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## Clerical Errors in the Patent Office

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## Clerical Errors in the Patent Office

In *Repligen Corp. v. Canada (A.G.)*,<sup>1</sup> the Federal Court of Canada set aside a decision of the Commissioner of Patents that had refused to correct a clerical error — providing a wrong serial number for a patent when remitting maintenance fees — that caused a patent to lapse for failure to pay the fees on time. The court directed reconsideration of the decision by another official in the Patent Office in the light of specified factors the court required to be taken into account.

This Note considers what prompted both decisions and what improvements might be usefully made in this area.

### ERRORS AND CLIENTS

Government offices that administer intellectual property rights have long tried to shed their Dickensian image of fusty clerks and punctilios. Users and the public are now called “clients,” and office policies have become “client-centric.”<sup>2</sup>

The Canadian Intellectual Property Office has joined this global trend. Its annual report for 2007-08 opens by saying how CIPO is continuing “to focus on becoming more efficient, accessible and responsive to our clients as we seek new and different ways to help them strengthen their competitive advantage, both domestically and globally,” and how “in today’s knowledge-based economy, providing first-rate client service is more important than ever.” The 2008-09 annual report continues this management-speak.<sup>3</sup>

There are constraints on CIPO’s ability to deliver. Some are external, such as the IP laws passed by the Parliament. Others are of CIPO’s own making, such as its practice manuals and the systems and working habits of its staff. There are many ways to judge how well an organization’s performance matches its aspirations of “first-rate client service.” One is to see how it deals with mistakes in paperwork.

What can go wrong will, says Murphy’s law, and well-run organizations need systems to handle mistakes, whether their own or others’. In *An Essay on Criticism*, Pope said that “Whoever thinks a faultless piece to see, / Thinks what ne’er was, nor is, nor e’er shall be”; and both government and law practice have their fair share of faulty pieces (as, alas, do writers on law). In IP practice, the legend “E. & O.E.” — “Errors & Omissions Excepted” — is implicit in every document, especially patent applications with their eye-glazing prose and arbitrary numbers, where errors or omissions occur all too easily. Many mistakes can get corrected during the

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<sup>1</sup> 2010 FC 1288.

<sup>2</sup> P. Drahos, *The Global Governance of Knowledge: Patent Offices and Their Clients* (Cambridge: Cambridge U.P., 2010); cf. C. Dickens, *A Poor Man’s Tale of a Patent* (1850), in D. Vaver, *Intellectual Property Rights: Critical Concepts in Law* (London & N.Y.: Routledge, 2006), vol. 3, 37 ff.

<sup>3</sup> At time of writing, these were the latest reports found on CIPO’s website: [www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h\\_wr00094.html](http://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr00094.html).

application process, especially before the file is opened for public inspection. Other mistakes are later curable by more technical means (disclaimer, dedication, reissue, judicial amendment, perhaps even relief against forfeiture), or simply by mentally correcting obvious mistakes — dropped “nots,” arithmetical errors, and the like — as one reads any text, to avoid absurdity or inconsistency (“purposive” interpretation).

Some mistakes may be quickly found and corrected; others may not, and then they become harder to resolve as time slips by, other interests intervene, and mutual recriminations and attempts to shift or minimize blame start. Ideally, parties should recognize their own possible contribution to the mishap and its aftermath, and should co-operate in finding the best solution. That stance is particularly appropriate for mutually dependent parties such as a service provider and its clients.

### CLERICAL ERROR

In principle, correction is easiest for “clerical errors”: slips of the pen or keyboard. A power to correct crops up not just in public law, but in private law doctrines of mistake in the law of contract and restitution. In public law, a power to correct clerical errors — even in statutes — is implied wherever a court, tribunal or office exercises a judicial, quasi-judicial or decision-making power.<sup>4</sup> The power is especially useful for officials who handle applications, issue documents, or maintain public registries, where the maintenance of public trust in record-keeping is critical. For certainty’s sake, the power is usually spelt out in legislation,<sup>5</sup> and this is true for most IP laws, which state how, when and what mistakes can be corrected and validated, and by whom — the registry or a judge.

Unsurprisingly, most reported IP cases on clerical error involve patents and patent applications. The investment culminating in an application can be large, even enormous, and the costs of attempting correction pale beside those thrown away if the attempt is not made. Patent documents are also usually long, complex, poorly punctuated, and hard to understand even where written in one’s home language. They may be produced and filed under great time pressure. Electronic processing and automated systems may add machine to human error. Detection of a mistake may also be delayed, and may occur only when critical events such as infringement or impeachment proceedings are on foot and every bit of paper is being pored over for loopholes.

Patent legislation has therefore long included an express power to correct cler-

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<sup>4</sup> *Cité de Jonquière v. Munger*, [1964] S.C.R. 45, 48; *Chandler v. Alberta Assn. of Architects* (1989), 62 D.L.R.(4th) 577, 581 (S.C.C.); *Liverpool Hotels Ltd. v. British Columbia (A.G.)*, 2008 BCCA 190 at [2]; *N.B. Publishing Co. v. New Brunswick (Executive Director of Assessment)*, 2002 NBQB 160; *R. v. McIntosh*, [1995] 1 S.C.R. 686 at [73] (drafting error in statute correctable); see too *Procter & Gamble Co. v. Commissioner of Patents*, 2006 FC 976 at [25] & [30]; *Grant v. Raymond*, 31 U.S. 6 Pet. 218, 241 ff.(1832) (patent office has implied power to accept surrender and reissue patent where disclosure was inadvertently insufficient).

