

ONTARIO ENERGY BOARD

IN THE MATTER OF an application made by Hydro One Inc. for leave to purchase all of the issued and outstanding shares of Orillia Power Distribution Corporation, made pursuant to section 86(2)(b) of the *Ontario Energy Board Act, 1998*.

AND IN THE MATTER OF an application made by Orillia Power Distribution Corporation seeking to include a rate rider in the current¹ Board-approved rate schedules of Orillia Power Distribution Corporation to give effect to a 1% reduction relative to their Base Distribution Delivery Rates (exclusive of rate riders), made pursuant to section 78 of the *Ontario Energy Board Act, 1998*.

AND IN THE MATTER OF an application made by Orillia Power Distribution Corporation for leave to transfer its distribution system to Hydro One Networks Inc., made pursuant to section 86(1)(a) of the *Ontario Energy Board Act, 1998*.

AND IN THE MATTER OF an application made by Orillia Power Distribution Corporation seeking cancellation of its distribution licence, made pursuant to section 77(5) of the *Ontario Energy Board Act, 1998*.

AND IN THE MATTER OF an application made by Hydro One Networks Inc. seeking an order to amend its distribution licence, made pursuant to section 74 of the *Ontario Energy Board Act, 1998*, to serve the customers of the former Orillia Power Distribution Corporation.

AND IN THE MATTER OF an application made by Orillia Power Distribution Corporation for leave to transfer its rate order to Hydro One Networks Inc., made pursuant to section 18 of the *Ontario Energy Board Act, 1998*.

AND IN THE MATTER OF an application made by Hydro One Networks Inc., seeking an order to amend the Specific Service Charges in Orillia Power Distribution Corporation's transferred rate order made pursuant to section 78 of the *Ontario Energy Board Act*.

**SUPPLEMENTARY BOOK OF AUTHORITIES
OF THE
SCHOOL ENERGY COALITION**

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T-2289-01

2003 FC 1381

F. Hoffmann-La Roche AG (*Applicant*)

v.

The Commissioner of Patents (*Respondent*)

Indexed as: F. Hoffmann-La Roche AG v. Canada (Commissioner of Patents) (F.C.)

Federal Court, O'Reilly J.--Ottawa, June 3; Vancouver, November 25, 2003.

Patents -- Practice -- Application for judicial review of notice re-issued patent had lapsed for non-payment of required maintenance fees -- Under Patent Act, s. 46(2), patent deemed expired if fee not paid on time -- Application denied -- Applicant mistakenly classified re-issued as new patent -- Failed to pay correct amount when due -- Commissioner failing to send usual notice when initial deadline missed -- Patent Rules allow one-year grace period -- Situation reviewable as within broad wording of Federal Courts Act, s. 18.1(3) -- Purposes of maintenance fee requirements -- Context of strict rule in s. 46(1) -- Maintenance fee regime complicated, risk of innocent errors great -- Patent holders given benefit of any legislative ambiguity but here none -- Duty of fairness herein not requiring giving of notice -- Act places burden of compliance on patent holder -- No right to hearing before finding of default -- Under Act, automatic expiration when deadline missed -- Commissioner lacks power to relieve against "catastrophic" consequences -- Doctrine of legitimate expectations inapplicable: Commissioner could not say strict terms of Act would not apply -- No relief on grounds of equity where forfeiture under statutory rule -- Commissioner not estopped by having accepted insufficient fee payments -- Court cannot grant remedy contradicting clear terms of statute.

Administrative Law -- Judicial Review -- Certiorari -- Commissioner sending notice patent having expired for non-payment of required maintenance fee -- Patent holder seeking judicial review -- Commissioner's position: no ground for judicial review as made no order, decision -- Forfeiture automatic under Act -- Commissioner's view of scope of judicial review too narrow -- Federal Courts Act, s. 18.1(3) broad enough to include giving of notice patent had lapsed -- Duty of fairness not requiring giving of notice -- No right to hearing -- Doctrine of legitimate expectations inapplicable: Commissioner could not say strict terms of Act would not apply -- Commissioner lacked any discretion in matter.

This was an application for judicial review in which applicant sought to preserve a re-issued patent for a drug which had lapsed for non-payment of the annual maintenance fees. Under subsection 46(2) of the *Patent Act*, if a fee is not paid in time, the patent is deemed to have expired. The Commissioner's position was that the statute was mandatory and clear, and therefore there was no basis for a judicial review application.

Held, the application should be denied.

Both the Commissioner and applicant had committed errors. Applicant wrongly classified this re-issued patent as a new patent and, as such, believed that no fee was payable on its first anniversary. In fact, a \$150 fee was payable on the original patent's eighth anniversary, October 29, 1999. Applicant paid the usual \$100 annual fee for a new patent in 2000 and 2001. It thus missed a payment of \$150 and, rather than making up that payment along with the prescribed late fee, it paid only the \$100 amount required in the second year of a new patent. By 2001, the office of the Commissioner had detected the error and notified applicant that its patent had been cancelled. The Commissioner erred in failing to send the usual notice given when a deadline has been missed. This notice allows a patent holder to take advantage of the one-year grace period permitted by the *Patent Rules*. In fact, the Commissioner communicated with applicant on a number of occasions but almost all of these communications contained errors. Indeed, one was sent to a law firm which did not act for applicant. That notice misstated the deadline and was sent 14 months too late to provide applicant any relief. The applicant never received notice that the fee was overdue until it was far too late to be of any help.

