

PATENTED IN CANADA – PRACTICAL PROSECUTION STRATEGIES AND TIPS

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I. The Canadian Landscape – Beyond Snow

What does it take to patent an invention at the Canadian Patent Office? In some cases, patience and perseverance. While it is relatively inexpensive to file and prosecute a patent application to issue in Canada, examination turn-around has increased due to the high influx of patent cases in recent years.

The Canadian Patent Office (CPO) receives patent application filings and issues patents predominantly for foreign applicants. In 2005-2006, out of 40,044 filings (PCT and non-PCT), 34,696 were by applicants outside Canada – or over 85% of all filings. As a consequence, Canadian patent examiners accept and carefully consider foreign prosecution information (e.g. prior art references such as patents and published applications) when examining a corresponding Canadian application. This practice can simplify prosecution for Canadian cases with corresponding foreign prosecutions, particularly where the Canadian case has been amended to correspond to an allowed U.S. or European application.

Once examination has been requested, the average wait for a first Office Action is two to three years. As is the case in many other jurisdictions, application filings (both PCT and non-PCT) have steadily increased with 38,201 filings in 2003-2004, 39,640 filings in 2004-2005, and 40,044 filings in 2005-2006.¹ This has resulted in increased caseloads for existing examiners and increased turn-around times for applicants.

In order to address these issues, the Canadian Patent Office committed to a major hiring and training initiative to increase the number of patent examiners, as well as an extensive internal review of its operations with a view to improve client relations. In spite of this, the service standard for examination wait time has risen year over year and is now 30 months.

II. Up Close and Personal with the Canadian Patent Office

The Canadian Patent Office is part of a larger agency called the Canadian Intellectual Property Office (CIPO). CIPO is responsible not only for patents, but for other intellectual property rights such as copyrights, industrial designs, trade-marks and integrated circuit topographies.

The main functions of the Canadian Patent Office (CPO) are to receive and examine applications for patents and grant patents to qualifying applicants, record assignments of patents, maintain search files of Canadian patent documents, provide a search room for public use in researching patent documents and records, offer copies of Canadian patents for sale to the public, and publish and disseminate patent information.

¹ For additional statistical information, visit http://strategis.ic.gc.ca/sc_mrksv/cipo/corp/allreport-e.html.

In keeping with its multi-year hiring and training strategy, the Canadian Patent Office has hired nearly 250 new patent examiners from an original 150 in 2002. According to CPO, this has resulted in substantial improvements in caseload management with a record low number of cases awaiting examination². Other efforts to further streamline the handling of patent cases include encouraging electronic filing of patent applications on either the Internet or CD-ROM, and initiatives for a new quality management system to ensure ongoing quality improvements to CPO processes.

A. How Long Does it Take?

Once examination is requested in Canada, it generally takes two to three years before the Canadian Patent Office issues an Office Action, unless a request for expedited prosecution is submitted. In practice, the vast majority of cases take three to five years to be granted from the date of requesting examination.

Where, however, a request for expedited prosecution is made, a case can be allowed within a few months of the request for special examination. Generally, the length of prosecution depends upon the complexity of the case, the number of Office Actions that are issued, and the caseload of a particular examiner.³

B. What are the Costs?

The process of obtaining a Canadian patent consists of fees at three separate stages, the initial filing fee (\$300 Cdn), the examination fee (\$400 Cdn), and the final fee payable to register the granted patent (\$300 Cdn). The Examination fee is halved if the application was the subject of an international search. These figures are for a large entity applicant, and can be reduced by one half in the case of a small entity application.

Canadian patent applications and the patents that issue from them are also subject to maintenance fees, which are payable commencing on the second anniversary of the Canadian filing date and annually thereafter throughout the pendency of the application and the term of the resulting patent. This is in contrast to U.S. practice where maintenance fees are due three times during the life of the patent. Further, the amount paid in a given year for Canadian maintenance fees are relatively small compared to U.S. maintenance fees.

C. The Ins and Out's of Prosecution

² Canadian Intellectual Property Office, *Annual Report 2004-2005* – see http://strategis.ic.gc.ca/sc_mrksv/cipo/corp/annual0506/report0506_part4-e.html

³ According to the latest Canadian Patent Branch Statistics, the minimum average turnaround time from receipt of examination request to an examiner's first action is 25.69 months (for electrical/physics and computer related inventions) and the maximum average turnaround time is 30.10 months (for organic chemistry related inventions).

As previously mentioned, the typical timeframe for prosecution of a Canadian patent application is three to five years following a request for examination.⁴ However, there are ways to simplify the examination of a patent application that can reduce the amount of prosecution required.

The Canadian Patent Office generally requests, when acknowledging a request for examination, prior art associated with prosecution of corresponding cases in the USPTO and the EPO. Canadian examiners typically request in Office Actions the status of the corresponding U.S. and European applications and a list of the references cited in these cases.⁵ By providing the Canadian Patent Office with, for example, U.S. prosecution particulars (i.e. U.S. patent number and cited references), search time by an examiner can be reduced. Canadian examiners are also prepared to accept the search quality and reference selection of the PCT searching authority.