<sup>5</sup> E.g., *Public Documents Act*, R.S.C. 1985, c. P-28, s. 3; *Federal Real Property and Federal Immovables Act*, S.C. 1991, c. 50, s. 21; *Land Titles Act*, R.S.A. 2000, c. L-4, s. 92; *Morin v. Fortin*, [1952] 1 S.C.R. 167.

ical errors. The wording in the Canadian statutes has subtly expanded over the years from that found in section 45 of Canada's first patent legislation, the *Patent Act of 1869*:<sup>6</sup>

Clerical errors happening in the framing or copying of any instrument of the Patent Office, shall not be construed as invalidating the same, but when discovered they may be corrected under the authority of the Commissioner.

One may imagine some chuckling over the section's being an example of the phenomenon it described, by the drafter's gratuitous insertion of the comma after "Office." The offending comma was deleted from the 1886 consolidation<sup>7</sup> and, with some further punctuation improvements, the section continued in this form until 1935. It then was extended to "any instrument *of record in* the Patent Office" and added that corrections may occur "by certificate" under the Commissioner's authority. Instruments beyond those prepared by the Office itself could therefore clearly now be corrected, and one non-exclusive means to do so was by Commissioner's certificate.<sup>8</sup>

In 1993 the provision, now section 8, was streamlined into its current form, which is similar to other IP enactments:

Clerical errors in any instrument of record in the Patent Office do not invalidate the instrument, but they may be corrected under the authority of the Commissioner.<sup>9</sup>

So the fiction that the instrument's validity involves interpretation rather than substantive law has been dropped. So has the need to use any particular kind of paperwork to correct errors. The implied power of courts to order correction of clerical errors that come to their attention during proceedings seems unaffected.

Section 8 contains two separate enactments. The first maintains the validity of an instrument despite any clerical errors in it; the second describes a way to correct errors.<sup>10</sup> The full implications of this separation have, however, not been fully understood. In providing that a clerical error does not invalidate an instrument, the first part of section 8 exemplifies two principles: (1) interpretation preferably preserves, rather than destroys, its subject-matter, and (2) misdescriptions are harmless. Whether in their vernacular or original Latin versions — (1) *ut res magis valeat quam pereat* and (2) *falsa demonstratio non nocet* — the principles ensure that if, for example, I bequeath or contract to sell you my house at 6 Mackenzie Drive but my house is actually No. 4, you will get the house. The first principle keeps my will or contract valid despite the mistake. The second works to pass title to No. 4 because a reasonable buyer or reader of the will, on proof of the facts, would understand my intention was to dispose of my house, not my neighbour's, and would infer that I or my agent must have written the number down wrongly. Physical correction of the document is unnecessary: No. 4 will pass because that is

<sup>6</sup> S.C., 32-33 Vict., c. 11.

<sup>7</sup> *Patent Act*, S.C., 35 Vict., c. 26, s. 48.

<sup>8</sup> *Patent Act 1935*, S.C., 25-26 Geo. V, c. 32, s. 8.

<sup>9</sup> *Patent Act*, R.S.C. 1985, c. P-4, s. 8, as amended by S.C. 1993, c. 15, s. 27.

<sup>10</sup> *Bristol-Myers Squibb Co. v. Canada (Commissioner of Patents)* (1998), 82 C.P.R. (3d) 192 at [27] (Fed. C.A.).

the true legal meaning of the document.<sup>11</sup>

These principles apply to patents and other documents in the Patent Office (although, as noted, the rule against invalidation no longer masquerades as a rule of interpretation). For example, an attempt to invalidate as meaningless a U.K. trademark registration because the mark was depicted on the register in “heraldic shading” and on the attached drawing in green, failed: “a person searching the Register would not be misled by the reference to heraldic shading, which is obviously a *falsa demonstratio*.”<sup>12</sup> Whether the court had power to correct the document physically or not was irrelevant.<sup>13</sup> Similar discrepancies in a patent would have been similarly handled. Thus, incorrect infrared readings for a crystalline compound (paroxetine methane sulfonate or “PMS”) described in a patent application did not bar the application from anticipating a U.K. patent for the compound. Although Lord Hoffmann, in the lead judgment, applied the simple test of anticipation — something that would later infringe a patent anticipates it if it comes before — another “perfectly legitimate” approach was to treat the infrared reading as

a *falsa demonstratio* which did not prevent the described compound, upon the true construction of the application, from being simply pure crystalline PMS, in the way one might conclude, from various details and circumstantial evidence, that a witness was describing a particular motor car, even though his reading of the number plate was inaccurate.<sup>14</sup>

The reasoning clearly applies to a simple clerical error.

The point is important because the Patent Office sees and interprets more patent documents than courts will ever do and must be constantly and routinely correcting its own and others’ clerical errors. During prosecution, applicants may themselves correct some obvious errors subject to the Commissioner’s control,<sup>15</sup> and the Commissioner must be able to act of her own accord in such cases as well. Resort to the second part of section 8, to have clerical errors corrected under her authority, will sometimes be critical to make a document or its intended consequences fully effective: *Repligen* is, as we shall see, one of those cases. Other times, physical correction is useful to avoid later possible argument but technically unnecessary because mental correction — interpretation — will do the job. A document’s rough patches can be ironed out by the reader skilled in the art, who men-

<sup>11</sup> *Coote v. Borland* (1904), 35 S.C.R. 282, 287-8; *Mannai Investment Co. Ltd. v. Eagle Star Assurance*, [1997] A.C. 749, 774 ff. (H.L.); *Investors Compensation Scheme Ltd. v. West Bromwich Building Society*, [1998] 1 W.L.R. 896, 913-14 (H.L.); *KPMG LLP v. Network Rail Infrastructure Ltd.*, [2007] EWCA Civ 363 at [47]-[48]; *Credential Bath Street Ltd. v. Venture Investment Placement Ltd.*, [2007] CSOH 208 at [19-28] (Scot. Ct. Sess.).

