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Is a General Idea Enough?

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A dispute regarding the ownership of a U.S. patent and whether there was a breach of confidence were considered by the Alberta Court of Appeal in *Aram Systems Ltd. v. NovAtel Inc*.

The patent at issue was a U.S. patent granted on October 3, 2006 to NovAtel Inc., a company which designs and manufactures customized global positioning system (GPS) devices for incorporation by its customers into specialized equipment. Patrick Fenton (chief technology officer of NovAtel) was the named inventor.

Aram Systems Ltd., a company which designs and manufactures seismic data acquisition equipment, claimed that NovAtel wrongfully derived the patent from Aram's employee, David Heidebrecht. Specifically, after reading an article about the use of GPS in Emergency 911 situations (E911), Heidebrecht had the idea of adapting the concept of E911 or assisted GPS to seismic data acquisition, such that a base GPS receiver would be located in an area having a clear view of the sky, with assisting “slave” receivers in the field where signals might be weakened. Heidebrecht described this concept as “neighbour assist”.

Aram claimed its idea was communicated by Heidebrecht to NovAtel, including Fenton during technology development discussions between the parties on June 18, 2003, giving rise to the claim that Heidebrecht is the inventor or co-inventor of the patent. Aram further claimed that NovAtel breached a non-disclosure agreement (NDA) entered into by the parties at the June meeting as well as its duty of confidentiality. NovAtel counterclaimed in respect of both the patent ownership and alleged breach of the NDA by Aram.

Inventorship

In affirming the lower court’s decision, the Albert Court of Appeal applied the U.S. legal tests for inventorship determining that Heidebrecht was neither an inventor nor a co-inventor of the patent. Based on the trial judge’s findings of fact, Aram did not clearly demonstrate that Heidebrecht had: (1) prior conception of the invention (i.e., the inventive concept of “assisted GPS”); and (2) communicated this conception to NovAtel.

In the U.S., as in Canada, conception is complete when an idea is so clearly defined in the inventor’s mind that only ordinary skill would be necessary to reduce the invention to practice, without extensive research or experimentation. To merely *suggest an idea* of a

result to be accomplished, rather than the *means of accomplishing it*, is insufficient to establish either sole or joint inventorship.

Although the court found that Heidebrecht did come up with the *general idea* of assisted GPS in the context of seismic data acquisition, Heidebrecht's idea was not clearly enough defined such that he could have reduced it to practice without extensive research or experimentation. Heidebrecht did not have sufficient knowledge of GPS to have a definite and permanent idea for a complete and operative invention.

Breach of Confidence

With regard to Aram's claim that NovAtel breached its common law duty of confidence and the terms of the NDA executed at the June meeting, the following three elements were considered in order to determine whether there had been a breach of confidence under Canadian common law: (1) did the disclosure of information have a quality of confidence about it; (2) did the communication of the information occur under circumstances in which an obligation of confidence arose; and (3) was there an unauthorized use of the information by the confidee to the confidor's detriment. (*Lac Minerals Ltd. v. International Corona Resources Ltd.*, [1989] 2 S.C.R. 574)

The Alberta Court of Appeal affirmed the trial judge's finding that the information disclosed by Heidebrecht at the June meeting was not confidential information under the NDA. Accordingly, there was no breach of confidence. Specifically, Heidebrecht acknowledged discussing his ideas with other GPS suppliers for the purpose of ascertaining whether a low cost receiver was available on the market; the E911 concept had been in the public domain since at least 2002; and Heidebrecht had authorized the use of the information that had been given at the June Meeting.

With regard to NovAtel's counterclaim that Aram's patent filings arising from the interactions between the companies constituted breaches of confidence, the Alberta Court of Appeal affirmed the trial judge's finding. Aram and Heidebrecht were in breach of confidence and in breach of the NDA. An employee of Aram acknowledged that he relied upon Fenton's proposal to draft Aram's continuation-in-part application without seeking the consent of NovAtel, notwithstanding the existence of the NDA and the notations on the Fenton proposal that it was the proprietary information of NovAtel.