

# Patent Invalidity for Obviousness: Canada's Federal Court of Appeal Renders an Important Decision

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**Patents**

On June 7, 2007, Canada's Federal Court of Appeal rendered a decision in *Novopharm Limited v. Janssen-Ortho Inc.*<sup>[1]</sup> that dealt with several patent issues, but perhaps most notably the test for obviousness for invalidity of a patent.

## LOWER COURT DECISION

This decision was an appeal from an October 2006 decision<sup>[2]</sup> of Mr. Justice Hughes in a patent infringement action. The lower court decision was discussed in our earlier bulletin entitled "[If at First You Don't Succeed...](#)". The title of that earlier bulletin alluded to the fact that the patentee was successful in the infringement action even though it had failed in its effort to obtain a prohibition order under the *Patented Medicines (Notice of Compliance) Regulations*. The decision at the appeal level has left that result unchanged.

## FACTORS FOR OBVIOUSNESS

The Federal Court of Appeal began its discussion of the law concerning obviousness by quoting the oft-cited test from *Beloit Canada Ltd. et al. v. Valmet OY*:

The classical touchstone for obviousness is the technician skilled in the art but having no scintilla of inventiveness or imagination; a paragon of deduction and dexterity, wholly devoid of intuition; a triumph of the left hemisphere over the right. The question to be asked is whether this mythical creature (the man in the Clapham omnibus of patent law) would, in the light of the state of the art and of common general knowledge as at the claimed date of invention, have come directly and without difficulty to the solution taught by the patent. It is a very difficult test to satisfy.<sup>[3]</sup>

The appeal court also noted the classic warning against hindsight analysis from *Beloit*:

Every invention is obvious after it has been made, and to no one more so than an expert in the field. Where the expert has been hired for the purpose of testifying, his infallible hindsight is even more suspect. It is so easy, once the teaching of a patent is known, to say, "I could have done that"; before the assertion can be given any weight, one must have a satisfactory answer to the question, "Why didn't you?"<sup>[4]</sup>

The Court of Appeal then provided a list of six principal factors and two secondary factors (adapted from a list provided in Justice Hughes' decision) that may be considered in assessing obviousness:

### Principal factors

1. The invention

What is in issue is the patent claim as construed by the Court.

2. The hypothetical skilled person referred to in the *Beloit* quotation

It is necessary to identify the skills possessed by the hypothetical person of ordinary skill in the art.

3. The body of knowledge of the person of ordinary skill in the art

The common knowledge of the hypothetical person of ordinary skill in the art includes what the person may reasonably be expected to know and to be able to find out. The hypothetical skilled person is assumed to be reasonably diligent in keeping up with advances in the field to which the patent relates (*Whirlpool* at paragraph 74). The presumed knowledge of the hypothetical skilled person undergoes continuous evolution and growth. Not all knowledge is found in print form. On the other hand, not all knowledge that has been written down becomes part of the knowledge that a person of ordinary skill in the art is expected to know or find.

4. The climate in the relevant field at the time the alleged invention was made

The general state of the art includes not only knowledge and information but also attitudes, trends, prejudices and expectations.

5. The motivation in existence at the time [of] the alleged invention to solve a recognized problem

“Motivation” in this context may mean the reason why the claimed inventor made the claimed invention, or it may mean the reason why one might reasonably expect the hypothetical person of ordinary skill in the art to combine elements of the prior art to come up with the claimed invention. If within the relevant field there is a specific problem that everyone in the field is trying to solve (a general motivation), it may be more likely that the solution, once found, required inventive ingenuity. On the other hand, if there is a problem that only the claimed inventor is trying to solve (a unique or personal motivation), and no one else has a reason to address that problem, it may be more likely that the solution required inventive ingenuity. However, if commonplace thought and techniques can come up with a solution, there may be a reduced possibility that the solution required inventive ingenuity.

6. The time and effort involved in the invention

The length of time and expense involved in the invention may be indicators of inventive ingenuity, but they are not determinative because an invention may be the result of a lucky hit, or the uninventive application of routine techniques, however time consuming and expensive they may be. If the decisions made in arriving at the solution are few and commonplace, that may indicate that no inventive ingenuity was required to arrive at the solution. If the points for decision were many and choices abundant, there may be inventiveness in making the proper decisions and choices.

