



Session 3: U.S. Patent Law: Recent Developments & Strategies

PRESENTED BY

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Overview

U.S. Patent Law Developments: 2025–2026

- **Pro-Patent “Reset” at USPTO/PTAB:** New discretionary denial policies make post-grant PTAB challenges harder. New § 101 guidance for AI inventions and other developments support the USPTO’s role as the “Central Bank of Innovation.”
- **Federal Circuit Tightens Standards:** Heightened scrutiny on written description and enablement requirements for genus claims and functional language, alongside greater appellate scrutiny of expert testimony and awarded damages (*EcoFactor v. Google* and others).



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Overview

U.S. Patent Law Developments: 2025–2026 (cont.)

- **Supreme Court Guidance:** *Hikma v. Amarin* (2026) holds that induced infringement requires affirmative, purposeful conduct (not mere labeling/marketing), raising the pleading bar for patent owners and strengthening defenses for generics and others.
- **Patent Legislation Efforts:** Includes the RESTORE Act (improves access to injunctive relief post-*eBay*) and PERA (overhauls § 101 eligibility to restore patentability for software/AI and biotech/pharma inventions post-*Alice/Mayo*). There is bipartisan support of these bills, but 2026 passage is uncertain.



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USPTO Updates





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Remarks by Director John A. Squires at the 2025 AIPLA Annual Meeting (31 October 2025)

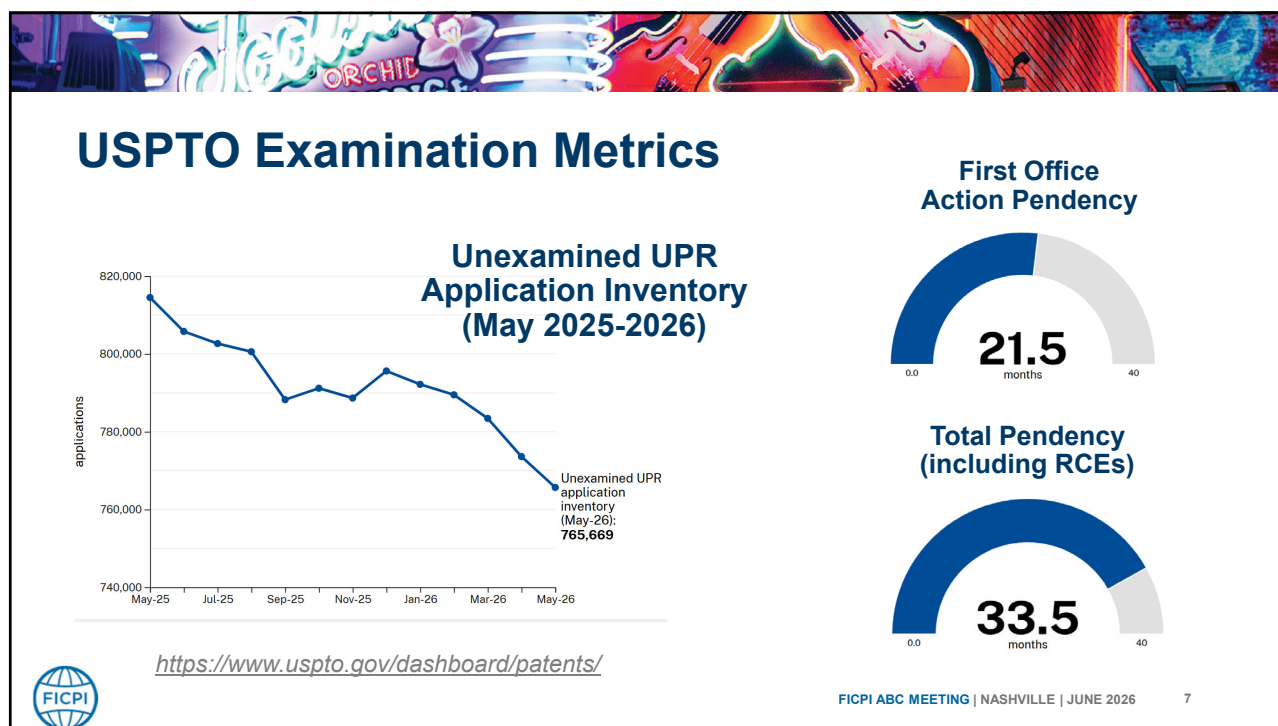
- **Director Squires is focused on efficiency and quality examinations** at the USPTO — hiring, AI tools, prioritizing backlog reduction, better prior-art searches.
- These efforts are tied to innovation promotion — patents as investible “soft assets” and the Office as the **“Central Bank of Innovation.”**
- On the PTAB side, **a more active Director role** is evident, including use of Director Review and steering institution decisions toward **more targeted, high-quality proceedings.**

<https://www.uspto.gov/about-us/news-updates/remarks-director-squires-2025-aipla-annual-meeting>



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Director Squires – USPTO Operations and AI

“Two weeks ago, we launched our **AI-assisted Automated Search Pilot, called ASAP!** so you get the prior art right now when it does the most good.”

“**With AI, there’s no excuse for missing prior art.** Machines can surface it faster, broader, and smarter than ever before. That makes the trade cleaner, the issuance stronger, and the asset more investible.”

