

Citation: BROLLEY, KATHERINE J. (Re), 2022 CACP 8
Commissioner's Decision #1615
Décision du Commissaire n° 1615
Date: 2022-03-14

TOPIC: J00 Meaning of Art
 O00 Obviousness

SUJET: J00 Signification de la technique
 O00 Évidence

Application No. : 2,453,715

Demande n° 2 453 715

IN THE CANADIAN PATENT OFFICE

DECISION OF THE COMMISSIONER OF PATENTS

Patent application number 2,453,715, having been rejected under subsection 30(3) of the *Patent Rules* (SOR/96-423) as they read immediately before October 30, 2019, has consequently been reviewed in accordance with paragraph 199(3)(c) of the *Patent Rules* (SOR/2019-251). The recommendation of the Board and the decision of the Commissioner are to refuse the application.

Agent for the Applicant:

SISKINDS LLP
275 Dundas Street, Unit 1
London, Ontario
N6B 3L1

INTRODUCTION

- [1] This recommendation concerns the review of rejected Canadian patent application number 2,453,715, which is entitled “MARKETING METHOD FOR GENERATING REVENUE” and is owned by BROLLEY, KATHERINE J. (“the Applicant”).
- [2] A review of the rejected application has been conducted by the Patent Appeal Board (“the Board”) pursuant to paragraph 199(3)(c) of the *Patent Rules* (SOR/2019-251) (“the *Patent Rules*”). As explained in more detail below, our recommendation to the Commissioner of Patents is to refuse the application.

BACKGROUND

The application

- [3] Canadian patent application 2,453,715 has a filing date of December 19, 2003, and was laid open to public inspection on June 19, 2004.
- [4] The application relates to marketing. More specifically, it relates to marketing methods for generating revenue in industries prohibited by law from direct soliciting.
- [5] The application has 29 claims on file, which were received at the Patent Office on June 23, 2017 (“claims on file”).

Prosecution history

- [6] On November 3, 2017, a Final Action (“FA”) rejecting the claims on file, was issued pursuant to subsection 30(4) of the *Patent Rules* (SOR/96–423) as they read immediately before October 30, 2019. The FA stated that the present application had the following defects:
- claims 1 to 29 on file are directed to non-statutory subject-matter and do not comply with section 2 of the *Patent Act*, and
 - claims 1 to 29 on file would have been obvious and do not comply with section 28.3 of the *Patent Act*.
- [7] On May 3, 2019, a response to the FA (“R-FA”) was filed by the Applicant. In the

R-FA, the Applicant submitted a proposed set of claims 1 to 29 (“proposed claims”) and argued that the claims are directed to statutory subject-matter and complied with section 2 of the *Patent Act*, and that the claims would not have been obvious and complied with section 28.3 of the *Patent Act*.

- [8] Since the Examiner maintained the position that the application did not comply with section 2 and section 28.3 of the *Patent Act* after considering the R-FA, the application was forwarded to the Board, along with a Summary of Reasons (“SOR”).
- [9] The SOR was forwarded to the Applicant on July 19, 2019.
- [10] The present panel (“the Panel”) was formed to review the application under paragraph 199(3)(c) of the *Patent Rules*.
- [11] In a preliminary review letter dated November 5, 2021 (“PR letter”), the Panel presented its preliminary analysis and rationale, and was of the preliminary view that:
 - claims 1 to 29 on file are directed to non-patentable subject-matter and do not comply with section 2 and subsection 27(8) of the *Patent Act*;
 - claims 1 to 29 on file would have been obvious and do not comply with paragraph 28.3(b) of the *Patent Act*; and
 - the proposed claims are directed to non-patentable subject-matter and would have been obvious to the skilled person, and cannot be considered a “necessary” amendment under subsection 86(11) of the *Patent Rules*.
- [12] The PR letter also offered the Applicant the opportunities to make written submissions and to attend an oral hearing.
- [13] On February 1, 2022, the Applicant filed an additional written submission in response to the PR letter (“R-PR”), arguing in favour of the patentability of the present application. No further amendments were submitted in the R-PR.
- [14] On February 17, 2022, a virtual hearing was held.

ISSUES

[15] This review addresses the following issues:

- whether claims 1 to 29 on file define patentable subject-matter, as required by section 2 and subsection 27(8) of the *Patent Act*; and
- whether claims 1 to 29 on file would have been unobvious to the skilled person, as required by section 28.3 of the *Patent Act*.

[16] We first consider the above issues. We then consider whether the proposed claims constitute amendments necessary for compliance with the *Patent Act* and *Patent Rules*.

