The Doctrine of File Wrapper Estoppel in Canada: The Court of Appeal Hands Down its Decision

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In December 2018, section 53.1 was added to the *Patent Act* (the "Act") allowing reference to be made to communications exchanged with the Canadian Intellectual Property Office ("CIPO") during the prosecution of an application with respect "[...]to the construction of a claim." This concept is more commonly known as "file wrapper estoppel."

Salient points

1. Expert evidence regarding how to construe the claims of a patent is not required in order to determine whether infringement has occurred.
2. In a motion for summary judgment, the responding party must put its best foot forward and cannot simply contest the motion on the grounds that the moving party's evidence is insufficient.
3. File wrapper estoppel applies when rebutting a representation made by the patentee; however, only communications with CIPO are accepted, not those with a foreign patent office.
4. There are several substantive issues yet to be resolved with respect to the file wrapper estoppel doctrine in Canada.

In September of 2019, the Federal Court rendered its first decision concerning section 53.1 of the Act in *Canmar Foods Ltd* v. *TA Foods Ltd.*[1] The decision was appealed, and, on January 20, 2021, the Federal Court of Appeal rendered its first judgment on the application of said section, and thus on the file wrapper estoppel doctrine in Canada.[2]

Background

Canmar Foods Ltd. ("Canmar") holds a patent on a method for roasting seeds used to produce vegetable oil (the "Patent"). The method claimed in the Patent consists of four steps, including heating the oil seed to a certain temperature in a "stream of air" and transferring the heated oil seed into an "insulated or partially insulated roasting chamber or tower."

During the prosecution of the Patent application, the steps of heating in a "stream of air" and

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transferring the seeds in the manner mentioned above was added to the Patent claims by amendment in order to limit the scope of the claims. During the prosecution of the Patent application in Canada, Canmar referred to amendments that were “substantially the same” as those made during prosecution of the corresponding U.S. patent application in response to novelty and obviousness objections that had been raised by the examiner.

After the Patent was obtained, Canmar sued TA Foods Ltd. (“TA”) for infringement thereof. TA filed a motion for summary judgment on the grounds that the method it used did not include either the step of heating the seeds in a “stream of air” or the step of transferring them into an “insulated or partially insulated roasting chamber or tower.”

In support of the motion for summary judgment, the parties both filed affidavits. However, no expert evidence was filed regarding the construction of the claims of the Patent by a person of ordinary skill in the art, a “POSITA.”

The Federal Court found that:

1. Expert evidence regarding how to construe the claims of a patent is not required in order to determine whether infringement has occurred.
2. In a motion for summary judgment, the responding party must put its best foot forward and cannot simply contest the motion on the grounds that the moving party’s evidence is insufficient.
3. Section 53.1 of the Act applies because, in contesting the motion for summary judgment, Canmar advanced a construction of the claims that would have the effect of nullifying the amendments made during the prosecution of the patent application.
4. Exceptionally, the prosecution history of the U.S. patent could be relied upon because Canmar made reference thereto during the prosecution of the application for the Canadian Patent.
5. In light of the prosecution history of the U.S. patent, the steps of heating the seeds in a “stream of air” and transferring the heated oil seed into an “insulated or partially insulated roasting chamber or tower” were found to be essential elements of the claims of the Canmar Patent.
6. Even without reference to the prosecution history of the U.S. patent, the Court would have found that these elements were essential.

The Court of Appeal upheld the Federal Court’s decision, but pointed out that the judge erred in law by referring to the prosecution history of the U.S. patent.

Thus, the Court of Appeal confirmed that the Federal Court had jurisdiction to construe the claims of the Patent and that expert evidence regarding a POSITA’s construction was not necessary in this case. The Court of Appeal nevertheless issued the following warning:

> Of course, the judge who dispenses with expert evidence will do that at his or her own peril, and it is not a practice that should be lightly countenanced. Claims must always be construed in an informed and purposive way, and it is only in the clearest of cases that judges should feel confident enough to construe the claims of a patent as they would be understood by a skilled person, without the help of any expert evidence.