2025 AIPLA Annual Meeting
Washington, DC
31 October 2025

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Updates to USPTO Operations

Patent Fraud Detection and Mitigation Working Group (launched 15 Apr. 2025)

Goal = detect and mitigate threats to the patent system

- Identifying and reviewing potential misrepresentations to the USPTO (including false signatures)
- Addressing mistakes in fee certifications and assertions
- Monitoring suspicious filings
- Preventing non-practitioners from engaging in the unauthorized practice of law
- Receiving reports of potential threats to the patent system




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Updates to USPTO Operations

Patent Fraud Detection and Mitigation Working Group (launched 15 Apr. 2025)

3,900
Falsified signatures

Falsified signatures

- Since June 2023, the USPTO has identified over **3,900** utility and design applications that were initially determined to be impacted by falsified signatures.
- Since October 2024, the USPTO has terminated over **3,300** applications due to falsified signatures.

\$1.8+ Million
collected

Fee collections

- The USPTO has collected over **\$443,000** in filing fee deficiencies from applicants who filed false micro entity certifications.
- The USPTO has collected over **\$1,378,000** in prosecution fees that were paid in the higher amount due to the updated entity status (for example, extensions of time, RCE fees, issue fees, IDS fees). These are fees that the USPTO would not have collected if the Working Group had not mailed the fee deficiency notices to recoup the appropriate fees stemming from prosecution.

2,200
Fee deficiency notices

Erroneous fee assertions and certifications

- To date, the USPTO has mailed over **2,200 fee deficiency notices** in patent applications in response to false micro entity certifications.
- To date, the USPTO has mailed **68 fee deficiency notices** in patent applications in response to false small entity assertions.

*When appropriate, the Working Group “will use the **administrative sanctions process** to address these misrepresentations.”*



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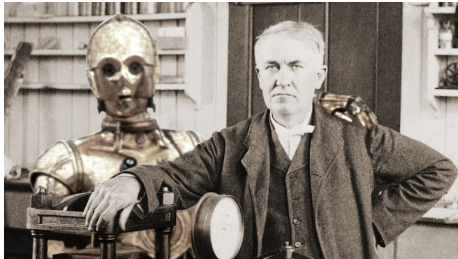
AI & Patents: Inventorship

What is the role AI?



Innovator

V.



Helper



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AI & Patents: Inventorship (cont.)



- **CAFC - “DABUS” case:** AI cannot be named as an inventor because the Patent Act unambiguously requires an inventor to be a **natural person** (i.e., a human being). *Thaler v. Vidal* (Fed. Cir. 2022).
- **USPTO - Nov. 2025 Memo:** Reaffirms that only natural persons (human beings) can be named as inventors. **AI is a tool** (like software or lab equipment) and does not alter the core inventorship standard.
- **No Pannu-factors test for AI:** The Nov. 2025 Memo also confirms that **only a human can contribute to the conception of the invention**. Under U.S. law, conception is the formation in the inventor's mind of a definite, permanent, and operative idea of the complete invention



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Patent Eligibility under 35 U.S.C. § 101

Alice Corp. v. CLS Bank, 573 U.S. 208 (2014)

Step One: Is the claim **"directed to" a judicial exception** (abstract idea, law of nature, or natural phenomenon)?

- No → End of analysis; eligible subject matter
- Yes → Move to Step Two

Step Two: Search for an **inventive concept**

- Does the claim recite **something more** than a judicial exception?
- **Not conventional, well-understood, or routine**



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35 USC § 101: Updated USPTO Guidance 2024

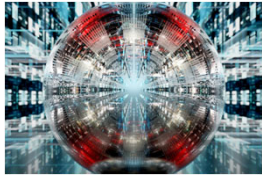


New Federal Circuit decisions included in M.P.E.P.

- **Eligibility** found for **technological improvements** (including use of particular hardware or data structures)
- **Ineligibility** found when claims, e.g., merely recite data collection, analysis, and processing

New Examples

- 47: Anomaly detection using neural networks
- 48: Speech recognition using deep neural networks
- 49: Administration of treatment using AI model



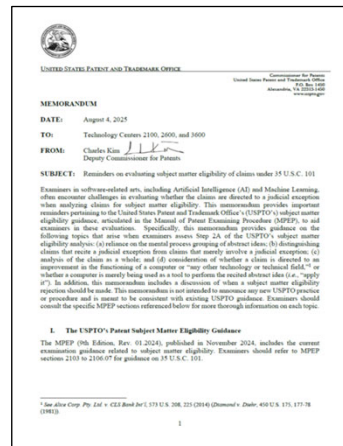

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USPTO Memo (Aug. 4, 2025) – § 101 Guidance for AI

Issued by Deputy Commissioner Charles Kim of TC 2100, 2600, and 3600.

- Reinforces existing law: Applies stricter discipline for AI eligibility analysis.
- Supports Applicants: Encourages examiners to **credit specific technical improvements**.
- Warns Against “Close Call” Rejections: Examiners should not make § 101 rejection if uncertain but **only where it is “more likely than not”** (over 50% probability) that a claim is ineligible.



