
CANADA PRACTICE GUIDE
INTELLECTUAL PROPERTY

OBTAINING PATENTS

Second Edition

Martin Kratz



CARSWELL

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INTRODUCTION

SCOPE OF THE BOOK

- This book is aimed at the general practitioner acting as advisor to an inventor.
- It is hoped that the reader will obtain a number of benefits from this book including:
 - being more knowledgeable about the patent filing process;
 - having a better appreciation of basic patent law issues and hence be able to assist in making better business and legal decisions during the filing and prosecution of the application;
 - being able to provide more knowledgeable and therefore better communication with a patent agent and be better able to intelligently and actively manage the work done by a patent agent.
- This book is not a substitute for the use of a registered patent agent in making an application for a patent.
- The field of patent law is very complex and patent rights may be very significant. This text is introductory in scope and provides the basic framework for the patent system in Canada. There are many rules, practices and procedures outside the scope of this text. *You may wish to consult one or more of the sources listed in Appendix N. You may also wish to consult with a lawyer knowledgeable in the field of patent law for specific legal advice relating to your client's particular situation.*

GLOSSARY OF TERMS

<i>author:</i>	the creator of a thing protected by copyright
<i>claim:</i>	the description of the elements of the invention and which set out the scope and limits of the patentee's rights
<i>designer:</i>	the creator of an industrial design (or design)
<i>work:</i>	a thing protectable under copyright law
<i>invention:</i>	a thing or process which may be patentable
<i>inventor:</i>	the creator of an invention
<i>patentee:</i>	the owner of the patent
<i>pirate:</i>	an infringer
<i>prosecute:</i>	to seek to resolve issues arising from an application raised by the official or examiner in the applicable registry
<i>office action:</i>	an official letter from the patent examiner arising from a substantive review of the patent application

- The text will be updated periodically to address changes in law and practice. If you have any suggestions please send them to me at either: kratzm@bennetjones.ca on the Internet; or 4500 Bankers Hall East, 855-2nd Street S.W., Calgary, Alberta, T2P 4K7, (403) 298-3650, FAX (403) 265-7219.

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FIRST CONTACT WITH THE CLIENT

1.1 CHARACTERIZATION OF THE TECHNOLOGY

- A critical early step is to properly characterize the work, device, process or thing (referred to informally as the “technology” in this chapter) the client wants to protect. *The client may know nothing about patents and may need copyright, industrial design, trade-mark or other protection or a combination of these.*

1.2 SPECIAL ISSUES

- Be prepared to immediately address the status of disclosures of the invention. (See *Chapters 2 and 3 for more detailed information.*)
- In order to minimize the risk of any (further) disclosures you may wish to provide the client with a form of non-disclosure agreement. Several examples are attached in Appendices K and L. A checklist on typical terms in a non-disclosure agreement is attached in Appendix M. You will need to develop or adapt documents to meet your client's particular requirements. *The purpose of non-disclosure agreements are to seek to establish obligations of secrecy with other persons who may be provided access to the invention. While such obligations may, in certain cases, arise out of a relationship or the circumstances, the use of the non-disclosure agreement provides clear evidence of the establishment of a relationship of confidence and sets out the terms and any limits of that relationship.*

1.3 FORMS OF INTELLECTUAL PROPERTY

In order to be as complete as possible you should review the potential applicability of each form of intellectual property protection to the client's technology. For more details on the following types of intellectual property consult the resources identified in Appendix N or review *Canadian Intellectual Property Law* (Toronto: Carswell, 1998). Note that overlapping protection is likely in many cases. (*The examples at the end of the chapter may assist you, but please note the cautions regarding them.*)

1.3.1 TRADE-MARKS

In Canada, the traditional theory is that trade-marks serve to identify the "source" of the products or services associated with the trade-mark. Given the growth of licensing and franchise operations, the role of trade-marks is increasingly evolving to distinguish one trader's product or service from that of another trader.

- A trade-mark is a way of distinguishing one trader's product or service from that of another trader.
- Trade-marks protect the goodwill and reputation associated with a product or service.
- A trade-mark may be any form of indication or sign, such as:
 - a word (*i.e.*, "IBM");
 - a phrase or slogan (also known as "word marks") (*i.e.*, "Mr. Christie, You Make Good Cookies");
 - a logo or design (also known as a "design mark") (*i.e.*, the McDonald's double arches); or
 - a distinctive shape (also known as a "distinguishing guise") (*i.e.*, the unique shape of the Coca Cola bottle).
- *Some jurisdictions also provide protection for other indicators such as a specific sound or smell associated with a product or service.*
- Trade-mark law provides essentially no protection for the design of the technology, product or service except that cer-

tain well-known shapes may be protected as distinguishing guises.

