1963

*Apr. 23, 24, 25, 26
Oct. 2

C. H. BOEHRINGER SOHN (*Plaintiff*) ..APPELLANT;

AND

BELL-CRAIG LIMITED (*Defendant*) ...RESPONDENT.

ON APPEAL FROM THE EXCHEQUER COURT OF CANADA

Patents—Action for infringement—Claims for substances produced by chemical process and intended for food or medicine—Claim for substance only when produced by particular process of manufacture—Valid process claim also required—Patent Act, R.S.C. 1952, c. 203, s. 41(1), (2) and (3).

The appellant was the owner of a patent for an invention entitled "Process for the production of Substituted Morpholines" and brought action against the respondent for infringement of this patent, claiming that the respondent by selling phenmetrazine hydrochloride tablets, had infringed claim 8 of the patent, which read: "2-phenyl-3-methylmorpholine, when prepared by the process of claim 1, 2 or 3, or by an obvious chemical equivalent." The appellant's claim was based upon this claim 8, referring only to process claim 1. The respondent attacked the validity of the claim and also denied infringement. The trial judge found that claim 8 was invalid for failure by the appellant to comply with the requirements of s. 41(1) of the *Patent Act,* R.S.C. 1952, c. 203. He also held that claim 8 had not been infringed.

Held: The appeal should be dismissed.

As found by the trial judge, claim 1 was invalid because, on the evidence, it was improbable that all, or the majority, or even a substantial number of the conceivable substances comprised within the class defined in that claim had the utility referred to in the specification.

The question was whether a claimant can satisfy the requirements of s. 41(1) for a claim for a substance, if he has filed a broad process claim for the production of a whole genus of which the substance is but one, if the process claim, because of its generality, is found to be invalid. The Court held that he cannot meet the provisions of the subsection in that way. The subsection was intended to place strict limitations upon claims for substances produced by chemical process intended for food or medicine. Such a substance cannot be claimed by itself. It can only be claimed when produced by a particular process of manufacture. Not only that, the claimant must claim, not only the substance, but that very process by which it is manufactured. To comply with the subsection he must, therefore, make two claims. This meant that he must make valid claims to both the process and the substance, if he is to be entitled, successfully, to claim the latter.

Commissioner of Patents v. Winthrop Chemical Co. Inc., [1948] S.C.R. 46, applied.

APPEAL from a judgment of Thurlow J. of the Exchequer Court of Canada[1], dismissing an action for infringement of patent. Appeal dismissed.

*PRESENT: Cartwright, Martland, Judson, Ritchie and Hall JJ.

[1] [1962] Ex. C.R. 201, 22 Fox Pat. C. 190.

Christopher Robinson, Q.C., and *R. S. Smart*, for the plaintiff, appellant.

J. J. Robinette, Q.C., and *I. Goldsmith*, for the defendant, respondent.

The judgment of the Court was delivered by

MARTLAND J.:—The facts of this case are fully set forth in the careful and comprehensive judgment of the learned trial judge, which is reported in [1962] Ex. C.R. 201. It is not necessary, for the purposes of this decision, to repeat them here in detail. The action is by the appellant against the respondent for infringement of the appellant's patent, claiming that the respondent, by selling phenmetrazine hydrochloride tablets, had infringed claim 8 of the patent, which read:

> 8. 2-phenyl-3-methylmorpholine, when prepared by the process of claim 1, 2 or 3, or by an obvious chemical equivalent.

The appellant's claim was based upon this claim 8, referring only to process claim 1.

