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THE COMMISSIONER OF PATENTS APPELLANT;
AND
CIBA LIMITED RESPONDENT.

ON APPEAL FROM THE EXCHEQUER COURT OF CANADA

Patents—Process claims—Application of known method to known materials never before applied to them—Whether process claims disclose invention—Novelty—Utility—The Patent Act, R.S.C. 1952, c. 203, s. 2(d).

The Commissioner of Patents refused to allow the process claims contained in the respondent's application for letters patent because the process defined in the process claims was not new. The application contained claims related to new substances and to the process of making those substances. It was agreed that the products were patentable since they were useful and new and their utility was not previously obvious; that the reaction between reactants of the general type specified here was a known type of general reaction although it had never been applied to the particular reactants specified in the claims; and further, that if a person skilled in the art desired to produce the products he would have known that the process could be used for that purpose. The Exchequer Court granted the patent.

Held: The patent should be granted. The process claimed was an invention as defined in the *Patent Act*.

To constitute an invention within the definition of the Act, the process must be new and useful. There was no question as to its being useful, since it produced compounds which have been admitted to be both new and useful. The process was also novel, because the conception of reacting those particular compounds to achieve a useful product was new. The method and the materials may be both known but the idea of making the application of the one to the other to produce a new and useful compound may be new, and in this case it was. *In re May & Baker Limited and Ciba Limited* (1948), 65 R.P.C. 255, applied.

APPEAL from a judgment of Thorson P. of the Exchequer Court of Canada¹, granting an application for letters patent. Appeal dismissed.

W. R. Jackett, Q.C., and *R. W. McKimm*, for the appellant.

C. Robinson, Q.C., and *R. S. Smart*, for the respondent.

The judgment of the Court was delivered by

MARTLAND J.:—This action arises from a decision of the appellant, in which he confirmed the refusal by an examiner of the process claims in the respondent's application for

*PRESENT: Taschereau, Locke, Cartwright, Martland and Judson JJ.

¹(1957), 27 C.P.R. 82, 17 Fox Pat. C. 3

patent, serial no. 533,000. The respondent's appeal to the Exchequer Court from that decision was allowed by the learned President of that Court¹, from which judgment the present appeal is brought.

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The respondent's application relates to a process of producing disinfecting and preserving preparations, consisting of special chemical compounds, and to the compounds so produced. The application mentions that certain existing compounds derived from specified chemicals are known to have disinfectant properties and points out that the advantage of the process of the application "resides in the use of starting materials of simpler constitution, the products thus obtained having surprisingly just as valuable properties as the above named compounds". Claims 1 to 3 of the application are directed to the process and claims 4 to 6 to the products.

The appellant and the respondent agreed as to the following facts:

1. The products claimed in claims 4-6 of the application are patentable since they are useful as disinfectants and preservatives and the persons named as inventors in the application were the first to produce them or suggest their production and to discover their utility which was not previously obvious.

2. The process claimed in claims 1-3 of the application is one for the production of the products claimed in claims 4-6.

3. As of the date when the process claimed in claims 1-3 of the application was first carried out by the persons named as inventors in the application, the reaction between reactants of the general type specified in claims 1-3 of the application was a known and classical type of general reaction, though it had never been applied to the particular reactants specified in these claims which reactants were, however, known chemical compounds.

4. Had a person skilled in the art desired, at the date referred to in paragraph 3, to produce the products claimed in claims 4-6 of the application he would have known that the process claimed in claims 1-3 could be utilized for that purpose.

The issue in the appeal is as to whether, on these agreed facts, the process claims 1 to 3 are inventions as defined in the *Patent Act*, R.S.C. 1952, c. 203. It is agreed that the products referred to in claims 4 to 6 are patentable.