LEGAL PRINCIPLES AND OFFICE PRACTICE

Purposive construction

[17] In accordance with *Free World Trust v Électro Santé Inc*, 2000 SCC 66, and *Whirlpool Corp v Camco Inc*, 2000 SCC 67, purposive construction is performed from the point of view of the person skilled in the art in light of the relevant common general knowledge (CGK), considering the whole of the disclosure including the specification and drawings. In addition to interpreting the meaning of the terms of a claim, purposive construction distinguishes the essential elements of the claim from the non-essential elements. Whether or not an element is essential depends on the intent expressed in or inferred from the claim, and on whether it would have been obvious to the skilled person that a variant has a material effect upon the way the invention works.

[18] “Patentable Subject-Matter under the *Patent Act*” (CIPO, November 2020) [PN2020–04] also discusses the application of these principles, pointing out that all elements set out in a claim are presumed essential unless it is established otherwise or such presumption is contrary to the claim language.

Patentable subject-matter

[19] The definition of invention is set out in section 2 of the *Patent Act*:

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.

[20] Subsection 27(8) of the *Patent Act* also prescribes that:

No patent shall be granted for any mere scientific principle or abstract theorem.

[21] *PN2020-04* describes the Patent Office's approach to determining if a claim is patentable subject-matter:

To be both patentable subject-matter and not be prohibited under subsection 27(8) of the *Patent Act*, the subject-matter defined by a claim must be limited to or narrower than an actual invention that either has physical existence or manifests a discernible physical effect or change and that relates to the manual or productive arts, meaning those arts involving or concerned with applied and industrial sciences as distinguished in particular from the fine arts or works of art that are inventive only in an artistic or aesthetic sense.

Obviousness

[22] The *Patent Act* requires that the subject-matter of a claim not be obvious.

Section 28.3 of the *Patent Act* states:

The subject-matter defined by a claim in an application for a patent in Canada must be subject-matter that would not have been obvious on the claim date to a person skilled in the art or science to which it pertains, having regard to

- (a) information disclosed before the one-year period immediately preceding the filing date or, if the claim date is before that period, before the claim date by the applicant, or by a person who obtained knowledge, directly or indirectly, from the applicant in such a manner that the information became available to the public in Canada or elsewhere; and
- (b) information disclosed before the claim date by a person not mentioned in paragraph (a) in such a manner that the information became available to the public in Canada or elsewhere.

[23] In *Apotex Inc v Sanofi-Synthelabo Canada Inc*, 2008 SCC 61, at para 67, the Supreme Court of Canada stated that it is useful in an obviousness inquiry to follow the following four-step approach:

- (1)(a) Identify the notional "person skilled in the art";

- (1)(b) Identify the relevant common general knowledge of that person;
- (2) Identify the inventive concept of the claim in question or if that cannot readily be done, construe it;
- (3) Identify what, if any, differences exist between the matter cited as forming part of the “state of the art” and the inventive concept of the claim or the claim as construed;
- (4) Viewed without any knowledge of the alleged invention as claimed, do those differences constitute steps which would have been obvious to the person skilled in the art or do they require any degree of invention?

ANALYSIS

Claim date

- [24] The PR letter preliminarily determined that the claim date of the present application was December 19, 2003.

The FA stated that the claim date for the subject-matter of the claims on file is December 19, 2003, the filing date of the present application, since the two priority documents (U.S. Provisional Application 60/434,400 filed on December 19, 2002, and Canadian Application 2,417,557 filed on February 5, 2003) did not disclose the claimed subject-matter of claim 1. The Applicant did not dispute this identification.

Having reviewed the two priority documents, we also consider December 19, 2003, as the claim date for the purposes of this review since the two priority documents concern distribution of “computer ID cards”, and neither of these documents discloses all claimed elements of claim 1 on file.

- [25] The Applicant did not dispute or comment on this determination and we adopt it in this review.

Documents cited

- [26] In the FA, the following documents are referenced:

- | | | |
|-------------------------|-------------------|-----------------|
| • D2: US 2002/0147625A1 | October 10, 2002 | Kolke, JR. |
| • D4: US 2003/0014266A1 | January 16, 2003 | Brown et al. |
| • D5: US 2002/0123957A1 | September 5, 2002 | Notarius et al. |

- [27] D2 discloses a marketing system and method for establishing an infrastructure to

support sales professionals. D4 discloses methods and apparatus for automating the funeral planning process that enables consumers to make selections electronically to plan funerals. D5 discloses a method and apparatus for marketing and communicating.