In arguing that there was no basis for an application for judicial review in that he had not made any decision or order herein, the Commissioner took too narrow a view of the scope of judicial review. The respondent suggested that the passage of time alone resulted in the lapsing of the patent and the Commissioner does not control the ticking of the clock. But the wording of *Federal Courts Act*, subsection 18.1(3) is broad enough to include the notice that this patent had lapsed.

The purpose of the maintenance fee requirement was to discourage the proliferation of deadwood patents by requiring, on an annual basis, that steps be taken to keep them in good standing. A second purpose was cost recovery, since the Patent Office administers a complex, expensive administrative apparatus. The context of the strict rule in subsection 46(1) is that the Act strikes a bargain between the public interest and the interests of patent holders. In return for the public disclosure of an invention, the inventor is granted, for a limited time, the exclusive right of exploitation. The requirement to pay maintenance fees is also part of the bargain. That said, the courts appreciate that the maintenance fee regime is so complicated that the risk of innocent errors is great and that non-compliance with subsection 46(2) has "catastrophic" consequences. That is why patent holders are given the benefit of any ambiguity in the legislation. But there was here no such ambiguity.

Nor was this a situation where the duty of fairness required the giving of notice before a decision was made. To impose such duty on the Commissioner would go against the legislative intent, that the burden of compliance fall squarely upon the patent holder. While the Commissioner has a duty to ensure that the Act is administered fairly, that does not mean that his role should attract a duty to notify patent holders and allow them a hearing prior to a finding of default.

The Act provides that a patent expires automatically when a deadline is missed and the Commissioner lacks a power to relieve against the consequences. The Commissioner is not required to give notice that a patent is soon to lapse.

Applicant relied upon the doctrine of legitimate expectations, presenting affidavit evidence that the Patent Office had undertaken to give it notice whenever a deadline was missed. But one of

the necessary conditions for the application of the doctrine was missing: the Commissioner could not have conveyed the impression that a patent holder's interests would not be impinged without notice and an opportunity to make representations. He could not suggest that the strict terms of the Act would not apply in the absence of a warning of a patent's imminent demise. That applicant had relied on the Commissioner's general practice of giving notice after an initial deadline was missed was not enough to create a corresponding duty on the Commissioner's part.

The Court is unable to give relief on the ground of equity when a forfeiture results from a statutory rule since a judge must give effect to the statute. It was not open to the Court to substitute its deadline for that imposed by Parliament and thereby, in effect, repeal the statute.

Yet another argument urged upon the Court by applicant was that the Commissioner was estopped for having accepted a lesser payment than the amount owed. But again, a Court cannot grant a remedy that contradicts the clear terms of a statute. It is otherwise where the statute is less strict or if the official has a discretion, in which case a court may recognize an estoppel. The *Patent Act*, however, grants no leeway; the Commissioner has no discretion.

statutes and regulations judicially

considered

Federal Courts Act, R.S.C., 1985, c. F-7 , ss.1 (as am. by S.C. 2002, c. 8, s. 14), 18.1(3) (as enacted by S.C. 1990, c. 8, s. 5; 2002, c. 8, s. 27).

Patent Act, R.S.C., 1985, c. P-4 , ss. 43 (as am. by S.C. 1993, c. 15, s. 42), 44 (as am. *idem*), 45 (as am. by S.C. 2001, c. 10, s. 1), 46(1) (as am. by R.S.C., 1985 (3rd Supp.), c. 33, s. 16), (2) (as am. by S.C. 1993, c. 15, s. 43).

Patent Rules, SOR/96-423 , ss. 182(1),(2),(3), Sch. II, item 32 (as am. by SOR/99-291 , s. 19).

cases judicially considered

applied:

Pfizer v. Canada (Commissioner of Patents) (1999), 1 C.P.R. (4th) 200; 171 F.T.R. 100 (F.C.T.D.); overturned (2000), 9 C.P.R. (4th) 13; 269 N.R. 373 (F.C.A.); *Dutch Industries Ltd. v. Canada (Commissioner of Patents)*, [2003] 4 F.C. 67; (2003), 24 C.P.R. (4th) 157; 301 N.R. 152 (C.A.); *Free World Trust v. Électro Santé Inc.*, [2000] 2 S.C.R. 1024; (2000), 194 D.L.R. (4th) 232; 9 C.P.R. (4th) 168; 263 N.R. 150; *Old St. Boniface Residents Assn. Inc. v. Winnipeg (City)*, [1990] 3 S.C.R. 1170; (1990), 75 D.L.R. (4th) 385; [1991] 2 W.W.R. 145; 2 M.P.L.R. (2d) 217; 69 Man.R. (2d) 134; 46 Admin. L.R. 161; 116 N.R. 46; *R. v. C.N.R. Co.*, [1923] 3 D.L.R. 719; [1923] 3 W.W.R. 547; [1923] A.C. 714 (P.C.); *Maritime Electric Co. v. General Dairies Ltd.*, [1937] 1 D.L.R. 609; [1937] 1 W.W.R. 591; (1937), 46 C.R.C. 1; [1937] A.C. 610; [1937] 1 All E.R. 748 (P.C.).