¹(1957), 27 C.P.R. 82, 17 Fox Pat. C. 3

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The word "invention" is defined, in subs. (d) of s. 2 of the *Patent Act*, as follows:

- (d) "invention" means any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter;

The position of the appellant is stated, in the reasons given for his decision, as follows:

The point at issue here is whether or not the use of a classical method to produce a novel product amounts to invention. The Examiner holds that it does not and argues that the process claims lack patentable matter in view of the classical method of "quaternating an amine with an alkyl halide" as given on page 162 of the *Chemistry of Organic Compounds*, Conant McMillan Company, 1939. British Patent No. 493,865, October 17, 1938, shows the reaction of phenoxyalkylamines with a dodecyl halide to prepare phenoxyalkyl-ammonium salts. There is no inventive step in treating a particular phenoxyalkylamine with dodecyl halide to prepare a particular phenoxyalkyl-ammonium salt. He further states that "the process claims are not rendered patentably new merely because they may be employed to produce new and patentable products".

In my opinion there is no room for argument at all. A standard classical reaction is used to react two compounds, each having a well known and defined radical capable of reacting in a standard manner with the other radical and there is no problem or danger of any side reaction.

In this case the novel conception was the new quaternary compounds; once the new compounds were envisaged, there was no problem or difficulty in the production of the compounds. The only inventive step, if any in this case, is the discovery of certain properties in certain phenoxyalkyl-ammonium salts and this fact, in itself, is obviously insufficient to render patentable an old classical method of preparing this type of substance.

The position of the respondent is stated in the reasons for judgment of the learned President, who, after carefully reviewing the judgment of Jenkins J. in *In re May & Baker Limited and Ciba Limited*¹, says:

For reasons similar to those given by Jenkins J. I express the opinion that when a process consists in the application of a known method to known materials but it has not previously been applied to them and the use of the process results in the production of a substance that is not only new but also valuable for its unobvious useful qualities the process by which such substance is produced is patentable.

In reaching the conclusion which he did, the learned President placed considerable reliance upon the judgment of Jenkins J. in the case above cited. That was a case which involved a petition by Boots Pure Drug Coy. Ltd.

¹(1948), 65 R.P.C. 255.

for the revocation of a patent held jointly by May & Baker Limited and Ciba Limited, and a motion by the latter two companies to amend the specification, which were heard together. There were five claims in the patent, four being process claims and one a claim for the process produced products. The patent claimed the manufacture of a class of bodies shortly termed "sulpha-thiazoles". This class was very large and the specification contained statements that these new bodies "find application in therapeutics" and have "chemotherapeutic activity in certain diseases".

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The petition for revocation was based on a number of grounds, including lack of novelty and lack of subject-matter. It was also claimed that the statements as to the therapeutic value of the new bodies were untrue. The patentees admitted that the statements could not be substantiated for the class in general. They applied for leave to amend the specification so that, in effect, it only claimed two bodies, sulphathiazole and sulphamethylthiazole, whose therapeutic properties had been described in detail in the original specification and which had proved to be of great value in medicine.

Jenkins J. granted the petition for revocation on the ground that, although the two named thiazoles were of considerable therapeutic value, there was no evidence that this was true of any other derivatives covered by the claims, and accordingly the patent was bad for want of subject-matter, since the claims covered substances which were not useful. He refused the motion to amend the specification on the ground that the specification in its amended form would claim an invention substantially different from that claimed in its original form. Appeals to the Court of Appeal¹ and subsequently to the House of Lords² were dismissed. The arguments on those appeals were confined to the admissibility of the proposed amendments.

The portions of the judgment of Jenkins J. which are relevant to the issue in the present case, and which were cited with approval in the judgment of the learned President, relate to the contention of the petitioner that the

¹(1949), 66 R.P.C. 8.

²(1950), 67 R.P.C. 23.

