The Canadian government has published the final version of the new Patent Rules, which come into force on Oct. 30, 2019. These Rules, together with complementary amendments to the Patent Act, implement the Patent Law Treaty and are also expected to expedite prosecution by virtue of shortening certain prosecution-related deadlines. Key changes that the new Rules and Act introduce are described below.

**PCT National Phase Entry Deadline**

Under current practice, a patent applicant may enter the Canadian national phase between 30 and 42 months of an international application's earliest priority date as of right by paying a late fee of $200.

The new Rules eliminate this right. Entry between 30 and 42 months remains possible only if an applicant satisfies the Patent Office that the failure to enter by the 30 month deadline was unintentional, and if the applicant pays a $200 reinstatement fee.

The new regime applies only to PCT applications with an international filing date on or after October 30, 2019. Consequently, a PCT application with an international filing date before October 30, 2019, will benefit from the current regime and still be able to enter the Canadian national phase as late as 42 months from its earliest priority date as of right.

**Tightening of Prosecution-Related Timelines**

Prosecution-related timelines for responding to an Office Action, paying a Final Fee, and filing a Request for Examination are changing as follows:
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Filing an Office Action Response</td>
<td>Typically 6 months from the Office Action mailing date</td>
<td>4 months from the Office Action mailing date</td>
<td>When the Office Action is mailed on or after October 30, 2019</td>
</tr>
<tr>
<td>Paying the Final Fee</td>
<td>6 months from the Notice of Allowance mailing date</td>
<td>4 months from the Notice of Allowance mailing date</td>
<td>When the Notice of Allowance is mailed on or after October 30, 2019</td>
</tr>
<tr>
<td>Filing a Request for Examination</td>
<td>5 years from the Canadian filing date (non-PCT application) or international filing date (PCT application)</td>
<td>4 years from the Canadian filing date (non-PCT application) or international filing date (PCT application)</td>
<td>When the Canadian filing date (non-PCT application) or international filing date (PCT application) is on or after October 30, 2019</td>
</tr>
</tbody>
</table>

The 4 month deadline for responding to an Office Action under the new Rules may be extended, at the Office’s discretion, by up to 2 months by paying a fee of $200. The 4 month deadline for paying the Final Fee is not extendible.

**Abandonment and Reinstatement**

Under current practice, a patent application that goes abandoned for failure to perform an action by a deadline goes abandoned immediately following that deadline, and may be reinstated as of right within one year from that deadline by performing the action that was due at the deadline, requesting reinstatement, and paying a reinstatement fee.

Under the new Act and Rules, abandonment does not necessarily occur immediately following a missed deadline, nor is reinstatement as of right necessarily available. Instead, the timing and nature of the abandonment and reinstatement depends on the nature of the missed deadline, as summarized in the following table:
<table>
<thead>
<tr>
<th>Action</th>
<th>When Abandonment Occurs</th>
<th>Late Payment Options</th>
<th>When New Rules Apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure to Respond to an Office Action</td>
<td>Immediately</td>
<td>Application can be restated as of right within 12 months of abandonment by paying a $200 reinstatement fee and filing an Office Action response</td>
<td>When the Office Action is mailed on or after October 30, 2019</td>
</tr>
<tr>
<td>Failure to Pay a Final Fee</td>
<td>Immediately</td>
<td>Application can be restated as of right within 12 months of abandonment by paying a $200 reinstatement fee and paying the Final Fee</td>
<td>When the Notice of Allowance is mailed on or after October 30, 2019</td>
</tr>
<tr>
<td>Failure to Pay an Application Maintenance Fee*</td>
<td>Later of 6 months from missed deadline and 2 months from Patent Office notice of missed deadline</td>
<td>Prior to abandonment, application can be maintained in good standing by paying maintenance fee and $150 late fee After abandonment, application can only be reinstated upon establishing that abandonment occurred despite due care as late as 18 months following missed payment deadline, by paying $150 late fee, and by paying $200 reinstatement fee</td>
<td>When maintenance fee is due on or after October 30, 2019</td>
</tr>
<tr>
<td>Failure to Request</td>
<td>2 months from Patent</td>
<td>Prior to abandonment, application can be maintained in good standing</td>
<td>When Request for</td>
</tr>
</tbody>
</table>
Examination Office notice of missed deadline by requesting examination and paying a $150 late fee.

Within 6 months of the missed deadline, an abandoned application can be reinstated as of right by paying the $150 late fee and a $200 reinstatement fee.

After 6 months of the missed deadline and within a year of abandonment, an application may only be reinstated if the applicant additionally establishes that the deadline was missed despite due care.