<https://www.uspto.gov/sites/default/files/documents/memo-101-20250804.pdf>



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USPTO *Ex parte Desjardins* (Appeal Rehearing Decision – Sept. 26, 2025)



Director John A. Squires

- Issued: 5 days after Director John A. Squires sworn in.
 - Action: Vacated Board's § 101 rejection and reinstated eligibility finding for an invention providing improvements to machine learning models.
 - Policy Signals:
 - Warns against categorically excluding inventions.
 - **Reinforces that *Enfish* is the proper precedent** to evaluate claims directed to improvements to the functioning of a computer or technical field.
- “Panels should not evaluate AI claims at such a high level of generality that no technical improvement can ever be recognized.”**



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Recent Federal Circuit § 101 Decision



Recentive Analytics, Inc. v. Fox Corp. (Fed. Cir. 2025)

- **Background:** Recentive Analytics asserted four AI/ML patents directed to generating network maps and schedules for television broadcasts and live events. Fox filed a motion to dismiss under § 101 – patent ineligibility.
- **Asserted Patents:** U.S. Patent Nos. 10,911,811; 10,958,957; 11,386,367; and 11,537,960. The patents fall into two groups:
 - “Machine Learning Training” (’367 and ’960 patents): directed to determining event schedules
 - “Network Map” (’811 and ’957 patents): directed to generating network maps for broadcasters



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Recent Federal Circuit § 101 Decision



Recentive Analytics, Inc. (Fed. Cir. 2025) – cont.

- **Holding:** The Federal Circuit affirmed the district court’s dismissal:
 - **Alice Step One:** The patents are directed to **abstract ideas** of “producing network maps and event schedules, respectively, using **known generic mathematical techniques**”
 - **Alice Step Two:** No inventive concept, as the patents merely apply “**broad, functionally described, well-known techniques**” using “only generic and conventional computing devices”
 - “Patents that do **no more than** claim the application of **generic machine learning** to new data environments, **without disclosing improvements to the machine learning models** to be applied, are patent ineligible under § 101.”



Take Away: Generic or conventional uses of AI/ML without more do not make a claimed invention eligible under § 101.



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USPTO: When Eligibility Survives

- Reversals $\approx$ 20% of cases (confirmed 17/83).
- Common attributes of surviving claims:
 - **Defined technical details** (e.g., network architecture, data structure).
 - **Technological benefits** (signal compression, sensor calibration).

Examples:

Ex parte Huang (image encoding matrix $\rightarrow$ efficiency gain)
Ex parte Chen (sensor latency calibration $\rightarrow$ physical effect)

Take Away: Recite AI/ML technical details and/or tie function to measurable or specific **technological improvement**. 

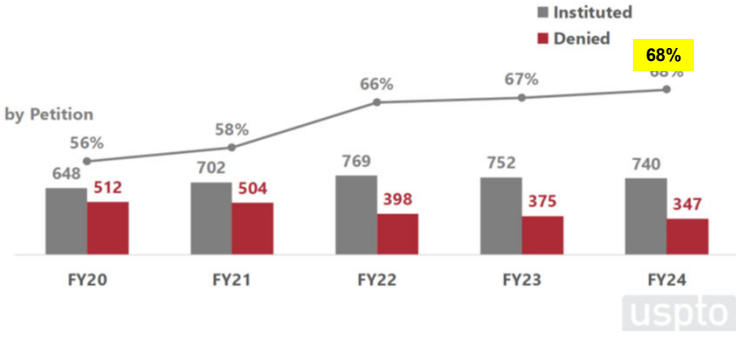


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PTAB Institution and Invalidation Rates (pre-2025)

Institution rates by petition (FY20 to FY24: Oct. 1, 2019 to Sept. 30, 2024)



FY20-FY24:
Institution rates rose to 68%

PTAB Outcomes FY2024:
446 Final Written Decisions

70% - All Claims Unpatentable
15% - Mixed
15% - All Claims Survived

https://www.uspto.gov/sites/default/files/documents/ptab_aia_fy2024_roundup.pdf



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Director Squires – PTAB Institutions and Director Review

Authority for institution decisions under America Invents Act (AIA) shifted back to the Director of the United States Patent and Trademark Office.

“Under oath in my confirmation hearing before the Senate Judiciary Committee ...I expressed discomfort that data seemed to be “skewed” in favor of certain provisions (namely IPRs over PGRs and a **very high invalidation rate**). To me, this raised questions about both the administration of IPR proceedings and their institution in particular.”

Director Squires - Open Letter
Bringing the USPTO Back to the Future
 17 October 2025

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Discretionary Denials

March 26, 2025 Acting Director Memo: Interim Process for PTAB Workload Management

- Created bifurcated process between: (i) **discretionary considerations** and (ii) **merits** and other non-discretionary statutory considerations.
- **Discretionary denials based on *Fintiv*, *General Plastics*, *Advanced Bionics* and other factors:** (1) **prior adjudication** of the validity of the claims, (2) **change in law** or precedent, (3) **strength of the petition**, (4) reliance on expert testimony, (5) **settled expectations** of the parties, (6) compelling economic, public health, or national security interests, and (7) **other considerations** bearing on the Director's discretion.

www.uspto.gov/sites/default/files/documents/InterimProcesses-PTABWorkloadMgmt-20250326.pdf