Purposive construction

The person skilled in the art and their common general knowledge (CGK)

[28] The PR letter provided our preliminary identifications of the skilled person and their CGK.

The FA identified the skilled person and their CGK as:

The skilled person is a salesperson and business manager familiar with marketing strategy.

...

The common general knowledge is demonstrated by documents D4, and D5. D4 demonstrates various aspects of the funeral business, and both D4 and D5 demonstrate techniques involved with solicitation of potential customers.

D4 teaches a system for presenting funeral services to potential customers. The attention of the applicant is directed towards the following paragraphs.

[D4, see paragraph 0004]

Funeral home and funeral directors compete for the business of consumers, but because of the sensitive nature of their business, they must avoid aggressiveness in attempting to persuade consumers. Funeral related service and product suppliers, such as casket makers, must target funeral homes and directors to persuade them to offer the supplier's products to consumers during the funeral planning process.

Similarly, product suppliers may need to rely upon consumers to request and/or choose their products, but because of the nature of the products, the suppliers also must avoid aggressive advertising.

[D4, see paragraph 0136]

A cemetery and funeral home finder section 1912 are provided to permit the supplier to determine members who may be targeted for advertising/marketing purposes.

D5 shows a system for making contacts and referrals. The attention of the applicant is directed towards the following paragraphs.

[D5, see paragraph 0006]

In both industries, because of government regulations, suppliers and wholesalers are not permitted direct communication at time of purchase with consumers. Retailers are the only part of the distribution channel that are permitted direct contact with consumers at time of purchase. Retailers however, generally have little, if any, direct contact with suppliers.

[D5, see paragraph 0015]

The present invention comprises a method and apparatus for marketing and communicating in the wine/spirits industry. The method of the invention includes the steps of receiving an offer from at least one wine/spirit suppliers to pay for a solicitation to at least one identified consumer of a participating retail wine/spirit establishment for a selected set of products; communicating a set of possible product offerings from the at least one wine/spirit suppliers to at least one of the participating retailers of wine/spirits, where each such set includes a number of products; receiving a communication from at least one such participating retailer agreeing to offer a subset of said set of product offerings at a sale price; ...

With regard to the skilled person, the Applicant has not disputed the identification above. However, since the present application is mostly directed to the cemetery and funeral services, we preliminarily identify the skilled person as:

- A team of persons skilled in the field of business marketing, who are experienced with conventional marketing strategies and their implementations, and also familiar with cemetery and funeral services business.

With regard to the CGK of the skilled person, the Applicant has not disputed the identification above. Based on certain points of CGK extracted from D4 and D5, and the "Background of the invention" section of the present application, we preliminarily consider the following knowledge as CGK:

- Knowledge of conventional means of soliciting products and services to potential clients in certain industries, such as cemetery and funeral services;
- Knowledge of common business marketing and promotion strategies, including establishing a client list for marketing purposes, using referrals as marketing means to reach potential clients, and using discounts and loyalty points;

- Knowledge of existing laws and regulations that prohibit certain businesses, such as funeral services, directly communicating with potential clients without permissions;
- Knowledge of conventional means of communicating with established clients or potential clients, the means including telephone, email, in-person meeting;
- Knowledge of conventional means of obtaining permissions from a client or potential client, the means including signing an authorization form.

[29] In the R-PR, the Applicant did not dispute or comment on these identifications except the last feature of the identified CGK, arguing that the “Background of the invention” section, D4, and D5 did not disclose signing authorization forms as part of the CGK. We maintain that obtaining permissions from a client or a potential client by signing an authorization form is well-known conventional authorization means. Also, the disclosure does not provide any details regarding the format or process of signing an authorization form, which infers that the knowledge of signing authorization forms is known in the art. Moreover, the R-PR appears to acknowledge that a paper authorization form or an electronic authorization form is part of common knowledge (page 4): “authorization form’, whether it is a hard-copy document or an electronic document...” Note that neither of these forms is mentioned by the specification. Further, as an example, D4 also discloses a record of “User Authorization” as part of user account administration data for funereal services (pages 30 and 32). Therefore, we maintain our identification of the CGK.

Essential Elements

[30] There are 29 claims in the claims on file, including independent claim 1 and dependent claims 2 to 29.