distinguished:

Rodney v. Minister of Manpower & Immigration, [1972] F.C. 663; (1972), 27 D.L.R. (3d) 756 (C.A.); *O'Reilly and Local Board of Health of the Kingston, Frontenac and Lennox & Addington Health Unit (Re)* (1983), 43 O.R. (2d) 664; 2 D.L.R. (4th) 262; 7 Admin. L.R. 1; 1 O.A.C. 227 (Div. Ct.); *Comtab Ventures Ltd. v. Canada* (1984), 35 Alta. L.R. (2d) 230 (F.C.T.D.); *Holachten Meadows Mobile Home Park Ltd. v. The Queen*, [1986] 1 F.C. 238; (1986), 1 F.T.R. 278 (T.D.); *Kenora (Town) Hydro Electric Commission v. Vacationland Dairy Co-operative Ltd.*, [1994] S.C.R. 80; (1994), 110 D.L.R. (4th) 449; 18 Admin. L.R. (2d) 1; 162 N.R. 241; 68 O.A.C. 241; *Aurchem Exploration Ltd. v. Canada* (1992), 91 D.L.R. (4th) 710; 7 Admin. L.R. (2d) 168; 54 F.T.R. 134 (F.C.T.D.); *Saskatchewan (Environmental Assessment Act, Minister) v. Kelvington Super Swine Inc.* (1997), 161 Sask. R. 111 (Q.B.); *Saskatchewan (Minister of the Environment) v. Redberry Development Corp.*, [1992] 2 W.W.R. 544; (1992), 100 Sask. R. 36 (C.A.).

referred to:

Markevich v. Canada, [1999] 3 F.C. 28; (1999), 172 D.L.R. (4th) 164; [1999] 2 C.T.C. 104; 99 DTC 5136; 162 F.T.R. 209 (T.D.); *Canada (Attorney General) v. Canada (Human Rights Tribunal)* (1994), 19 Admin. L.R. (2d) 69; 76 F.T.R. 1 (F.C.T.D.); *Canadian Northern Ry. Co. v. The King* (1922), 64 S.C.R. 264; [1923] 2 D.L.R. 693; [1923] 2 W.W.R. 836; *Martin Mine Ltd. v. British Columbia*, [1985] 4 W.W.R. 515; (1985), 62 B.C.L.R. 107 (C.A.); *Olympia & York Developments Ltd. v. Calgary (City)* (1983), 45 A.R. 204; 26 Alta. L.R. (2d) 307; 22 M.P.L.R. 166 (C.A.).

APPLICATION for judicial review of a notification that a re-issued patent had lapsed for failure to pay the required maintenance fees. Application denied.

appearances:

Kevin L. LaRoche and *Jeffery Jenkins* for applicant.

Frederick B. Woyiwada for respondent.

solicitors of record:

Borden Ladner Gervais, Ottawa, for applicant.

Deputy Attorney General of Canada for respondent.

The following are the reasons for judgment and judgment rendered in English by

[1]O'Reilly J.: Hoffmann-La Roche is a pharmaceutical company that holds many Canadian patents. One of them was Canadian patent number 1291429, issued in 1991. In 1995, the company applied to the Commissioner of Patents to have that patent re-issued. In 1998, the Commissioner agreed and assigned the re-issued patent a new number: 1340121.

[2]In 2002, the Commissioner notified Hoffmann-La Roche that the re-issued patent had lapsed for failure to pay the proper amount in annual maintenance fees. Hoffmann-La Roche acknowledges that it failed, through innocent error, to pay its annual fees on the re-issued patent. By way of this application for judicial review, it seeks to preserve the patent.

[3]The *Patent Act*, R.S.C., 1985, c. P-4, sets out the consequences of failing to pay a maintenance fee. It states in subsection 46(2) [as am. by S.C. 1993, c. 15, s. 43] that when a fee is "not paid within the time provided by the regulations, the term limited for the duration of the patent shall be deemed to have expired at the end of that time." The respondent argues that this provision is clear, mandatory and final. Indeed, it argues that there is no basis at all for this application for judicial review because it is the strict provisions of the *Patent Act*, and the cruelty of the clock, that has brought about the demise of the applicant's patent, not any action on the part of the Commissioner of Patents.

[4]For its part, Hoffmann-La Roche argues that the *Patent Act* must be read in light of its purpose and context, as well as superordinate common law principles such as fairness, legitimate expectations, equity and estoppel. It submits that its patent should not be forfeited.

