

Federal Court



Cour fédérale

Date: June 17, 2022

**Dockets: T-1340-20
T-1341-20**

Citation: 2022 FC 923

Ottawa, Ontario, June 17, 2022

PRESENT: The Associate Chief Justice Gagné

BETWEEN:

BENJAMIN MOORE & CO.

Appellant

and

THE ATTORNEY GENERAL OF CANADA

Respondent

and

**INTELLECTUAL PROPERTY INSTITUTE
OF CANADA**

Intervener

JUDGMENT AND REASONS

I. Overview

[1] Benjamin Moore & Co. appeals two decisions by the Commissioner of Patents. The Commissioner found that the claims on file and the proposed claims of Canadian Patent No. 2,695,130 (the “130 Application”) and Canadian Patent No. 2,695,146 (the “146 Application”) did not comprise patentable subject matter pursuant to the definition of invention under section 2 of the *Patent Act*, RSC, 1985, c P-4. Instead, the Commissioner determined that the essential elements of each invention constituted a mere abstract theorem, falling under the statutory exception provided at section 27(8) of the *Patent Act*.

[2] Those appeals were consolidated by the Court and heard together.

[3] The Appellant argues that the Commissioner erred in applying the incorrect test for claim construction and patentable subject matter, when determining that the computer was not an essential element to the invention. It seeks an order declaring that the 130 and 146 Applications each disclose patentable inventions. Alternatively, it asks the Court to send the matter back and direct the Canadian Intellectual Property Office [CIPO] to use the purposive construction tests set out by the Supreme Court in *Free World Trust v Électro Santé Inc*, 2000 SCC 66 and *Whirlpool Corp v Campo Inc*, 2000 SCC 67, instead of the “Problem-Solution Approach” or the “Substance of the Invention Approach”.

[4] The Intellectual Property Institute of Canada [IPIC] was granted leave to intervene in these appeals. Besides generally siding with the Appellant’s position, it takes the debate one step further. IPIC states that in spite of this Court’s ruling in *Chouiefaty v Attorney General of Canada*, 2020 FC 837, CIPO continues to use the wrong approach. CIPO (1) construes claims

from the perspective of the “problem to be solved” and the “solution brought by the invention,” and (2) it applies too broadly the “mere scientific principle or abstract theorem” exception.

[5] IPIC therefore states that the question as to the correct approach to assessing the subject matter patentability of computer-implemented inventions transcends the interests of the immediate parties to these appeals and is fundamental to the Canadian patent system. It invites the Court to adopt a revised framework and to instruct CIPO to adhere to it in determining the patentability of such inventions.

[6] The Respondent agrees that the Commissioner has erred in her assessment of the 130 and 146 Applications. However, the Respondent suggests that the Court should limit itself to setting aside the Commissioner’s decisions and remitting the matter back for reconsideration in light of the Court’s decision in *ChouEIFaty*.

II. Facts

[7] The 130 and 146 Applications relate to Benjamin Moore’s “Color Selection System,” which is “a computer-implemented colour selection method that uses experimentally derived relationships for colour harmony and colour emotion”. The 146 Application relates to “the provision of appropriate color combinations given a user’s selection of a threshold colour harmony or colour emotion value”. The 130 Application rather focuses on “providing the user with a combined color score (e.g., color harmony or color emotion score) upon user selection of at least three colors from a color library”.

[8] Both applications were filed under the provisions of the *Patent Cooperation Treaty*, (as in force from April 1, 2002), and have an effective filing date in Canada of July 10, 2008. On May 15, 2017, the patent examiner of the CIPO issued Final Actions under subsection 30(4) of the former *Patent Rules*, SOR/96-423 stating that neither application was an invention per section 2 of the *Patent Act*.

[9] A committee of the Patent Appeal Board then conducted a review of the applications and recommended that the Commissioner reject them because the claims were directed to non-statutory subject matter and therefore non-compliant with section 2 of the *Patent Act*. The Commissioner followed the recommendation and refused both applications.

[10] In making its determination, the Board followed the CIPO's *Manual of Patent Office Practice [MOPOP]*. Section 13.05.01 in the version of the *MOPOP* in place at the time stated that:

When examining a claim, an examiner must read the claim in an informed and purposive way. Prior to construing a claim an examiner will:

Identify the person of ordinary skill in the art [see chapter 15]; and

Identify the relevant common general knowledge of the person of ordinary skill in the art at the time of publication [see chapter 15].

The above steps provide the context in which the claim is to be read. Once the context is determined the examiner will:

Identify the problem addressed by the application and its solution as contemplated by the inventor [see 13.05.02b]; and

Determine the meaning of the terms used in the claim and identify the elements of the claim that are essential to solve the identified problem [see 13.05.02c].

