



INADVERTENT FAILURE TO RESPOND TO PART OF AN OFFICE ACTION LEADS TO IRREVOCABLE ABANDONMENT OF PATENT APPLICATION

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The Federal Court of Canada recently ruled that even an inadvertent omission to respond to any requisition contained in a patent examiner's report ("Office Action") will lead to the irrevocable abandonment of a patent application if a request for reinstatement is not timely filed and this, despite the fact that the patent applicant may be unaware that its response to the Office Action was not fully responsive. [*DBC Marine Safety Systems Ltd. v. The Commissioner of Patents et al.*, 2007 FC 1142, Mosley J., November 5, 2007]

The Law

The relevant excerpts of subsection 30 *Patent Rules* read as follows:

30. [...]

(2) Where an examiner examining an application in accordance with section 35 of the Act or the Act as it read immediately before October 1, 1989 has reasonable grounds to believe that an application does not comply with the Act or these Rules, the examiner shall inform the applicant of the application's defects and shall requisition the applicant to amend the application in order to comply or to provide arguments as to why the application does comply, within the six-month period after the requisition is made or, except in respect of Part V, within any shorter period established by the Commissioner in accordance with paragraph 73(1)(a) of the Act.

(3) Where an applicant has replied in good faith to a requisition referred to in subsection (2) within the time provided but the examiner has reasonable grounds to believe that the application still does not comply with the Act or these Rules in respect of one or more of the defects referred to in the requisition and that the

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applicant will not amend the application to comply with the Act and these Rules, the examiner may reject the application.

(4) Where an examiner rejects an application, the notice shall bear the notation “Final Action” or “Décision finale”, shall indicate the outstanding defects and shall requisition the applicant to amend the application in order to comply with the Act and these Rules or to provide arguments as to why the application does comply, within the six-month period after the requisition is made or, except in respect of Part V, within any shorter period established by the Commissioner in accordance with paragraph 73(1)(a) of the Act. [...]

Section 29 *Patent Rules* reads as follows:

29. (1) Where an examiner examining an application in accordance with section 35 of the Act or the Act as it read immediately before October 1, 1989 has reasonable grounds to believe that an application for a patent describing the same invention has been filed, in or for any country, on behalf of the applicant or on behalf of any other person claiming under an inventor named in the application being examined, the examiner may requisition from the applicant any of the following information and a copy of any related document:

- (a) an identification of any prior art cited in respect of the applications;
- (b) the application numbers, filing dates and, if granted, the patent numbers;
- (c) particulars of conflict, opposition, re-examination or similar proceedings; and
- (d) where a document is not in either English or French, a translation of the document, or a part of the document, into English or French.

(2) Where an examiner examining an application in accordance with section 35 of the Act or the Act as it read immediately before October 1, 1989 has reasonable grounds to believe that an invention disclosed in the application was, before the filing date of the application, published or the subject of a patent, the examiner may requisition the applicant to identify the first publication of or patent for that invention.

(3) Subsections (1) and (2) do not apply to any information or document that is not available or known to the applicant, provided that the applicant states the reasons why the information or document is not available or known.

Section 73(1)(a) *Patent Act* reads as follows:

73. (1) An application for a patent in Canada shall be deemed to be abandoned if the applicant does not

(a) reply in good faith to any requisition made an examiner in connection with an examination, within six months after the requisition is made or within any shorter period established by the Commissioner; [...]

The Facts

The patent applicant, DBC Marine Safety Systems Ltd. (“DBC”), filed a Canadian patent application on April 2, 1998 based on a prior corresponding US patent application. On August 10, 2004, DBC’s patent agents received an Office Action whereby the Patent Examiner indicated that it had two requisitions: the first relating to subsection 30(2) of the *Patent Rules* and the second pursuant to section 29 of the *Patent Rules*. The first page of the Office Action contained the following proviso:

In order to avoid multiple abandonments under paragraph 73(1)(a) of the Patent Act, a written reply to each requisition must be received within 6 months after the above date.

DBC’s patent agents responded to the Office Action on February 7, 2005, three days before the expiry of the deadline. The reply contained a response to the requisition under subsection 30(2) of the *Patent Rules* in the form of amendments to the patent application. However, it appears that the requisition under section 29 of the *Patent Rules*, which was to identify prior art in corresponding US and UK corresponding applications, was overlooked and so no response was provided in the aforementioned reply to the Office Action.

In the months that followed, DBC paid the requisite maintenance fees for 2005. In April of 2006, since it had not heard back from the Patent Office since filing the reply to the Office Action one year and two months prior, DBC inquired as to the status of the examination of its patent. The Patent Office returned a Notice of Abandonment and advised that such notice had been mailed to DBC’s agents on February 10, 2005.

