



Proposed New Canadian Patent Rules: Our Detailed Review – Part 1

November 9, 2017

By Robert Storey, H. Samuel Frost, Stephen Beney, Ken Bousfield, Patricia Folkins, Jason Hynes, Anastassia Trifonova, and Joanna Pohl

As we previously reported on August 3, 2017, the Canadian Intellectual Property Office (CIPO) has recently published proposed new amendments to the Patent Rules. The new Patent Rules are intended to complement the amendments to the Patent Act and are set to come into force in 2019.

The new Patent Rules are set to introduce major changes that will impact patent prosecution in Canada.

Many of the amendments are required, to comply with provisions of the Patent Law Treaty (PLT). On their face, they are intended to be more 'user-friendly'. For example, the Rules will ensure that simple procedural errors do not lead to a loss of rights and will require a notice from the Patent Office before rights are lost. They will also provide for various types of corrections. However, to achieve these aims, the Rules are complex and introduce a number of new periods and dates for taking action that will require careful monitoring by applicants and their advisers.

Further and notably, the new Rules will introduce a due care standard and third party rights. This two part article is intended to provide a detailed analysis of the proposed Patent Rules and their effect on Canadian patent applications. However, it should be noted that the draft Rules discussed here are subject to change following public consultation (which ended on September 8, 2017).

Many comments from stakeholders on the draft Rules have been received by CIPO. One of the most comprehensive set of comments came from the Intellectual Property Institute of Canada (IPIC), and reference is made to selected comments from the IPIC submission ([submissions in response to CIPO consultation](#)).

Presentation and Filing of Applications

While the draft *Patent Rules* pertaining to the format of patent applications are largely unchanged, CIPO has introduced new or revised provisions in respect of (a) time periods in which to complete the administrative requirements of filing a patent application; (b) the incorporation by reference of materials on other patent applications; and (c) the correction of misfiled applications to include materials filed in cases from which priority is claimed.

Under the draft *Patent Rules*, in order to obtain a filing date, the filing fee is no longer required. The description can be in any language. The application can be filed electronically, and the application will be deemed to have been received on the day on which the Patent Office receives it, even if this is a day the Patent Office is closed.

Furthermore, in conjunction with the amended *Patent Act* the new regime permits "a reference to a previously regularly filed application" as part or all of the specification, as prescribed in the regulations, and new *Patent Rules*. As proposed, the reference to "a specified previously filed application" excludes incorporation of non-patent references. The new regime allows incorporation by reference possibly as late as six months after submission of the application, but care needs to be exercised where a priority claim is made. The filing date will be the latest date on which the minimum documentation for the application is received, and this will need to be within the priority year. The draft *Rules* require submission of a copy of the reference within two months of the incorporation by reference unless the reference is a Canadian patent application. The submission may be made from "a digital library" specified on the CIPO website.



The amended *Patent Act* will permit addition to the specification or drawings after the earliest submission of documents, subject to a corresponding deferral of the filing date. For priority applications, if the addition was contained in the priority application, it may be added to the Canadian application after filing, without deferring the filing date. The period for submitting the omitted material runs two months from the date of notice to the applicant, to a maximum limit of six months from filing.

The draft *Patent Rules* prohibit the addition of a claim from a previously filed application to a subsequent case, apparently without consideration of whether such a claim has been subject to substantive examination on the merits. As IPIC has pointed out, this provision is more restrictive than the PLT, in preventing missing parts being taken from the claims of an earlier application; the PLT only prevents a missing part from being inserted into the claims of the later application, while permitting it to be derived from any part of the earlier application.

Under the draft *Patent Rules*, the prescribed date for completing the application, except for the filing fee is three months from date of a notice; no completion fee is required. The filing fee will be due within 2 months from a separate notice date, with a late fee. The new regime establishes a substantially shorter time period than currently available. If the application is not complete on the filing date, a notice will be sent to the applicant, who will have 3 months from the date of the notice to comply with the completion requirements. The additional fee requirement to complete the application after a notice is sent will be eliminated. However, if the notice is not complied with, then the application will be deemed abandoned.

Unpublished Applications and Confidentiality

The draft *Rules* generally preserve the requirement that the Patent Office must maintain the secrecy of all applications that are not available to the public. The new Rule 23 now defines, in a more precise manner, those persons who can receive information about an unpublished application.

With respect to the withdrawal of a priority claim, which will have the effect of changing the publication date of an application, there is now a fixed time limit. Previously, a priority claim could be withdrawn before the *later of* 16 months from the priority claim, or afterwards if technical preparations for publication could be halted. This latter option is no longer available, and the claim *must* be withdrawn within 16 months, without exception, to stop publication of an application.

