

## Changes to the Canadian patent rules

By John Harris and Kevin Banaschewski, Gowlings WLG, Canada

Canada has long been known as a jurisdiction friendly to patent Applicants. As Canada moves to implement a patent term adjustment regime as required by the Canada-United States-Mexico Agreement (CUSMA), there are changes being made to the Canadian *Patent Rules* in an attempt to streamline the examination process with a view to avoiding unnecessary delays.

We have previously reported on proposed changes to the *Patent Rules*. The amendments to the *Patent Rules* have now been registered, and are published [here](#). The new *Patent Rules* will come into force on July 1, 2022, however apart from updating the requirements relating to the format of sequence listings, the amendments to the *Patent Rules* will not come into force until October 3, 2022. This article highlights some of the changes to the *Patent Rules*, and outlines how these changes may impact prosecution and affect prosecution strategies.

### Examination Reports and Requests for Continued Examination (RCE)

- Current practice:

There is currently no limit on the number of Examination Reports (Office Actions) that may be issued before examination ceases by allowance or final action. Further, there is no requirement to request continued examination after receiving a certain number of Examination Reports.

The current mechanism for re-opening prosecution after issuance of a Notice of Allowance (e.g. to add new claims) is to request that the Notice of Allowance be withdrawn.

- New practice:

The amendments to the *Patent Rules* introduce a continued examination practice that limits the number of Examination Reports that may be issued at different stages of prosecution before examination ceases and if examination is to be continued, further examination fees have to be paid.

In particular, Applicants may receive up to three Examination Reports after requesting examination. To continue examination of the application after three Examination Reports, the Applicant must file an RCE. The fee for an RCE is the same as the fee for a request for examination, which is currently \$816 CAD or \$408 CAD for a small entity.

Upon submitting an RCE and paying the prescribed fee, the Applicant may receive up to two further Examination Reports before examination ceases again. The Applicant may file a further RCE at this point and may receive up to two further Examination Reports, and so on.

Should the Examiner issue a Final Action, examination would cease and the Applicant would have the opportunity to appeal to the Patent Appeal Board.

Examination also ceases if a Notice of Allowance or Conditional Notice of Allowance (discussed below) is received during the examination process. To re-open prosecution of the application at this point, the Applicant must file an RCE and pay the prescribed fee.

The continued examination practice and RCE requirements will not apply to the examination of patent applications for which a request for examination has been filed and applicable fees paid before October 3, 2022.

- Takeaways:

Applicants should consider requesting examination of existing patent applications, as well as filing new applications and divisional applications and requesting examination, before October 3, 2022.

For applications where examination is requested after October 3, 2022, Applicants may wish to consider amendments and other strategies to avoid unnecessary Examination Reports during prosecution in light of the new RCE requirements.

## **Excess Claim Fees**

- Current practice:

There are currently no excess claim fees in Canada.

- New Practice:

The amendments to the *Patent Rules* introduce excess claim fees where there are more than 20 claims in a patent application. The fee for each claim in excess of 20 is \$100 CAD or \$50 CAD for a small entity. Notably, a multiple dependent claim counts as one claim, which leaves open the possibility of amending the claims to avoid excess claim fees, while retaining the effective coverage of the claims.

The excess claim fees are first evaluated at the time of filing a Request for Examination, and then again upon payment of the final fee. Specifically, at the time of requesting examination, Applicants must pay for each claim in excess of 20. At the time of payment of the final fee, Applicants must pay for each claim in excess of 20

included in the application at any time between requesting examination and paying the final fee that was not paid for at the time of requesting examination.

Excess claim fees will not apply in respect of the examination of patent applications for which a request for examination has been filed and applicable fees paid before October 3, 2022.

- Takeaways:

Applicants should consider requesting examination of existing patent applications, as well as filing new applications and divisional applications and requesting examination, before October 3, 2022.

For applications where examination is requested after October 3, 2022, various techniques for avoiding excess claim fees at the time of requesting examination and during prosecution may be employed. These techniques will include consideration of multiple dependent claims, possible future divisional applications, and claims on file in other jurisdictions.

## **Conditional Notice of Allowance**

- Current Practice:

There is currently no Conditional Notice of Allowance in Canada. In some instances where only minor defects remain, Examiners may initiate a telephone interview with Patent Agents to request submission of a voluntary amendment to address the defects and avoid issuance of a further Examination Report.

- New Practice:

The amendments to the *Patent Rules* introduce a Conditional Notice of Allowance that would inform the Applicant that the application is in condition for allowance, but would identify certain minor defects that must be addressed along with payment of the final fee. As discussed above, a Conditional Notice of Allowance would cease examination.

Following the Applicant's response to a Conditional Notice of Allowance, if the Examiner does not consider the application to be allowable, the Conditional Notice of Allowance will be withdrawn, payment of the final fee will be refunded and examination will continue, subject to RCE requirements and the number of Examination Reports received.

Provisions regarding Conditional Notices of Allowance will not come into force until October 3, 2022.

- Takeaways:

Conditional Notices of Allowance may reduce the need for back-and-forth Examiner/Applicant interactions and will allow the Applicant to address defects and pay the final fee at the same time.

### **Next Steps**

The changes to the *Patent Rules* will impact the prosecution process in Canada, introducing excess claim fees, RCEs and associated limitations on Examination Reports, and Conditional Notices of Allowance. For Applicants who proactively employ appropriate strategies to avoid unnecessary excess claim fees and RCEs, Canada will remain a jurisdiction friendly to patent Applicants, and Applicants may benefit from streamlined examination.

As an initial matter, Applicants should consider taking the following actions before October 3, 2022:

1. Requesting examination of existing applications;
2. Filing applications (or PCT national phase entries) in Canada and requesting examination;  
and
3. Filing divisional applications and requesting examination.

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