* The new Act and Rules establish an analogous regime for reinstating a patent that has lapsed for failure to pay a maintenance fee.

The new Act and Rules do not provide any guidance as to what would qualify as due care, although informally the Office has stated that the threshold will be high. During a period when due care is required to reinstate an application or patent, third party rights may apply.

**Third Party Rights**

Tied to the new due care requirement for reinstating an application abandoned (or a patent lapsed) for not having paid a maintenance fee or not having timely requested examination, the new Act and Rules introduce the concept of third party rights. These rights limit liability faced by third parties if they undertake actions that would otherwise lead to infringement during a period when an application or patent is abandoned or lapsed and the applicant or patentee needs to satisfy the due care threshold for reinstatement. The period starts 6 months from the deadline for paying the maintenance fee or requesting examination, which is when the due care reinstatement requirement begins. A third party will not be liable for what would otherwise be infringing acts committed in good faith during this period or resulting from "serious and effective preparations" the third party
makes during this period. Generally speaking, this period ends upon the earlier of the patent or application being reinstated, or when a patent grants from the abandoned application.

Statutory third party rights will not apply to any period of abandonment that begins before October 30, 2019, or that occurs on or after October 30, 2019, as a result of a failure to comply with a requisition or notice mailed before October 30, 2019.

**Reduced Requirements to Obtain a Filing Date**

Under current practice, in order to obtain a filing date for an application other than a PCT national phase application, an applicant needs to pay the filing fee and provide a document in English or French that on its face appears to describe an invention.

Under the new Act and Rules, it will be possible to submit a translation of a specification into English or French after filing as late as 2 months after receipt of a notice from the Office requisitioning the translation. Further, by paying a $150 late fee, it will be possible to defer paying the filing fee at filing. If the filing fee is not paid at filing, the Patent Office will issue a notice requesting payment and the applicant will have up to 3 months from the date of that notice to pay the filing fee and late fee without loss of filing date.

It will not be possible, however, to defer paying the filing fee when requesting national entry into Canada. The basic national fee, which is identical to the filing fee for a non-PCT national phase application, will need to be paid in order to secure national entry into Canada subject to an exception where an applicant makes an unsuccessful attempt to pay the fee at entry. Similarly, it will not be possible to submit a translation of an application after national entry. Rather, submitting an English or French translation of the international application will be a national phase entry requirement.

**Adding Matter to an Application**

An applicant cannot under current practice add new matter to a patent application, regardless of whether that matter is contained in an application's priority document.

In contrast, the new Act and Rules permit new matter to be added to a non-PCT national phase application in certain circumstances. Where an application is missing part of the specification or drawing referred to in the specification, the applicant may add that missing part to the specification. An applicant may do this voluntarily, in which case the deadline to do so is 2 months from the earliest date on which the Patent Office receives any
document or information required for establishing a filing date. Alternatively, the Patent Office may issue a notice requisitioning the missing part from the applicant, in which case the deadline will be 2 months from the date of that notice. The filing date of the application will be no earlier than the date the applicant submits the missing part, unless the missing part was contained entirely within the priority document in which case the missing part will not prejudice the filing date.

Electronic Filing

It is not currently possible to obtain a filing date in Canada on a day the Office is not open for business, such as the weekend.

Under the proposed new practice, using electronic filing an applicant may file a patent application or any other document with the Office and secure a filing date that same day, regardless of whether the Office is open for business. This may be useful to secure a filing date before a public disclosure of an invention is made, or to secure a filing date within 1 year of an applicant's own public disclosure so as to be able to rely on the Canadian grace period.

Excess Page Fees for Sequence Listings

Under the current regime, excess page fees of $6/page are due when paying the Final Fee, and the excess pages on which fees are payable include any pages for a sequence listing. Under the new Rules, there is no excess page fee for pages of a sequence listing filed in electronic form.

Priority Rights

Under current practice, an applicant is not required to provide a certified copy of a priority document to the Office unless requisitioned to do so by the Office, which rarely happens. Additionally, Canada does not permit restoration of the right of priority, regardless of whether the Canadian application is a national phase application and priority was restored for the corresponding PCT application during the international phase.

Under the new regime, applicants will be required to either submit a certified copy of a priority document to the Office or to make a certified copy available through a recognized digital library for priority claims made to a non-Canadian priority document. This requirement will be waived if the application is a national phase application and the
applicant submitted a copy of the priority document during the international phase.

