



# IP CONNECTIONS

CANADIAN INTELLECTUAL PROPERTY & TECHNOLOGY LAW NEWSLETTER

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## The claim game: obscure language, broad patent protection

Even common household objects can be difficult to recognize when described using patent claim language, but such language is usually in the patent holder's best interests.

Anyone who has ever tried to read a patent knows that the exercise hardly qualifies as light reading. With densely written text and schematic drawings littered with numerals, a typical patent is a difficult read for the layperson.

The portion of a patent that is generally considered the most difficult to comprehend, however, is the claims section. This section contains a series of numbered paragraphs known as claims that textually define, in language that is usually obscure, the scope of the patent holder's monopoly. In other words, the claims define the requirements for something to be considered an instance of the invention that is covered by the patent. As such, the claims are central to any patent infringement analysis.

In essence, a "two-finger test" is applied to determine whether a competitor's product infringes a patent. For each feature of a patent claim, if it is possible to point to the feature within the claim language with one finger while simultaneously pointing to the feature in the product with another finger, the patent is generally considered to be infringed.

Nothing in the above description would appear to require the use of obscure language within a patent claim. The layperson may wonder why an invention cannot simply be described in the claims using plain English. Certainly, that would help the general public better understand the invention that the patent purports to protect.

The trouble with using plain English is that it tends to result in claims that are unnecessarily

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narrow. This may have the unintended consequence of excluding subtle variations of the invention from the scope of the patent.

Consider the original invention of the stool centuries ago. The inventor of the stool may have constructed a prototype that could be described in plain English as follows:

A stool consisting of a round wooden seat and four legs extending downwardly from an underside of the round wooden seat.

Yet, if that inventor had filed a patent application containing only one claim describing the prototype exactly as above, he would have done himself a disservice. The reason is that by reciting very specific limitations in the claim (e.g., by requiring four legs, by requiring the seat to be round, and by requiring the seat to be made of wood), the inventor would have ensured patent coverage

only for instances of the invention that are effectively identical to the prototype. A competitor wishing to circumvent the patent might have easily done so by modifying the claimed stool to omit at least one essential limitation or to replace an essential limitation with something else. For example, the competitor might have manufactured a stool having only three legs or having a square wicker seat instead of a round wooden one. Thus, the above claim language, while clear, would not have been very effective in blocking a competitor's products.

A better approach would have been to use broader claim language that encompasses all variations of the prototype of which the inventor can conceive, such as the following:

A seating apparatus comprising a seat and at least three legs extending downwardly from an underside of the seat.

This claim differs from the original claim in several respects. Firstly, the term "stool" has been replaced with the more generic term "seating apparatus." This is to prevent a competitor from adding a feature (e.g., a chair back) to his product and arguing that because the product is no longer a "stool," it is outside the scope of the claim. Secondly, the language "at least three legs" has replaced "four legs" with a view to encompassing stools with three legs, four legs, or possibly even more. Thirdly, the seat is no longer described as being round and wooden, so that seats having different shapes or made from materials other than wood will be covered.

The broader claim language is more effective in blocking a competitor's products than the original claim language. As long as a competitor's product has at least three legs that extend from an underside of some kind of seat, it would infringe the patent according to the two-finger test. This would be true regardless of whether the competitor's product has a chair back, the exact number of its legs, the material from which the seat is made or the shape of the seat. The broader claim is therefore preferable for protecting the patent holder's interests.

Unfortunately, the superior protection afforded by the broader claim comes at the expense of diminished comprehensibility: the broader claim language is simply not as clear as the original claim language. For example, the term "seating apparatus" does not immediately conjure the same sort of image in the mind of the reader as the term "stool." Similarly, the term "seat," while descriptive, is not quite as



descriptive as “round wooden seat.” Obscure claim language is simply the price to be paid for maximizing patent protection.

With the benefit of the foregoing justification for obscure patent claim language, it is interesting to consider how common household objects might be described in patent claims. To that end, the reader is invited to identify the objects described below (answers are provided at the bottom of this page):

1. A gardening implement comprising an elongate handle and a thin flat blade extending transversely from an end of said handle.
2. A handheld appliance comprising: a plastic body with a handle, an air inlet and an air

outlet; an electric fan and heating element mounted within the body in a passage between the air inlet and the air outlet; and a switch for selectively activating the electric fan and heating element.

3. A tool comprising a pointed metallic helix protruding from a handle.
4. A utensil comprising a shallow bowl and a handle extending outwardly from an edge of said bowl.
5. A utensil comprising a bowl and a handle extending upwardly from an edge of said bowl.