[5]I can find no legal remedy that would enable Hoffmann-La Roche to put its patent into good standing. Accordingly, I must deny this application for judicial review.

[6]There are really just two issues. The first is the threshold issue raised by the respondent:

(1) Is judicial review available here? Or, more particularly, has the Commissioner of Patents done anything that can be challenged by way of judicial review?

[7]The second issue goes to the merits of the case:

(2) Is there a legal basis on which the Court can order relief to Hoffmann-La Roche, notwithstanding the apparently strict terms of the *Patent Act*?

[8]Before addressing these issues, I must set out some additional background.

I. Background

A. Maintenance Fees

[9]The *Patent Act* requires patent holders to pay annual maintenance fees. For a new patent held by a large entity, the patent holder pays nothing the first year, then \$100 each year beginning on the second, and continuing through to the fifth, anniversary of the patent. It must then pay \$150 each year after that. The fee increases again on the tenth anniversary. If the patent is re-issued, as was the case here, the patent holder must continue to pay the required fee on the anniversary of the original patent: *Patent Act*, R.S.C., 1985, c. P-4, section 46; *Patent Rules*, SOR/96-423, Schedule II, item 32(a) [as am. by SOR/99-291, s. 19], (b) [as am. *idem*], (c) [as am. *idem*], (d) [as am. *idem*]; subsections 182(1), (2), (3) (relevant enactments are set out in the Annex).

[10]If the required fee is not paid on time, the patent holder can still make a payment up until one year after the due date, along with a \$200 late fee, *Patent Rules*, Sch. II, item 32. Usually, the Commissioner notifies patent holders if they have missed a due date.

B. Mistaken Classification of the Re-issued Patent

[11]In this case, both Hoffmann-La Roche and the Commissioner made errors.

[12]Hoffmann-La Roche wrongly classified the re-issued patent as a new patent. Accordingly, it believed that no fee was due on the first anniversary of the "new" patent. In reality, however, because it was a re-issued patent, a fee of \$150 was due on the original patent's eighth anniversary, which was October 29, 1999. Hoffmann-La Roche, thinking that it was the patent's first year, paid nothing in 1999, but then paid what would have been the normal \$100 annual fee for a new patent in 2000 and 2001. This meant that Hoffmann-La Roche missed entirely one payment of \$150, which was due in October 1999. Further, instead of making up that payment and paying the prescribed late fee the next year, it only paid the \$100 fee that would have been required in the second year of a new patent. Again, consistent with its mistaken classification of the patent, it paid another \$100 in 2001. By then, however, the Commissioner's office had detected the error and took steps to inform Hoffmann-La Roche that the patent was cancelled.

[13]The Commissioner also erred. As mentioned, the Patent Office normally sends out notices when patent holders miss a deadline. This allows patent holders an opportunity to make up the lapsed payment within the one-year grace period and keep the patent in good standing.

[14]In this case, the Commissioner communicated with Hoffmann-La Roche, or its agents, on several occasions. Almost all of those communications contained errors. The following is a summary:

1. On November 29, 1999, a month after the annual fee on the re-issued patent was due, the Commissioner sent a notice to Borden Elliot Scott and Ayles, solicitors for Hoffmann-La Roche, stating that the maintenance fee on patent number 1291429 (i.e. the original patent) had not been received and that the proper fee, along with the late payment fee of \$200, was due on October 29, 2000. Of course, by that point, the original patent had been superceded by the re-issued patent, so this notice was uninformative.
2. On September 19, 2001, the Commissioner sent out a notice stating that the maintenance fee and late fee on the re-issued patent had not been received by the absolute deadline of November 10, 2000. This notice mis-stated the real deadline, which was October 29, 2000. Further, it was sent to the law firm of Bereskin and Parr, which had no association with Hoffmann-La Roche. Bereskin and Parr received the notice in December 2001 and forwarded it to the solicitors for Hoffmann-La Roche a week later. Given that the fees were due on October 29, 2000 at the very latest, this notice was 14 months too late to be of any help to Hoffmann-La Roche.
3. On September 19, 2001, the Patent Office also advised Computer Patent Annuities (CPA), who were contracted by Hoffmann-La Roche to manage its maintenance fee payments, that it would be refunding the \$100 fee that had been paid in respect of the re-issued patent in October

2000. CPA says it never received this notice. Even if it had, it could not have made the proper payment in time.

4. On November 5, 2001, the Patent Office told CPA that it would be refunding the \$100 sent on behalf of Hoffmann-La Roche the previous month. It said that the required fee was actually due on October 29, 1999, and that late payments were due a year later. This notice was the first to inform Hoffmann-La Roche that its patent had lapsed for non-payment of fees.

5. In response to inquiries by CPA, the Patent Office stated in a fax to CPA, dated November 28, 2001, that it thought that Hoffmann-La Roche had intended to abandon the re-issued patent. The next day, the Patent Office sent another fax telling CPA to ignore the previous fax.