The Court of Appeal also criticized Canmar for failing to produce reply evidence with respect to the infringement. Specifically, the Court states that Canmar should have put its best foot forward, for example by submitting a claim construction that could lead even theoretically to a finding of infringement. In the absence of such evidence, the judge committed no palpable and overriding error in granting the motion for summary judgment.

However, the Court of Appeal found that by referring to the prosecution history of the U.S. patent, the Federal Court judge erred in law.

After a detailed review of American and British case law on file wrapper estoppel, the Federal Court of Appeal stated:

> I agree with the appellant that courts should be wary to extend the detailed language of section 53.1, which is specific about the communications being limited to those with the Canadian Patent Office. The legislation is carefully tailored, and it would go against statutory interpretation principles to try to go beyond its original intent.

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> There are also public policy reasons for treading carefully in allowing extrinsic evidence. Opening the door to allowing foreign patent prosecution history into the analysis might lead to overly contentious and expensive litigation.

It should be noted that the Court of Appeal then qualified the above statement as follows:

> Yet, whether the doctrine of incorporation by reference should formally be treated as an exception to the general prohibition on foreign prosecution files, is a question best left for another day. (…)
>
> There is nothing in the prosecution file of the '376 Patent that identifies with any detailed particularity what specific "written communication" from the US prosecution history is incorporated and where that written communication can be found.

It is virtually certain that if Canmar had amended its claims and filed with the Canadian patent office the same response that it filed with the U.S. patent office, that response could have been invoked under section 53.1 of the Act. Nevertheless, in such a case, the response in question would unambiguously form part of the Canadian file.

On the other hand, if, instead of filing the U.S. response, the applicant had only referred to it in express terms, would section 53.1 of the Act have applied? This is a question that another court will likely have to answer.

The Court of Appeal nonetheless dismissed the appeal because the trial judge had found that even without reference to the prosecution history of the U.S. patent, the Federal Court would have concluded that the elements in question were essential. The Court of Appeal found no manifestly unreasonable error in this part of the Federal Court's judgment.

Nor did the Court of Appeal rule on the question as to whether patent prosecution history can be raised solely to rebut an inconsistent construction made by the patentee, or whether it can be referred to whenever claim construction is called into question:

> The emphasis, therefore, is not so much on the rebuttal of a particular representation, but rather on the interpretive process itself. As the Court stated in Bauer Hockey, "there is no need to identify a particular representation and rebuttal every time a reference is made to the prosecution history. It is simply integrated in the interpretive process" (at para. 65).
>
> The resolution of this dispute is best left for another day, as the facts of this case clearly meet the more restricted interpretation of section 53.1 and do not require a broader reading of that section. More germane to the resolution of the case at bar is whether this new provision allows for the consideration of foreign prosecution files.

This issue is more than just a theoretical discussion point. In fact, in a recent decision, the Federal Court[3] found that section 53.1 was not applicable since the file wrapper was not raised to rebut the **patentee**'s claim construction. This is because the patent owner had left it to its exclusive licensee to allege infringement. Therefore, although the patentee was eventually made a party to the proceedings (only because invalidity of the patent had been alleged), the claim construction that the defendant wanted to rebut was not made by the patentee, but rather by its exclusive licensee.

Thus, unlike Judge Manson in *Canmar*, Judge Barne in *Allergan* adopted a much more restrictive interpretation of section 53.1 of the Act.

This debate regarding the file wrapper estoppel doctrine will continue and will most likely go all the way to the Supreme Court of Canada.

Stay tuned!

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1. *Canmar Foods Ltd*. v. *TA Foods Ltd.* 2019 FC 1233
2. *Canmar Foods Ltd. v. TA Foods Ltd.* 2021 FCA 7

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3. *Allergan Inc*. v. *Sandoz Canada Inc*. *et al.* 2020 FC 1189.

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