<sup>12</sup> *BP Amoco PLC v. John Kelly Ltd.*, [2001] NICA 3 at [27] (N. Ire. C.A.).

<sup>13</sup> *Bonnette v. Entreprise Dominion Blueline Inc.*, [2003] J.Q. no. 102 at [63] (S.C.); aff’d (2005), 41 C.P.R.(4th) 331 (Que. C.A.); leave to appeal dismissed [2005] S.C. Bull. No. 288 (registered copyright).

<sup>14</sup> *Synthon BV v. Smithkline Beecham plc*, [2005] UKHL 59 at [37].

<sup>15</sup> *Patent Rules 1996* (SOR/96-423), s. 35; *Bristol-Myers Squibb Co. v. Canada (Commissioner of Patents)* (1997), 77 C.P.R. (3d) 300, 304 (Fed. T.D.); aff’d (1998), 82 C.P.R. (3d) 192 (Fed. C.A.).

tally corrects as he goes along, and that mentally corrected version may sustain the patent's validity and infringement.

This overlap between correction and interpretation was noted long ago in a British Columbian case, affirmed by the Supreme Court, which brushed aside grammatical errors in a claim to find the patent valid and infringed. Walkem J. said in the B.C. court:

I have bracketed the word "of" in paragraphs 1 and 4 as being a word that should evidently be omitted. As a clerical error it could be corrected by leave of the Patent Office. (*Patent Act [1886]*, Sec. 48.) Independently of this, the plaintiff is entitled to have the paragraphs construed fairly, and "by a mind willing to understand, not by a mind desirous of misunderstanding. Inventors and those who assist them, are seldom skilled adepts in the use of language; faults of expression may be got over where there is no substantial doubt as to the meaning" [citing authority].<sup>16</sup>

So the Commissioner can correct clerical errors in a specification even where correction may strictly be unnecessary,<sup>17</sup> but anything outside the Office's file or the patent register is beyond her jurisdiction.<sup>18</sup>

Clerical error implies the sort of mistake a clerk might make, and the temptation is to interpret it to go beyond archetypical mistakes in copying or writing something out, where what gets written down differs from what the writer, or whoever directs him, intended to have written down. A broad meaning is nevertheless constrained because the French version of "clerical errors" reads "erreurs d'écriture," not "erreurs cléricales." But writing includes both the result and the means: to slips of the quill are now added slips of the computer keyboard. Keystrokes are part of writing, and so the results of mistaken keystrokes should be considered clerical errors even where they cause changes more extensive and less obvious than the dropped "not" or line.

The notion of clerical error, however, excludes such mistakes as arise from ignorance of fact or law, and mistakes in translation, time limits, or the amount of fees paid or payable.<sup>19</sup> The assignee of a patent application who wrongly states he is the inventor has certainly made an error but it is not "clerical." He wrote down what he intended; he just got his facts wrong.<sup>20</sup> In one case, *Dow Chemical Co. v. Canada (A.G.)*, the Federal Court seemed to accept that the mysterious disappearance of nine pages from the disclosure in a patent application during electronic processing could qualify as a clerical error, but nonetheless upheld as not unreason-

<sup>16</sup> *Short v. Federation Brand Salmon Canning Co.* (1900), 7 B.C.R. 197, 1900 Car-swelBC 46 at [25] (F.C.); aff'd (1900), 31 S.C.R. 378.

<sup>17</sup> *Short, ibid.*; *Pfizer Canada Inc. v. Canada (Minister of Health)*, 2008 FCA 108 at [123].

<sup>18</sup> *P. E. Fusion LLC v. Canada (A.G.)*, 2004 FC 645.

<sup>19</sup> *Fusion, ibid.*; *Les Laboratoires Servier v. Apotex Inc.*, 2008 FC 825 at [217]; *Fina Research SA v. Halliburton Energy Services Inc.*, [2003] FCA 251 at [15] ff. (Aust. Fed. Ct.).

<sup>20</sup> *R. v. Commissioner of Patents, ex p. Martin*, [1953] HCA 67, 89 C.L.R. 381, 406 (Aust. H.C.); cf. *Sandy Lane Hotel Ltd. v. Times Newspapers Ltd.*, [2009] IESC 75 (Ire. S.C.).

able the Patent Office's decision that it could not "clearly conclude" that the error arose from a mechanical transcription error.<sup>21</sup> That approach at least recognizes that some computer errors may qualify as clerical,<sup>22</sup> and fits with modern English case law that corrects oversights in inserting or deleting clauses either through interpretation or, as in the case of wills, by correcting clerical errors under an express statutory power.<sup>23</sup> Whether signing a document that looks much the same as the one that was meant to be signed is a "clerical" error recently arose in that context. Concluding that "much as I regret the blunder, I cannot repair it," a Chancery judge declared an intestacy where two spouses had wrongly signed each other's identical will in the presence of a lawyer who had muddled the two documents when handing them to his clients for execution and witnessing their signatures. Error there was but not, in the court's opinion, clerical.<sup>24</sup>

