

**BRIEF COMMENT ON THE *BAKER PETROLITE CORP. v. CANWELL ENVIRO-INDUSTRIES LTD* DECISION RENDERED BY THE FEDERAL COURT OF CANADA ON APRIL 29, 2002 REGARDING ANTICIPATION RESULTING FROM A PRIOR USE OR SALE**

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In Canada, as in a majority of countries around the world, a patent can be issued for an invention as long as the said invention is novel, inventive and useful. However, an invention will not be considered novel if it has previously been made available to the public before a certain date. This raises the following question: Does the simple sale or use in public of an invention automatically destroy its novelty? If not, what are the criteria or principles to determine whether or not there has been a disclosure. The Federal Court of Canada rendered an important, long-awaited decision relating to patents on April 29, 2002, in the case of *Baker Petrolite Corp. c. Canwell Enviro-Industries Ltd.* (2002) CarswellNat 1209, 2002 FCA 158, 17 C.P.R. (4th) 478, 211 D.L.R. (4th) 696. This decision provides us with guiding principles to address the anticipation issue pursuant to paragraph 28.2 (1)a) of the *Patent Act*. The Federal Court has, in rendering this decision, filled the legal gap that was created with the coming into force of the new *Patent Act* in 1989.

This legal gap resulted from the fact that the *Patent Act* in force prior to 1989 specifically provided under paragraph 27(1)c) that anticipation could be established by the public use or sale of the invention. The only evidence required under the old Act to prove anticipation was that there had been a public use or sale of the invention more than two years before the filing of a corresponding patent application, and this, even if the invention was not thereby disclosed. The new *Patent Act* enacted in 1989 did not however reproduce paragraph 27(1)c) as it was found in the old Act. Hence, the new Act modified the state of the law and raised the standard of proof on the

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person alleging anticipation based on prior use or sale. This decision is therefore of particular importance for the world of patents.

The decision addressed the validity of Canadian patent 2,005,946 belonging to Petrolite and directed at a method for removing hydrogen sulfide, a poisonous substance, from natural gas. This method, sometimes referred to as the "sweetening" of sour gas, made use of a chemical product called "triazine" formed by the reaction of monoethanolamine (MEA) and formaldehyde.

The applicant had sold this chemical product before a certain relevant date. The main issue on appeal was the following: Whether the sale had destroyed the novelty of the invention and as a result invalidated the patent in question.

The Court deduced the following eight principles inspired from United Kingdom and European jurisprudence dealing with the question of anticipation in the context of disclosure by prior use or sale. To destroy novelty, the prior sale or use must:

1. make available to the public the information which describes the invention,
2. amount to an "enabling disclosure",
3. in the case of a chemical product, allow for the analysis and discovery of its composition or internal structure,
4. allow for the analysis by a person skilled in the art, without the exercise of inventive skill, in accordance with known analytical techniques available at the relevant time (this principle must be applied consistently with the principles established in *Beloit v. Valmet* (1986) 8 C.P.R. (3d) 289), and
5. be sold to someone who is a member of the public and free to use it as she or he pleases; but
6. it is not necessary to demonstrate that the analysis was actually conducted or that it could have been conducted,
7. the complexity of work, the amount of time and work involved in conducting the analysis is not determinative, and
8. it is not necessary that the product that is the subject of the analysis be capable of exact reproduction.

The Court specified however that these principles are not intended to be exhaustive and do not alter the principles as set out in *Beloit v. Valmet*, or *Free World Trust v. Electro Santé Inc.* (2000) 2 R.C.S. 1024 (S.C.C.).

Applying the above principles to the facts of the case at hand, the Court found the patent to be invalid based on the finding that the respondent

Canwell had shown that the invention had been made available to the public pursuant to section 28.2 of the new Act. The Court explained that the burden of proof rests with the person claiming anticipation by disclosure through prior sale and is limited to showing that the analysis of the product by reverse engineering is possible. The Court also specified that *it was not necessary to show that a particular purchaser did or would have conducted an analysis of the product*. The question is thus, whether a person skilled in the art correctly using data and methodology available at the relevant time, would be led to the claimed invention without the use or application of inventive skill.

Thus, this decision provides good answers to many legitimate questions regarding not only the interpretation to be given to subsection 28.2(1) of the new Act but also, the test for anticipation in the case of a prior use or sale. The eight principles reported above will certainly be very useful in the resolution of present and future disputes concerning disclosures ensuing from public uses or sales.

It is clear from this decision that there will be loss of novelty if it is possible to analyse a product that was sold to the public using reverse engineering and that, even if that said public consists of only one person. We therefore recommend generally to our clients to file a patent application before disclosing an invention, even though the disclosure is made to only one member of the public. If you have any questions or require any other information regarding this topic, please communicate with Nathalie Jodoin or any other patent agent of our firm.