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## Use it or lose it: maintaining your intellectual property portfolio in Canada

While most of us are aware of the consequences of failing to get a bit of exercise from time to time, the potential for loss of an intellectual property right through failure to use is less well-known. In both, however, maintenance is critical to success.

The free flow of trade and commerce is considered to be a fundamental benefit to be preserved and protected in our society. The exclusive rights provided by a trade-mark registration and the monopoly provided by a patent are exceptions that are granted only under certain conditions. One of those conditions is that the owner uses the trade-mark and works the patent. Thus, rules have been developed to provide consequences for non-use.

**Trade-marks.** Canadian trade-marks become vulnerable to cancellation for non-use after they have been registered for three years. After the three-year mark, any person or company can ask the Trade-marks Office to issue a notice requiring the owner to prove that the mark is still in use. If the owner is unable to meet this requirement or does not respond to the notice, the mark will be expunged from the register. This can also happen during the first three years following registration, but this is rare, since the requesting party will have a harder time persuading the Registrar of Trade-marks to issue this type of notice early in the life of the registration..

The basic principle behind this procedure is that the purpose of the trade-mark registration system is to provide protection for individuals and businesses in Canada that are actively using their mark in connection with a commercial enterprise. If an owner is no longer using a mark, it should be freed up for others to use. Marks that are still on the register but no longer in use by the owner are often referred to as “dead wood,” and the purpose of this system is to clear the it from the register.

Section 45 of the *Trade-marks Act* provides the legislative framework for this procedure, and proceedings stemming from it are thus commonly referred to as “section 45 proceedings.” The proceedings are usually requested by someone who wants to use or register the mark and hopes to have the existing registration removed. Since the party’s costs to have section 45 proceedings initiated are not insubstantial, some investigations are generally undertaken ahead of time, and the proceedings are initiated only if there are indications that the mark is no longer in use.

Answers: 1. hoe 2. blow dryer 3. corkscrew 4. spoon 5. ladle

It is possible, but difficult, to save a registration from cancellation, even if it is not in use.

However, detailed reasons showing special circumstances excusing the non-use and a clear intention to resume use are required. The best way to guard against cancellation of your mark is active and continuous use in Canada.

**Patents.** Similarly, a patentee is under a positive obligation to work his or her patent, and the patent regime in Canada does not allow a patent owner to “abuse” their patent rights. Three years after the grant of a patent, a party may apply to the Commissioner of Patents alleging abuse of the patent. If the Commissioner is satisfied that there has been abuse, the Commissioner may revoke the patent or order a compulsory licence.

The courts have interpreted the abuse provisions found in section 65(2) of the *Patent Act* stringently to require certain thresholds to be met before abuse is found.

**Failure to meet demand.** Under this provision, the demand for a patented article has to be that of the marketplace and not that of a single trader. There must be a current demand, not a potential or future demand. Furthermore, the demand needs to be for the article in Canada: a demand in an export market is not covered. This prevents a competitor from successfully obtaining a compulsory licence by creating an artificial demand.

**Refusal to licence.** To establish abuse under this ground, there must be refusal by a patent owner to grant a licence on reasonable terms,

a prejudice to the trade or industry in Canada and it has to be in the public interest that the licence be granted. There is an onus on the party seeking a licence to suggest reasonable terms and provide sufficient information to the patentee to prompt a response. The patentee has to be given sufficient time to consider the licence request. The mere lack of response to a request for a licence does not constitute a refusal to licence.

**Unduly restrictive licensing conditions.** This provision prevents the use of restrictive clauses in licences that unfairly prejudice any trade or industry in Canada. The court has held that this section cannot be used to compel a patentee to grant a licence to a competitor where the patentee is using a patented machine or process to make a known unpatented product more cheaply and is able to meet the public demand for the product.

**Use of a patented process to restrict unpatented materials.** This ground of abuse arises when the owner of a patented process unfairly prejudices the use or production of unpatented materials. This provision has not been considered by the courts.

While these abuse provisions are infrequently used, patentees who do not work their inventions in Canada, or those considering not doing so, should be aware of them.