[31] Independent claim 1 reads:

1. A method of soliciting clientele by an agent of a business prohibited from direct solicitation, the method comprising:
 - the agent requesting from an established client of the business a referral for a prospective client;
 - the business receiving contact from the prospective client in response to the established client referring the prospective client to the business; and

a representative of the business obtaining authorization from the prospective client to provide information about products and services of the business,

wherein the prospective client provides the authorization to the business by signing an authorization form.

- [32] Dependent claims 2 to 29 define further limitations relating to details of the business and the potential client (claims 2, 6, 8, 9, and 25), and how the solicitation is performed (claims 3 to 5, 7, 10 to 24, and 26 to 29).
- [33] According to *PN2020-04*, purposive construction is conducted by considering where the skilled person would have understood the Applicant to have intended to place the fences around the monopoly being claimed.
- [34] Considering the whole of the specification, the skilled person would understand that there is no use of language in the claims indicating that any of the elements are optional, a preferred embodiment, one of a list of alternatives, or non-essential. Therefore, all elements recited in each of the claims are presumed to be essential.

Patentable subject-matter

- [35] The PR letter explained why the Panel preliminarily determined that the claims on file are directed to non-patentable subject-matter.

As stated in *PN2020-04*, “[t]o be both patentable subject-matter and not be prohibited under subsection 27(8) of the *Patent Act*, the subject-matter defined by a claim must be limited to or narrower than an actual invention that either has physical existence or manifests a discernible physical effect or change and that relates to the manual or productive arts,” referencing, in part, *Canada (Attorney General) v Amazon.com Inc*, 2011 FCA 328 [*Amazon*] paras 42 and 66 to 69. In *Amazon* (paras 61 to 63, 66, and 69) the court stated that a disembodied idea cannot be rendered patentable merely because it has a practical embodiment or a practical application. *Amazon* also noted that this was the situation in *Schlumberger Canada Ltd v Commissioner of Patents*, [1982] 1 FC 845 (FCA) at 205 to 206 [*Schlumberger*], where the computer was merely being used to make the kind of calculations it was invented to make.

In the R-FA (page 67), the Applicant argued that the claimed subject-matter is directed to patentable subject-matter:

Section 2 of the *Patent Act* defines “invention” as 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. As explained by the Federal Court of Appeal in *Canada (Attorney General) v. Amazon.com, Inc.* (2011 FCA 328 at para 63) a novel business method may be an essential element of a valid patent claim. As explained by the Supreme Court of Canada in *Shell Oil v. Commissioner of Patents* (1982) [*Shell oil*], 67 C.P.R. (2nd), 1 (S.C.C.) statutory subject matter encompasses not only methods of making vendible products, but also *new and innovative methods of applying skill or knowledge provided they produce effects or results commercially useful to the public.*

The present claims provide a method of using or operating a physical object (e.g., an authorization form as defined in claim 1, a heritage record, etc.) in a new and inventive manner. Thus, the Applicant submits that these essential elements of the claims fall into the statutory category of a “process” [emphasis in the original].

We preliminarily disagree that the claimed subject-matter is directed to patentable subject-matter.

First, regarding the argument of “new and innovative methods of applying skill or knowledge provided they produce effects or results commercially useful to the public,” as observed by the Federal Court of Appeal in *Amazon* at para 51, these requirements listed in *Progressive Games Inc v Canada (Commissioner of Patents)*, 1999, 3 C.P.R. (4th) 517, based on its interpretation of *Shell Oil*, could be taken as broadly reflecting statutory requirements. They cannot, however, be taken as a test for determining whether subject-matter belongs to a category of invention in section 2 of the *Patent Act*. For example, a subject-matter’s novelty and inventiveness (or lack thereof) would not indicate whether it is statutory subject-matter under section 2 of the *Patent Act*.

Secondly, as emphasized in *Amazon* at para 66:

[66] Justice Phelan began his discussion of this point, at paragraph 53 of his reasons, where he said that the “practical application” requirement in *Shell Oil* “ensures that something which is a mere idea or discovery is not patented - it must be concrete and tangible. This requires some sort of manifestation or effect or change of character”. Justice Phelan is here acknowledging that because a patent cannot be granted for an abstract idea, it is implicit in the definition of “invention” that patentable subject matter must be something with physical existence, or something that manifests a discernible effect or change. I agree.

For the present application, the step of signing the authorization form only has intellectual meaning. How the authorization form is signed or processed is not disclosed in the specification, and is not relevant to the claimed subject-matter. Similar arguments are applied with respect to

the “heritage record.” The claimed method steps are directed to communications only relating to abstract marketing practice, and the result of the claimed method is an abstract agreement between a potential client and a business regarding services. Therefore, in our preliminary view, the claimed subject-matter is not considered “something with physical existence, or something that manifests a discernible effect or change.”