[11] Meanwhile, Justice Russel Zinn of this Court found this “problem-solution” approach to be incorrect in *Chouiefaty*.

[12] Following *Chouiefaty*, CIPO issued an updated Practice Notice entitled “Patentable Subject-Matter under the *Patent Act*”. However, this Practice Notice still includes the problem-solution approach, stating on its page 2 of 5 that “An actual invention may consist of either a single element that provides a solution to a problem or of a combination of elements that cooperate together to provide a solution to a problem”.

[13] IPIC argues that CIPO still does not have it right, that it continues to issue decisions based on the wrong approach and that it is likely to err in future decisions.

III. Decisions Under Review

[14] The two decisions under review are for our purpose identical and can be summarized together.

[15] The Commissioner states the legal principles of claim construction and identification of essential elements as follows:

[17] In accordance with *Free World Trust v Électro Sante Inc*, 2000 SCC 66 [*Free World Trust*], essential elements are identified through a purposive construction of the claims done by considering

the whole of the disclosure, including the specification and drawings (see also *Whirlpool Corp v Camco Inc*, 2000 SCC 67 at paras 49(f) and (g) and 52 [*Whirlpool*]). In accordance with the *Manual of Patent Office Practice [MOPOP]*, §13.05 (revised June 2015), the first step of purposive claim construction is to identify the person skilled in the art and their relevant common general knowledge ("CGK"). The next step is to identify the problem addressed by the inventors and the solution put forth in the application. Essential elements can then be identified as those required to achieve the disclosed solution as claimed.

[16] The last two sentences of the above quote are what the parties describe as the CIPO's "problem-solution" approach.

[17] The Commissioner then refers to the definition of invention found in section 2 of the *Patent Act* and states that according to the CIPO's guidelines, "where a computer is found to be an essential element of a construed claim, the claimed subject-matter will generally be statutory" (146 Decision at paras 18-20, 130 Decision at paras 18-20).

[18] The Commissioner identifies the problem to be solved as:

A need for a colour selection system that can assist consumers or other users in reaching confident and satisfying colour selection (*sic*) choices. Further, the selection of appealing colour combinations from an abundance of choices can be challenging even with colour selection tools (146 Decision at para 32, 130 Decision at para 32).

[19] For the 146 Decision, she identifies the solution to that problem as:

The solution relates to the improved evaluation, by use of mathematical modelling of user emotions or colour harmony, of the compatibility of colour choices, based on parameters set by the user (146 Decision at para 45).

[20] For the 130 Decision, she identifies the solution as:

Calculating and associating a colour emotion score with each of a plurality of colours to aid a user in selecting a colour or colour combination (130 Decision at para 45).

[21] For both applications, the Commissioner concludes that “since there was no computer problem to be solved, the computer and associated components were not part of the solution” (146 Decision at para 46, 130 Decision at para 46).

IV. Issues and Standard of Review

[22] The parties agree that the appellate standard of review applies, per *Canada (Minister of Citizenship and Immigration) v Vavilov*, 2019 SCC 65, at para 37. That is, that the standard of correctness applies to questions of law and the standard of palpable and overriding error applies to questions of fact and questions of mixed fact and law.

[23] The Appellant, Respondent, and Intervener all agree that the Commissioner erred in applying the “problem-solution” test for claim construction and for patentable subject matter. However, they differ in their views on whether the Court should dictate the proper test to be applied.

[24] These appeals therefore raise the following issues:

- A. *Did the Commissioner err by applying the wrong legal test for claim construction and patentable subject matter?*

- B. *Should the Court make a determination on whether the 130 and 146 Applications constitute patentable subject matter or should it remit the matter to the Commissioner for a new determination?*
- C. *If the Court remits the matter to the Commissioner, what instructions should be provided?*

V. Analysis

- A. *Did the Commissioner err by applying the wrong legal test for claim construction and patentable subject matter?*

[25] It is not disputed that the Commissioner erred. The parties also agree that the Commissioner's choice of test is a question of law reviewable on the correctness standard.

[26] In *Whirlpool*, the Supreme Court of Canada established that claims of a patent must be constructed using the "purposive construction" approach (at paras 49 and 52). Justice Binnie described the purposive construction approach as follows:

The key to purposive construction is therefore the identification by the court, with the assistance of the skilled reader, of the particular words or phrases in the claims that describe what the inventor considered to be the "essential" elements of his invention.

(at para 45)

[27] In *Free World Trust*, issued concurrently with *Whirlpool*, the Supreme Court further explained:

(e) The claims language will, on a purposive construction, show that some elements of the claimed invention are essential while others are non-essential. The identification of elements as essential or non-essential is made:

- (i) on the basis of the common knowledge of the worker skilled in the art to which the patent relates;
- (ii) as of the date the patent is published;
- (iii) having regard to whether or not it was obvious to the skilled reader at the time the patent was published that a variant of a particular element would not make a difference to the way in which the invention works; or
- (iv) according to the intent of the inventor, expressed or inferred from the claims, that a particular element is essential irrespective of its practical effect;
- (v) without, however, resort to extrinsic evidence of the inventor's intention.