It is important to keep two points distinct: (1) is the error capable of being clerical in law, and (2) is it clerical in fact? An error may be major and obvious, and ought perhaps to have been detected earlier; but these matters go more to the Commissioner's discretion to correct than the question whether the error could be and was in fact clerical. One should not be surprised that the evidence on how the error actually occurred is often obscure: that is the nature of error. In the *Dow Chemical* case,<sup>25</sup> the Commissioner seemed sceptical that anybody could unknowingly drop nine pages when electronically copying documents. Anyone who has spent any time cutting and pasting on a computer may have similar unhappy tales to tell, and often a similar inability to say precisely what went wrong. A rather easier burden of proof was imposed in a recent English shipping case, where one of the 35 conditions set out in tiny type on the back of a bill of lading read ungrammatically and clearly had something missing from it. The court accepted the submission that

the omission was explained by the phenomenon, technically known as homoeoteleuton, where one sentence contains a word which closed the preceding sentence and the transcriber's eye has wandered from one to the other, leading to the entire omission of the whole passage lying between

<sup>21</sup> 2007 FC 1236 at [28]; the Commissioner's decision appears at [5].

<sup>22</sup> This approach in *Dow, ibid.* and *Weatherford Australia Pty Ltd. v. Screenex Pty Ltd.*, [2009] FCA 331 at [5] & [14] (Aust. Fed. Ct.) is preferable to the narrower view taken in *Scannex Technologies, LLC v. Canada (A.G.)*, 2009 FC 1068 at [27]-[28].

<sup>23</sup> *Homburg Houtimport BV v. Agrosin Private Ltd.*, [2004] A.C. 715, (sub nom. "Starsin", *Owners of cargo v. "Starsin", Owners and/or demise charterers of*) [2003] UKHL 12 at [22]-[23] (interpretation); *Clarke v. Brothwood*, [2006] EWHC 2939 at [39] ff. (Ch.), following *Re Segelman*, [1996] Ch. 171 (wills), referring to earlier patent cases on correcting clerical errors, including *Martin, supra* n. 20.

<sup>24</sup> *Marley v. Rawlings*, [2011] EWHC 161 at [30] (Ch.), on *Administration of Justice Act 1982* (U.K.), s. 20(1)(a). Yet the wife did intend to sign a document that had her name on it throughout, and the husband had the same intention in relation to the document he signed. Had their names been Francis and Frances Smith, could anyone doubt the nature of the blunder and its reparability? The court's failure to correct was a prelude to a negligence claim by the disappointed beneficiary against the lawyer for a sum equivalent to the failed bequest.

<sup>25</sup> *Supra* n. 21.

them.<sup>26</sup>

By looking at other contracts on which the clause was modelled, the court construed the contract to include the omitted passage. No further explanation of how and when the error occurred was given, and none probably could be; yet the judges all accepted the omission as a “common copyist’s error.”<sup>27</sup> Where courts, as in *Dow*, are unwilling to second-guess the Commissioner on what should convince her of a clerical error, she needs to be particularly astute not to present applicants with unrealistically high evidential burdens of proof to overcome.

With that, let us turn to the *Repligen* case.

## THE ERRORS

In both February 2007 and 2008, Repligen’s Canadian agents sent the Canadian Patent Office the necessary fees to maintain a patent the company had recently been granted. Acting on instructions from the company’s U.S. agents, the Canadian agents both years mistakenly transposed two figures in the patent’s serial number: 1,314,486 instead of 1,341,486.

In August 2007, the Office sent them a warning that it had not received payment by the patent’s July 2007 anniversary date and that the patent would lapse on the next anniversary if a higher stated sum, representing the maintenance fee plus a hefty late charge, was not remitted meanwhile. The form letter added: “Please disregard this notice if you have already submitted the required fee” but invited the agents to call the Office if they required more information. Repligen disregarded the notice. Presumably its records would have shown that its account had been duly debited with the payment.

When the agents sent a further maintenance payment in February 2008, quoting the wrong serial number again, the Patent Office presumably debited the patentee’s account again but did nothing about the discrepancy. The patent lapsed in July 2008 without further notice. Nothing more seems to have happened until new patent agents for Repligen wrote to the Patent Office advising of the change of agent in April 2009. They must have noticed the patent had lapsed because they went on to say that they believed the patent to be in good standing but, if not, they requested its reinstatement with whatever fees were payable. In June 2009 the agents formally requested the Patent Office, with supporting affidavits, to reinstate the patent because of the clerical errors.

Let us first look at three things:

- (1) what the Office might have done in 2007 and 2008 to prevent matters getting out of hand;
- (2) what a client-centric organization might have done on receiving Repligen’s request for correction of the clerical errors;
- (3) what the Office actually did.

<sup>26</sup> *Homburg*, *supra* n. 23 at [22], by Lord Bingham.

<sup>27</sup> *Ibid.* at [94] by Lord Hoffmann; see also [192]–[194] by Lord Millett.

## MORE ERRORS

What ought to have happened in February 2007 when the first maintenance payment was forwarded?

The Office should clearly have spotted the obvious discrepancy in the document submitted. The letter was valid as a request to apply maintenance fees, but to what? A simple glance at the register would have revealed the serial number of the patent as given by Repligen was not Repligen's patent, nor were the agents of record the same, nor was the maintenance fee sent the right one for that patent.<sup>28</sup> Where three of four critical cross-checks do not correspond, something is obviously wrong and the Office should have immediately alerted Repligen's agents, who would then have realized the mistake and corrected matters without further ado. Had the Office taken the further step of checking the patents register for the patentee's name, it would quickly have found a patent with the same number save for two adjacent figures transposed, the right patentee and agent of record, and the right maintenance fee submitted. It might have guessed this was the patent the agents were describing because the clues almost all pointed that way. But the patentee did have other patents and a careful official might refuse to act on his hunch without confirmation from Repligen's agent. A phone call would either prompt a new letter from the agent or oral authorization for the Office to substitute the right number in the existing letter and apply the payment correctly. Had it missed acting in 2007, the Office could have acted in 2008 when the second maintenance payment was remitted. Such actions would have been justified under section 8 of the *Act*.

