

Ten things you need to know about Canada's new patent rules

AUTHORS



Edward T. Fan



Melanie Sharman Rowand



Michele Clarizio



Denise Ramsden

The Government of Canada has proposed amendments to the Patent Rules (draft Patent Rules), which are expected to be promulgated in final form in mid-2019 and come into force in late-2019 (the CIF date). Assuming the current draft of the amended Rules will be maintained, these new Patent Rules will create a number of changes to the patent regime in Canada.

1. Shortened prosecution timelines

Applicants will face shorter time limits during prosecution. In particular, applicants will be required to:

- request examination four years after the filing date of an application, instead of five years;
- respond to an office action within four months instead of six months; and
- respond to a notice of allowance within four months instead of six months.

Additionally, when filing a divisional application, applicants will need to request examination before the later of: (i) four years after the filing date of the original application; and (ii) three months after the presentation date of the divisional application.¹

Although the time limit for responding to an office action will be shortened from six months to four months, applicants will be able to request a two-month extension of time. To obtain an extension, applicants will need to make a request before the expiry of the original time limit, describe why an extension is justified and pay a prescribed fee. The draft Patent Rules do not specify what circumstances will justify an extension. Despite the availability of a potential extension, if an original time limit is missed, then it will no longer be possible to request or continue with advanced examination.

2. Modified framework for correcting errors

The current “clerical errors correction” provision in section 8 of the *Patent Act* is being repealed and replaced with specific provisions governing the correction of errors.

Specific procedures will be provided to correct certain errors for pending applications such as the identity or name of the inventor or applicant, errors in priority claims, and “obvious” errors in the specification or drawings after receipt of the Notice of Allowance. Deadlines will vary according to the type of error and in some cases are quite short; therefore, it will be important to verify filing documents.

Errors in issued patents may be corrected within six months of the issue date. The applicant may request correction of (a) the name of the patentee or inventor, if the correction does not change their identity, or (b) an “obvious” error in the specification or drawings. Given the limited time period to correct errors, patents should be carefully reviewed upon issue.

Notably, the standard for correctable errors will change from “clerical” to “obvious.”² According to the Regulatory Impact Analysis Statement accompanying the draft Patent Rules, “[t]his change is intended to provide more flexibility to applicants and patentees, as ‘clerical error’ has been interpreted fairly narrowly by the courts, and to align with corresponding provisions for trademarks and industrial designs.”

3. New notice-and-late-fee regime

Currently, applicants and patentees are not notified of a missed deadline to request examination or pay a maintenance fee. Under the draft Patent Rules, a new notice-and-late-fee regime will be introduced, which is to help avoid the inadvertent loss of rights if the following deadlines are missed.

- **Request for examination:** The Canadian Intellectual Property Office (CIPO) will notify the applicant of the missed deadline, and the applicant will be given a grace period of two months from the date of the notice to request examination and pay a late fee before the application is deemed to be abandoned.
- **Maintenance fee payment:** CIPO will notify applicants and patentees who have missed a deadline to pay a maintenance fee, and will provide a grace period to allow the applicant or patentee to pay the maintenance fee and a late fee before the application is deemed to be abandoned or the patent is deemed to have expired. The grace period will be the of the later of: (i) six months after the missed deadline; and (ii) two months after the date of CIPO’s notice.

4. Introduction of due care and third party rights

Due care

Under the draft Patent Rules, the time limit to request reinstatement for an abandoned application will continue to be 12 months from the date of abandonment. However, in certain circumstances, applicants will not be able to reinstate an application as of right. Instead, the applicant will need to show that the application became abandoned in spite of “due care” having been taken. The draft Patent Rules do not specify the types of circumstances that will meet the “due care” standard.³

The due care requirement will apply in the following circumstances.

1. To reinstate an application that was abandoned for failure to pay a maintenance fee.
2. To reinstate an application that was abandoned for failure to request examination, if the request for reinstatement is filed more than six months after the deadline to request examination.
3. To reverse the expiry of a patent where it was deemed to be expired for failure to pay a maintenance fee.

Third party rights

The draft Patent Rules will also afford rights to third parties during certain periods of abandonment. In particular, third parties who take actions in good faith to use or prepare to use an invention may be insulated from an infringement

action during certain periods in limited circumstances.

Given the introduction of due care and third party rights, extra care should be taken with maintenance fee and examination deadlines. Applicants who have previously relied on the reinstatement as of right regime to control the timing of prosecution, such as coordination of prosecution of related applications, are encouraged to speak to their agents early in the prosecution process regarding alternative strategies.