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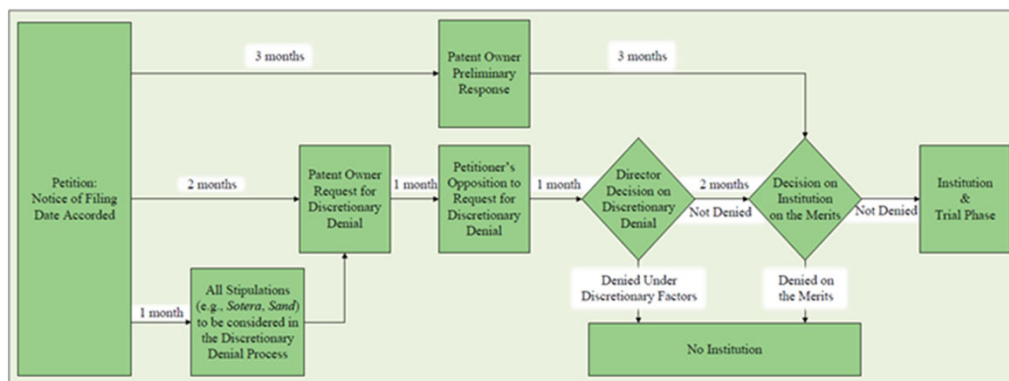


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Discretionary Denials

PTAB: New Bifurcated Review Procedure (March 26, 2025)



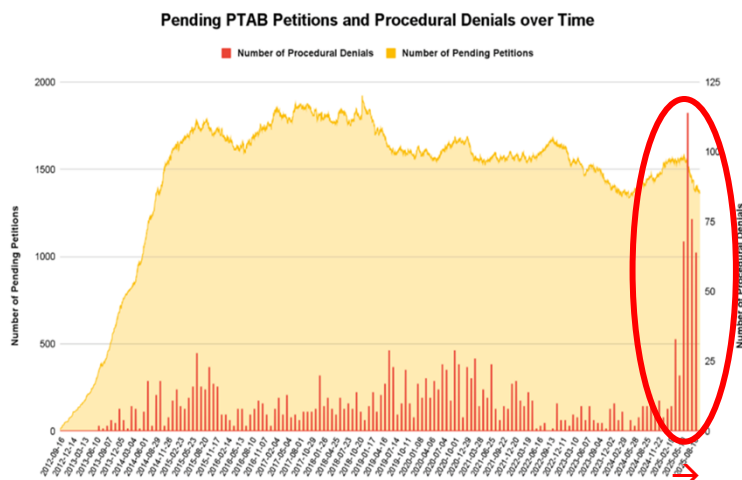
- **Separate briefing** by Patent Owner and Petitioner on discretionary review factors.
- **Director renders decision** after consultation with at least three PTAB judges.



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Impact of New Bifurcated Review at PTAB



Mar 26, 2025

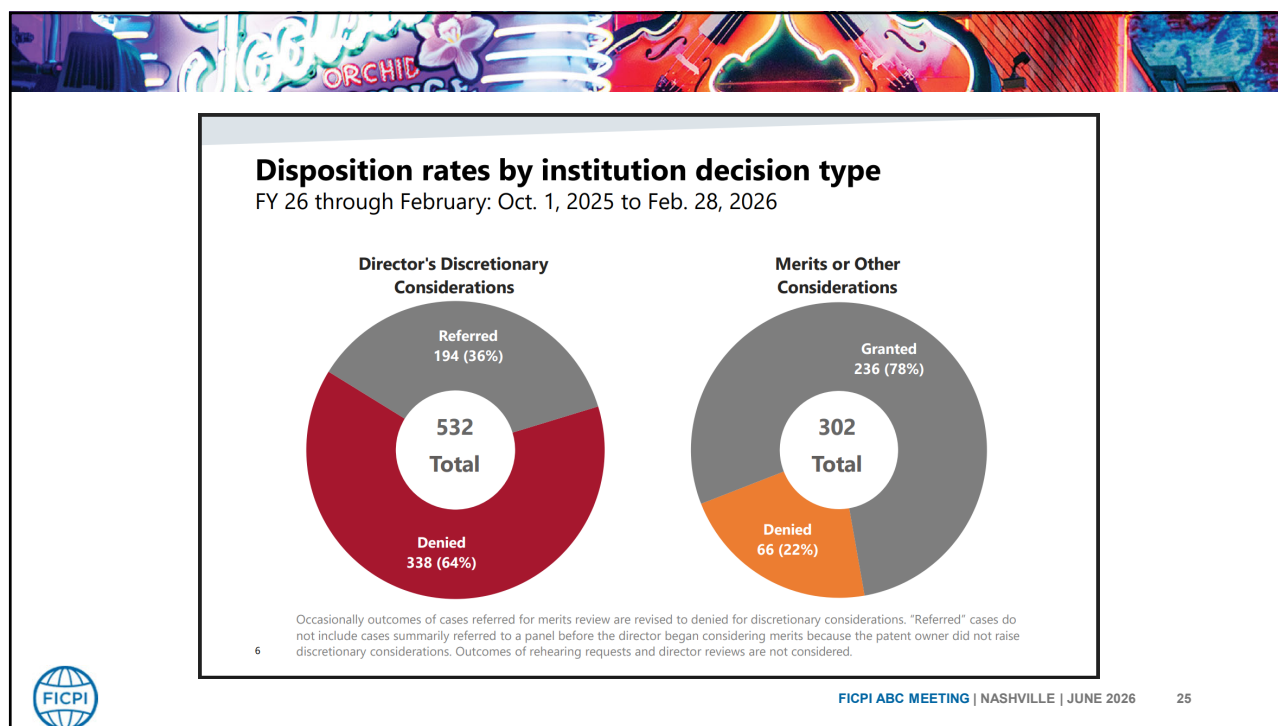
- Recent PTAB changes have led to a **significant rise in institution denials**, reflecting the stricter application of *Fintiv* and related factors.
- In **Q3 2025**, the PTAB issued a record-high 254 discretionary denials, a **77.6% increase over the first half of the year** and a **206% jump compared to all of 2024**.