What the Office could not do is just keep the money and say nothing. Nor could it apply the payment to the wrong patent, for it would then be committing two sins. First, the agent of record on that patent was different from Repligen's, and the Office has made a big point of rejecting maintenance payments remitted by such an agent.<sup>29</sup> Second, it could not rely solely on the patent's serial number without cross-checking. Some years ago, the Federal Court told it not to do so in a trade-marks case, and the same goes for patents. The case involved an applicant who requested withdrawal of an application, giving the right trade-mark name but the wrong serial number for it. Even though the wrongly numbered application was also in the applicant's name, the court said the Office could not rely, as it had done, on serial numbers alone, without cross-checking to make sure it was dealing with the right application. The applicant had certainly made a clerical error, but the Office too had erred in complying with a request with a "patent inconsistency" that rendered the Office's later act of withdrawal a nullity.<sup>30</sup>

<sup>28</sup> Cf. *Patent Rules*, *supra* n. 15, s. 7, which, to minimize error relating to applications, requires correspondence with the Office to include the name of the applicant or inventor, the application serial number, and the title of the invention. The same approach is clearly good practice for patents too, substituting the patentee for the applicant or inventor.

<sup>29</sup> *Unicrop Ltd. v. Canada (A.G.)*, 2011 FCA 55.

<sup>30</sup> *Tilden Rent-A-Car System Ltd. v. Canada (Registrar of Trade Marks)* (1988), 23 C.P.R. (3d) 108 (Fed. T.D.). The applicant had filed five similar trade-mark applications around the same time and then advised the Office it was no longer pursuing four

In *Repligen's* case, the Office said nothing to suggest it had acted unusually and we may infer this is its usual pattern of handling paperwork coming into the Office. If so, its approach represents more a systems failure than the provision of service to its clients.

### A Client-Centric Reaction

How might a “client-centric” organization, intent on “first-rate client service,” react to a request, after the event, to fix the sort of errors Repligen made?

First, it would check that the errors were truly “clerical” and found in an “instrument of record” and so within its power to correct. These points were easily verifiable in this case from the affidavits accompanying the request. The story was also inherently plausible, a classic slip-of-the-pen case. The errors occurred in an instrument of record, namely, the letters accompanying the maintenance payment, and were obvious on the face of those letters, since the slightest check would have revealed that Repligen owned no patent with that serial number. So the Office would err if it acted on the letters.

Second, the Office would check what it did with Repligen’s two payments. It seems the money was in fact applied to the misnumbered patent: one owned by Rolls-Royce, with a different registered patent agent, and different rates of maintenance payments. That patent seems also to have been duly maintained by its owners. So there were errors made by the Office in overlooking obvious discrepancies, to apply payments made by a patentee in respect of one patent to another patent held by another patentee for whom Repligen’s agent was unauthorized to act.

Third, the Office might decide what to do now. It could do worse than start by apologizing to its client for twice missing the obvious errors and just keeping the client’s payments. For without correction, a client who had paid for and thought it had got two years of monopoly, with an option on a further fourteen, had received precisely nothing. True, it was part author of its own misfortune; but the Office had helped perpetuate its errors and made some of its own. The ensuing loss was way out of proportion to the nature of the errors made. The Office might consider adopting a working rule that presumed in favour of correction once a clerical error was proved, and presumed it even more where the errors were at least partly its own.

Fourth, the Office should tell the client what had happened with the money and what it now proposed to do, give the client an opportunity to comment, and remain receptive to counter-proposals. It should then make its decision and notify the client. Everything should occur promptly, preferably within a targeted time.

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of them. It gave the correct names and serial numbers for three but muddled the fourth. The application it wished to retain was EXPRESS LOCATION D’AUTOS No. 571,819; the one it wished to drop was EXPRESS LEASING/LOCATIONS D’AUTOS No. 571,852; the one it told the Office to drop was EXPRESS LEASING/LOCATIONS D’AUTOS No. 571,819, which was a mix of the two and did not exist. The Office went just by the serial number and stamped “Abandoned” on the ’819 application. The Federal Court dismissed a third party motion to quash the decision that had nevertheless let the ’819 application proceed on the basis of a clerical error, because there was nothing to quash: the application had always been alive because the Office’s stamping “Abandoned” on it was a nullity.

Fifth, the organization should simultaneously review its internal procedures to see how to handle such events better in future. It should stop relying on serial numbers alone. It might consider sharpening up the anodyne wording of its warning notices and sending regular repeat reminders if nothing is heard from the client.

Sixth, the organization might consider broader improvements in consultation with its clients and their representatives. Among possible improvements might be an internal reconsideration process, perhaps akin to the Patent Appeal Board or an ombudsman, so that dissatisfied clients need not spend enormous sums of money going to court for judicial review of adverse decisions. The Office might consider recommending revisions to the *Patent Rules*, the *Act* or the *Manual of Patent Office Practice (MOPOP)*, perhaps including a more streamlined and rational system of amendment in place of the current “hotchpotch of badly drafted provisions, some dating back to pre-Confederation.”<sup>31</sup>

### “We May Pity Though Not Pardon Thee”<sup>32</sup>

The contrast between what the Office actually did, as reported in the court’s reasons for judgment, and those of our hypothetical office could hardly be starker.