6. On December 12, 2001, the Patent Office told CPA to ignore both of its previous faxes. It said that the maintenance fee on the re-issued patent had been due on November 10, 1999 and, having not received the required payment, the patent had lapsed on November 10, 2000. In fact, the maintenance fee had been due on October 29, 1999.

7. On January 8, 2002, the Patent Office corrected the errors in the dates in its previous notices.

[15]As can be seen, until January 2002, almost none of the communications from the Patent Office to Hoffmann-La Roche in respect of the re-issued patent was accurate. Hoffmann-La Roche never received any notice that its maintenance fee was overdue until it was far too late to do anything about it.

[16]It appears to me that the Patent Office may have initially failed to register the re-issuance of the patent. Then, like Hoffmann-La Roche, it seems to have misclassified the re-issued patent as a new patent. It did not set the record straight until well after the ultimate deadline for fee payment had passed.

II. Issues

1. Is judicial review available here? Or, more particularly, has the Commissioner of Patents done anything that can be challenged by way of judicial review?

[17]The Commissioner submits that he has not made any decision or order in respect of the applicant and, accordingly, there is simply no foundation for an application for judicial review.

[18]To my mind, the Commissioner takes too narrow a view of the scope of judicial review. The respondent suggests that it was the passage of time alone that resulted in the lapsing of the applicant's patent. According to this view, given that the Commissioner has no control over the ticking of a clock, the fact that the applicant missed a statutory deadline does not involve any decision on the Commissioner's part.

[19]I believe this issue was decided in the case of *Pfizer Inc. v. Canada (Commissioner of Patents)* (1999), 1 C.P.R. (4th) 200 (F.C.T.D.), overturned on other grounds: (2000), 9 C.P.R. (4th) 13 (F.C.A.). The Court held that judicial review was available in respect of declarations, set out in letters from the Commissioner of Patents to a patent holder, that a particular patent was

valid. Judicial review is available in respect of any "decision, order, act or proceeding of a federal board, commission or other tribunal": *Federal Courts Act*, R.S.C., 1985, c. F-7 [s. 1 (as am. by S.C. 2002, c. 8, s. 14)], subsection 18.1(3) [as enacted by S.C. 1990, c. 8, s. 5; 2002, c. 8, s. 27]; *Markevich v. Canada*, [1999] 3 F.C. 28 (T.D.). To my mind, this language is broad enough to encompass the Commissioner's notice to Hoffmann-La Roche that its patent had lapsed.

[20]That is not to say, however, that the Commissioner made a formal decision that would necessarily attract the requirements of procedural fairness or other incidents of administrative decision making. This will be discussed further below. For present purposes, I need only find that judicial review is available here. In my view, that threshold has been met.

2. Is there a legal basis on which the Court can order relief to the applicant, notwithstanding the apparently strict terms of the *Patent Act*?

[21]Hoffmann-La Roche raised a number of legal grounds for its argument that the Court should recognize the validity of its re-issued patent, notwithstanding its admitted failure to make timely payment of the required maintenance fee.

[22]Before addressing these arguments, a word about the purpose behind the maintenance fee regime is in order.

[23]In *Dutch Industries Ltd. v. Canada (Commissioner of Patents)*, [2003] 4 F.C. 67; (C.A.), the Federal Court of Appeal, at paragraph 30, stated that the maintenance fee provisions of the *Patent Act* have the following purpose:

The regime of annual maintenance fees was put in place to discourage the proliferation of deadwood patents and patent applications by requiring patentees and patent applicants, at least on an annual basis, to take steps to keep them in good standing.

[24]This approach allows patent holders who are no longer interested in maintaining their patents simply to allow them to lapse. No conduct on the part of the patent holder or the Commissioner is required.

[25]Of course, at the same time, maintenance fees provide the Patent Office with a means of recovering the costs of administering a complex and expensive administrative apparatus.

[26]I must also consider the overall context in which the strict rule in subsection 46(1) [as am. by R.S.C., 1985 (3rd Supp.), c. 33, s. 16] appears. The parties agree that the *Patent Act* strikes a bargain between the public interest and the interests of patent holders. Justice Binnie in *Free World Trust v. Électro Santé Inc.*, [2000] 2 S.C.R. 1024, at paragraph 13, expressed this idea as follows:

Patent protection rests on the concept of a bargain between the inventor and the public. In return for disclosure of the invention to the public, the inventor acquires for a limited time the exclusive right to exploit it. It was ever thus.

[27] Patent holders enjoy the benefits arising from this bargain but, in exchange, must shoulder certain burdens and obligations. Among them is the duty to pay maintenance fees to keep a patent in good standing.

[28] Still, courts have recognized that the maintenance fee regime is complicated, the risk of innocent errors is great, and the failure to comply with the strict rule in subsection 46(2) has "catastrophic" consequences. Accordingly, courts should give patent holders the benefit of any omissions or ambiguities in the legislative provisions: *Dutch Industries Ltd.*, above.