A similar change has been made with respect to the complete withdrawal of an application. The old *Patent Rules* allowed withdrawal of an application to be requested at the *later of* 16 months from the priority claim, or afterwards if technical preparations for publication could be halted. This latter option is no longer available under the draft *Rules*.

Patent Cooperation Treaty - National Phase Applications

For the most part, the basic requirements for national phase entry will remain the same. However, under the current *Patent Rules*, a Patent Cooperation Treaty (PCT) application must enter the Canadian national phase within 30-months after the priority. It will still be possible to file a late national phase application up to 42-months from the priority date, but, in addition to the late fee, the applicant will have to file a declaration that the failure to enter the national phase within the 30-month period was unintentional and provide a statement of reasons for that failure. The Commissioner will make a determination, based on the facts of the case, as to whether the applicant's failure was unintentional.

Under the draft *Patent Rules* to correct an error in identification of an applicant for a PCT national phase application, a request will have to be made to the Commissioner, and must contain a statement that the error arose from "inadvertence, accident or mistake without any fraudulent or deceptive intention". The request has to be made before the Commissioner records a transfer of the national phase application and within three months after the application enters the national phase.

The draft *Rules* have also revised the translation of international application requirements. Under the draft *Rules* and the amended *Patent Act*, a translation submitted in either English or French to replace the text of the international application, may not amend the specification and drawings to add matter not reasonably inferred from both the specification or drawings contained in the application on its filing date, and the specification or drawings contained in the application immediately after the text matter is replaced by an English or French translation, which seems an unusual limitation. Unlike many other countries, the draft *Rules* do not permit late filing of the translation.

The IPIC submission notes that the draft *Rules* are inconsistent in defining the date for determining Small Entity status, for national phase applications. To be consistent with existing case law, this should be "the date the Canadian patent regime is first engaged". For national phase entry applications filed by the 30 month date, this is the case; for late national phase



entry applications, the draft Rules provide that the Applicant will be “deemed” to have met the 30 month time period and this will be the date for determining Small Entity status, even though the actual documents for the application were not filed until later.

Under the draft *Rules* a patent that was granted on the basis of an international application will not be declared invalid “by reason only that a fee referred to in section 150 was not paid.” The wording of this provision may require further clarification as the proposed section 150 refers to both the basic national fee that is required for the application to enter the national phase, as well as the maintenance fee for the second anniversary of the filing date of an application for a patent. As such, the draft *Rules* suggest that only a late payment of the basic national fee is permissible (subject to the new reinstatement of rights requirements). The national phase application fees will remain the same under the proposed regime.

Priority Claims

Requests for Priority and Restoration

Under the draft *Patent Rules* a request for priority must be made in the petition or document other than the patent application documents themselves, and must be made before the later of the 16 months from the earliest filing date of the priority application and 4 months from the filing date of the pending Canadian application. Additionally, in the rare circumstance that applicant has requested early publication of the application, then the priority claim must be made before the day on which the applicant submits approval for early publication of the application.

If the request for priority is withdrawn before 16 months from the date of filing of the priority application, then the calculation of the time limit for providing priority information is calculated as if this priority claim was not made and will then be calculated from the earliest priority date remaining in the application.

As it is conventional, to claim priority, applicant must submit the country, application number on the filing date of the priority application, and the Canadian filing date must be within 12 months of the filing date of the priority application, or be deemed to be within 12 months where applicant can show that failure to file within a 12 month period was unintentional.

An error in the filing date of a priority application may be corrected, but the correction must be made within the time limit for claiming priority. This is calculated from the earlier of the correct and incorrect priority filing date. It is not certain whether this would apply if the incorrectly stated priority date is more than a year earlier, so that a calculated date for correction has already expired. Errors in the name of the country or the office, can be corrected up until publication of the application. Additionally, an error in the name of the country or office of filing of the priority application may be corrected up until the date of paying the final fee (including the extended date if the fee is paid and then refunded), provided that, on the day on which the application is open to inspection, it would have been obvious that the name of another country or office of filing was intended by the applicant. An error in the number of the priority application may be corrected before the date on which the final fee is paid.

Provision of Certified Copy of Priority Application

Under the draft *Patent Rules*, it will be mandatory, for applications with a priority claim, to submit a certified copy of the priority application certifying that it is correct, and certifying the priority date. Alternatively, an applicant may make available to the Commissioner a copy of the priority application from a digital library that is specified as being acceptable. The certified copy must be provided within the same time limit for making the original priority claim, with the exception that for a PCT national entry application, a certified copy will not normally be required, where this has been supplied in the international phase.