First, in July 2009 the Office appeared to prejudge the request for correction by refusing any more maintenance payments and revoking Repligen’s new agents’ appointment because of the patent’s lapse.

Second, it did not tell Repligen what it had done with the money. That fact apparently first emerged during the court hearing.<sup>33</sup>

Third, in February 2010, eight months after receiving Repligen’s request for correction, the Office replied under the Commissioner of Patent’s aegis, accepting that Repligen had made a clerical error but refusing the request for correction. Three reasons were given.<sup>34</sup> First, as an “aside,”<sup>35</sup> the Commissioner said a lapsed patent could not be reinstated at all. Correction was refused anyway because of “(a) the extensive period of delay before trying to correct that error and (b) the potential for the rights of others to be negatively affected.”<sup>36</sup>

This approach feels more like that of a disciplinary tribunal than a client-centric organization. It is true that the correction request came nearly a year after the patent’s lapse, but the Office did not notify Repligen of the lapse, and the new agents filed the request, with sworn evidence, within two months of learning of the problem. In any event, an accusation of “extensive” delay from an Office that takes eight months to deal with a request is little short of a bad joke. So is throwing all the blame on the requester without revealing the Office’s own system shortfalls, thereby minimizing the scale of events and shifting their focus. Later in court, the

<sup>31</sup> D. Vaver, *Intellectual Property Law: Copyright, Patents, Trade-marks* (Concord, 1997: Irwin Law), 143.

<sup>32</sup> The Duke of Ephesus’s reaction to Egeon’s tale of woe in Shakespeare’s *The Comedy of Errors*, Act 1, scene 1, line 97.

<sup>33</sup> *Repligen*, *supra* n. 1 at [33]-[34].

<sup>34</sup> According to the Memorandum filed with the Court by counsel for the Commissioner: *Repligen*, *supra* n. 1 at [29].

<sup>35</sup> *Ibid.* at [15].

<sup>36</sup> *Ibid.* at [29].

Office's lawyer disclaimed any need for the Office to act decently or efficiently: "it was the Applicant's responsibility to ensure the information it provides to the Commissioner is correct"; "the Commissioner did not have a legal duty to correct the Applicant's error."<sup>37</sup> Tennyson sums up the Office's view of its duty nicely in *The Charge of the Light Brigade*: "Theirs not to make reply, / Theirs not to reason why." The remaining line "Theirs but to do and die" neatly encapsulates the patentee's duty and the patent's consequence.

The other reasons the Office gave for rejection were equally unconvincing. The "aside" that the Commissioner lacks power to reinstate a lapsed patent is too broadly stated. The power to correct clerical errors granted by section 8, though unlimited in terms, may not extend to cases where a provision in the *Act* denies all possibility of correction or leaves correction to the Federal Court.<sup>38</sup> Otherwise, subject to principles of natural justice, the Commissioner can correct anything in an instrument of record at anyone's request or of her own accord, subject to no prescribed time limit. The nature and effect of the errors and any inexcusable delays are then relevant only in deciding whether or how to exercise her discretion to correct.

Some authority suggests that a patent lapse for non-payment of maintenance fees is uncorrectable.<sup>39</sup> Yet suppose Repligen had provided the *right* serial number when remitting payment and the Office had misapplied the payment: Parliament could no doubt have provided that correcting such a blatant office error by restoring a lapsed patent to the register was impossible. But nowhere does it actually say that, and nothing suggests that section 8's very broad language should be so limited. Once the power to correct its own error is conceded to the Office, it cannot matter that the error was in fact caused by a patentee.

If so, the Commissioner's view that a dead patent can never be revived is not technically an exercise of her discretion but a denial of jurisdiction to exercise a discretion. The Commissioner's later purported exercise of discretion is just that: purported. If she was wrong on jurisdiction, she could be required actually to exercise her discretion for the first time: it is "in fact extremely difficult to decide irrelevantly whether you would have exercised your discretion one way or the other when you have held that there is no occasion for the exercise of the discretion."<sup>40</sup>

Quite apart from the flimsy ground of delay, the Commissioner's expressed reasons for exercising her discretion against Repligen were not only *obiter* but also lopsided. While she gave two or three reasons for *not* correcting, she indicated

<sup>37</sup> *Ibid.* at [31].

<sup>38</sup> *Celltech Ltd. v. Canada (Commissioner of Patents)* (1993), 46 C.P.R. (3d) 424 (Fed. T.D.) (s. 8 does not apply to *PCT* application that mistakenly did not designate Canada); *Plasti-Fab Ltd. v. Canada (A.G.)*, 2010 FC 172 at [11]–[13] (changing inventorship or title of issued patent is for court); *Payne's Application*, [1984] R.P.C. 193, 198-89 (Pat. Ct.).

<sup>39</sup> *Actelion Pharmaceuticals Ltd. v. Canada (A.G.)*, 2008 FCA 90 at [13], on *Patent Act*, subs. 73(3) (patent applications; cf. subs. 46(2)), *obiter* since s. 8 was not in issue.

