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PUBLICATION

The Final Stretch: Preparing for Amendments to Canadian Patent Rules in Force on October 3, 2022

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Amendments to Canada's *Patent Rules* (the *Amendments*) are coming into force on October 3, 2022. The *Amendments* are introduced as part of the implementation of the patent term adjustment (PTA) provisions in the *Canada-United States-Mexico Agreement* (*CUSMA*). The *Amendments* also implement Canada's international obligations under the *Patent Cooperation Treaty* (*PCT*) regarding the new WIPO standard ST.26 for sequence listing.

Key Elements of the *Amendments*

Key elements of the *Amendments* include the following:

1. Excess claim fee (ECF) in excess of 20 claims calculated both at the time of request for examination (RE) and at the time of paying the final fee (FF), based on the maximum number of claims in an application at any point from RE to when the FF is paid;
2. Request for continued examination (RCE) to continue examination after the third Office Action (OA) following RE and every second OA thereafter;
3. Conditional notice of allowance (CNOA) to correct minor defects noted by the Examiner in CNOA;
4. Replacement of current mechanism of withdrawing the notice of allowance (NOA) and returning the application to examination with RCE;
5. PCT translation requirements and corrections after national phase entry; and
6. PCT sequence listing standard (WIPO ST. 26).

Coming-into-Force Date and Transitional Provisions

Provisions regarding the new PCT sequence listing standard ST. 26 apply to Canadian patent applications having a filing date on or after July 1, 2022. Other provisions of the *Amendments* will come into force on October 3, 2022. ECF and RCE provisions do not apply to patent applications where an RE has been submitted to the Canadian Intellectual Property Office (CIPO) before October 3, 2022. However, filing RCE after allowance on or after October 3, 2022 will trigger a RCE even if the RE is submitted before October 3, 2022.

Since October 3, 2022 is a Monday, Monday and CIPO is closed on September 30, 2022 for National Day for Truth and Reconciliation, the *de facto* due date to utilize current *Patent Rules* on examination and amendments after allowance is **September 29, 2022**.

In this article, we outline the above key elements and provide our recommendations on prosecution strategies in this final stretch ahead of the *Amendments*.

I. Excess Claim Fees (ECF)

Current practice: There is no ECF. An applicant requests examination and pays the prescribed request for examination fee on or before the due date (4 years from the filing date for applications filed on or after October 30, 2019; otherwise, 5 years).

New practice: ECF is first calculated at the time of filing an RE, and then again upon payment of FF. A prescribed fee of $100 CAD ($50 CAD for small entity) per claim will be imposed in excess of 20 claims. The calculation of ECF will be based on the greatest number of claims pending in the application at any time between the date of RE and the date of payment of FF. However, alternatives in a claim (e.g. a Markush style claim or a multiple dependent claim) will not be subject to ECF.

To illustrate, we provide two scenarios below:

Scenario 1

Prosecution Stage	**# of Pending Claims**	**ECF**
Date of filing or national phase entry	30	No ECF on filing or national phase entry
Date of RE	22	$200 in ECF (22-20 = 2 excess claims)
Voluntary claim amendments before the First OA	25	No ECF
Response to the First OA	18	No ECF
Response to the Second OA	23	No ECF

Application as allowed	23	$300 in ECF (25 – 22 = 3 excess claims). In this case, the greatest number is 25 claims from the voluntary amendments before the first OA.

Scenario 2

Prosecution Stage	**# of Pending claims**	**ECF**
Date of filing or national phase entry	45	No ECF on filing or national phase entry
Date of RE	18	Not ECF because fewer than 20 claims
Response to the First OA	29	No ECF
Response to the Second OA	24	No ECF
Application as allowed	16	$900 in ECF (29 – 20 = 9 excess claims). In this case, the greatest number is 29 claims from the response to the First OA.

Our recommendations

1. For a pending application with no RE, consider submitting the RE by **September 29, 2022**;

2. Consider filing new direct patent applications, including divisional applications, or entering the national phase in Canada together with RE by **September 29, 2022**;

3. For RE submitted on or after 3 October 2022, consider reducing the number of excess claims by filing a voluntary amendment before or together with submitting the RE. One possible amendment is to introduce alternative claiming such as multiple dependent claims, since a claim that defines the subject-matter of an invention in the alternative, including multiple claim dependency, will count as a single claim for ECF.

II. Request for Continued Examination (RCE)

Current practice: There is no limit on the number of OAs before allowance or final OA.

New practice: A maximum of 3 OAs may be issued after RE. To continue examination after 3 OAs, the applicant must submit an RCE and pay the prescribed fee of $816 CAD (or $408 CAD for a small entity). Following the RCE, the applicant may receive up to 2 further OAs, after which the applicant may file a further RCE and may receive up to two further OAs, and so on.

