

CANADIAN PATENT LAW UPDATE: DECLARATIONS, LIMITATION PERIODS, AND GENERAL RELEASES

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Patent owners and inventors take note: the Canadian Federal Court in *Secure Energy (Drilling Services) Inc. v. Canadian Energy Services L.P.*, 2023 FC 906, recently provided the following guidance:

1. limitation periods do not apply to declarations related to inventorship and ownership made pursuant to section 52 of the *Patent Act*; [\[1\]](#) and
2. releases may not prevent one from seeking a declaration related to true and proper inventorship under the *Patent Act*.

Facts:

Secure Energy (Drilling Services) Inc. (the “**Applicant**”) brought a court application (the “**Application**”) under the *Patent Act* to correct the inventorship and ownership of Canadian Patent No. 2,624,834 (the “**834 Patent**”). In the Application, the Applicant sought a declaration that: (i) Simon Levey (“**Levey**”) is the true inventor, or alternatively the co-inventor, of the 834 Patent; and (ii) the Applicant is the owner or co-owner of the 834 Patent.

At the time that the Application was brought, Canada Energy Services (“**CES**”) was the listed owner and John Ewanek (“**Ewanek**”) was the listed inventor of the 834 Patent (collectively, the “**Respondents**”). CES responded with a motion to strike the Application. Among other things, CES raised various defenses including that the Application was barred under all applicable limitation periods, and that the Application could not succeed because of a contractual release executed by the Applicant’s predecessor.

Findings:

Based on the evidence provided, the Court found that Levey (and not Ewanek) was the true inventor of the 834 Patent, highlighting Levey’s role in conceiving the inventive idea, conducting tests, and recording information. Additionally, and based on the evidence provided, the Court found that the Applicant successfully established its chain of title in and ownership of the 834 Patent. The Court then turned its attention to the defenses raised by the Respondents.

Limitation Periods

CES claimed that the Application was barred by applicable limitation periods, alleging that the Applicant was seeking a remedial order in the Application. The Applicant, on the other hand, argued that a limitation period was not applicable because the Applicant was seeking a declaration of inventorship and ownership under section 52 of the *Patent Act*, and not a remedial order.

Having regard to the relevant jurisprudence on declaratory relief,^[2] the Court reaffirmed that a declaration is a narrow remedy and is available without a cause of action. The Court found that a declaration under section 52 of the Patent Act as to the inventor of the subject matter disclosed in a patent is a matter of public nature and not a private cause of action; therefore, no limitation period applies.

Release

CES also raised the defense that the Applicant cannot revisit matters that were previously released by contract (the “**Release**”) between the Applicant’s predecessor and Ewanek. The Release stated that the Applicant’s predecessor “release and forever discharge John Ewanek of and from any and all manner of actions, causes of actions, suits, contracts, claims, demands, and damages of any kind whatsoever”.^[3]

Having regard to the 2020 Federal Court decision of *Salt Canada*,^[4] the Court found that the Release did not prevent the Applicant from seeking a declaration of inventorship. The Court stated that the declaration sought in the Application was not a claim against Ewanek and therefore was not a cause of action and did not fall within the scope of the Release.

Takeaways:

Correct inventorship is an important part of the patent system. This case brings to light and reaffirms crucial points, including:

1. the true and proper inventor of an invention is the person who conceives the idea that gives rise to an invention and sets the conception into a practical shape;^[5]
2. limitation periods do not apply to declarations under section 52 of the Patent Act; and
3. general releases may not prevent records before the Canadian patent office from being altered.

[1] *Patent Act*, RSC 1985, c P-4.

[2] *Calwell Fishing Ltd v Canada*, [2016 FC 312](#), citing *Manitoba Metis Federation Inc v Canada*, [2013 SCC 14](#).

[3] *Secure Energy (Drilling Services) Inc v Canadian Energy Services LP*, [2023 FC 906](#) at para 73.

[4] Prior to *Salt Canada Inc v Baker*, [2020 FCA 127](#) [*Salt Canada*], the jurisprudence of the Federal Court was that it lacked jurisdiction where determination of the ownership of a patent was dependant on the application

and interpretation of contract law principles. That changed with the decision in *Salt Canada*. (see *Secure Energy (Drilling Services) Inc. v. Canadian Energy Services L.P.*, [2023 FC 906](#) at para. 20).

[5] *Apotex Inc v Wellcome Foundation Ltd*, [\[2001\] 1 FC 495 \(FCA\)](#).

by [Pablo Tseng](#) and [Anica Villamayor](#) (Summer Law Student)

A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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