**Secondary factors**

These factors may be relevant but generally bear less weight because they relate to facts arising after the date of the alleged invention.

7. Commercial success

Was the subject of the invention quickly and anxiously received by relevant consumers? This may reflect a fact that many persons were motivated to fill the commercial market, which may suggest inventive ingenuity. However, it may also reflect things other than inventive ingenuity such as marketing skills, market power and features other than the invention.

8. Meritorious awards

Awards directed to the alleged invention may be recognition that the appropriate community of persons skilled in the art believed that activity to be something of merit. That may or may not say anything about inventive ingenuity.<sup>[5]</sup>

The appeal court emphasized that:

(...) this list is a useful tool, but no more. It is not a list of legal rules to be slavishly followed; nor is it an exhaustive list of the relevant factors. The task of the trial judge in each case is to determine, on the basis of the evidence, sound judgment and reason, the weight (if any) to be given to the listed factors and any additional factors that may be presented.<sup>[6]</sup>

## **FACTS OF THE CASE AND CONCLUSIONS OF THE COURT**

The claim in suit was to the compound levofloxacin, which is one of two enantiomers of the known compound ofloxacin. The Court of Appeal accepted the finding of fact that a person of ordinary skill in the art would have known that enantiomers of ofloxacin would possess properties different from ofloxacin itself, but would not be able to predict the degree of difference.<sup>[7]</sup> The Court of Appeal also accepted that, at the time of the invention, levofloxacin had not been isolated with an acceptable level of purity<sup>[8]</sup> and that the patentee was uniquely motivated to isolate the enantiomers of ofloxacin.<sup>[9]</sup>

Prior art of particular interest in this case were posters displayed and referred to by Professor John Gerster during conferences in 1982 and 1985 (the "Gerster Posters") that related to processes for obtaining a drug known as flumequine, which is structurally similar to levofloxacin. One of the inventors of the patent in suit (Dr. Hayakawa) saw the 1985 poster, attended Prof. Gerster's presentation, and took notes. He later employed the same method to produce levofloxacin.

The Court of Appeal agreed with the conclusion of Justice Hughes that the prior art of interest did not render the invention obvious. The Court of Appeal's conclusion was based on the fact that whatever steps Dr. Hayakawa, an acknowledged inventor, took after reading the prior art would not necessarily have occurred to a person of ordinary skill in the art.

## **IMPACT OF THE DECISION**

The conclusion of inventiveness in this case rests on the fact that Dr. Hayakawa was an inventive person and therefore not representative of a person of ordinary skill in the art. In view of this conclusion, it is reasonable to ask what led the Court to find that Dr. Hayakawa was an inventive person. If the Court was relying on the patent in suit, this seems to be bootstrapping because the Court cites his inventive skills even before concluding that what he conceived was an invention. On the other hand, if the conclusion that Dr. Hayakawa was an inventive person was based on other inventions he had made, then it would seem to follow that the threshold for inventiveness for established inventors is slightly lower than that for the rest of the population, since the inexperienced inventor would not be as well placed to argue that his or her invention would not have occurred to an ordinary person skilled in the art.

It is notable that the United States Supreme Court recently discussed the issue of obviousness; see our bulletin entitled "[KSR International Co. v. Teleflex Inc.: the United States Supreme Court speaks on patent invalidity for obviousness](#)". In *KSR*, the Court effectively raised the bar for inventiveness by making it easier to argue obviousness. Arguably, the trend in Canada is in the opposite direction. One might wonder if Canada's Supreme Court would accept an opportunity to contribute to the debate.

Meanwhile, the Federal Court of Appeal has provided a convenient set of factors that can be cited in assessing obviousness. However, it should be kept in mind that this list is neither determinative nor complete.

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<sup>[1]</sup> [2007 FCA 217](#).

<sup>[2]</sup> [2006 FC 1234](#).

<sup>[3]</sup> (1986), 8 C.P.R. (3d) 289 (F.C.A.) at 294.

<sup>[4]</sup> *Ibid.* at 295.

<sup>[5]</sup> 2007 FCA 217 at para. 25.

<sup>[6]</sup> *Ibid.* at para. 27.

<sup>[7]</sup> *Ibid.* at para. 43.

<sup>[8]</sup> *Ibid.* at para. 34.

<sup>[9]</sup> *Ibid.* at para. 40.

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