Generally speaking, Canadian examiners are willing to allow a Canadian application if a corresponding U.S. or European case has issued with identical claims or claims of similar scope, provided that the claims are for an area of patentable subject matter (i.e. not pure business methods or methods of medical treatment). Accordingly, early allowance (i.e. reduced prosecution time) of the Canadian application can usually be obtained by filing an amendment to conform the claims of the Canadian case to those that have issued in the corresponding U.S. or European case. If such an amendment is filed when requesting examination, or shortly thereafter, the first Office Action by the Canadian Patent Office can be a Notice of Allowance.

D. Claiming Small Entity? – The Pitfalls

A "small entity" for fee purposes is an entity that employs 50 or fewer employees, or a university. Small entity status does not apply to an entity that is controlled directly or indirectly by an entity, other than a university, that employs greater than 50 employees. Further, small entity status does not apply to an entity which has transferred or licensed, or is obligated to transfer or license, any right in the invention to (a) a third party which does not itself qualify as a small entity; or, (b) a third party which does qualify as a small entity but if the transferor, etc. has knowledge of any subsequent transfer or license to another party which does not qualify as a small entity.⁶

However, in 2001, a controversial decision in Canada attached the possibility of significant consequences to claiming small entity status in Canada. In *Dutch Industries v. Commissioner of Patents*⁷, the Trial Division of the Federal Court of Canada has established that if a fee has been paid on a small entity basis and the applicant/patentee was not entitled to small entity status at the time the fee was paid, then the application/patent will be considered to have been abandoned.

⁴ For more information on the application process see http://strategis.ic.gc.ca/sc_mrksv/cipo/patents/pt_app_proc-e.pdf

⁵ *Canadian Patent Rules*, s. 29.

⁶ "small entity" as defined in Section 2 of the *Canadian Patent Act* R.S.C. 1985.

⁷ 2001 FCT 879 (FCTD) August 13, 2001.

In *Dutch Industries*, the patent applicant was initially a small entity that subsequently licensed rights in the invention to a large entity before the application issued to patent. Small entity maintenance fees continued to be submitted for a number of years. When the mistake was discovered, retroactive "make up" fees were submitted to the Canadian Patent Office and the Office accepted them, in accordance with Office policy at that time. The Federal Court Trial Division held that the *Canadian Patent Act* and *Canadian Patent Rules* clearly state that if a lesser amount than the prescribed fee is paid, it is as if the fee was not paid at all. The failure to submit the proper fee after the license grant therefore resulted in the automatic abandonment of the application as of the date that that first large entity fee should have been paid. While reinstatement of an abandoned application in Canada is possible within a prescribed period of one year from the date of abandonment, the applicant did not take steps to reinstate the application within that period.

This decision was appealed, but allowed only in part.⁸ The Federal Court of Appeal was highly critical of the *Patent Act*, finding that the *Act* provided no indication as to the date at which the small entity/large entity determination is to be made. The Court rejected the argument that entity status is dynamic and held that it is a permanent status, determined once only at the time that the patent regime is first engaged. Accordingly, the appeal was allowed with respect to a first patent because the appellant, Dutch Industries, was a small entity at the time it submitted the application, and therefore was never required to pay more than the small entity fee to maintain the patent. However, because the appellant was a large entity when it submitted a second patent application, the appellant was found to have abandoned the application when it failed to pay the large entity fee, as held by the Federal Court Trial Division.

In response to the Federal Court of Appeal ruling, Parliament amended the *Patent Rules* in May, 2007. The relevant provision, section 26, came into force June 2, 2007 pursuant to which the Commissioner of Patents is authorized to grant patent applicants and holders an extension of 12 months to correct fees mistakenly paid at the small entity level provided the small entity fee was filed in good faith and the request for extension was filed without undue delay after becoming aware that the standard fees should have been paid.

It is important to note that the Canadian Patent Office has not reversed or otherwise acknowledged the Federal Court of Appeal's finding that entity status is a permanent designation.⁹ Therefore, since the Canadian Patent Office will not question an assertion by an applicant (or patentee) of its small entity status, it is critical to ensure that such an assertion is correct. In view of the fact that patent rights may be entirely lost or prejudiced through improper assertion of small entity status, and since small entity cost savings are relatively small, most Canadian practitioners are recommending that small entity status not be claimed in Canada.

E. Electronic Filing

⁸ *Dutch Industries Ltd. v. Canada (Commissioner of Patents)*, 24 C.P.R. (4th) 157, allowing appeal in part 14 C.P.R. (4th) 499 (FCA) March 7, 2003.

⁹ In May, 2005, Dutch Industries applied for leave to appeal the Federal Court of Appeal decision to the Supreme Court of Canada. In the event that leave is granted, the ultimate outcome of the appeal and its effect on the practice of patent law in Canada is unclear.