5. Streamlined amendment after allowance procedure

The draft Patent Rules will make it easier for applicants to make more complex amendments to applications after allowance.

Currently, applicants may only make amendments to allowed applications that do not require the examiner to conduct a further search. To make any other amendments, applicants must wait for the application to become abandoned for failure to pay the final fee and then reinstate the application to re-open prosecution.

Under the draft Patent Rules, applicants will be able to request that a notice of allowance be withdrawn, causing the application to immediately re-enter examination. This new procedure will apply to any amendment made after receiving a notice of allowance, with the exception of the correction of an “obvious error,” which may still be corrected without re-opening prosecution.

6. Simplified filing requirements

Non-PCT applications

The requirements to obtain a filing date in Canada for non-PCT applications will be significantly reduced. Applicants will only need to file a description, indicate a patent is being sought, provide information regarding their identity and their contact information to obtain a filing date. No claims or application fee are required at the time of filing and the documents submitted may be in a language other than French or English. Additionally, a filing date can be obtained by filing a reference statement to a previously filed application, provided that a copy of the specification and drawings are submitted to CIPO within two months. Applicants will also be able to add missing parts to the specification or drawings within a prescribed period, without affecting the filing date, provided that the missing parts are completely contained in a priority document, and certain other criteria are met.

CIPO will notify applicants of any missing content required to complete the application, which will need to be submitted within two months of notification.

PCT applications

The simplified requirements being implemented for non-PCT applications do not apply to PCT applications. Therefore, an English or French translation of the international application and the applicable application fee will continue be required at the time of national phase entry to Canada.

The most significant change is that the as-of-right time period for national phase entry is being shortened from 42 months to 30 months. Applicants may still enter national phase in Canada up to 42 months after the priority date, if they can demonstrate the delay is “unintentional.”⁴

7. Amended framework for priority claims

There are also a handful of changes to the priority system under the draft Patent Rules. Restoration of priority will be available in certain circumstances. The process for correcting errors in priority claims will change following the repeal of section 8 of the *Patent Act* and certified copies of priority applications will need to be filed or made available via

one of the digital libraries acceptable to the Patent Office, in certain circumstances.

See [“Canadian patents and priority claims: Learning to play by the new patent rules,”](#) for an in-depth discussion of these changes and their implications.

8. Cost savings for sequence listings

Excess page fees for sequence listings filed online will no longer be charged. As such, for applications with lengthy sequence listings, delaying the notice of allowance until after the CIF date of the draft Patent Rules may lead to substantial cost savings.

9. Simplified transfer requirements

The evidence and documentation required to record most transfers or name changes is being reduced. Name changes may be made on request of the applicant or patentee without any supporting documentation. A transfer may be recorded on request of the applicant or patentee without any supporting documentation, although transferees (who are not the currently recognized applicant or patentee) making the request will still need to provide documentation.

10. Transitional provisions and Category 3 applications

The draft Patent Rules include a complex set of transitional provisions, particularly for applications filed between October 1, 1996, and the CIF date. The transitional provisions refer to these as Category 3 applications. Category 3 applications will be treated differently from applications filed after the CIF date in a number of respects, including in relation to the deadlines to request priority and examination and the abandonment and reinstatement framework.

¹ The presentation date of a divisional application means the date on which CIPO has received all of the following documents and information: (i) an indication that a divisional application is being sought; (ii) information establishing the identity of the applicant; (iii) contact information for the applicant; and (iv) a document that, on its face, appears to be a description.

² The draft Patent Rules states that an error is obvious if “it is obvious both that something other than what appears in the patent, specification or drawings was intended, and that nothing other than the correction could have been intended.”

³ A definition for “due care” is provided in the draft amendments to the The Manual of Patent Office Practice (MOPOP), which has been published for consultation. According to this definition, when assessing whether “due care” has been exercised, the Commissioner will assess “all measures that a reasonably prudent applicant / patentee would have taken—given the particular set of circumstances.” The definition further states that measures taken after the failure occurred will not be taken into consideration. This definition is still subject to change and does not have the force of law, but provides an indication of CIPO’s expected practice. For further details regarding the consultation on changes to MOPOP, see [“Proposed changes to manual of patent office practice.”](#)

⁴ Under the draft Patent Rules, the “unintentional” standard is set forth for delays in national entry, as opposed to the “due care” standard that applies to reinstatement, as discussed above. The draft Patent Rules do not, however, specify the types of circumstances that will meet the “unintentional” standard.

To discuss these issues, please contact the author(s).

This publication is a general discussion of certain legal and related developments and should not be relied upon as legal advice. If you require legal advice, we would be pleased to discuss the issues in this publication with you, in the

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