Our recommendations

1. For a pending application with no RE, consider submitting the RE by **September 29, 2022**;

2. Consider filing new direct patent applications, including divisional applications, or entering the national phase in Canada together with RE by **September 29, 2022**;

3. Since RCE applies to any RCEs made following allowance even if the RE is made before October 3, 2022, consider utilizing the current provisions allowing the applicant to withdraw the allowance (NOA) and return the application to examination by **September 29, 2022**. This option is cheaper than RCE ($407.18 CAD vs. $816 CAD for standard entity or $408 CAD for small entity) and will not trigger mandatory RCE after the second OA;

4. For RE submitted on or after 3 October 2022:

- consider deferring RE in Canada until prosecution in foreign jurisdictions particularly before the United States (USPTO) or before the European Patent Office (EPO) proceeds to allowance. This would allow the applicant to address potential objections, especially the prior art objections, before RE to minimize the number of OAs. As noted above, RE must be made on or before the expiry of 4 years from the filing date of an application filed on or after October 30, 2019 (otherwise, 5 years). Although deferring RE in Canada would delay the allowance of the application, to make up for the delay, the applicant should consider utilizing the Patent Prosecution Pathway (PPH) to accelerate examination; and

- utilizing telephone interviews with the Examiner before filing a response to the OA where possible.

III. Conditional Notice of Allowance (CNOA)

Current practice: There is no CNOA, although sometimes Examiners will initiate telephone interviews and require voluntary amendments to correct minor defects in the application.

New practice: A CNOA may issue to inform the applicant that the application is in condition for allowance with *minor* defects identified therein that must be addressed along with payment of the FF. CIPO working on a list of minor defects for the CNOA.

Our recommendations:

1. The scope of permissible amendments following CNOA or NOA will be very limited. The applicant cannot amend after allowance unless the amendments are those identified in the CNOA or to correct obvious errors in the application when responding to the CNOA or paying FF; otherwise, an RCE is required following the CNOA or NOA. Therefore, the applicant should review the application and consider submitting voluntary amendments prior to the CNOA or NOA, particularly when the objections in the OA relate only to formality issues, since the CNOA or NOA will very likely follow.

IV. Translation and National Phase Entry

Current practice: To enter the national phase in Canada, the applicant must provide translation of the PCT application in English/French if the application is not entirely in English or French, with the exception of texts in a sequence listing. This is a compliance requirement.

New practice: The translation requirement for the national phase entry will largely be the same. However,

1. untranslated content in an application will be ignored to support amendments or divisional application(s), or to interpret the scope of protection sought or obtained, unless the added translation is prior art;

2. free text in a sequence listing and text matter in the drawings must be translated if not in English/French;

3. an error in the translation submitted at the national phase entry may be corrected by submitting:

- the corrected translation;
- a request that the corrected translation replace the original; and
- a statement to the effect that the original translation contained an error and that the corrected translation is an accurate translation and that the error in the original translation occurred despite due care.

In addition, the error in the translation would have been obvious to a skilled translator fluent in both the original language and the language of translation.

The correction must be made before the day on which an NOA or a CNOA is sent.

Lastly, if a corrected translation of the description or claims (i.e. the specification) is submitted after the application is published, the specification is considered to have been published, in English or French, on the day on which the applicant submits the corrected translation. Therefore, the correction can essentially change the date of the publication of the application.

Our recommendations

1. The applicant should submit a complete translation of the PCT application, including free texts in a sequence listing and in the drawings, to comply with the national phase entry requirements.

2. The applicant should review the translation to avoid translation errors and make corrections as soon as when the errors are uncovered, since the correction must be made before the day on which an NOA or CNOA is sent and can change the date of the publication of the application.

3. Providing a complete and error free translation of the PCT application is particularly pertinent to patent agents in the applicant's home country who instruct the Canadian

agents prosecuting the national phase applications, as the latter do not usually know the foreign language.

V. PCT Sequence Listing Standard (WIPO ST. 26)

New practice on or after July 1, 2022: For Canadian patent applications having a filing date on or after July 1, 2022, sequence listings must be in WIPO Standard ST.26. Thus, sequence listings must be in XML format instead of TXT or PDF. Since the Canadian filing date of a PCT national phase application is the PCT international filing date, the new sequence listing requirements will affect only those national phase entry applications having a PCT international filing date on or after July 1, 2022.

With the implementation of the *Amendments* in less than one month, we urge that applicants review their pending or proposed Canadian patent applications, taking into consideration our recommendations outlined above. Please contact the authors of this article should you have any questions regarding the *Amendments*.

The author would like to acknowledge and thank Patent Agent Trainee Chelsea Wang for her contributions to this article.

References

1. *Patent Act*: https://laws-lois.justice.gc.ca/eng/acts/P-4/FullText.html

2. *Patent Rules:* https://laws-lois.justice.gc.ca/eng/regulations/SOR-2019-251/index.html

3.*Amendments to the Patent Rules*: https://www.gazette.gc.ca/rp-pr/p2/2022/2022-06-22/html/sor-dors120-eng.html

4.*CIPO FAQ on the Amendments: https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr05095.html*

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