The material contents of the patent are summarized in the headnote to the report of the case, in 22 Fox Pat. C. 190, as follows:

> Patent No. 543,559 of July 15, 1957, after referring to the known production of substituted morpholines by treating diethanolamines with acids to effect ring closure, and stating the object of the invention to be a process in which ring closure could be carried out under mild conditions, stated the discovery that a specified class of diethanolamines could be ring closed under particularly mild conditions and that the invention related to a process in which diethanolamines of the specified class were ring closed to morpholines by treatment with concentrated sulphuric acid without heating or with dilute acids at moderate temperatures. It then went on to say that "the morpholines produced according to the invention" were valuable pharmaceuticals and to describe their pharmacological behaviour "by the example of one of the compounds of this class, the 2-phenyl-3-methylmorpholine" (known by the generic name phenmetrazine). Nine examples described the preparation of different members of the class, Examples 2 and 9 describing the preparation of phenmetrazine by two specific processes. Claim 1 was to a process for the production of the defined class of substituted morpholines characterized in that diethanolamines of the defined class are treated in the presence of acids. There were five dependent process claims, a broad product claim to morpholines of the defined class prepared by the claimed process, and finally claim 8 . . .

The respondent attacked the validity of the claim and also denied infringement.

1963

C. H. BOEHRINGER SOHN v. BELL-CRAIG LTD.

Martland J.

The learned trial judge, for various reasons, found that claim 8 was invalid for failure by the appellant to comply with the requirements of s. 41(1) of the *Patent Act*, R.S.C. 1952, c. 203. He also held that claim 8 had not been infringed.

Having reached the conclusion that claim 8 was invalid for failure to comply with s. 41(1), for one of the reasons found by the learned trial judge, it is unnecessary to consider, or express an opinion upon, the other grounds upon which he dismissed the action.

The relevant subsections of s. 41 of the *Patent Act* provide as follows:

41. (1) In the case of inventions relating to substances prepared or produced by chemical processes and intended for food or medicine, the specification shall not include claims for the substance itself, except when prepared or produced by the methods or processes of manufacture particularly described and claimed or by their obvious chemical equivalents.

(2) In an action for infringement of a patent where the invention relates to the production of a new substance, any substance of the same chemical composition and constitution shall, in the absence of proof to the contrary, be deemed to have been produced by the patented process.

(3) In the case of any patent for an invention intended for or capable of being used for the preparation or production of food or medicine, the Commissioner shall, unless he sees good reason to the contrary, grant to any person applying for the same, a licence limited to the use of the invention for the purposes of the preparation or production of food or medicine but not otherwise; and, in settling the terms of such licence and fixing the amount of royalty or other consideration payable the Commissioner shall have regard to the desirability of making the food or medicine available to the public at the lowest possible price consistent with giving to the inventor due reward for the research leading to the invention.

The following passages from the reasons for judgment of the learned trial judge state the proposition of law upon which, in my opinion, it must be found that claim 8 was invalid:

It follows from the foregoing that a patent which includes in its specification a claim which claims more than the inventor has invented purports to grant an exclusive property in more than the inventor has invented and at least in so far as that claim is concerned the patent, in my opinion, is not granted under the authority of the statute and is therefore not lawfully obtained. I think it also follows (even allowing for full scope for the operation of s. 60) that no rights whatever can accrue to the patentee from the presence in the specification of such a claim, either for the purpose of enforcing the property rights thereby purported to be granted or for the purpose of fulfilling a statutory requirement such as that in s. 41(1) that a claim for a new substance in a patent to which that subsection applies be limited to the substance when produced by a process

which has been "claimed". For as I view it, a claim which is invalid because it claims more than the inventor invented is an outlaw and its existence as defining the grant of a property right is not to be recognized as having any validity or effect. Nor is there in the statute any provision for separating what may be good in such a claim, in the sense of what is in accordance with the statute, from what is bad in it, in the sense of what is contrary to or unauthorized by the statute.

* * *

I am accordingly of the opinion that if claim 1 is invalid, it cannot serve to fill the requirement of s. 41(1) that a claim for a new substance in a patent to which that subsection applies be accompanied by a claim for the process of producing the substance and be limited to the substance when produced by that process or an obvious chemical equivalent. In this view, the defendant's objections to claim 1 are relevant to the issue of the validity of claim 8.

The learned trial judge went on to hold that claim 1 was invalid because, on the evidence, it was improbable that all, or the majority, or even a substantial number of the conceivable substances comprised within the class defined in that claim had the utility referred to in the specification. This finding of the learned trial judge was not challenged before this Court and it was conceded, by counsel for the appellant, that claim 1 was too broad in its terms and was invalid for the reasons given by the learned trial judge.