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Discretionary Denial – How to avoid?

Case Example: Material USPTO Error

In *Anthony Inc. v. ControlTec, LLC*, the Acting Director referred both petitions to the Board after finding the petitioner showed persuasive **evidence of a material USPTO error during prosecution**. Specifically, evidence that the examiner overlooked teachings of a prior art reference despite allowing both applications on the first action following a restriction and divisional filing.

Although the patents ('181 and '847) had been in force roughly 18 and 17 years and were expiring around the institution window, the Director held that reviewing the potential Office error is an appropriate use of resources and outweighed age-based "settled expectations" concerns on this record.

Take Away: Evidence of a material USPTO error can avoid a discretionary denial. 

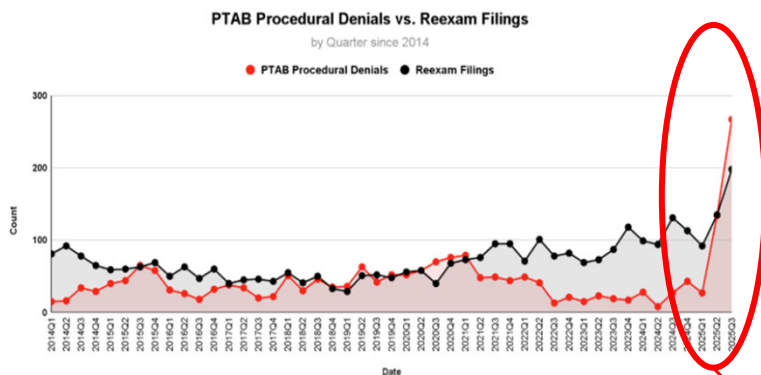
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Alternatives to PGRs/IPRs

Ex Parte Reexaminations (EPRs)



- Due to the PTAB practice changes, **patent challengers are seeking alternatives**, notably EPRs, which avoid discretionary review factors.
- **EPR requests hit a Q3 2025 record of 198**, with 425 in the first nine months putting 2025 on pace to surpass 2024's total of 437.

Mar 26, 2025



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35 USC § 112 Requirements

- As part of *quid pro quo* for receiving a patent, the application must meet several requirements:
 - **Written description** of the invention
 - **Enable** the invention
 - **Clearly claim** the invention
- **Sufficiency of the disclosure and claims is generally measured from the viewpoint of a person of ordinary skill in the art (POSITA)**
 - Level of skill will vary depending on technical field of the claimed invention



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Recent CAFC Cases on Written Description & Enablement (2025–2026)



- ***PowerBlock Holdings, Inc. v. iFit, Inc.* (Fed. Cir. Aug. 11, 2025):** Reversed invalidity ruling; clarified that mechanical-automation claims with **functional elements** can be eligible and sufficiently described **if they recite specific structure or improvements**, providing guidance for hybrid software-hardware inventions.
- ***Duke University v. Sandoz Inc.* (Fed. Cir. Nov. 18, 2025):** Overturned \$39M jury verdict; reinforced strict written description for genus claims with functional language (**broad functional limitations without representative species or common structural features**). Applies by analogy to software genus claims.
- ***Seagen Inc. v. Daiichi Sankyo* (Fed. Cir. Dec. 2, 2025):** **Heightened disclosure requirements** for chemical/biological functional claims; signals parallel scrutiny for software methods claiming results without detailed algorithms or implementation.



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US Patent No. 7,679,637 LLC v. Google LLC (Fed. Cir. Jan. 22, 2026)



- **Holding:** The Federal Circuit affirmed dismissal of the infringement suit, ruling the software claims (**directed to result-oriented functional claiming for web conferencing or similar systems**) invalid under § 101 as abstract and lacking an inventive concept. The court emphasized that the claims used broad functional language without sufficient technological improvement or specific implementation details.
- **Key Takeaway on § 112 (Written Description/Enablement):** While primarily a § 101 case, the opinion highlights ongoing scrutiny of **functional claiming**. Broad functional limitations without adequate disclosure of how the function is achieved often fail to satisfy written description and enablement (cross-referencing stricter genus/functional claim standards from biotech cases like *Duke v. Sandoz* and *Seagen*). The court noted the claims were “**result-oriented**” and lacked the necessary specificity.



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Ex parte Yudong Cao (Appeal No. 2024-002159 – Feb. 13, 2025)



- **Board reversal of both of the Examiner's rejections.**
 - **Technological Improvement (§101):** The Board emphasized that the claimed hybrid system enabled quantum computers to solve problems they previously could not handle due to hardware limitations (e.g., limited circuit depth and noise). This was deemed a **"clear technological improvement"**.
 - **Focus of the Invention:** The Board noted that the "additional elements" (controlling a plurality of qubits on a quantum computer) were the central focus of the invention, not just incidental data processing.
 - **Written Description (§112):** The Board found that the original claims themselves, along with **specific examples in the specification**, provided sufficient evidence that the inventor possessed the claimed "genus" of functions.



