unlike novelty, several pieces of prior art can be "mosaiced" together to establish obviousness. An invention is obvious if the combined teachings of citable prior art would make the invention very plain to the person of ordinary skill in the art.

To guard against obviousness, it is recommended to do patentability searching before filing a patent application so that a clear picture of the prior art can be obtained. Further, it is recommended to construct the story of the invention in the patent application to explain the areas where the invention departs from accepted wisdom or known practices. For instance, identifying a previously unknown problem and devising a solution to it is non-obvious (see: *Janssen Inc. v. Actavis Pharma Co.*, [2016] F.C.J. No. 1450 (F.C.)).

When interviewing an inventor prior to preparing a patent application, it is recommended to work with a checklist to review possible disclosures and discuss known prior art and the advantages in the invention.

Filing Date vs. Claim Date

When considering novelty and/or obviousness, a number of relevant dates need to be kept in mind, namely the filing date and the claim date of a patent application.

The *filing date* of a Canadian patent or patent application is the date on which the filing papers and information were received by the Canadian Intellectual Property Office. The formal requirements are set out in s. 28(1) of the *Patent Act* and in r. 71 of the Patent Rules, SOR/2019-251. Note that the application does not need to have claims or formal drawings in order to obtain a filing date. The requirement is simply for a "document that on its face appears to be a description". Thus, "informal" applications can be filed in Canada, similar to U.S. provisional applications. To "convert" such an informal application to formal, a new application with full specification, claims and drawings is filed in Canada within 12 months, claiming priority to the informal filing. The first application should then be expressly withdrawn to avoid publication.

Patentability Requirements

The filing date of a national phase application filed in Canada from a Patent Cooperation Treaty international application is the international filing date. The filing date of a divisional application is the filing date of its parent application.

The filing date is used to calculate the term of the patent. The filing date is also used to calculate due dates for maintenance fees (annually, at 2 years from the filing date and following) and for requesting examination (at 4 years after the filing date for applications filed since October 30, 2019, otherwise for older applications at 5 years after the filing date). The filing date is also important when considering disclosures by the applicant. The grace period is 1 year prior to the *filing date* for disclosures made by the applicant.

The *claim date* is the filing date or the priority date of an applicable prior filing under the Paris Convention, whichever is earlier. The claim date is relevant for evaluating prior art for novelty and non-obviousness. Citable third-party prior art (under the New Act) is anything available to the public before the claim date.

For more information, see the practice note: Patent Filing and Prosecution.

Grace Period for Disclosures

Section 28.2(1)(a) of the *Patent Act* provides that the subject-matter defined by a claim in an application for patent in Canada must not have been disclosed more than 1 year before the filing date by the applicant, or by a person who obtained knowledge, directly or indirectly, from the applicant, in such a manner that the subject-matter became available to the public in Canada or elsewhere. Disclosures during the grace period are not novelty-destroying.

The grace period

- is counted as 1 year back from the Canadian filing date (or international filing date in the case of a national phase application);
- pertains only to disclosures by the applicant (or persons who obtained knowledge "directly or indirectly" from the applicant);
- applies regardless of how the information is made available (*i.e.*, it is not restricted to "written publications" but includes public sales, uses, *etc.*, as long as they provide an "enabling" disclosure); and
- applies regardless of where the information is made available.

Canada is among a handful of jurisdictions which have a statutory grace period (including the U.S. and Australia). Because many jurisdictions do not have a grace period, it is generally recommended *not* to rely on the grace period, in order to preserve the maximum number of options for foreign filings.

An example of a timeline illustrating the effect of the grace period is shown below:

- August 1, 2011 — Applicant shows the invention (a drilling tool) at a trade show.
- July 30, 2012 — Applicant files *Canadian* patent application for the drilling tool (this is valid because the trade show disclosure was less than 1 year prior to the filing date (*i.e.*, since July 30, 2011)).

However, note that the grace period only counts from the filing date *not* the priority date. It is not shifted or extended by virtue of intervening filings under the Paris Convention. Therefore, modifying the same example:

- August 1, 2011 — Applicant shows the invention (a drilling tool) at a trade show.
- July 30, 2012 — Applicant files a *U.S.* patent application for the drilling tool.

Note that in this case the Applicant *cannot* validly file a Canadian patent application on July 30, 2013 (even though

Patentability Requirements

this is within the 1-year Convention window). This is because the Canadian filing would then be more than 1 year after the date of the disclosure. The Canadian filing would need to be done no later than August 1, 2012.

Note that the above examples, for simplicity, do not include scenarios where the claim date is more than 1 year prior to the filing date (*e.g.*, in restoration of priority cases). In these limited scenarios, a disclosure is only novelty-destroying if prior to the claim date (*i.e.*, the grace period is effectively extended to more than 12 months).

Utility

In order to be patentable, an invention must be "useful" (see definition of "invention", *Patent Act*, s. 2). The invention must be useful. A single use makes a subject matter useful. This is evaluated based on the claims, not having regard to any supposed "promise" in the specification (see: *AstraZeneca Canada Inc. v. Apotex Inc.*, [2017] S.C.J. No. 36 (S.C.C.)).

In the patent application, the applicant must have demonstrated the utility of the invention, or if it has not been demonstrated, there must be a "sound prediction" of the utility:

- a factual basis for the prediction;
- an articulable line of reasoning from the factual basis to the prediction; and
- there must be proper disclosure (the leading case on utility and sound prediction is *Apotex Inc. v. Wellcome Foundation Ltd.*, [2002] S.C.J. No. 78 (S.C.C.)).

As a practical matter, utility is typically the easiest of the three patentability criteria to meet (for non-pharmaceutical inventions). To meet utility, applicants must make sure that the application includes all of the information needed to work the invention or follow its process (including diagrams or drawings, as appropriate). Essential elements should not be omitted from or obscured in the disclosure. Again, it is useful to work with a checklist or equivalent tool when interviewing the inventor to make sure that the working of the invention is well understood so that it can be clearly described in the patent application and all essentials covered. For a sample suitable for this purpose, see checklist: Pre-Application Invention Disclosure Checklist.

For a discussion on the grounds of invalidity of a patent, see the practice note: Patent Fundamentals.

Current as of: 10/21/2024