The starting point for the consideration of this issue must be the decision of this Court in *Commissioner of Patents v. Winthrop Chemical Co. Inc.*[1]. It was held in that case that a claim for a substance alone cannot, under s. 41(1) (then s. 40(1)) of the *Patent Act,* be entertained and that the applicant's specification should describe the method or process by which the substance is prepared or produced and claim a patent therefor in the manner specified in s. 36 (then s. 35).

Counsel for the appellant contends that this decision goes no further than to hold that, as a matter of statutory interpretation, s. 41 requires a separate claim to be made for the process by which the substance is produced. This, he submits, was done in the present case, because the process claim in claim 1 was for a process applicable to the preparation of the specific substance of claim 8, *i.e.,* 2-phenyl-3-methylmorpholine, which process was incorporated, by reference, into claim 8. Claim 8, he says, if rewritten to

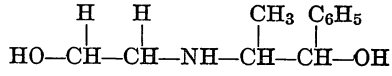
[1] [1948] S.C.R. 46, 2 D.L.R. 561, 7 Fox Pat. C. 183, 7 C.P.R. 58.

1963

C. H. BOEHRINGER SOHN v. BELL-CRAIG LTD.

Martland J.

include a statement of the process directly rather than by reference, would read:

> 2-phenyl-3-methylmorpholine, when prepared by a process characterized in that a diethanolamine of the formula
>
> 
>
> is treated in the presence of acids, or by an obvious chemical equivalent.

He also points out that a patent was, in fact, issued and contends that the requirements of the *Winthrop* case have been met if the process has been claimed and that claim has been accepted by the Commissioner of Patents.

It should first be noted that claim 8, even if it had been drafted in the way suggested, if it had stood alone would have been invalid. In the *Winthrop* case there was a recital, in both the description and the claim portions of the specification, of the process by which the claimed substance was produced. There was, however, no claim for that process and the case decided that compliance with s. 41(1) required that such a claim be made.

In the present case there was a claim to a process upon which the appellant relies as being a compliance with the subsection. That claim is claim 1, which is admittedly invalid because it is too broad in its terms and claims more than the appellant was entitled to claim. The question is whether a claimant can satisfy the requirements of s. 41(1) for a claim for a substance, if he has filed a broad process claim for the production of a whole genus of which the substance claimed is but one, if the process claim, because of its generality, is found to be invalid.

In my opinion, he cannot meet the provisions of that subsection in that way. The subsection was intended to place strict limitations upon claims for substances produced by chemical process intended for food or medicine. Such a substance cannot be claimed by itself. It can only be claimed when produced by a particular process of manufacture. Not only that, the claimant must claim, not only the substance, but that very process by which it is manufactured. To comply with the subsection he must, therefore, make two claims. In my opinion this means that he must make valid claims to both the process and the substance, if

he is to be entitled, successfully, to claim the latter. To interpret the subsection as meaning that all that is necessary is to file a claim for the process, valid or not, would be to defeat its purpose. A person who claims a substance within the subsection, supported only by a process claim which is invalid, is in no better position than was the respondent in the *Winthrop* case, who, while referring to a process, had not claimed it. In the *Winthrop* case the claimant had claimed too little. In the present case he has claimed too much. But the result in each case is the same in that there has been no claim filed which results in the claimant's obtaining a valid patented process for the production of the substance which he claims.

The view which I have expressed as to the effect of s. 41(1) is, I think, implicit in the reasons for judgment given by this Court in that case and I agree with the view of the learned trial judge in the present case when he said:

> Nor do I think the effect of the judgment in the *Winthrop* case is so limited as Mr. Robinson submits. The case holds that in a case to which s. 41(1) applies, a claim for a new substance must be accompanied by a claim for a process for producing it, but it is, I think, impossible to read the judgment as meaning that a claim for an exclusive property to which the inventor was not entitled and which was therefore illegal and invalid could serve the purpose.

In the *Winthrop* case this Court, in determining the meaning of subs. (1), obtained assistance from the provisions of subss. (2) and (3), which immediately follow it. I think that similar assistance can be obtained in determining the issue in the present case.