Furthermore, as stated in *Amazon*, a disembodied idea cannot be rendered patentable merely because it has a practical embodiment or a practical application. “[I]t does not necessarily follow ... that a business method that is not itself patentable subject matter because it is an abstract idea becomes patentable subject matter merely because it has a practical embodiment or a practical application ... this cannot be a distinguishing test, because it is axiomatic that a business method always has or is intended to have a practical application” (*Amazon*, para 61). The claims in *Schlumberger* were not saved by the fact that they contemplated the use of a physical tool, a computer, to give the novel mathematical formula a practical application (*Amazon*, para 69). Similarly, although a step of signing a form might provide the claimed subject-matter a practical embodiment, it cannot render the claimed subject-matter patentable.

Accordingly, it is our preliminary view that claims 1 to 29 on file are directed to non-patentable subject-matter and are therefore non-compliant with section 2 of the *Patent Act*. Given the abstract nature of these claims, they are also prohibited under subsection 27(8) of the *Patent Act*.

- [36] In the R-PR and during the hearing, the Applicant argued that although “‘authorization’ does not itself have, physical existence,” “an ‘authorization form,’ whether it is a hard-copy document or an electronic document is ‘something with physical existence, or something that manifests a discernible effect,’” and that it “provides evidence of compliance with the business’s regulatory requirements, beyond merely obtaining ‘authorization’”.
- [37] We do not consider this argument persuasive, although we agree that the concept of authorization by itself does not have physical existence. The specification only briefly mentions signing an authorization form as an example of obtaining authorization from a prospective client, without disclosing anything beyond conventional knowledge on authorization form signature process. Therefore, as explained in the PR letter, we consider that the step of signing an authorization form has only intellectual meaning, which indicates the prospective client’s

willingness to receive information on products and services of a business. How the authorization form is signed or processed is not disclosed and is not relevant to the claimed subject-matter. Accordingly, we maintain that the claimed subject-matter is directed to abstract marketing practice, which is not considered “something with physical existence, or something that manifests a discernible effect or change.”

[38] We therefore conclude that claims 1 to 29 on file define non-patentable subject-matter, do not comply with section 2 of the *Patent Act*, and are prohibited under subsection 27(8) of the *Patent Act*.

Obviousness

(1) Identify the notional “person skilled in the art” and their relevant CGK

[39] The person skilled in the art and their relevant CGK have been identified above under purposive construction.

(2) Identify the inventive concept of the claim in question or if that cannot readily be done, construe it

[40] In the PR letter, the inventive concepts of the claims were identified as the construed claims, and all of the claimed elements were considered in the analysis. The Applicant did not dispute or comment on this identification and we adopt it in this review.

(3) Identify what, if any, differences exist between the matter cited as forming part of the “state of the art” and the inventive concept of the claim or the claim as construed

[41] The PR letter set out the differences between the state of the art and the inventive concept of independent claim 1.

In the R-FA, D2 is cited for the obviousness objection. D2 discloses the following elements in claim 1 on file:

- a method of soliciting clientele by an agent of a business prohibited from direct solicitation (paragraph [0003]);
- the agent requesting from an established client of the business a referral for a prospective client (paragraphs [0008], [0060], [0061]; an existing customer is requested to provide information of prospective clients); and

- a representative of the business obtaining authorization from the prospective client to provide information about products and services (paragraphs [0049] – [0051]; the prospective client's permission is requested before being introduced to the business).

There are two differences between D2 and the inventive concept of claim 1:

- (1) the business waits for contact from the prospective client and then asks for permission from the prospective client, instead of contacting the prospective client after the permission is granted indirectly through a referring party; and
- (2) the prospective client provides the authorization to the business by signing an authorization form.

[42] The dependent claims will be addressed in step (4).

(4) Viewed without any knowledge of the alleged invention as claimed, do those differences constitute steps which would have been obvious to the person skilled in the art or do they require any degree of invention?

Independent claim 1

[43] The PR letter explained why the Panel preliminarily considered that claim 1 on file would have been obvious to the skilled person, after identifying the aforementioned differences.

In the R-FA (pages 3–4), the Applicant argued that “the claimed methods allow a business to communicate with potential new clients without requiring the cooperation [of] different, potentially competing businesses” by waiting for the potential clients to contact the business, and that D2 did not disclose the step of signing an authorization form.