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Expert Testimony & Damages

EcoFactor, Inc. v. Google LLC (Fed. Cir. 2025) (en banc)



- **Holding:** The Federal Circuit vacated a \$20M damages award, holding that the district court abused its discretion by admitting the expert testimony on a reasonable royalty — which was not **rigorously tied** to case facts **with proper apportionment**.
- **Key Takeaway:** The expert's per-unit royalty rate derived from *lump-sum portfolio licenses* **lacked sufficient support** showing the rate reflected only the asserted patent's value. **Expert must provide reliable, non-speculative analysis** — mere reliance on broad licenses without adjustment is risky.



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Other CAFC Cases on Expert Testimony & Damages (2025–2026)



- ***Rex Medical v. Intuitive Surgical* (Fed. Cir. 2025):** Affirmed exclusion of a damages expert's testimony and reduction of a \$10 million jury award to \$1 where the **patentee failed to present admissible, apportioned evidence**. Reinforces strict requirements for reliable expert testimony.
- ***Ollnova Technologies v. ecobee* (Fed. Cir. June 4, 2026):** Criticized overly simplistic jury verdict forms; highlighted the **need for clear, detailed verdicts to support damages awards** on appeal, showing increased willingness to scrutinize procedural aspects of damages trials.



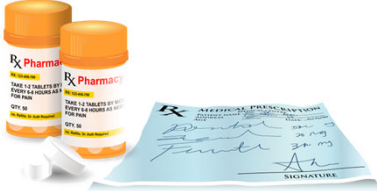
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Induced Infringement (35 U.S.C. § 271(b))

- **Core Elements:** Requires (1) direct infringement by a third party, (2) knowledge of the patent, and (3) **active, affirmative steps** to encourage or induce the infringement (not mere passive conduct).
- **Recent Supreme Court Guidance – *Hikma v. Amarin* (2026):** Unanimous ruling clarified that *ambiguous statements or labeling* (e.g., “**skinny labels**”) alone do not suffice; patentee must plausibly allege purposeful encouragement. Raises pleading bar and bolsters defenses, especially for generics and tech companies.




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Induced Infringement (35 U.S.C. § 271(b))

Hikma v. Amarín (2026)

- **Key Takeaways**
 - **Affirmative Conduct Required:** Induced infringement under § 271(b) requires **active, purposeful steps to encourage direct infringement** — mere ambiguity, passive statements, or labeling that could be read as encouragement is insufficient.
 - **Pleading Standard Raised:** Patent owners must plausibly allege specific inducement in the complaint; speculation about how third parties (e.g., physicians) might interpret materials is not enough.
- **Practical Impact**
 - **Stronger Defenses:** Benefits generics, software/hardware makers, and others facing inducement claims based on marketing, instructions, or labels — makes such suits harder to survive dismissal.
 - **Litigation Strategy:** Patentees must gather stronger evidence; defendants should challenge pleadings early under *Twombly/Iqbal*.



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U.S. Patent Litigation: Patent Reform Bills

- **Current Landscape**
 - Proposed legislation to address issues such as injunctive relief, Section 101 eligibility standards, and PTAB procedural issues.
 - Uncertainty exists in view of midterms and other 2026 priorities.
- **Bills Reintroduced (2025); Bipartisan Support**
 - **RESTORE Patent Rights Act:** Aims to enhance enforcement by **reinstating a presumption in favor of permanent injunctions**.
 - **Patent Eligibility Restoration Act (PERA):** **Seeks to define patent eligibility**, offering greater certainty in areas like AI and software innovations.
 - **PREVAIL Act:** **Proposes PTAB procedural reforms**, including new limits to curb abusive filings by challengers.



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Canadian Patent Update - overview

- Beware of “Due Care”
- CA Patent Term Adjustment regime has begun
- AI Inventorship
- Subject Matter
 - Dosage regimens
 - Computer-implemented inventions
- Novelty
 - Incorporation by reference
 - Device as prior art
- Infringement
 - By common design
 - Design/development activities



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Due Care

- Canada traditionally had abandonment/reinstatement “by right” system – missing a deadline results in abandonment; reinstatement possible by right (i.e., without reasons) within 1 year of missed deadline.
- Since October 30, 2019, this system no longer applies for missed deadlines in respect of:
 - maintenance fees – due annually starting on 2nd anniversary of filing date
 - requesting examination – due 4 years from filing date
- Rather, a new “due care” standard is applied in such situations
- Note: Abandonment/reinstatement “by right” system has been maintained for other deadlines (e.g., response to Office Action).



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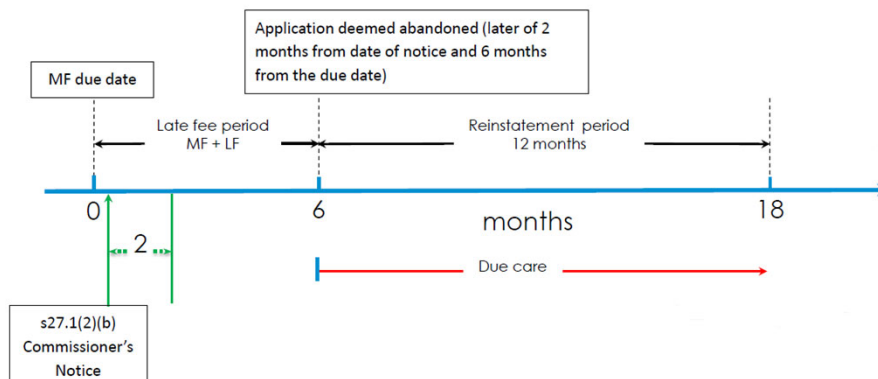
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Due Care: Maintenance fee (MF)

- If MF not paid by due date, CIPO “missed payment” notice is sent.
- Missed MF may be paid together with a late fee by later of:
 - 2 months from date of notice
 - 6 months from original MF deadline
 (since notice typically issues quickly, consider 6 months as late payment window)
- Missing the late payment deadline results in a different category of abandonment (with 1 year to reinstate) – reinstatement requires convincing CIPO that the failure occurred in spite of due care having been taken.