<sup>40</sup> *Farmhand Inc. v. Spadework Ltd.*, [1975] R.P.C. 617, 620 (C.A.), exercising for the first time a discretion to amend an "obvious" error in a claim where the lower court had held the error was not obvious and anyway not correctable in its discretion.

nothing that might support correction. She did not mention the Office's errors in retaining or misapplying payment, or any other inadequacies in the Office's conduct toward Repligen. She did not mention the smallness of the errors and the comparative magnitude of their result, nor Repligen's long belief, not discouraged by the Office, that its rights were in good standing. She did not indicate whether the objections of delay and third party prejudice could be met by imposing conditions on correction, such as preventing Repligen from taking infringement proceedings for the period between lapse and reinstatement. While section 8 does not grant an explicit power to impose that condition, such an implied power is historically well accepted<sup>41</sup> and is also implicit in section 8. As was said of a similarly terse discretion-granting provision in England, it is "unusual to confer a discretionary power in such all-or-nothing terms that it cannot be exercised subject to conditions and I do not think that a great deal of weight can be put upon the absence of express language."<sup>42</sup>

### The Quash

Apart from the matter of conditions, the above points were essentially those that caused Lemieux J. in the Federal Court to set aside the Commissioner's decision on the patentee's application for judicial review, and to send it to another official in the Patent Office to decide according to law.

Although Lemieux J. was plainly dissatisfied with the Office's decision-making process, not all of his reasons for quashing the decision are entirely convincing. He seems to have insufficiently emphasized that the fact Repligen had made the same error twice was more than matched by corresponding errors made by the Office. He ultimately thought the Commissioner had omitted to weigh and balance a list of six factors that he set out, and that she had to consider them afresh when exercising her discretion. Some factors seem to counteract the Commissioner's flimsy reliance on delay, but others seem overlapping or contradictory, and it is hard to know how the Commissioner is expected to deal with them.

Take the first factor Lemieux J. gives: "[t]he impact on Repligen — the loss of its patent," which the judge called "catastrophic." In this, he was repeating language from the well-known case of *Barton No-till Disk Inc. v. Dutch Industries Ltd.*,<sup>43</sup> where a mistaken payment by a non-qualifying entity of the lower maintenance fees applicable to small entities resulted in the lapse of a patent. But in that case Barton's patent had been licensed and Barton and its licensee were involved in infringement proceedings, so the loss of their patent would clearly be substantial. It must surely be for Repligen to show its loss was like Barton's, not for the Commissioner to presume it.

But why should the extent of the loss matter anyway? Had Repligen made the same errors in respect of two patents it had, one valuable, the other not, would it be

<sup>41</sup> *Re Nickels' Patent* (1841), 1 Web. P.C. 656, 663-64 (Ch.); see also discussion in W. Hindmarch, *A Treatise on the Law relating to Patent Privileges for the Sole Use of Inventions* (London: Stevens, 1846), 214 ff.

<sup>42</sup> *Circuit Systems Ltd. (in Liq.) v. Zuken-Redac (U.K.) Ltd.*, [1997] UKHL 51, (sub nom. *Norglen Ltd. v. Reeds Rains Prudential Ltd.*) [1999] 2 A.C. 1, 18-19.

<sup>43</sup> 2003 FCA 121 at [33], repeated at *Repligen*, *supra* n. 1 at [51]-[52] & [59].

a reasonable exercise of discretion to reinstate one and let the other lapse; and if so, on what principle would one choose between them? The real point is that the loss of Repligen's patent was disproportionate to the nature of the errors, and that the Office had contributed to the patentee's belief that the patent was still alive.

According to Lemieux J., the Commissioner had also to consider the purpose and object of maintenance fees, which were to defray the costs of the Patent Office and eliminate deadwood from the registry.<sup>44</sup> But this is hardly news to the Commissioner, and the point of this factor is obscure. Would Repligen's case be better or worse, depending on whether the Commissioner chose to refund its payments? If the patent's loss was catastrophic, why bother saying, tautologously, that it was not deadwood? The point here is that Repligen had duly paid for its monopoly and that the law generally looks askance at those who take and keep money while not providing the expected benefits in return.<sup>45</sup>

Finally, Lemieux J. said the Commissioner needed to raise more than a possibility that third party rights would be prejudiced by reinstatement: she had to show that such prejudice was likely. The impact of validation on the public — the Commissioner's other "client" — is clearly important, but one wonders whether Lemieux J. again places the burden the wrong way round: on the Commissioner to show likely prejudice, rather than on the applicant to show its likely absence.<sup>46</sup> Perhaps the right stance is to require the applicant to show a likely absence of prejudice only if it wishes to avoid the Commissioner's imposing a condition against the patentee's asserting infringement for the period between lapse and correction.

## Reflections

The court's quarrel with the Office was less with what it did or did not take into account but with how the Office went about exercising its discretion. The Office could not just rely on the applicant's weak points; it had also fairly to assess its strong points and the Office's contribution to events. Only after weighing all the factors could it ask itself whether correction was the just remedy, and if so, what if any terms should be imposed to further the public interest. That is how a court goes about exercising a discretion, and lower standards cannot be expected of a Commissioner acting judicially.

Two remaining points deserve consideration: the state of *MOPOP* and the notion of client service.

## MOPOP: Rewriting the Book

If the law on clerical error "is to be coherent and rescued from its present

<sup>44</sup> *Repligen*, *supra* n. 1 at 60 (point (e)).

<sup>45</sup> *Cf.* in contract law, *Beswick v. Beswick*, [1968] A.C. 58, 89 (H.L.): "the Defendant on his side has received the whole benefit of the contract and it is a matter of conscience for the Court to see that he now performs his part of it."

<sup>46</sup> *Cf.* *Dow*, *supra* n. 21 at [20] (long delay plus possible prejudice); see too *Martin*, *supra* n. 20, 408, placing the onus on the patentee to show detriment where a correction that would validate a patent was available only if the commissioner thought there would be no "detriment to the interests of any person."

unsatisfactory and unprincipled state,”<sup>47</sup> *MOPOP*’s provisions need to be completely rethought. That was true even before the decision in *Repligen*. Their incoherence and lack of principle start with how *MOPOP*’s initial statement that no instrument of record “is exempt from correction under section 8 of the *Patent Act*”<sup>48</sup> is to be reconciled, a few paragraphs later, with the existence of a category of “unacceptable” requests.<sup>49</sup> Not only does this latter categorization seem unlawfully to fetter the Commissioner’s discretion in some cases, but it also fails to mention the possibility that such requests may become “acceptable” if conditions are imposed to minimize third party prejudice.