With regard to difference (1), before required permission is requested, D2 discloses contacting a potential client via a referring party, which is a referring partner or an existing customer (paragraphs [0049] – [0051] and paragraphs [0060] – [0061]). Similarly, the present application recites contacting a potential client through an existing customer as a referral party. The difference is that the method of D2 utilizes a referring partner to actively, and indirectly, seek permission from the potential client, as opposed to the claimed method wherein the business passively waits for the potential client to contact the business directly and provide permission once requested. In our preliminary view, the skilled person, with their knowledge of the CGK and the teaching of D2, facing the requirement of obtaining client permission before soliciting services, would understand that the business can either use an active

and indirect request for permission, as taught by D2, or simply wait for the potential client to contact the business directly, after a [referring party] contacts the potential client. In this case, it is our preliminary view that waiting for the client's contact does not involve an inventive step and would have been an obvious option to the skilled person.

With regard to difference (2), as explained in the CGK section, signing an authorization form is a well-known practice in the field to obtain customers' or potential clients' permission. Indeed, the specification does not disclose any details regarding how the form is signed or processed. Therefore, we are of the view that difference (2) is part of the CGK and does not involve an inventive step.

Accordingly, in our preliminary view, considering differences (1) and (2), individually or in combination with other claimed elements, the skilled person would arrive at the claimed subject-matter of claim 1 on file without any degree of ingenuity. Therefore, claim 1 on file would have been obvious to the skilled person and does not comply with paragraph 28.3(b) of the *Patent Act*.

- [44] For features of the claims on file, in the R-PR and during the hearing, the Applicant argued that the cited prior art did not disclose (1) "the business receiving contact from the prospective client in response to the established client referring the prospective client to the business," and (2) "wherein the prospective client provided the authorization to the business by signing an authorization form."
- [45] Regarding feature (1), the Applicant argued that the disclosure of D2 "would not meet the regulatory requirements of the funeral service industry, which requires the consent of the prospective client" and "contacting a person after a referral by a third party, as suggested by D2, would not fall within the scope of the exception, and thus would be prohibited by Subsection 29(1) of the FBCSA [of Ontario]."
- [46] This argument is not persuasive. Neither the claims nor the specification limits the scope of the present application to the funeral services industry. Further, the specification does not mention that the claimed business practice should conform to a certain Ontario law. Instead, the specification states broadly that "the invention relates to ... marketing methods for generating revenue in industries prohibited by law from direct soliciting" (page 1 or description) and the claims recite a "method of soliciting clientele by an agent of a business prohibited from direct solicitation." D2 clearly discloses a method that relates to this field: "privacy regulations and increasing distaste against intrusive sales techniques, have also restricted the ability of product and service providers to employ direct marketing" [paragraph

0003]. Since feature (1) recites the same feature as difference (1) in step (3), we maintain our analysis regarding this difference as explained in the PR letter.

- [47] Regarding feature (2), as explained in the CGK section, signing an authorization form is considered within conventional means to obtain user permission and is part of the CGK. Therefore, we consider that features (1) and (2) would have been obvious to the skilled person.
- [48] In the R-PR and during the hearing, the Applicant further argued that “a skilled person would not have combined the teachings of D2 with the common general knowledge disclosed in D4 and D5, without the benefit of hindsight having regard for the disclosure of the Application” and “the modification of the method of D2 to solve this problem necessarily requires the use of impermissible hindsight.” The Applicant did not provide further elaborations.
- [49] We disagree that the combination of D2 and the CGK requires hindsight. In our view, when facing the problem of restrictions from contacting potential clients directly as required by law, with the knowledge of using referrals to contact the potential clients being well-known business practice, the skilled person would be motivated to use referrals as means to overcome the legal restrictions, as taught by D2. With the teaching of D2 in mind, modifying the communications method of having the potential client pass along their permission via the referring party to having the potential client submit an authorization form directly to the business would have been an obvious implementation alternative of the referral process, which does not require hindsight.
- [50] In the R-PR and during the hearing, the Applicant further argued that the “invention enjoyed successful and widespread adoption among cemetery and funeral service providers” and the commercial success of the present invention is a secondary factor that should be considered in favour of determining the unobviousness of the claimed invention.”
- [51] Commercial success itself is not conclusive of inventiveness and may be due to other factors. Furthermore, although the Applicant provided several emails in the R-PR as evidence of the commercial success, these emails, written in September 2014, only indicate that a form named “Pre-planners Disclosure Statement Form” should be used for “all potential funeral prearrangements.” We note that the

specification of the present application, filed in 2003, does not recite such a form and it is not clear whether the form mentioned in 2014 emails refers to the same authorization form as recited by the specification. Indeed, the specification does not provide any details regarding the authorization form. Further, the emails do not provide any evidence indicating any degree of “commercial success” as a result of utilizing such a form in the manner recited in the claims in file. Therefore, we do not consider that there is sufficient evidence supporting a degree of commercial success due to the claimed business practice.