Due Care: Maintenance fee (MF)



*Excerpt from CIPO materials





Due Care: Matco Tools Corp v. Canada

- CA national phase application with missed maintenance fee; not paid within late payment period resulting in abandonment requiring a showing of due care for reinstatement
- CIPO rejected request for reinstatement – “due care” not established
- Judicial review of CIPO’s decision was first overturned by Federal Court (FC)
- CIPO appealed to Federal Court of Appeal (FCA); FCA set aside FC decision thus restoring CIPO’s refusal



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Due Care: Matco Tools Corp v. Canada

- Maintenance fees (MFs) paid by a third-party annuity service
- MFs outside of mandate of CA agents and Applicant’s local (US) patent firm based on applicant’s instructions
- CA agent had no contact with applicant; correspondence with local firm
- Applicant switched annuity service providers – data migration error resulted in missing MF payment; CA and US firms unaware of data migration
- CA agent forwarded “late payment” notice to US firm, who did not forward the notice to applicant in view of standing instructions to not act in respect of MFs
- Late payment deadline was missed, resulting in abandonment and attempted reinstatement under due care standard



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Due Care: Matco Tools Corp v. Canada

- Data migration error not relevant, because it caused missing the original MF deadline, not the late payment deadline resulting in abandonment
- Due care must be shown by all parties involved
- Standing instructions to not act on MFs insufficient – late payment notice should have been forwarded to applicant
- Take home messages:
 - In realistic terms, consider the late-payment (6-month) deadline the last opportunity to pay the MF
 - Forward all communications to applicant
 - Ensure that correspondence information and instructions are up to date



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CA Patent Term Adjustment (PTA) system

- To qualify for a PTA, a patent must meet the following criteria:
 - Have a filing date (PCT filing date for a CA national phase case) on or after Dec. 1, 2020;
 - Have an issue date on or after Dec. 2, 2025;
 - Pass the “5/3 threshold” – see below.
- PTA calculation: The “5/3 threshold” – additional days to patent issuance beyond the later of:
 - 5 years from the CA NP entry date for a PCT-based case, the Canadian filing date for a non-PCT case, or the “presentation date” of a divisional application; or
 - 3 years from date of requesting examination.
- Not automatic – you need to ask for it
 - request must be filed together with a fee (currently C\$2,567.50) within three months of patent issuance
 - If granted, additional maintenance fees required for each additional year of term



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Inventorship

- Computer scientist Stephen Thaler developed AI system “Device for the Autonomous Bootstrapping of Unified Sentence” (DABUS)
- Thaler filed patent applications naming DABUS as the sole inventor and himself as the Applicant/Owner
- Patent Appeal Board (June 2025) concluded that only humans can be inventors
- Decision consistent with multiple jurisdictions (US, UK, EP, ZA, AU)



Subject matter: Dosage regimen

- *Pharmascience Inc. v. Janssen Inc.*
- Appeal of Federal Court of Appeal (FCA) decision currently before Supreme Court
- Issue: Is the patent directed to an unpatentable method of medical treatment?
- Later-gen pharma inventions often relate to how the drug is used, e.g., dosage and schedule/timing of administration
- Historically, fixed values are generally considered to be patentable, whereas variable values (ranges) are sometimes considered to require professional skill and are thus unpatentable – each case turns on its facts



Subject matter: *Janssen v. Pharmascience*

Use of a dosage form of paliperidone as paliperidone palmitate formulated as a depot formulation of an aqueous nanoparticle suspension for administration by intramuscular injection for treating a psychiatric patient in need of treatment for schizophrenia, schizoaffective disorder, or schizophreniform disorder, wherein the dosage form comprises:

- a) a first loading dose comprising about 150 mg-eq. of the depot formulation of paliperidone as paliperidone palmitate adapted for intramuscular administration into a deltoid muscle of the psychiatric patient on a first day of treatment;
- b) a second loading dose comprising about 100 mg-eq. of the depot formulation of paliperidone as paliperidone palmitate in a dosage form adapted for intramuscular administration into a deltoid muscle of the psychiatric patient one week $\pm$ 2 days after the first loading dose; and
- c) a maintenance dose comprising about 75 mg-eq. of the depot formulation of paliperidone as paliperidone palmitate adapted for intramuscular administration into a deltoid or a gluteal muscle of the psychiatric patient according to a continuous schedule having a monthly $\pm$ 7 days dosing interval after the second loading dose.