It should be noted that the Canadian Patent Office has no obligation under section 29 of the *Patent Rules* or under subsection 73(1)(a) of the *Patent Act* to inform an applicant of the abandonment of its patent. However, in the period between 1996 and 2003, the practice of the Patent Office was to send a courtesy notice to the applicant in order for it to cure the default and request the reinstatement of the patent application. In this case, since the courtesy notice was never sent (as noted by the Court), no request for reinstatement of the DBC patent application was made during the reinstatement period as DBC was unaware of the abandonment of its application.

Turning back to the facts of the case, notwithstanding the fact that the twelve month statutory delay to request the reinstatement of the patent had lapsed on February 10, 2006, DBC appealed to the Commissioner of Patents and submitted the missing information and the appropriate fee. Notwithstanding these steps taken by DBC, the Commissioner of Patents refused to reinstate the patent as it was of the view that it had no discretionary powers to reinstate an abandoned patent beyond the twelve month reinstatement period.

DBC applied for judicial review of the decision of the Commissioner of Patents and requested that such decision be quashed and that the patent application be reinstated and referred back to the Patent Examiner for determination on the merits.

The Federal Court Judgement

The Commissioner of Patents' position was that it has no discretion to reinstate a patent beyond the reinstatement period and therefore, there was no reviewable decision before the Court. The irrevocable abandonment of the DBC patent was simply the result of non-compliance with the provisions of the law. The Commissioner of Patents further submitted that the Patent Office was under no obligation to send DBC a Notice of Abandonment and therefore, DBC could not rely on past practices or customs to argue that it should have been notified of the abandonment of its patent application.

DBC submitted that Section 73(1)(a) of the *Patent Act* requires the Commissioner of Patents to decide whether an applicant's response to a requisition has been in good faith. DBC further argued that whether a response is "in good faith" or not is a reviewable decision of the Commissioner of Patents. Thus, if only a partial response to an Office Action is received, there nonetheless is a duty to determine "good faith" or not and so one way or the other, the applicant should be notified.

Both the Commissioner of Patents and the Court opined that there can be no question of assessing good faith if there is no response. The Court writes:

[31] [...] The applicant failed to respond to both requisitions, despite the clear indication on the letter received by their agent that such lapse would result in abandonment. Replying in good faith to one requisition in an office action containing two is not the equivalent of replying in good faith to both. The statute allows for no "good faith" exception to the requirements of paragraph 73(1)(a) where there has been failure to respond to a requisition.

DBC also pleaded that the current practice of the Patent Office lacked procedural fairness. As mentioned above, from 1996 to 2003, the Patent Office sent courtesy notices to patent applicants who had not responded in full to an Office Action. However, as of 2003, the concept of "multiple abandonments" of a patent application

was introduced through a notice to the profession, which meant that a patent application could become abandoned on multiple grounds and therefore, multiple requests for reinstatement would have to be made, and multiple reinstatement fees paid, in order to fully reinstate the application. Despite this change, the Patent Office continued to send courtesy notices from time to time, notably in situations where a requisition under section 29 of the *Patent Rules* had been overlooked.

Notwithstanding the above, the Court concluded that the Commissioner of Patents had no duty to provide any notice to DBC. The obligation to fully respond to any requisition of the Patent Examiner, or to request the reinstatement of its application within the delay, was clearly placed on the shoulders of DBC by the legislative scheme. The Court writes:

[43] [...]As I have already decided that the Commissioner had no discretion in the automatic application of the *Act*, any failure on her part to follow the guidelines of the Manual cannot relieve the applicant of its legislated obligations, nor can it allow the applicant to avoid the legal consequence of failing to satisfy those obligations.

For these reasons, the Court dismissed the application for judicial review.

Conclusion

An appeal of Justice Mosley's decision was lodged by DBC on December 5, 2007. For DBC, as well as for all patent applicants who entrust their inventions to the Canadian patent process, the developments in this case will be important as the current judgement confirms the irrevocable loss of a patent application due to an oversight, which neither the patent applicant nor its agents were made aware of until well after the deadline had passed to cure the default.

For many patent practitioners, this case is eerily reminiscent of *Barton No-Till Disk Inc. v. Dutch Industries Ltd*, 2003 F.C.A. 121, where the Federal Court of Appeal concluded that administrative steps taken by the Commissioner of Patents to ease some harsh consequences in the law were of no effect if such steps were not explicitly authorized by the legislative scheme. Only time will tell if the Federal Court of Appeal will deem the current practice of the Patent Office to be in line with the proper interpretation of the *Patent Act* and *Rules*, and in particular with section 29 of the *Patent Rules* and subsection 73(1)(a) of the *Patent Act*, or rather if the past practice of notifying the patent applicant of its failure to respond to a section 29 *Patent Rules* requisition should prevail.