- Unlike copyright, where rights arise on creation, or patent and industrial design, where rights arise on registration, trade-mark rights arise based on the *use* of the trade-mark in association with a product or service.
- Trade-marks may be registered under the provisions of the *Trade-marks Act*, R.S.C. 1985, c. T-13, as amended. (Discussion on the nature of trade-mark rights, details on making a trade-mark application, proper trade-mark use and enforcement of trade-mark rights may be found in Donna G. White, *Selecting and Protecting Trade-Marks 1995*, Canada Practice Guide (Toronto: Carswell, 1994)).

(a) Copyright and Trade-Marks

Unlike the complications of the relationship between copyright and industrial design law or the lesser complications of copyright and patent law, the provisions of Canada's copyright law and trade-mark law co-exist and complement each other in a useful manner.

Many traders use artistic works, such as designs, logos or distinguishing guises, as design marks to distinguish their wares and services from those of others. Such artistic works may be protected under copyright law. As a result, it may be possible for the trade-mark owner to take action in respect of infringement or other unfair competition by bringing both trade-mark infringement action and copyright infringement action.

- A trade-mark only provides protection in relation to specific uses, while a copyright provides protection in relation to any substantially similar copy, largely regardless of use.
- As far as possible the trade-mark agent or advisor carrying out the registration of the trade-marks should seek to address the issue of protection of the copyright in design marks. (For more details on copyright issues, see Martin P.J. Kratz, *Protecting Copyright and Industrial Design Second Edition*, Canada Practice Guide (Toronto: Carswell, 1999)).

(b) Industrial Design and Trade-Marks

- In some cases distinctive shapes which may be considered for trade-mark protection as distinguishing guises may also qualify for protection under the industrial design system. In such a case, the owner should consider seeking to obtain, if still possible, industrial design protection for the unique design. *Note there is only one year from any making public of the design or shape in which to seek industrial design protection.*
- As far as possible the trade-mark agent or advisor carrying out the registration of the trade-marks should seek to address the issue of protection of any industrial design rights in a distinguishing guise. (For more details on industrial design issues, see *Protecting Copyright and Industrial Design Second Edition*.)

1.3.2 PATENTS

- Patents protect inventions. (*For more details on the nature of patents, see Chapter 2.*)
- To be an invention, a design, technology or advance must satisfy strict requirements of novelty, inventive merit and utility.
- An invention may be:
 - a product (*i.e.*, a better mousetrap);
 - a process (*i.e.*, a way of doing something, a unique set of logically inter-related steps to do something);
 - a composition (*i.e.*, a unique combination of different elements); or
 - an apparatus (*i.e.*, a unique machine or device).

- In each case, the invention must be new. It cannot be something that has been available in the marketplace for many years. (See section 2.6.3, below, for discussion of novelty.)
- An invention must be useful. It must solve a practical problem. (See section 2.6.2, below, for discussion of utility.)
- An invention must also show inventive merit. It must be an unexpected or non-obvious solution to the problem. (See section 2.6.4, below, for discussion of inventive merit.)
- Unlike copyright but similar to industrial design, the patent system requires registration in a country in order to create enforceable rights within that country.
- Unlike copyright or industrial design, a patent protects useful features of a technology, work or a design.
- A 20-year term of protection is available in Canada. The term is measured from the date of application for the patent.
- The rules on novelty and the requirement of inventive merit (or non-obviousness) are complex.
- *Failure to file an application prior to any public use, disclosure or sale of the invention or a product or process embodying the invention may result in loss of rights! If you are unsure on this point, discuss the particular facts with an intellectual property lawyer.*

1.3.3 TRADE SECRET LAW

- Information, data, ideas, designs or concepts may be protected under trade secret law.
- This system of law arose from the common law and requires:
 - an obligation of confidence (*i.e.*, an obligation to keep the information secret);

- the subject-matter itself must be confidential (*i.e.*, it must be secret, not publicly known); and
 - disclosure of the information must result in actual or threatened detriment to the holder of the information.
- The obligation of confidence may arise expressly, such as under a non-disclosure agreement or as a term in a contract, or by implication or conduct (*i.e.*, if confidential information was disclosed in circumstances in which the parties ought to know the information was imparted in confidence). See, for example, *Cadbury Schweppes Inc. v. FBI Foods Ltd.* (1999), 167 D.L.R. (4th) 577 (S.C.C.), *International Corona Resources Ltd. v. Lac Minerals Ltd.* (1989), 26 C.P.R. (3d) 97, 44 B.L.R. 1 (S.C.C.); *Seager v. Copydex Ltd.*, (1967) 2 All E.R. 415 (Eng. C.A.).
 - *Examples of non-disclosure agreements are shown in Appendices K and L and a checklist of terms in such agreements is shown in Appendix M.*
 - The requirement of an obligation of confidence means that the disclosing party must have a relationship with the receiving party. No obligations arise with strangers. *This is an important limit on the protection available under trade secret law.*
 - The second requirement, that the subject-matter must be secret, means that the information cannot have been made available to the public.
 - Examples of disclosures which would preclude protection include:
 - publication of the information in an article or brochure;
 - public use;
 - sale of a product embodying the information or from which the information may be extracted; or