



# CLIENT ALERT

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## PROPOSED CHANGES TO THE CANADIAN PATENT RULES

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The Canadian government has provided notice of a number of proposed changes to the Canadian Patent Rules. These particular changes will impact patent Applicants' costs and may call for different prosecution tactics.

As of this writing, the date the proposed changes are to come into force has not officially been announced. However, we expect this to happen within the first few months of 2022. Those prosecuting Canadian patent applications may therefore wish to take the opportunity to prepare in advance. The following explanation of the proposed changes is intended to be of aid during such preparations.

We are always very happy to assist you with your Canadian patent applications, and your questions are welcome.

### FEES FOR EXCESS CLAIMS

Currently, the Canadian IP Office does not charge additional fees based on numbers or types of claims.

However, the proposed changes will implement the requirement that Applicants pay the patent office an excess claim fee for each claim over 20 claims.

- The fee for each excess claim will be about \$80 USD (\$100 CAD).
- For a small entity, this fee will be about \$40 USD (\$50 CAD).

The excess claims fees requirement will be assessed at two particular times:

1. When requesting examination, an excess claim fee will be due for each claim in excess of 20 in the claim set at the time of the request for examination.
2. When paying the Final Fee upon allowance, for each claim in excess of 20 in the claim set at the time of paying the Final Fee that was not already paid for when requesting examination, an excess claim fee will be due.
  - For example, if five excess claims fees were already paid at the time of requesting examination, and three excess claims were in the claim set at the time of paying the Final Fee, then no excess claims fees would be due upon payment of the Final Fee. On the other hand, if five excess claims fees were already paid at the time of requesting examination, and seven excess claims were in the claim set at the time of paying the Final Fee, then fees for two excess claims (i.e.,  $5+2 = 7$ ) would be due at the time of paying the Final Fee.

Please note that the transitional provisions of the proposed changes to the Patent Rules specify that if a request for examination is properly made before the coming into force date, no excess claims fees will be required. This may bring to mind prosecution tactics. For example, deferral of examination in Canada can be useful for allowing prosecution in other places to settle so one does not have to duke it out in parallel with a Canadian examiner. On the other hand, if there are many excess claims, then requesting examination before the changes come into force may save the Applicant money. Ultimately, we expect most Applicants will simply trim their claim sets for Canada and will not rush to request examination for the sake of avoiding official fees on a large claim set. However, some planning may be warranted depending on the needs of the case itself.

Furthermore, the proposed changes include a provision that a claim defining alternatives (such as a Markush claim) is treated as a single claim for the purpose of an excess claim fee calculation.

### REQUESTS FOR CONTINUED EXAMINATION (RCE)

Historically, the Canadian IP Office has rarely issued early Final Actions. In fact, it has not been unusual for Applicants to be issued six or seven Non-Final office actions in a long prosecution before being issued a Final Action. Furthermore, examination ceases when a Final Action is issued.

However, the proposed changes will implement the requirement that examination must cease after the issuance of a third office action, and Applicants will thereafter have to file a Request for Continued Examination (RCE) to continue examination. It will be noted that the third office action may not actually be called a Final Action. However, in any event, the examiner will have to provide notice, when issuing such a third office action, that examination has ceased and that an RCE is required within four (4) months.

- The fee for an RCE will be about \$640 USD (\$816 CAD).
- For a small entity, this amount will be about \$320 USD (\$408 CAD).

After the filing of an RCE, examination will cease again after the examiner has sent another two office actions, but Applicants can thereafter file another RCE to open up prosecution again.

Examination will also be ceased if a Notice of Allowance or Conditional Notice of Allowance (see below) is issued. However, if an RCE is thereafter timely filed, the Notice of Allowance or Conditional Notice of Allowance is set aside.

### CONDITIONAL NOTICE OF ALLOWANCE

At this time, if a Canadian examiner considers the application to be allowable but for certain minor defects (such as obvious typos, page

numbering issues, etc.), the examiner will try to telephone the patent agent and request that the patent agent file a voluntary amendment to correct the minor defect. If a satisfactory voluntary amendment is thereafter filed, the examiner will issue a Notice of Allowance. If the examiner has not received a satisfactory voluntary amendment, the examiner will issue another office action containing relevant objections and setting a due date for response.

However, the proposed changes will implement a procedure whereby the examiner will be able to send a Conditional Notice of Allowance if the application is allowable but for such certain minor defects. The Conditional Notice of Allowance will set out the minor defects the examiner would like dealt with through a voluntary amendment.

Like with a Notice of Allowance, examination will cease upon the sending of a Conditional Notice of Allowance, such that the only amendments thereafter permitted will be those specified in the Conditional Notice of Allowance. The proposed changes afford some flexibility here, however. For example, other amendments may be made at this point, but only if it is obvious that something other than what actually appears in the specification/drawings was intended.

## ST.26 FORMAT FOR SEQUENCE LISTINGS

For applications with a filing date (or International Filing Date) that is on or after January 1, 2022, sequence listings for applications filed in any place will have to be represented in the ST.26 XML format. This is not just a Canadian requirement, and is being implemented to ensure that sequence listings will, in the future, comply with the standards set by INSDC (the International Nucleotide Sequence Database Collaboration).

As the new ST.26 format is substantially different from the predecessor ST.25 format, those working with applications having sequence listings in this predecessor format only may wish to start preparing their ST.26 format counterparts well in advance of Canadian filing deadlines.

<sup>1</sup> In Canada, the small entity status condition in respect of an application is satisfied if, at the time of filing in Canada (or, as at the national phase entry date), the Applicant is an entity that has 50 or fewer employees or is a university. Please note that there are entity status implications if the Applicant, despite having 50 or fewer employees or being a university, is actually controlled directly or indirectly by a "large" entity or if the Applicant has transferred or licensed the patent rights to a large entity. If there is any doubt about the Applicant's status, we generally recommend applying without a small entity declaration; an underpayment of fees, even if inadvertent, may not be correctable.

<sup>2</sup> A request for examination can be deferred for up to 4 years from the Canadian filing date (or International filing date) for applications filed on or after October 19, 2019, and for up to 5 years from the Canadian filing date for applications filed before October 19, 2019. As those familiar with Canadian prosecution will know, deferring examination in Canada can be useful for both tactical and cost reasons.

## KEY CONTACTS



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