PATENTS

PRACTICE

Motions by defendants pursuant to *Federal Courts Rules*, SOR/98-106 (Rules), rr. 221, 118 seeking to strike plaintiff's statement of claim, dismiss plaintiff's action — Plaintiff claiming to be co-inventor of invention due to contractual relationship with defendant Dual Spiral Systems (DSS), or employment relationship with defendant Castillo — Plaintiff involved in manufacturing, distribution of plastic molding equipment — DSS involved in design, development of plastic wrap production equipment —Parties entering into business relationship wherein Castillo providing research, design, development services, DSS providing computer programming, modeling services to plaintiff — As a result of the work done pursuant to these arrangements, new technology invented relating to "co-extrusion die system" — U.S. patent granted listing Castillo as sole inventor — Plaintiff alleging, *inter alia*, that Castillo ignoring or refusing its demands to execute assignment of all rights under U.S. patent to Alpha Marathon Technologies Inc. — Plaintiff seeking relief, damages including declaration that plaintiff owner of invention, injunction against defendants from infringing U.S. patent application — Defendants denying that plaintiff having any role in discovery of invention, disputing that Castillo employee of plaintiff — Pointing to collaboration agreement stating Castillo independent contractor — Alleging, *inter alia*, that Federal Court (F.C.) not having jurisdiction to determine claims given that claims involving dispute about ownership of a U.S. patent, turning on matters of contract law — Main issues whether F.C. having jurisdiction to determine plaintiff's claims, whether action should be dismissed — F.C. not having jurisdiction — Essential requirements for F.C. to have jurisdiction set out in *ITO-Int'l Terminal Operators Ltd. v. Miida Electronics Inc.*, [1986] 1 S.C.R. 752 (*ITO*), explained, applied in *Windsor (City) v Canadian Transit Co*, 2016 SCC 54, [2016] 2 S.C.R. 617 — Essential nature of plaintiff's claim is declaratory, injunctive relief with respect to ownership of invention — *Federal Courts Act*, R.S.C., 1985, c. F-7, s. 20(2) not providing statutory grant of jurisdiction in dispute herein — Question in present case not simply whether contractual issues "part and parcel" of overall claims or merely incidental, but whether overall claims in "pith and substance" within Court's jurisdiction — S. 20(2) not providing F.C. with concurrent jurisdiction in all circumstances where any equitable remedy is sought with respect to *any patent of invention* — Plaintiff relying on *Kellogg Company v. Kellogg*, [1941] S.C.R. 242 for proposition that s. 20(2) providing F.C. jurisdiction where remedy is sought in law or equity concerning "any patent of invention" — However, these words having to be considered in the context of the decision as a whole and the facts in *Kellogg* — Subject of claim in *Kellogg* pending Canadian patent application — Remedy sought therein based on *Patent Act*, *1935*, s. 44 —

Broad and literal reading of forerunner to s. 20(2) offered in *Kellogg,* particularly with respect to phrase "a remedy is sought under the authority of an Act of Parliament or at law or in equity" not been reflected in more recent case law —Recent case law confirming that in order to establish statutory grant of jurisdiction, remedy sought having to arise from federal law — Case law not supporting notion that s. 20(2) providing statutory grant of authority for any action in which a party seeking any equitable remedy respecting any patent of invention — Plaintiff needing to first find legal basis for claim in federal statute or law — F.C. not having jurisdiction to make declarations about ownership of inventions claimed within foreign patent for which there is no Canadian equivalent, because *Patent Act* not giving F.C. that authority — Here, plaintiff's remedy not created or

recognized by Act of Parliament or at law or in equity dealing with subject matter of federal legislative competence — *Patent Act* only relevant federal law with respect to patents — Nothing in *Patent Act* creating relief sought by plaintiff regarding ownership of invention — *Patent Act* not providing for F.C. to resolve questions of inventorship until party has sought patent protection in Canada — First step of *ITO* test not satisfied — Federal common law regarding inventorship not applying to determine claims — Plaintiff's claims based on contractual or alleged employment relationship — Not based on law of Canada — Motion pursuant to r. 221 granted.

ALPHA MARATHON TECHNOLOGIES INC. V. DUAL SPIRAL SYSTEMS INC. (T-632-05, 2017 FC 1119, Kane J., order dated December 8, 2017, 40 pp.)