Dependent claims 2 to 29

[52] The PR letter explained why the Panel preliminarily considered that claims 2 to 29 on file would have been obvious.

Claim 2 recites that the business is at least one of a cemetery business or a funeral business. It is our preliminary view that this feature is part of the CGK and does not involve inventive ingenuity.

Claim 3, 4, and 7 recite further details on meeting with established and potential clients. These features concern in-person meeting with clients or prospective clients. These are preliminarily considered well-known communications practise in the field and do not involve an inventive step.

Claim 5 recites that the agent and the representative are the same. It is our preliminary view that the skilled person would understand that a business often employs the same person to act as an agent or representative to communicate with existing clients and potential clients in difference business scenarios. This feature is preliminarily considered to be well-known business practice and does not involve an inventive step.

Claims 6, 8, 9, and 25 recite that the prospective client is a relative or acquaintance of the established client. The skilled person would understand that relatives, friends, colleagues, etc., are well-known target candidates during a referral process. Therefore, it is our preliminary view that this feature would have been obvious to the skilled person.

Claims 10 and 23–29 recite utilizing the opportunity of providing a heritage record to an established client to obtain authorization of the client to promote product and services to a designated person. In our preliminary view, for the skilled person who understands the funeral services business, this feature would have been an obvious marketing option when the heritage record is provided to an established client. Therefore, we are of the preliminary view that the claimed subject-matter of these claims does not involve any inventive ingenuity.

Claims 11 and 12 recite a central enterprise monitoring business compliance with existing laws, and the business or the agent remunerating the central enterprise in consideration for the step of monitoring. Since the existing laws and regulations were part of the CGK, the skilled person would understand that a monitoring or enforcing entity is naturally needed to ensure business compliance with laws and regulations. Moreover, receiving payments from a business for services rendered is also common business practice. Therefore, it is our preliminary view that these features would have been obvious to the skilled person.

Claim 13 recites that, before the step of obtaining, the established client providing the authorization form to the prospective client. This feature concerns providing the authorization form indirectly from a referring entity to the prospective client. Similarly, D2 discloses requesting authorization indirectly from a referring partner to the prospective client (paragraphs [0049] – [0051]). Moreover, utilizing an authorization form for granting permission is considered to be part of the CGK. Therefore, it is our preliminary view that this feature does not involve an inventive step.

Claims 14 and 15 recite forming a client base of the business and contacting each member of the client base to obtain information to form a member file. These are considered to be common business practices and would have been obvious to the skilled person.

Claims 16–17 recite marketing the business to a subgroup of the client base, the subgroup sharing a common characteristic. In our preliminary view, the skilled person would understand that targeting a specific subgroup of clients is a well-known marketing practice and does not involve an inventive step.

Claims 18–22 recite distributing a promotion card to potential clients, the card comes with benefits such as discounts, loyalty points, or a contribution to a selected charity. These features concern common business promotion means, which are considered to be part of the CGK, and do not involve an inventive step.

- [53] The Applicant did not directly dispute or comment on the above preliminary analysis regarding the dependent claims. Since claims 2 to 29 are dependent on claim 1, directly or indirectly, the features of these claims are considered in combination with the features of claim 1. In our preliminary view, the skilled person would consider that there is no inventive step involved in any of the additional features recited in claims 2 to 29, considered individually or in combination with other claimed features.

[54] We conclude that all the claims on file would have been obvious to the skilled person and do not comply with paragraph 28.3(b) of the *Patent Act*.

Proposed claims

[55] For the proposed claims, the PR letter preliminarily considered that they would not overcome the non-patentable subject-matter and obviousness defects, and cannot be considered a “necessary” amendment under subsection 86(11) of the *Patent Rules*.

In the proposed claims, claim 1 on file was amended with the following additional feature:

- (the method) further comprising a central enterprise monitoring at least one of the preceding steps for compliance with existing laws using the authorization form.

Patentable subject-matter

The newly introduced feature concerns how existing laws regarding the use of an authorization form is monitored and enforced. Since there is no use of language indicating that this feature is optional, a preferred embodiment, one of a list of alternatives, or non-essential, it is preliminarily considered to be essential to the proposed claims.