[29] In this case, while I find it lamentable, I see no omissions or ambiguities that might be resolved in Hoffmann-La Roche's favour. Nor do I find any legal basis on which the applicant might avoid the catastrophic consequences of failing to comply with subsection 46(1). The legislation is clear. Indeed, provisions of the *Patent Act* relating to the duration of patents are expressly subject to the terms of sections 46, 43 [as am. by S.C. 1993, c. 15, s. 42], 44 [as am. *idem*], 45 [as am. by S.C. 2001, c. 10, s. 1].

(a) Fairness

[30] Hoffmann-La Roche argues that the Commissioner of Patents had a duty to give it notice before he made a determination that it had failed to comply with subsection 46(1). It submits that if it had received timely notice of the fact that it had failed to pay the required annual fee, it could easily have rectified the situation before the ultimate due date. It suggests that notice is required as part of the Commissioner's duty to treat patent holders fairly.

[31] I do not see this as a situation where the duty of fairness requires notice prior to a decision being taken. The usual purpose of notice is to allow a person to make representations to the decision maker before an adverse determination is made against him or her. That is not the purpose that would be served by a notice requirement here. The applicant really wants the Commissioner to be obliged to give patent holders notice as to the status of their maintenance fees in order to lighten the burden of complying with subsection 46(1). As I see it, such a requirement would be at odds with the clear legislative intent to place the burden of compliance squarely on patent holders.

[32] Further, Hoffmann-La Roche overstates the role of the Commissioner in this area. I stated earlier that the Commissioner's conclusion that a patent holder had failed to comply with subsection 46(1) was amenable to judicial review. However, this does not necessarily mean that the Commissioner is under a duty to notify, receive submissions from, and provide patent holders with an opportunity to comply. I accept that the Commissioner has an overall duty to ensure that the *Patent Act* is administered fairly but I would not impose on him the specific obligations that the applicant argues for. After all, the Commissioner is merely noting whether a patent holder has made the required payment by the statutory deadline. True, the facts of this case show that that seemingly simple task is more difficult than one may think but that difficulty is a product of the complexity of the scheme and the volume of patents administered by the Patent Office. It does not mean that the Commissioner is performing a role that should attract the duty to allow patent holders to be notified and heard before they are found to be in default. The case law cited by the applicant deals with the duty imposed on decision makers to provide notice and receive

submissions from affected parties before making determinations on matters of considerable substance. Those cases are distinguishable from the situation here: *Rodney v. Minister of Manpower & Immigration*, [1972] F.C. 663 (C.A.); *O'Reilly and Local Board of Health of the Kingston, Frontenac and Lennox & Addington Health Unit (Re)* (1983), 43 O.R. (2d) 664; (Div. Ct.).

[33] Finally, it is not clear that a duty to provide notice would really be of any use to patent holders. As mentioned, the Commissioner's role in this context is limited to informing patent holders that the absolute deadline for payment of a maintenance fee was missed. It would be impossible to provide patent holders with notice of this fact before the patent expires because the Act says that the patent expires automatically when the deadline is missed. It is clear that the Commissioner has "no authority to relieve against the consequences of underpaying a maintenance fee" (*Dutch Industries Ltd.*, above, at paragraph 41). Notice would not provide patent holders a chance to comply. Again, what Hoffmann- La Roche is seeking is not a form of notice attaching to the Commissioner's actual function, but ongoing notice of the status of maintenance fee payments or, at least, notice that a patent is soon to lapse. I see no legal basis for imposing a duty on the Commissioner to provide that kind of notice.

(b) Legitimate Expectations

[34] The Patent Office has long provided notices to patent holders who miss the initial deadline for paying a maintenance fee. Indeed, Hoffmann-La Roche presented affidavit evidence indicating that the Patent Office specifically undertook to provide it with notices whenever those deadlines were missed. Hoffmann-La Roche argues that these circumstances give rise to a duty to provide notice according to the doctrine of legitimate expectations.

[35] Justice Sopinka outlined the basis of that doctrine in *Old St. Boniface Residents Assn. Inc. v. Winnipeg (City)*, [1990] 3 S.C.R. 1170. After citing various authorities, he said, at page 1204:

The principle developed in these cases is simply an extension of the rules of natural justice and procedural fairness. It affords a party affected by the decision of a public official an opportunity to make representations in circumstances in which there otherwise would be no such opportunity. The court supplies the omission where, based on the conduct of the public official, a party has been led to believe that his or her rights would not be affected without consultation.

[36] The doctrine of legitimate expectations requires decision makers to provide those whose interests are at stake an opportunity to make submissions. It arises when the decision maker's conduct clearly suggests that affected persons will be given a chance to make submissions before a decision will be made. For example, before making a fundamental change in policy, a public body must give notice and an opportunity to be heard to someone who, by express agreement, is relying on its previous policy: *Canada (Attorney General) v. Canada (Human Rights Tribunal)* (1994), 19 Admin. L.R. (2d) 69 (F.C.T.D.).