Subsection (2) creates a statutory onus of proof, which applies in actions for infringement of patents relating to the production of a new substance. It provides that any substance of the same chemical composition and constitution shall, in the absence of proof to the contrary, "be deemed to have been produced by *the patented process.*"

Subsection (3) provides, in the case of a patent for an invention intended or capable of being used for the preparation or production of food or medicine, for the granting of a licence, by the Commissioner of Patents, for the use of "the invention" for the purpose of the preparation of the food or medicine, and it provides for the fixing by him of a royalty, or consideration, to be paid for such licence.

1963

C. H. BOEHRINGER SOHN v. BELL-CRAIG LTD.

Martland J.

In the *Winthrop* case, Estey J., who delivered the judgment of the Chief Justice and himself, made the following reference to subs. (2) of what was then s. 40 of the Act, at p. 49:

> Moreover, this construction of section 40(1) is consonant with the use of the phrase "patented process" in 40(2). In this subsection Parliament is raising a presumption in favour of a plaintiff with respect to one of the essentials that must be proved in an action for infringement of his patent under section 40(1). In this regard Parliament speaks only of the "patented process", which emphasizes the construction already placed upon section 40(1). These subsections read together contemplate among the possible actions one for an infringement with respect to the process in which the substance is new but not patented but do not contemplate a patent for a substance only.

Kellock J., who delivered the judgment of Taschereau J. (as he then was) and himself, makes the following comments with respect to both subss. (2) and (3) at p. 53:

> By subsection 2 it is provided that in an action for infringement of a patent where the invention relates to the "production" of a new substance, any substance of the same chemical composition and constitution is, in the absence of contrary proof, to be deemed to have been produced by the *patented* process. If the respondent is right in its contention as to the construction of subsection 1, subsection 2 would have no application to a substance within subsection 1 produced by a process not itself the subject of patent. I think it unlikely that such a result was ever intended but rather that the provisions of the two subsections are supplementary.
>
> Again when one turns to subsection 3, the same consideration appears. It provides that in the case of a patent for an invention intended for or capable of being used "for the preparation or production" of food or medicine, the Commissioner of Patents has power to grant a licence to an applicant therefor limited to the "use of the invention for the preparation or production" of food or medicine (i.e. the process) and it is declared that in settling the terms of the licence regard shall be had to the desirability of making the food or medicine (i.e. the substance) available to the public at a proper price. Under this provision it is the *invention* which is to be the subject of the licence and it is the *process* which is referred to by the subsection as the invention. If, therefore, subsection 1 is to be interpreted as applying to a substance produced by a process which need not be patentable, no licence could be obtained under subsection 3 for its production. In my opinion no such effect was intended by the legislation.

Rand J., at p. 56, also called in aid the provisions of subss. (2) and (3) and said:

> I agree that ss. (2) could, as a matter of words, be construed to have only a partial application, limited to those cases in which the process itself is patented; but why, if under ss. (1) the process may be old, in the

juxtaposition of the two subsections, the procedural benefit should not have been extended to the patentee of a substance restricted in production to an old process, has not been made apparent. I agree, also, that under ss. (3) a license for the process may be deemed to imply a license for the substance itself where that likewise is the subject of patent; but if the substance could be patented along with an old process, it would be a distortion of language to say that a license could issue for the substance alone and the declared purpose of the subsection would be defeated.

In my opinion, the reasoning in each of these passages quoted applies with equal force, not only to the specific issue before the Court in the *Winthrop* case, *i.e.*, must an applicant for a patent for a substance under s. 41(1) make a specific process claim, but also to the issue which is before the Court in this case, *i.e.*, can there be a valid patent for a substance within s. 41(1) if the process claim which has been made for the process of its production is found to be invalid.

For the foregoing reasons, in my opinion, this appeal should be dismissed with costs.

Appeal dismissed with costs.

Solicitors for the plaintiff, appellant: Smart & Biggar, Ottawa.

Solicitors for the defendant, respondent: Duncan, Goldsmith, Doran & Caswell, Toronto.