However, the present application focuses on the abstract business marketing steps regarding soliciting clientele. Since the new feature provides an additional abstract step regarding how the solicitation is conducted, we are of the preliminary view that this additional abstract step is not “something with physical existence, or something that manifests a discernible effect or change” and cannot render the proposed claims patentable.

Further, it is our preliminary view that the proposed claims would not change the identification of the skilled person and the CGK. Therefore, it is our preliminary view that the proposed claims do not comply with either subsection 27(8) or section 2 of the *Patent Act* for the reasons stated above.

Obviousness

In our preliminary view, since existing laws set out requirements regarding how the authorization form is used, it naturally follows that an entity is charged with monitoring the compliance of a business. It is our preliminary view that this feature is within the CGK of the skilled person and does not involve any inventive ingenuity. Therefore, in our preliminary view, the skilled person would consider that there is no inventive step involved in the additional feature introduced in the

proposed claims in view of D2 and the CGK, when considered individually or in combination with other claimed features. In our preliminary view, the proposed claims do not comply with paragraph 28.3(b) of the *Patent Act*.

In view of the above, it is our preliminary view that the proposed claims cannot be considered to be a “necessary” amendment under subsection 86(11) of the *Patent Rules* because they do not comply with section 2, subsection 27(8), and paragraph 28.3(b) of the *Patent Act*.

- [56] With respect to patentable subject-matter, in the R-PR and during the hearing, the Applicant argued that “[t]he act of monitoring requires observation. In turn, only subjects with physical existence or that manifest a discernible effect or change are capable of being observed.” We do not agree. Although utilizing some physical apparatus, such as sensors, to perform monitoring or measuring tasks might provide required physicality to certain methods, the proposed claims only recite “monitoring ... steps for compliance with existing laws.” This monitoring step is broad enough to encompass embodiments wherein it is performed by persons reviewing the actions of others (or their own) and making decisions, which cannot provide required physicality to the claimed subject-matter.
- [57] With respect to obviousness, in the R-PR and during the hearing, the Applicant argued that “none of the prior art discloses or suggests the step of ‘a central enterprise monitoring at least one of the preceding steps for compliance with existing laws using the authorization form.’” As explained in the PR letter, since existing laws set out requirements regarding how the authorization form is used, it naturally follows that an entity is charged with monitoring the compliance of a business. This feature is considered within the common knowledge of the skilled person, and does not involve an inventive step, when considered alone or in combination with other claimed features.
- [58] In view of the above, we conclude that the proposed claims do not overcome the non-patentable subject-matter and obviousness defects and therefore cannot be considered to be a “necessary” amendment under subsection 86(11) of the *Patent Rules*.

CONCLUSIONS

[59] We are of the view that:

- claims 1 to 29 on file are directed to non-patentable subject-matter, which is prohibited under subsection 27(8) of the *Patent Act* and falls outside the definition of “invention” in section 2 of the *Patent Act*,
- claims 1 to 29 on file would have been obvious and do not comply with paragraph 28.3(b) of the *Patent Act*, and
- the proposed claims cannot be considered a “necessary” amendment under subsection 86(11) of the *Patent Rules*.

RECOMMENDATION OF THE BOARD

[60] In view of the above, we recommend that the application be refused on the grounds that claims 1 to 29 on file are directed to non-patentable subject-matter and do not comply with section 2 and subsection 27(8) of the *Patent Act*, and that claims 1 to 29 on file would have been obvious and do not comply with paragraph 28.3(b) of the *Patent Act*.

[61] Further, the proposed claims do not overcome the non-patentable subject-matter and obviousness defects and therefore the introduction of these claims does not constitute a “necessary” amendment pursuant to subsection 86(11) of the *Patent Rules*.

Liang Ji

Leigh Matheson

Helena Forbes

Member

Member

Member

DECISION OF THE COMMISSIONER

[62] I concur with the findings of the Board and its recommendation that the application be refused because claims 1 to 29 on file are directed to non-patentable subject-matter and do not comply with section 2 and subsection 27(8) of the *Patent Act*, and that claims 1 to 29 on file would have been obvious and do not comply with paragraph 28.3(b) of the *Patent Act*.

[63] Therefore, in accordance with section 40 of the *Patent Act*, I refuse to grant a patent for this application. Under section 41 of the *Patent Act*, the Applicant has six months to appeal my decision to the Federal Court of Canada.

Virginie Ethier

Assistant Commissioner of Patents

Dated at Gatineau, Quebec,

This 14th day of March 2022