If the certified copy is not submitted within the prescribed period, the Commissioner will issue a notice giving the applicant 2 months to provide it. If the certified copy is provided within that 2 month period, then the priority claim is maintained. Otherwise, the applicant is deemed to be in non-compliance with respect to request for priority. However, if the applicant has, no later than 2 months before the end of the period for claiming priority, requested that the relevant patent office provide the applicant with the necessary certified copy and, within 2 months from the date of the notice sent by the Commissioner, requested restoration of the right of priority and a statement indicating the patent office requested to provide a certified copy, then the applicant is deemed to comply with the requirement to file a certified copy.

When the relevant patent office provides the certified copy the applicant is required to submit it to the Commissioner within 2 months from receiving it. Otherwise the request for priority is deemed not to have been made. For divisional applications,



if the parent application is deemed to have complied with the requirements to claim priority, then the divisional application is also deemed to have complied with them. Correspondingly, if a request for priority in the parent application is deemed not to have been made, then the corresponding request for priority for divisional applications is deemed not to be made.

The general Rule for extending periods of time applies to the time periods for completing a priority claim, and it awaits to be seen how this will be interpreted by the Commissioner and when the Commissioner will be “satisfied that the circumstances justify the extension”.

A request for priority may be withdrawn by simply filing a request with the Commissioner, and the effective date of withdrawal is the date that the request is received.

Restoration of Priority

Amendments to the *Patent Act* provide that if the applicant fails to file an application within twelve months from the earlier filed application, a priority claim to the earlier filed application can be restored, if the Canadian application is filed within two months after the end of the standard twelve month priority term and if the Applicant states that the failure to file in time was “unintentional”. There is no requirement for the Commissioner to make a determination if the failure was “unintentional” and unintentional is not defined. The draft *Rules* provide that the “Request for Restoration” must be made within two months after the filing date of the Canadian application, i.e. for a total of four months after the end of the standard priority term. The two month period for Requesting Restoration cannot be extended. The subsection of the *Act* dealing with a Request for Restoration does not apply to a divisional application.

Appointment of Common Representative / Patent Agents

As required by the PLT, a new concept is introduced by the draft *Patent Rules*, namely that of common representative, and it applies where there are joint applicants or patentees, allowing one applicant or patentee to be appointed by the others as their common representative. This change addresses situations where it is not possible to obtain signatures from all joint applicants or patentees. The concept is similar to what is currently allowed under the PCT. Where a common representative has transferred all of the rights of that representative to a patent or application, and recorded that transfer without appointing a replacement common representative, then, the successor-in-the-title is deemed to be appointed.

However, the draft *Rules* provide that, where there are two or more applicants, no designated common representative and no order for the applicants is indicated in a petition, then the applicant whose name appears first in an alphabetic list is identified as the common representative. This seems problematic and does not follow PCT practice of selecting the first named applicant.

The draft *Rules* will also permit an authorized third party to file a patent application or PCT national phase application, including appointment of a patent agent. IPIC’s submission identifies a potential problem with conflicts. It is possible that the appointed agent may have a conflict of interest with regard to the applicant for the application, and as drafted, the *Rules* do not address this situation.

The requirement to appoint a patent agent and an associate patent agent is maintained in the *Patent Rules* where the inventor has transferred their rights to another person or a transfer – in whole or in part – has been recorded, or not all named inventors file the application jointly. The effect of the draft *Patent Rules*, however, is to link a patent agent’s appointment to the applicant or common representative, not to the application. For example, new Rule 37(1) allows for a patent agent to record a transfer and be deemed representing the transferee. However, the draft *Rules* are silent as to what happens if a third party requests recordal of a transfer.

The draft *Patent Rules* revoke the requirement for a representative for service. This is required for the implementation of the Canadian European Trade Agreement (CETA). In addition, as required under the PLT, the draft *Patent Rules* permit multiple parties to act for applicants for different actions. For example, the applicant or common representative can authorize any person to pay a maintenance fee or record a transfer.

Examination

Under the draft *Rules*, the deadline for requesting examination will be reduced from the current limit of five years after the filing date to three years. Moreover, whereas failure to file a timely request for examination currently results in immediate abandonment (subject to reinstatement), under the draft *Patent Rules*, CIPO will issue a reminder notice requiring that the



request for examination be submitted within two months; if the applicant does not comply, only then will the application become abandoned.

The general period for responding to an office action is being reduced from six months to four months. For applications undergoing accelerated examination, the response period will also be four months, rather than the current three months. An example of a timeline is illustrated below.

There are minor variations in the draft *Rules* relating to obtaining accelerated examination. For example, CIPO's current policy of allowing applicants to request accelerated examination of applications relating to "green technology" will be formalized in the draft *Rules*.

Information on this website is for information only. It is not, and should not be taken as, legal advice. You should not rely on, or take or not take any action, based upon this information. Professional legal advice should be promptly obtained. Bereskin & Parr LLP professionals will be pleased to advise you.