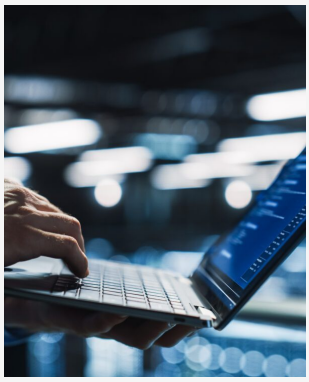
OSLER

Canadian Court again rejects problem-solution approach to subject-matter eligibility of computer-implemented patents

JUNE 22, 2022 5 MIN READ



Related Expertise

- Intellectual Property
- Intellectual Property Disputes

Authors: J. Bradley White, Nathaniel Lipkus

One of the most vexing problems in modern patent law is defining the boundaries of what constitutes allowable subject-matter for a patent. Over 40 years ago, the U.S. Supreme Court famously remarked that "anything under the sun made by man" is patent-eligible. However, the emergence of patents directed to business methods and medical diagnostic methods has challenged this approach and led to many rejected patent applications.

In recent years, the Canadian Intellectual Property Office (CIPO) has been determining the patentability of computer-implemented and other patent applications by identifying the problem and solution set out in the application. This "problem-solution" approach resulted in CIPO's rejection of many such applications. Applicants have attempted to overcome such objections by the patent office by including physical aspects of the computer in the claims.

In August 2020, the Federal Court issued the decision *Yves Choueifaty v. Attorney General of Canada*, 2020 FC 837 (*Choueifaty*), which rejected CIPO's problem-solution approach in favour of a purposive construction of the claims as set out by the Supreme Court of Canada in *Whirlpool Corp v. Camco Inc*, 2000 SCC 67 (*Whirlpool*), and *Free World Trust v. Électro Santé*, 2000 SCC 66 (*Free World*).

On June 17, 2022, the Federal Court issued its decision in *Benjamin Moore & Co. v. Attorney General of Canada* [PDF], 2022 FC 923 (*Benjamin Moore*), and for the second time rejected the problem-solution approach. The Court granted appeals from the Commissioner of Patents' (Commissioner) decisions that Canadian Patent Application Nos. 2,695,130 (130 Application) and 2,695,146 (146 Application) did not contain patentable subject-matter. The Court instructed the Commissioner to reconsider the subject-matter eligibility of the two applications using a three-part test proposed by an Intervener, the Intellectual Property Institute of Canada (IPIC).

The Commissioner's decisions were based on the problem-solution approach

The 130 Application and the 146 Application relate to Benjamin Moore's Color Selection System, a computer-implemented colour selection method that uses experimentally derived relationships for colour harmony and colour emotion.

In May 2020, the Patent Appeal Board (Panel) issued two decisions recommending that the two applications be refused because the claims were directed to non-statutory subject-matter. The Panel applied the problem-solution framework and found that a computer was not an essential element of the claims even though it was expressly included in the claims. The Commissioner agreed with the Panel's findings and refused the applications.

In August 2020, the Court in *Choueifaty* expressly rejected the problem-solution approach applied to the 130 Application and the 146 Application.

Parties proposed alternate approaches

Benjamin Moore appealed the two decisions, asserting that the Commissioner had erred by using the problem-solution approach at the expense of identifying the essential elements of the claims. The Appellant asked the Court to remit the matter to CIPO for re-examination in accordance with the principles of *Free World*, *Whirlpool* and *Shell Oil Co v. Commissioner of Patents*, [1982] 2 SCR 536 (*Shell Oil*).

The Intervener, IPIC, also asserted that the Commissioner erred in applying the problem-solution approach, and proposed the following straightforward framework for the assessment of patentability of computer-implemented inventions:

1. Purposively construe the claim.
2. Ask whether the construed claim as a whole consists of only a mere scientific principle or abstract theorem, or whether it comprises a practical application that employs a scientific principle or abstract theorem.
3. If the construed claim comprises a practical application, assess the construed claim for the remaining patentability criteria: statutory categories and judicial exclusions, as well as novelty, obviousness, and utility.

The Respondent conceded that the Commissioner erred in applying the problem-solution approach but requested that the Court remit the matter back to CIPO for re-examination in accordance with *Choueifaty*. The Respondent did not take a position on IPIC's proposed framework but argued that the Court should not impose a particular framework.

Court adopts IPIC's three-step framework

The Court agreed with all the parties that the Commissioner had erred in applying the problem-solution approach in assessing the subject-matter eligibility of the 130 Application and 146 Application, and should have followed the finding in *Choueifaty* and applied a purposive construction.

The Court adopted the legal framework proposed by IPIC, which was consistent with *Free World*, *Shell Oil* and *Canada (Attorney General) v. Amazon.com, Inc,* 2011 FCA 328 (*Amazon*).

The Court also found that the Commissioner erred by identifying only the novel aspects of the claims and determining that the novel aspects are unpatentable as mere scientific principles or abstract theorems. *Free World* and *Whirlpool* require claim construction to be made prior to conducting the novelty analysis, such that focus on allegedly novel elements is an error when done within the subject-matter eligibility analysis.

The Court noted that the framework set out in this decision would ensure that the law is applied consistently for patent applications and issued patents as well as computer-

implemented inventions and other types of inventions.

Key takeaways

Building on *Choueifaty*, the *Benjamin Moore* decision should end any further use of the problem-solution approach by CIPO when determining subject-matter eligibility of computer-implemented patent applications.

Benjamin Moore also provides clarity by including a framework to assess the patent eligibility of computer-implemented inventions. The primary issue will be whether the properly construed claims contain a "practical application" that employs a scientific principle or abstract theorem. In the Federal Court of Appeal's *Amazon* decision, also addressing subject-matter eligibility of a computer-implemented invention, "practical application" was found to be something with physical existence, or something that manifests a discernable effect or change.

The decision further clarifies that assessing subject-matter eligibility of computer-implemented inventions is not limited to identifying the novel aspects of the claims and determining whether these novel aspects are patentable. All essential elements of the claims must be identified according to the principles set out in *Free World* and *Whirlpool*.

It is unclear whether this decision will make it easier for applicants to establish subject-matter eligibility, although the IPIC framework will make it much more difficult for CIPO to bring elements of its problem-solution approach back into the analysis. It is possible that the decision will shift CIPO's focus when reviewing computer-implemented inventions from subject-matter eligibility to other patentability criteria such as, for example, anticipation, obviousness, utility and sufficiency of the specification.

This decision remains subject to appeal.