Subject matter: *Janssen v. Pharmascience*

- **Hearing was on Oct. 5, 2025; expect SCC decision in 2026**
- **Principles discussed in FCA decision:**
 - “The question of patentable subject matter does not necessarily turn simply on whether the claim in question is limited to a fixed dosage and schedule. Rather, the proper question is whether professional skill and judgment would be required in using the patented invention. Though a fixed dosage and schedule may be a good indication that no such skill and judgment would be required, evidence may indicate otherwise.”
 - Focus is not on whether to use the claimed invention, but rather on how to use the claimed invention. If the latter does not involve professional skill, the claim is patentable.
- **Stay tuned!**





Subject matter: Computer-implemented invention

- *Dusome v. Canada*
- Appeal to Federal Court of rejection by Patent Appeal Board (PAB)
- Method of playing a wagering poker game; includes claims directed to playing with physical cards and others directed to playing on a computer
- PAB ignored physical components of claims (cards, computer) and decided that the “actual invention” was the rules to play the game, therefore the “actual invention” does not have a physical component or effect



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Subject matter: Computer-implemented invention

Latest in a series of such subject matter cases:

- *Amazon*: No general exclusion for business methods; purposive construction required; subject matter must have “physical existence or manifest a discernible effect or change”
- *Choueifaty*: Problem-solution approach cannot be used to determine essential elements of claim.
- *Benjamin Moore*: FC determined that CIPO erred in its determination; on appeal FCA struck down 3-part test of FC and sent case back to CIPO for redetermination (they were once again rejected and not appealed)



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Subject matter: *Dusome v. Canada*

- CIPO erred by not using purposive construction
- CIPO's erred by using their "actual invention" approach previously rejected by the FCA, in which only new knowledge is considered as part of the "actual invention"
- In identifying the "actual invention", CIPO stripped away the physical cards/computer components, leaving only the rules and the algorithm
- CIPO applied the wrong test for a patentable art, instead of asking whether the claims add new knowledge with a result having commercial value
- Sent back to CIPO for reconsideration; FC decision not appealed
- Still in PAB proceedings; continues to be rejected



Novelty

Alexion Pharmaceuticals v. Amgen Canada

- Patent claim directed to an antibody
- US '972 cited for novelty – contains some but not all sequences of claimed antibody – missing portion of sequences found in US '245, incorporated by reference into US '972
- Alexion argued that "mosaic" of multiple references not permitted for novelty
- Amgen argued that based on incorporation by reference, US '245 is part of US'972 and that skilled person could reconstruct the claimed antibody





Novelty

- General principle is that all necessary information must be in a single prior publication
- Must be clear direction to lead skilled person to invention without chance for error
- Court determined that incorporation by reference did not provide clear direction, rather, was more of a complex reverse engineering exercise
- Thus, combination of multiple documents and reverse engineering did not meet the standard for anticipation
- Interestingly, combination of '972 and '245 also insufficient to establish obviousness – court found that skilled person would not have combined refs without some creativity and hindsight



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Novelty

AGI Suretrack, LLC v. Farmers Edge Inc. (FCA)

- AGI patent relates to devices and computer systems to collect and process agricultural data from agricultural equipment (e.g., seeders, etc.)
- GreenStar 3 system was the cited prior art
- FC relied on GreenStar 3's user manual, advertising brochures, ISOBUS manual, etc. for a finding of anticipation
- AGI argues that referring to multiple documents was an improper mosaic of prior art
- Court disagreed, and concluded that the documents are not the prior art, rather, the GreenStar device is, the documents were used to obtain a description of the functions and properties of the single anticipatory device, the GreenStar 3



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Infringement based on common design

- *Adeia Guides Inc. v. Videotron Ltd.*
- Videotron delivers IPTV services in Canada using architecture from Comcast and Brightcove
- Adeia argued that Videotron was orchestrating infringement
- Videotron argued that some steps of patented method occurred outside Canada and no principle of infringement by common design
- Court determined that Videotron is liable for infringement by common design with Comcast, because of their agreement to deliver IPTV services using Comcast's XFINITY X1 platform – i.e., subcontracting part of infringement to Comcast
- No similar infringement by common design with Brightcove – lack of evidence for a similar contractual agreement



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Infringement: design activities insufficient

ProSlide Technology Inc. v. WhiteWater West Industries, Ltd. (FCA)

- Major competitors in waterslides
- Lower court found PS's patents to not be infringed
- PS argued that virtually all of WW's design and development activities took place in Canada. However, no physical manufacturing in Canada
- Lower court: "Where a patent claims a physical object, the patentee's exclusive rights ... to 'use' the invention extend only to that object. They do not also include the use of conceptual designs or drawings of that object."
- PS argued for a broad interpretation of "making" the invention
- FCA disagreed and noted that generating designs/drawings is not "making" the invention – further noting that the proposed broad interpretation would be problematic as it would introduce uncertainty in determining infringement



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Canadian Patent Update - summary

- **Beware of “Due Care”**
 - Diligent and up-to-date correspondence
- **CA Patent Term Adjustment regime has begun**
 - In practical terms, not really a game-changer and will likely be rare
- **AI Inventorship**
 - CIPO aligns with other jurisdictions
- **Subject Matter**
 - Dosage regimens: Hopefully, recognizing such innovation as patentable will continue
 - Computer-implemented inventions: New guidelines, same old approach. Improving operation of computer and more specific (rather than generic) physical components are helpful.
- **Novelty**
 - Nuances where different components can be considered together
- **Infringement**
 - Clear contractual collaboration can be cross-border
 - Absence of physical product cannot infringe claim to a product



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