



**“We wrote the book.”**

**Bob Barrigar’s book on Canadian patent law  
is an authoritative guide.**

## **Newsletter: November 2007**

This Newsletter briefly addresses a series of current topics, namely:

1. The Rising Canadian Dollar (we have been accepting U.S. dollars at par);
2. Trademark Opposition Practice (it will be tougher to obtain time extensions);
3. Will Canadian courts follow KSR in patent cases? (our answer: a qualified yes); and
4. Barrigar paper on obviousness in Canadian patent law.

### **1. The Rising Canadian Dollar**

The Canadian dollar is trading at its highest level, relative to the U.S. dollar, in 50 years. Including bank charges, our firm is able to recover only about 92 cents Canadian from each U.S. dollar paid to us. The upward trend of the Canadian dollar is unlikely to reverse any time soon, but most Canadians hope that it will at least stabilize.

For the past several months, our firm has been accepting the U.S. dollar at par; amounts billed are stated in Canadian dollars, but we have been accepting at par the face amount of a given billing paid to us in U.S. dollars. However, we are nearing the point at which any further disparity between the two currencies will, if our present policy is continued, have a serious negative effect on our finances. We’ll keep you posted.

### **2. Trademark Opposition Practice**

New rules of practice went into effect last month. They have been well publicized, including in the INTA Bulletin. If perchance you missed the various notices, please take a look at the official Government website [http://www.strategis.gc.ca/sc\\_mrksv/cipo/tm/tm\\_notice/tmn2007-10-01-e.html](http://www.strategis.gc.ca/sc_mrksv/cipo/tm/tm_notice/tmn2007-10-01-e.html).

The principal change in practice effected by the rules is that time extensions will be more difficult to obtain, even with the consent of the adverse party. At present, a fully contested opposition can easily take 3 to 5 years to complete, even before any appeal to the Federal Court. The Trade-marks Office is determined to reduce the time required to complete these proceedings. The courts have often said that there is a public interest in knowing who has what trademark rights, and it follows that learning as soon as reasonably possible the outcome of an opposition is in the public interest.

In the implementation of the new practice, there will be differences in (i) applicable time limits, and (ii) applicable time extensions available, for completing various stages of the opposition as between (a) trademarks published in the Trade-marks Journal before 01 October 2007, and (b) those published later. Please consult us if you have a specific question.

### 3. Will Canadian courts follow *KSR* in patent cases?

As you are undoubtedly aware, the U.S. Supreme Court earlier this year in *KSR v. Teleflex* reviewed competing criteria for testing obviousness. The Court in *KSR* warned that the use of the “teaching/suggestion/motivation” test (TSM test) for obviousness could no longer be used as a litmus test for obviousness. The Court expanded the criteria that could be considered in weighing the issue, and appeared to open the door at least a crack to “obvious to try” and “hindsight” tests.

Canadian courts looked forward to the *KSR* decision, partly because the Supreme Court of Canada has not for the past six years commented on obviousness, and when it last did so in the *Free World Trust* case, it endorsed a Federal Court of Appeal (FCA) case test for obviousness that is more than 20 years old and is very generally worded. Paraphrasing, the Canadian test is whether a technician skilled in the art but having no scintilla of inventiveness or imagination would, in the light of the state of the art and of common general knowledge as at the effective date (usually the filing date or priority date of the patent application), have come directly and without difficulty to the solution taught by the patent. The courts have permitted such hypothetical technician to perform routine experiments, e.g. verification experiments, to reach the solution, but no element of creativity can be in the hypothetical technician’s mind. The courts have repeatedly said that the foregoing test is a difficult test to satisfy. Further, the FCA has warned that “there is no single factual question or a set of questions that will determine every claim of obviousness”.

Because the Canadian test for obviousness is so generally worded, it is open to Canadian courts to take a fairly open-minded approach to what factors should be taken into account in assessing the issue in any given case. This approach is generally consistent with *KSR*. A few courts have made lists of factors that they think are likely to be relevant to a determination of the issue.

But Canadian defendants in patent infringement cases are not having a field day by reason of the *KSR* decision. Some have urged Canadian courts to disregard pre-*KSR* parallel U.S. findings that a given patented invention is not obvious. On this point, one Canadian judge recently said:

I decline to enter into any consideration of these United States Court decisions. While decisions of foreign Courts, particularly superior and appellate Courts of respected jurisdictions such as the United States are frequently instructive, it is not the function of this Court to consider whether an earlier decision of a foreign court would have been differently decided in view of a later decision of a higher court of that country, nor should this court consider as binding in any way a decision of a foreign court, even if the patent and parties are similar and related – although the decision may be instructive.

Canadian courts have for the most part refused to entertain the “worth a try” test for obviousness (generally similar to the U.S. “obvious to try” test), even in conjunction with other tests, but even before *KSR*, Canadian courts had been shifting away from treating this reluctance as an absolute rejection of this test. *KSR* may give Canadian courts an incentive to take a fresh look at this test in appropriate cases. Canadian courts have been even more reluctant to entertain hindsight-based tests, but again have not treated their reluctance as an absolute prohibition against using some degree of hindsight in exceptional cases.

The short answer is that Canadian courts have always looked to foreign courts for guidance, especially those of the U.S., the U.K., and some Commonwealth countries. In spirit, *KSR* is similar to decisions of the Supreme Court of Canada in patent cases, and is certain to be quoted and given respect in future Canadian cases.

#### **4. Barrigar Paper on Obviousness in Canadian Patent Law**

Bob Barrigar in mid-October delivered to the Annual Meeting of the Intellectual Property Institute of Canada (of which he is a Past President) a paper on obviousness in patent law that is accessible on our firm's website at [www.barrigar.com/ipicrevised070922.pdf](http://www.barrigar.com/ipicrevised070922.pdf). The paper is rather long, but for ease of reference to topics of interest, is divided into a series of topics that are identified on the first page.

This paper complements Bob's book on Canadian Patent Law, updated a number of times per year. See [www.canadalawbook.ca/catalogue.cfm?DSP=Detail&ProductID=362](http://www.canadalawbook.ca/catalogue.cfm?DSP=Detail&ProductID=362) for information on Bob's book.



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The practice of Barrigar Intellectual Property Law is restricted to intellectual property law and related litigation. The firm is led by Bob Barrigar, whose book on Canadian Patent Law is authoritative, and whose practice includes litigation as well as counselling; and patent, trademark, copyright and industrial design application preparation and prosecution. Our outstanding team of professionals is capable of assisting your clients in obtaining intellectual property protection or assisting in the resolution of disputes in any area of technology or intellectual property law.