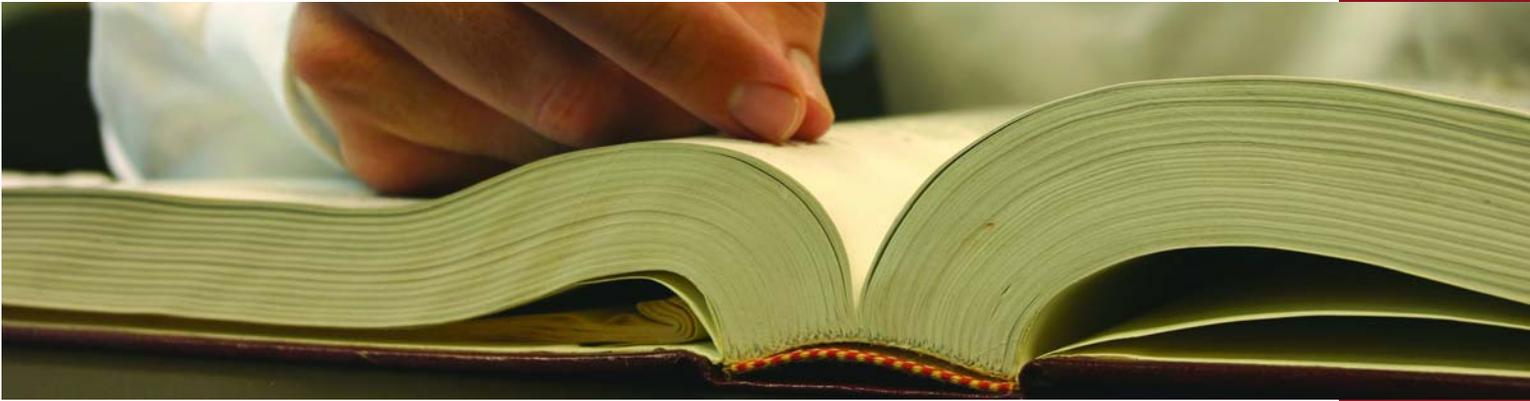
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## Staying on your mark



The symbols ® and TM, or their French counterparts MD and MC, are widely recognized symbols that indicate claims to trade-mark rights. Unlike legislation in the United States and elsewhere, Canadian trade-mark legislation is silent on the use of these symbols. Nevertheless, using (or not using) them can still have very important legal consequences for owners and licensees of trade-marks in Canada.

In general, the symbols TM (meaning “trade-mark”) and MC (meaning “marque de commerce”) indicate a claim to any kind of trade-mark right, whereas the symbols ® (meaning “registered”) and MD (meaning “marque déposée”) usually indicate a claim specifically to a registered trade-mark.



Because these symbols are generally recognized as indicators of trade-mark rights, using them can be beneficial by promoting public awareness of a trade-mark. This, in turn, can be very important for obtaining and enforcing unregistered trade-mark rights, and it may also deter competitors from using the same or similar trade-marks.

Using these symbols can also assist with obtaining, maintaining and enforcing trade-mark registrations. For example, in an opposition or expungement proceeding, a trade-mark owner may have to prove use or distinctiveness of a trade-mark. In numerous past cases, evidence that the trade-mark has been used with an appropriate symbol has helped to bolster arguments in favour of the owner.

Using an appropriate symbol is particularly important where the public might not perceive a particular mark as a trade-mark. For example, where a trade-mark is also all or part of a company's name, consumers might see use of the trade-mark only as use of the company's name. An appropriate symbol can help to show the use and reputation of the trade-mark. Also, in past cases, use of appropriate symbols has saved trade-mark registrations from problems in oppositions and expungement proceedings.

Below are some important guidelines for the proper use of the symbols ®, TM, MD and MC.

- **The symbol should be clearly visible.** In one case, a Trade-marks Senior Hearing Officer expunged a trade-mark registration for non-use, noting that she might have found otherwise if the TM symbol had been larger.
- **The symbol should refer to the correct trade-mark.** In another case, a company applied to register the trade-mark ALOEVITE, but their only evidence of use included the symbol TM after the words

MEDIQUE ALOEVITE FACE CREAM. The Trade-marks Opposition Board refused the registration, finding use only of the four-word trade-mark and not of the trade-mark ALOEVITE on its own.

- **Use the correct symbol.** In Canada, there is no clear legal distinction between the symbols ®, TM, MD and MC. However, other jurisdictions — such as the United States — can impose penalties for incorrect use of the symbol ®. In Canada, when in doubt, use one or both of TM or MC to avoid the potential consequences of improperly claiming rights to a trade-mark registration.
- **Show the correct registered user with the symbol.** Sometimes, the name of a company appears near one of the symbols ®, TM, MD or MC. In one case, the company name that appeared next to the symbol ® was not the owner of the registration or a registered licensee of the owner. In an expungement proceeding, the owner could not prove that it had used the trade-mark in the relevant period of time, and the owner therefore lost some of its trade-mark registration rights due to non-use.

It is important to note that the symbols ®, TM, MD and MC cannot overcome certain deficiencies in a trade-mark. In one case, a trade-mark that was clearly descriptive could not be registered, even though trade-mark symbols were used. Also, where the overall impression of the Trade-marks Opposition Board was that a mark was not used as a trade-mark, merely using the symbol TM was not enough to register the mark. Nevertheless, appropriately using trade-mark symbols can bring significant benefits to trade-mark owners.