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invention lacked novelty and subject-matter, which contention he refused to accept. These portions of his judgment are the following:

At p. 279:

The fact that the methods described in the specification were in themselves known methods being admitted on the face of the specification itself, it is obvious that the Respondents could only claim novelty for them as part of the entire process consisting of their application to the particular classes of materials described in the specification so as to produce the new substances claimed. If the entire process was in fact new, in the sense that no one had done or projected the doing of it before, and that the new substances produced had never been made or projected before, then, assuming subject-matter, as it is right to do in considering novelty, I think the objection based on want of novelty must fail.

At p. 295:

Now it seems to me that in considering this question one must begin by determining what is the character of the inventive step to which the invention as claimed by the unamended specification would, if valid, have owed its validity as an invention. If I am right in the conclusions stated earlier in this judgment with regard to subject-matter, there is no inventive step, no element of discovery, merely in making new substances by known methods out of known materials.

What is indispensably necessary in order to elevate a process of this description from a mere laboratory exercise to the status of a patentable invention is the presence of some previously undiscovered useful quality in the substances produced. Assuming that the substances produced do possess some previously undiscovered useful quality, for example some remarkable value as drugs, then although the methods are known and the materials are known yet the application of those methods to those materials to produce those new substances may amount to a true invention, because of the discovery that those particular known materials when combined by those methods not merely produce those new substances but produce, in the shape of those new substances, drugs of remarkable value.

I think it necessarily follows that the identity of the materials chosen (by luck or good management) by the supposed inventor for the production of his new substances is of the essence of his invention. He must, so to speak, be in a position to repel critics by saying: "You tell me that there is nothing in combining known substances A and B to produce my new substance C, because any chemist could have worked the combination from the books and would have known as a matter of chemical definition that C would be the result. But my great secret, my discovery, is that these particular known substances A and B when combined do not merely produce a new substance answering the chemical description C (which according to accepted chemical theory was a foregone conclusion) but produce in the shape of C a remarkably valuable drug.

Counsel for the appellant points out that the case before Jenkins J. was governed by the law as stated in the English legislation prior to the *Patents Act, 1949*, which did not

contain any provision similar to the definition of an invention as set out in subs. (d) of s. 2 of the Canadian Act. He argued that English law does not make the distinction between "process" and "product" which exists by virtue of that subsection and which has been clearly drawn in the decisions of this Court in *Continental Soya Company Limited v. J. R. Short Milling Company (Canada) Limited*¹, *The Commissioner of Patents v. Winthrop Chemical Company Incorporated*² and *F. Hoffman-LaRoche Co. v. The Commissioner of Patents*³. In Canadian law, he says, an invention must be a process or a product, not both, and each must satisfy the statutory requirements before a patent may issue in respect of it.

Accepting all this, it would appear to me that the reasoning of Jenkins J. is properly applicable to the consideration of whether or not the process claims in the present case do disclose an invention. In the case he was considering, four of the five claims were process claims in fact and the passage from his judgment at p. 295 above quoted relates to the question as to whether the process under consideration constituted a patentable invention.

In my view the reasoning is sound and should be applied in the present case. To constitute an invention within the definition in our Act the process must be new and useful. There is no question as to the process here being useful, as it produces compounds which have been admitted to be both new and useful.

Is it a new process? Is the element of novelty precluded because it consists of a standard, classical reaction used to react known compounds? In my opinion the process in question here is novel because the conception of reacting those particular compounds to achieve a useful product was new. A process implies the application of a method to a material or materials. The method may be known and the materials may be known, but the idea of making the application of the one to the other to produce a new and useful compound may be new, and in this case I think it was.

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¹ [1942] S.C.R. 187, 2 Fox Pat. C. 103, 2 C.P.R. 1, 2 D.L.R. 114.

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

³ [1955] S.C.R. 414, 15 Fox Pat. C. 99, 23 C.P.R. 1.

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I would, therefore, dismiss the appeal. Section 25 of the *Patent Act* precludes any order as to costs against the appellant.

Appeal dismissed, no costs.

Solicitor for the appellant: W. R. Jackett, Ottawa.

Solicitors for the respondent: Smart & Biggar, Ottawa.