[37] Hoffmann-La Roche argues that the Commissioner's conduct and express undertakings regarding maintenance fee notices have created legitimate expectations on the part of patent holders. In my view, however, one of necessary conditions for recognizing the doctrine of

legitimate expectations is absent here: the Commissioner could not have conveyed the impression that a patent holder's interests would not be impinged without notice and an opportunity to make representations. As discussed above, the Commissioner's limited role in relation to maintenance fees simply does not admit of these elements of the duty of fairness. More importantly, though, subsection 46(2) of the *Patent Act* clearly states that a patent will lapse if the proper fees have not been paid. The Commissioner could not suggest that the strict terms of the Act would not apply where the patent holder had not been given advance warning of a patent's impending demise.

[38]Hoffmann-La Roche obviously, as a matter of fact, did place reliance on the Commissioner's general practice of delivering notices when an initial deadline was missed. That, however, is not enough to create a corresponding duty on the part of the Commissioner.

(c) Equity

[39]Hoffmann-La Roche argues that this Court has the authority to provide relief from the strict terms of subsection 46(1) on grounds of equity. Specifically, it says that the Court may extend the time limit within which maintenance fees may be paid in appropriate circumstances.

[40]It is clear that this Court can grant equitable relief to prevent the forfeiture of property under a private contract, such as a lease: *Comtab Ventures Ltd. v. Canada* (1984), 35 Alta. L.R. (2d) 230 (F.C.T.D.); *Holachten Meadows Mobile Home Park Ltd. v. The Queen*, [1986] 1 F.C. 238 (T.D.).

[41]However, the situation is entirely different when the forfeiture results from a statutory rule. Judges must give effect to the statute: *Canadian Northern Ry Co. v. The King* (1922), 64 S.C.R. 264; *Martin Mine Ltd. v. British Columbia*, [1985] 4 W.W.R. 515 (B.C.C.A.); *Olympia & York Developments Ltd. v. Calgary (City)* (1983), 45 A.R. 204 (C.A.).

[42]Hoffmann-La Roche concedes the authority of these cases but suggests that the situation should be different when a person loses a property right, in part, because of a government agency's error. This would be true, perhaps, if there were room for discretion or compromise in the language of the governing statute. However, I cannot see any room for relief in the case before me. The statute is clear. If I were to extend the time for paying the maintenance fee in this case, I would be substituting my own deadline for that enacted by Parliament. As Lord Parmoor stated in the *R. v. C.N.R. Co.*, [1923] 3 D.L.R. 719 (P.C.), at page 725, "if the power given to the Court to relieve against penalties applied to statutory penalties, this would, in effect be giving an authority to enable the Court to repeal statutes". I decline to recognize such a power.

(d) Estoppel

[43]Hoffmann-La Roche argues that the Commissioner is prevented from declaring that its patent had lapsed because he accepted a lesser amount than that which was owed. The Commissioner only sends out notices when deadlines are missed, not when payments have been paid on time. The Commissioner's silence, argues the applicant, is the only assurance given to patent holders that they have fully complied with the Act. Here, the Commissioner was silent in

1999 when Hoffmann- La Roche owed \$150, but paid nothing. He was silent again in 2000 when Hoffmann-La Roche paid \$100, but actually owed \$350. Such silence, argues the applicant, means that the Commissioner had already given it an assurance of compliance on which it relied, and from which he could not later resile.

[44]As with the issue of equitable relief, discussed above, the arguments raised by Hoffmann-La Roche are answered by the clear terms of *Patent Act*. A court cannot grant a remedy that contradicts the plain terms of a statute. Lord Maugham recognized this in *Maritime Electric Co. v. General Dairies Ltd.*, [1937] 1 D.L.R. 609 (P.C.). He said that "the obligation to obey a positive law is more compelling than a duty not to cause injury to another by inadvertence" (at page 614). He went on to observe that "there is not a single case in which an estoppel has been allowed in such a case to defeat a statutory obligation of an unconditional character" (at page 614).

[45]Where the governing statute is less strict, courts may recognize an estoppel: *Kenora (Town) Hydro Electric Commission v. Vacationland Dairy Co-operative Ltd.*, [1994] 1 S.C.R. 80. Similarly, if the public official has a discretion, he or she may be bound by estoppel: *Aurchem Exploration Ltd. v. Canada* (1992), 91 D.L.R. (4th) 710 (F.C.T.D.); *Saskatchewan (Environmental Assessment Act, Minister) v. Kelvington Super Swine Inc.* (1997), 161 Sask. R. 111 (Q.B.); *Saskatchewan (Minister of the Environment) v. Redberry Development Corp.*, [1992] 2 W.W.R. 544 (Sask. C.A.).

[46]However, I see no basis in this case on which to recognize an estoppel against the Commissioner. There is no leeway in the *Patent Act*. Nor does the Commissioner have any discretion.

III. Conclusion

[47]As Hoffmann-La Roche urged, I have reviewed the overall context in which section 46 appears, including the scheme of the *Patent Act*, the purpose of the provision, and the common law doctrines of fairness, legitimate expectations, equity and estoppel. Still, I have found no legal basis on which to grant any relief to Hoffmann-La Roche. Accordingly, I must dismiss this application for judicial review.