The provisions then tell applicants to explain the “origin and nature of the mistake” without saying what factors will then weigh for or against the exercise of the Commissioner’s discretion and what evidence would be helpful in making her decision.<sup>50</sup> They also continue to imply that a correction may occur only through issue of a certificate of correction,<sup>51</sup> even though this requirement was, as noted earlier,<sup>52</sup> abolished nearly 20 years ago. The *Patent Rules* do not mention such a certificate, and the Office apparently issued none when it acceded in *Parke-Davis Division v. Canada (Minister of Health)*,<sup>53</sup> with subsequent judicial approval, to a patentee’s request under section 8 to publish in the *Patent Office Record* a revocation of a mistaken dedication.<sup>54</sup>

The reference to *Parke-Davis* in *MOPOP* only for the proposition that the “correction or revocation of a dedication or disclaimer of rights” is a category of “unacceptable clerical error . . . negatively affecting the rights of others” also misunderstands the implications of *Parke-Davis*. The Federal Court there did say, at first instance, that the Office could not correct a mistaken dedication under section 8 and wrongly implied that the section 8 power could not be exercised without a certificate of correction.<sup>55</sup> But these remarks should be ignored. They are *obiter*, as the applicant made no submissions on section 8 and the Commissioner of Patents was not a party to the proceedings. Moreover, in reversing the Federal Court’s judgment and holding that a mistaken dedication could be revoked by a document published in the *Patent Office Record*,<sup>56</sup> the Court of Appeal effectively upheld the Commissioner’s decision to accept and publish the revocation. The Commissioner had acted on a request for correction under section 8, supported by evidence of clerical error. So the Court of Appeal was either endorsing the Commissioner’s decision as a valid exercise of her power under section 8, or accepting that the

<sup>47</sup> *Shogun Finance Ltd. v. Hudson*, [2004] 1 A.C. 919, [2003] UKHL 62 at [34] on contractual mistake.

<sup>48</sup> *MOPOP*, §23.04 (para. 1).

<sup>49</sup> *Ibid.*, §23.04.02 (items 6 to 8).

<sup>50</sup> *Ibid.*, §23.04.01.

<sup>51</sup> *Ibid.*, §§23.04.02 (para. 1) & 23.04.03.

<sup>52</sup> *Supra* n. 9.

<sup>53</sup> [2003] 2 F.C. 514 at [84] (C.A.); rev’ing [2002] 1 F.C. 517.

<sup>54</sup> *Ibid.*, [2002] 1 F.C. 517 at [104].

<sup>55</sup> *Ibid.* at [104]–[107].

<sup>56</sup> [2003] 2 F.C. 514 at [84].

Commissioner had a residual power to publish revocations of mistaken dedications. Neither result supports *MOPOP*'s blanket refusal to treat such a revocation as a correctable clerical error. Were the Commissioner today to refuse, on jurisdictional grounds, to file and publish the revocation of a mistaken dedication, is there much doubt what the result of judicial review would be?

### Client Service Redux

Section 8 of the *Patent Act* and other provisions in IP legislation allowing correction of clerical errors emphasize that while to err may be human, to forgive is discretionary. While the Office may need to get its definition of clerical error legally right, the way the Office chooses to exercise its discretion after that is left largely in its hands.<sup>57</sup> Its reasons must withstand a “somewhat probing” examination for reasonableness, but a decision will not be reversed just because the Federal Court might weigh the reasons differently or come to a different result.<sup>58</sup> The decision is vulnerable only if the Commissioner wrongly denies jurisdiction or, in exercising her discretion, applies wrong principles or omits to apply right ones.<sup>59</sup>

Within these parameters, the Office has much leeway to act sympathetically on correction requests. In proceeding judicially, it must deal fairly with the potential conflict of interest that arises whenever an event involves not only an applicant's conduct but also the Office's. It cannot reflexively blame the one and minimize the other. By such a standard, the Office failed dismally in *Repligen*, legal error or not. Its hasty cancellation of the patent agents' appointment after the patent lapsed, instead of waiting for the decision on correction, was inexcusable. So was the delay in rendering the decision on correction, and then blaming the applicant for delay. The wooden adherence to inadequate statements of practice in *MOPOP* was no better. For these and its earlier lapses, the Office might itself have sought the patentee's forgiveness.

The Office has improved in many sectors over the years, but may also need to rethink how it may fairly and efficiently catch and handle its own and others' mistakes if its claims that it provides “first-rate client service” and behaves “client-centrally” are to be plausible.

David Vaver

<sup>57</sup> *Scannex*, *supra* n. 22 at [22]; *cf. Smith v. Alliance Pipeline Ltd.*, 2011 SCC 7 at [26] (“reasonableness is normally the governing standard where the question . . . relates to the interpretation of the tribunal's enabling (or ‘home’) statute”).

<sup>58</sup> *Law Society of New Brunswick v. Ryan*, [2003] 1 S.C.R. 247 at [48] & [51]; *Dunsmuir v. New Brunswick*, [2008] 1 S.C.R. 190 at [47] & [164]–[166].

<sup>59</sup> *Repligen*, *supra* n. 1 at [37].