(at para 31)

[28] Neither *Whirlpool* nor *Free World Trust* suggest a problem-solution approach.

[29] Years later, the Federal Court of Appeal in *Canada (Attorney General) v Amazon.com, Inc*, 2011 FCA 328 at paragraph 43 established that the Commissioner must use the purposive construction approach when determining whether claims relate to statutory subject matter.

Justice Sharlow wrote:

[43] However, it seems to me that the jurisprudence of the Supreme Court of Canada, in particular *Free World Trust* and *Whirlpool*, requires the Commissioner's identification of the actual invention to be grounded in a purposive construction of the patent claims. It cannot be determined solely on the basis of a literal reading of the patent claims, or a determination of the "substance of the invention" within the meaning of that phrase as used by Justice Binnie, writing for the Supreme Court of Canada in *Free World Trust*, at paragraph 46. (at para 43)

[30] As stated in paragraph 15 of these reasons, the Commissioner in this case stated that the purposive construction approach would apply, but it then proceeded to follow its *MOPOP*'s problem-solution approach.

[31] In *Choueifaty* (at paras 37 and 40), Justice Zinn found the *MOPOP*'s problem-solution approach to be incompatible with *Whirlpool*, *Free World Trust*, and *Amazon.com*, despite the lip service it pays to purposive construction and the jurisprudence.

[32] For these reasons, it is not disputed among the parties that the Commissioner incorrectly applied the problem-solution approach to her assessment of the 130 and 146 Applications.

[33] In addition to the problematic use of the problem-solution approach, the Appellant and the Intervener argue that CIPO regularly misconstrues the patentability of computer-implemented inventions, incorrectly excluding them under section 27(8) of the *Patent Act*.

[34] In *Shell Oil Co v Commissioner of Patents*, [1982] 2 SCR 536, 44 NR 541, the Supreme Court established that practical applications of scientific principles and abstract theorems, in that case a new use for existing chemical compounds, can constitute patentable inventions (at p 547).

[35] In *Amazon.com* the Federal Court of Appeal confirmed that *Shell Oil* is consistent with the purposive construction approach (at para 46). The Federal Court of Appeal also interpreted the "practical application" requirement from *Shell Oil* to mean that "because a patent cannot be granted for an abstract idea, it is implicit in the definition of 'invention' that patentable subject

matter must be something with physical existence, or something that manifests a discernible effect or change” (at para 66).

[36] In this case, instead of using the purposive construction approach to determine whether the actual invention is patentable, the Commissioner construes the claims of both the 130 and 146 Applications by identifying only the novel aspects of the invention, and determines that those novel aspects are unpatentable as “mere scientific principles or abstract theorems”. She also concludes that since there was no computer problem to be solved, the computer and associated components were not essential elements of the invention. First, *Free World Trust* and *Whirlpool* require that claim construction be made prior to conducting the novelty analysis. Second, that is not the test dictated by the Supreme Court of Canada to determine whether an element is essential or not to an invention.

[37] Therefore, the Commissioner also erred on that front.

B. *Should the Court make a determination on whether the 130 and 146 Applications constitute patentable subject matter or should it remit the matter to the Commissioner for a new determination?*

[38] In its written submissions, the Appellant asked the Court to make its own determination of the patentability of the 130 and 146 Applications. However, at the hearing, the Appellant acknowledged that that remedy was unlikely due to comments provided by the Federal Court of Appeal in *Amazon.com*. The Appellant now asks the Court to remit the matter to CIPO and to make an order directing it to re-examine the 130 and 146 Applications in accordance with the

principles of *Free World Trust*, *Whirlpool* and *Shell Oil*, and with specific instructions not to use the “Problem-Solution Approach”.

[39] The Respondent agrees but rather refers to *Choueifaty* as guidance for reconsideration.

[40] The Intervener also had a change of heart between written submissions and the hearing, now acknowledging that it would be inappropriate to usurp the CIPO’s duty to assess patentability. However, the Intervener submits that the Court should provide instructions to CIPO to use the appropriate legal test (that will be discussed in the next section) on the Applications’ redetermination.

C. *If the Court remits the matter to the Commissioner, what instructions should be provided?*

[41] This issue is, in fact, all that is left for the Court to decide.

[42] Although the Appellant initially asked the Court for an order remitting the files to CIPO with the instruction to follow the Supreme Court of Canada’s claim construction approach, at the hearing it agreed that the Intervener’s proposed test is an appropriate statement of the law for CIPO to follow.