JUDGMENT

THE COURT'S JUDGMENT IS that:

1. The application for judicial review is dismissed, with costs to the respondent.

Annex

Patent Act, R.S.C., 1985, c. P-4

43. (1) Subject to section 46, every patent granted under this Act shall be issued under the seal of the Patent Office, and shall bear on its face the filing date of the application for the patent, the date on which the application became open to public inspection under section 10, the date on which the patent is granted and issued and any prescribed information.

(2) After the patent is issued, it shall, in the absence of any evidence to the contrary, be valid and avail the patentee and the legal representatives of the patentee for the term mentioned in section 44 or 45, whichever is applicable.

44. Subject to section 46, where an application for a patent is filed under this Act on or after October 1, 1989, the term limited for the duration of the patent is twenty years from the filing date.

45. (1) Subject to section 46, where an application for a patent is filed under this Act before October 1, 1989, the term limited for the duration of the patent is seventeen years from the date on which the patent is issued.

(2) Where the term limited for the duration of a patent referred to in subsection (1) had not expired before the day on which this section came into force, the term is seventeen years from the date on which the patent is issued or twenty years from the filing date, whichever term expires later.

46. (1) A patentee of a patent issued by the Patent Office under this Act after the coming into force of this section shall, to maintain the rights accorded by the patent, pay to the Commissioner such fees, in respect of such periods, as may be prescribed.

(2) Where the fees payable under subsection (1) are not paid within the time provided by the regulations, the term limited for the duration of the patent shall be deemed to have expired at the end of that time.

Patent Rules, SOR/96-423

182. (1) For the purposes of sections 45 and 46 of the Act, the applicable fee to maintain the rights accorded by a patent issued on or after October 1, 1989, set out in item 32 of Schedule II, shall be paid in respect of the periods set out in that item before the expiry of the times provided in that item.

(2) In subsection (1), "patent" does not include a reissued patent.

(3) Subject to subsection (4), for the purposes of section 45 of the Act, the applicable fee to maintain the rights accorded by a reissued patent, set out in item 32 of Schedule II, shall be paid in respect of the same periods and before the expiry of the same times, including periods of grace, as for the original patent.

...

MAINTENANCE FEES

32. For maintaining the rights accorded by a patent issued on or after October 1, 1989 on the basis of an application filed before that date, under subsections 182(1) and (3) of these Rules:

(a) in respect of the one-year period ending on the third anniversary of the date on which the patent was issued:

(i) fee, if payment on or before the second anniversary:

(A) where the patentee is a small entity

50.00

(B) where the patentee is a large entity

100.00

(ii) fee, including additional fee for late payment, if payment within the period of grace of one year following the second anniversary:

(A) where the patentee is a small entity

250.00

(B) where the patentee is a large entity

300.00

(b) in respect of the one-year period ending on the fourth anniversary of the date on which the patent was issued:

(i) fee, if payment on or before the third anniversary:

(A) where the patentee is a small entity

50.00

(B) where the patentee is a large entity

100.00

(ii) fee, including additional fee for late payment, if payment within the period of grace of one year following the third anniversary:

(A) where the patentee is a small entity

250.00

(B) where the patentee is a large entity

300.00

(c) in respect of the one-year period ending on the fifth anniversary of the date on which the patent was issued:

(i) fee, if payment on or before the fourth anniversary:

(A) where the patentee is a small entity

50.00

(B) where the patentee is a large entity

100.00

(ii) fee, including additional fee for late payment, if payment within the period of grace of one year following the fourth anniversary:

(A) where the patentee is a small entity

250.00

(B) where the patentee is a large entity

300.00

(d) in respect of the one-year period ending on the sixth anniversary of the date on which the patent was issued:

(i) fee, if payment on or before the fifth anniversary:

(A) where the patentee is a small entity

75.00

(B) where the patentee is a large entity

150.00

(ii) fee, including additional fee for late payment, if payment within the period of grace of one year following the fifth anniversary:

(A) where the patentee is a small entity

275.00

(B) where the patentee is a large entity

350.00

Federal Courts Act, R.S.C., 1985, c. F-7

18.1 . . .

(3) On an application for judicial review, the Federal Court may

(a) order a federal board, commission or other tribunal to do any act or thing it has unlawfully failed or refused to do or has unreasonably delayed in doing; or

(b) declare invalid or unlawful, or quash, set aside or set aside and refer back for determination in accordance with such directions as it considers to be appropriate, prohibit or restrain, a decision, order, act or proceeding of a federal board, commission or other tribunal.

Statutory Powers Procedure Act, R.S.O. 1990, c. S.22 (Further Excerpt)

Power to review

21.2 (1) A tribunal may, if it considers it advisable and if its rules made under section 25.1 deal with the matter, review all or part of its own decision or order, and may confirm, vary, suspend or cancel the decision or order. 1997, c. 23, s. 13 (20).

Time for review

(2) The review shall take place within a reasonable time after the decision or order is made.

Conflict

(3) In the event of a conflict between this section and any other Act, the other Act prevails. 1994, c. 27, s. 56 (36).