Furthermore, restoring the right of priority will be possible in Canada so long as the applicant can establish that priority requires restoring because of an unintentional error. A request for restoring priority must be filed within two months after the end of the 12 month period from the date of filing the priority application for non-PCT national applications, or, for a PCT national phase application, within one month after the national phase entry date. No government fee will be required for filing a request to restore priority.

**Amendments After Allowance and Correction of Errors**

Under current practice, an applicant who wishes to amend an application in a manner that would necessitate a new search after it has been allowed and before the Final Fee has been paid must allow the application to go abandoned by not paying the Final Fee and, concurrent with reinstatement, make the amendment. Reinstating has the side effect of re-opening prosecution, thereby allowing the applicant to substantively amend the application. Clerical errors in an application or patent may be corrected under the authority of the Commissioner of Patents upon payment of a $200 fee.

Under the new regime, an applicant may re-open prosecution as of right by paying $400 to the Patent Office and requesting that the Notice of Allowance be deemed never to have been sent. The request must be made no later than four months after the date of the Notice of Allowance and before the Final Fee is paid. An applicant who wants to amend the application in any manner aside from correcting an obvious error will need to use this process.

Obvious errors in the specification or drawings may be amended after allowance and on or before the date when the Final Fee is paid. The Rules set the standard for obvious errors: "it is obvious that something other than what appears in the specification and the drawings was intended and that nothing other than the proposed amendment could have been intended".

Once an application issues, errors in a patent may be corrected, upon payment of a $200 fee, no later than 12 months after the issue date to correct an error in the name of the patentee or an inventor provided the correction does not change the identity of the patentee or inventor, or to correct an error in the specification or drawings, if the correction would have been obvious to a person of ordinary skill in the art "that something other than what appears in the specification or the drawings was intended and that nothing
other than the correction could have been intended”.

Any errors in the name of an inventor must be corrected on the request of the applicant before the day on which a Notice of Allowance is sent for those corrections which change the identity of the inventor. For correction of errors in a non-PCT national phase application which change the identity of an applicant, the request for correction must contain a statement that the error arose from inadvertence, accident or mistake without any fraudulent or deceptive intention and be made prior to the earlier of the day on which the application becomes open to public inspection or a request is made to record a transfer of the application.

**Assignment Practice**

Under current practice, in order to record a change of name or a change of ownership in the Patent Office, an applicant needs to submit for recordation the document evidencing or effecting that change and pay a $100 fee. Any documents that are recorded must comply with Canadian practice. For example, notwithstanding that an assignment need not be witnessed under Canadian law to be effective, an unwitnessed assignment cannot be recorded in the Patent Office without other evidence to establish it is suitable for recordation, such as an affidavit or Notice of Recordation from the United States Patent and Trademark Office.

While recording documents will still be an option under the new Act and Rules, the Patent Office is eliminating in many instances the requirement to submit those documents in order to reflect a change at the Office. An applicant/patentee that is also a transferee may record a transfer by filing a request and providing the name and postal address of the transferee. A transferee other than the applicant/patentee will be able to record a transfer without submitting the actual transfer document but will need to provide evidence satisfactory to the Patent Office, such as an affidavit. An applicant/patentee that wishes to record a name change may similarly do so on request and by paying a fee. The $100 fee remains payable for recording transfers under the new regime, regardless of whether a document effecting the transfer is recorded.

**Divisional Practice**

The new Rules generally reflect current Patent Office practice with respect to divisional applications but include reference to a "presentation date" as a new term.

The "presentation date" is defined as the date on which the following is received in the
Patent Office: a petition that includes a statement that the application is a divisional application that results from the divisional of an original application filed in Canada, an application containing one or more claims, and a translation of the application into English or French if necessary. The original or "parent" application number must be submitted to the Patent Office no later than three months after the presentation date. An applicant may file the divisional application if the applicant, or if there are joint applicants, at least one of the joint applicants, was an applicant of the original application at any time during the period beginning on the filing date of the original application and ending on the presentation date.

The presentation date will be used to calculate other important dates such as payment of maintenance fees required at the time of filing, complying with requirements for requesting priority, and the deadline for making a request for examination.

Conclusion

The new Act and Rules help to modernize Canadian patent practice and harmonize Canadian practice with that of many other jurisdictions that have implemented the Patent Law Treaty.

While this article highlights certain salient changes that are coming to Canadian practice on October 30, 2019, please contact a member of the Gowling WLG patent prosecution team with any questions you may have or for advice specific to your situation.

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Changes to Canada's patent practice are coming

October 30, 2019 marks the next chapter in the evolution of patent practice in Canada.