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## 911 for your IP: who's policing your intellectual property?

Consider this scenario: you're settling down for a relaxing evening of Hockey Night in Canada when an ad for one of your competitor's services appears on the television. As though that isn't annoying enough, the ad includes use of a trade-mark that is nearly identical to one of your registered marks. To top it off, your daughter, who is watching the game while pretending to do her homework, tells you that the ad has been on TV for several weeks — you just haven't seen it before!

Of course, you leap from the couch and dial 911 for IP. To your chagrin, no one answers. You call the Canadian Trade-Marks Office to complain that no one is answering 911 for IP. You are told that, in fact, there is no 911 for IP and there are no IP Police. You were supposed to be policing your trade-marks yourself. Is this possible?

Not only is it possible, it's true. The various branches of the Canadian Intellectual Property Office (CIPO) provide policing assistance to owners of intellectual property to only a limited extent. While registrations provide numerous important advantages, patent, trade-mark, industrial design and copyright owners are largely responsible for monitoring the activities of their competitors and others in the marketplace and for enforcing the exclusive rights afforded by their registrations. Similarly, artists, authors, composers and trade-mark owners must be vigilant if they wish to enforce the statutory or common law protections available for their creative works.

What can you do to safeguard your investment in your intellectual property and help ensure that infringements come to your attention? Here are a few tips.

### **Arrange for a professional watch service.**

A professional watch can be put in place for a specific intellectual property asset, applications by a specific competitor or a more general watch for products or services of a particular

nature. These services generally provide periodic reports and are often much more cost effective than you'd expect.

### **Join a professional organization that can help.**

By joining an organization such as the Canadian Recording Industry Association or the Canadian Motion Picture Distributors Association, you can take advantage of information and assistance that is offered to combat piracy of works that are protected by copyright.

### **Review your competitor's marketing materials on a regular basis.**

Setting a specific time for a periodic review of your competitor's marketing materials, website and product displays can be an important safeguard against missing an infringement.

### **Educate your marketing department and other employees about IP rights and your company's important assets.**

Your employees can be key to keeping you informed. Your sales people are often out on the road and have many opportunities to see your competitor's products. A loyal and enthusiastic employee who has been educated about a company's intellectual property and the basics of IP law can be an important part of your IP enforcement strategy.

**Get expert legal assistance.** Since your intellectual property is often your most valuable asset, it's worthwhile to get good advice and put systems in place to ensure that you become aware of infringements. We can help you design and maintain effective surveillance and enforcement strategies that will keep you informed and ready to act when necessary. Prompt action can often be a major advantage in the event of a dispute.

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## Recent developments in brief

**Tradition meets technology (again).** Amazon's original KINDLE e-book reader was recently upgraded and renamed the KINDLE 2. New functionality includes a text-to-speech synthesizer that enables the device to read the text of an e-book aloud. Does this mean the KINDLE 2 is selling both an e-book and an audio book and that it therefore requires more than just an e-book license from publishers? This question, as yet unanswered, joins the many issues challenging intellectual property experts and adjudicators as technology forges ahead through paths undreamed of when many of our statutes, including the *Copyright Act*, were originally drafted and amended.

**Keyword disputes ongoing.** In the September/October 2008 issue of *IP Connections*, we reported on Google's practice of selling advertisements to anyone keyed to appear when a particular trade-mark is searched for on Google's search engine. The practice continues to be hotly disputed. On April 3, 2009, a computer repair company won an interim battle in the U.S. Circuit Court of Appeals in connection to its allegations of trade-mark infringement relating to the use of RESCUECOM to trigger advertisements of competitive companies. The decision of the Court, however, only allows the action to move forward, and it is likely to be some time before we can "Google" for a ruling on the big question of the legality of these types of keyword auctions.

**PURELL opposition upheld.** In a January 2009 decision of the Registrar of Trade-marks, the owners of the hand sanitizing product PURELL were successful in preventing the registration of the identical mark PURELL for cosmetics, facial lotions and hair lotions. While the products are not identical, the Hearing Officer considered them to be similar to the extent they are both consumer products for use on the body. Another factor impacting on the decision was that the products are relatively inexpensive, and thus, consumers may not exercise a great degree of care in choosing them. It was therefore considered necessary to ensure that the marks could be clearly distinguished. This decision highlights two fundamental factors to bear in mind when selecting marks: (1) where there is already an identical or very similar mark on the register, the marks can co-exist only if the products are

sufficiently different, and (2) where products are inexpensive, the marks must be clearly distinguishable, since consumers may not look carefully at the labeling before making purchases.



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- E-commerce

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