[43] The Intervener proposes the following framework to the assessment of the patentability of computer-implemented inventions. The examiner should:

- a) Purposively construe the claim;

b) Ask whether the construed claim as a whole consists of only a mere scientific principle or abstract theorem, or whether it comprises a practical application that employs a scientific principle or abstract theorem; and

c) If the construed claim comprises a practical application, assess the construed claim for the remaining patentability criteria: statutory categories and judicial exclusions, as well as novelty, obviousness, and utility.

[44] The Intervener submits that CIPO's continued misapplication of the law, in violation of *Free World Trust*, *Whirlpool*, *Shell Oil*, and now *Choueifaty*, warrants the Court's intervention.

[45] Without taking position on whether the proposed framework accurately reflects the state of the law, the Respondent submits that the Court should decline to direct the Commissioner to adopt the Appellant's interpretation of the jurisprudence, just as it should decline to direct CIPO to apply the proposed framework. The Respondent submits that to do so would encroach on the separation of powers and the intent of Parliament.

[46] The Respondent further submits that the Practice Notice is an operational policy, and that Courts should refrain from reviewing such policies except in cases of "bad faith, non-conformity with the principles of natural justice where their application is required by statute, and reliance placed upon considerations that are irrelevant and extraneous to the statutory purpose" (*Elson v Canada (Attorney General)*, 2017 FC 459, at para 50, citing *Maple Lodge Farms Ltd v Canada*, [1982] 2 SCR 2, 44 NR 354).

[47] First, I note that the Practice Notice is before the Court for having been admitted into evidence by an order of Prothonotary Milczynski.

[48] Second, I disagree with the Respondent qualifying it as a mere policy. In my view, it sets out the approach to be followed by CIPO's examiners.

[49] Third, the Appellant and Intervener are not asking the Court to choose the interpretation of statutory provisions it prefers or that it finds the most logical for its point of view (*Merck Canada Inc v Canada (Health)*, 2021 FC 1015, at para 50), but rather they ask it to direct CIPO not to depart from the applicable jurisprudence.

[50] That said, I agree with the Respondent that since the Practice Notice was issued some six months after the impugned decisions were rendered, it has very little bearing on this case. What has bearing is the approach actually followed by the Commissioner, and as stated above, it was the wrong one.

[51] The question of whether the 130 and 146 Applications disclose patentable subject matter being one of mixed question of fact and law, I also agree with the Respondent that in applying the incorrect test to assessing the patentability of computer-implemented inventions, the Commissioner did not make the requisite factual findings that would allow this Court to analyse her decision on patentable subject matter.

[52] However, the determination of the proper legal test to be applied is a question of law well within the purview of this Court. And in my view, the legal framework proposed by the Intervener and endorsed by the Applicant is in keeping with the Supreme Court's teachings in *Free World Trust* and *Shell Oil*, and with the Federal Court of Appeal's invitation to adapt "our

understanding of the nature of the ‘physicality requirement’” as technology advances
(*Amazon.com*, at para 68).

[53] It also ensures consistency i) between the law applied to patent applications by CIPO and the law applied to issued patents by the Courts; and ii) between the way patent law is applied to computer-implemented inventions and the way patent law is applied to all other types of inventions.

VI. Conclusion

[54] For the above reasons I am allowing these appeals, remitting the 130 and 146 Applications to CIPO for a new determination, and directing CIPO on the proper procedure for claims construction and identifying patentable subject matter. No costs are granted.

JUDGMENT in T-1340-20

THIS COURT’S JUDGMENT is that:

1. The Appeals are granted;
2. The files are sent back the Canadian Intellectual Property Office for a new determination;
3. In her assessment of the 130 and 146 Applications, the Commissioner of Patents is instructed to:
 - a. Purposively construe the claim;
 - b. Ask whether the construed claim as a whole consists of only a mere scientific principle or abstract theorem, or whether it comprises a practical application that employs a scientific principle or abstract theorem; and
 - c. If the construed claim comprises a practical application, assess the construed claim for the remaining patentability criteria: statutory categories and judicial exclusions, as well as novelty, obviousness, and utility.
4. No costs are granted.

“Jocelyne Gagné”

Associate Chief Justice

FEDERAL COURT
SOLICITORS OF RECORD

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APPEARANCES:

Matthew R. Norwood FOR THE APPELLANT
Benjamin Mak
Abbas A. Kassam
Erin Stuart

Abigail Browne FOR THE RESPONDENT
James Schneider

Julie Desrosiers FOR THE INTERVENER
Michael Shortt
Eliane Ellbogen

SOLICITORS OF RECORD:

Ridout & Maybee LLP FOR THE APPELLANT
Toronto, Ontario

Attorney General of Canada FOR THE RESPONDENT
Toronto, Ontario

Fasken Martineau DuMoulin, LLP FOR THE INTERVENER
Montreal, Quebec