Recent amendments to the *Patent Rules* provide for the electronic filing of documents. The CIPO commenced accepting e-mailed applications on December 15, 1999. The electronic form to use for submitting a patent application in electronic form is available at the CIPO web site¹⁰. The Canadian Patent Office's electronic service delivery for patents allows applicants or their Canadian patent agents to file patent applications, register documents, pay various fees, exchange correspondence or request national entry for a PCT application on-line.

Documents such as assignments or the specification of the application must be provided in multi-page TIFF or PDF format except for sequence listings which have to be provided in both a multipage TIFF or PDF file and an ASCII file.

III. What Makes Us Different? – Comparison Points Between Canada and the U.S.

Traditionally, there was much in common between the patent laws of Canada and the United States¹¹. Amendments to the Canadian Patent Act in 1989, however, introduced important differences.

A. First to Invent vs. First to File

One fundamental difference between patent practice the United States and Canada is the relevant date at which novelty and obviousness is assessed.

In the United States, novelty and obviousness are assessed as of the date of invention, with an absolute bar for certain activities that occur more than one year before the relevant filing date in the United States¹². Canada, in contrast, is an absolute novelty (first to file) country, with a one year grace period for certain disclosures by the applicant. The critical date in Canada for assessing novelty and obviousness is the claim date. This can be either the filing date of the Canadian application or the *Paris Convention* priority date whichever one supports the claim being assessed.¹³ Accordingly, prior art citable against an application in one country may not be citable against the application in the other. It is therefore important to establish a claim date for a Canadian filing as soon as possible.

B. Novelty

Canadian novelty provisions differ from the United States provisions in the nature of barring activities. In the United States, it is sufficient that the invention be "in public use or sale"

¹⁰ Visit https://strategis.ic.gc.ca/sc_mrksv/cipo/patbrev-filing/application/engdoc/pt_filing_form-e.html

¹¹ The statutory provisions of the first Canadian *Patent Act* enacted in 1876 borrowed heavily from the wording of the existing United States patent statute of 1836 – see Fox, H.G., "The Canadian Law and Practice Relating to Letters Patent for Invention", 4th Edition, Carswell, Toronto, 1969, pp 5-11.

¹² 35 U.S.C. 103.

¹³ *Canadian Patent Act*, s. 28.3.

in the United States more than one year before the filing date.¹⁴ In Canada, the invention must be disclosed in such a manner that the subject matter became available to the public.¹⁵ In other words, disclosures, other than applicant-derived disclosures which make the invention available to the public, anywhere in the world, prior to the claim date bar obtaining valid patent protection in Canada.

Accordingly, while commercial sale of an article in the United States may bar patentability of a U.S. application, a commercial sale per se of an article may not bar patentability of a Canadian application depending on whether the invention "became available to the public" (i.e. or was the invention in a "black box"?). Correspondingly, public use or sale in Canada more than one year prior to the filing date which discloses the invention would bar patentability in Canada but not in the United States, since the United States provision applies only to public use or sale in the United States.

Another difference lies in the grace period provisions. While, Canada has a similar one year grace period to that in the United States, Canada's grace period only applies to applicant-derived disclosures. The U.S. grace period, on the other hand, applies to all public disclosures, whether applicant-derived or not. Accordingly, a third party disclosure less than one year before the filing date will not bar patentability in the United States but it will bar patentability in Canada.

It is important to note that the one-year grace period in Canada for applicant and applicant derived disclosures is applied towards the actual filing date in Canada and not towards the priority filing date. That is, valid patent protection in Canada might be barred by a disclosure in the United States which is less than a year prior to the U.S. priority filing date, but more than a year before the actual filing date in Canada. For example, if an applicant takes advantage of the one-year grace period in the United States by filing an application in the USPTO but defers filing in Canada until the end of the *Paris Convention* year, it would be too late to file the Canadian case since there has been public disclosure of the invention more than one-year earlier.

C. The Obviousness Standard

Another important difference exists in the specific interpretation of the requirement "non-obviousness". In the United States, there must be a reasonable expectation of success, and the prior art reference or combined references must teach or suggest all of the claim limitations.¹⁶ In contrast, in Canada, the Federal Court of Appeal has set out the currently accepted test for obviousness, namely that the subject matter of a Canadian patent claim will not be considered obvious, unless it would be obvious to a notional technician who has no scintilla of inventiveness or imagination, and is wholly devoid of intuition.¹⁷ Since the test for obviousness in Canada is

¹⁴ 35 U.S.C. 102(b).

¹⁵ *Canadian Patent Act*, ss. 28.2(1)(a) and (b).

¹⁶ *Graham v. John Deere Co.*, 383 U.S. 1, 86 S.Ct. 684, 15 L.Ed.2d 545 (1966); *WMS Gaming, Inc. v. International Game Technology*, 184 F.3d 1339, 1355 (Fed. Cir. 1999); *B.F. Goodrich Co. v. Aircraft Braking Systems Corp.*, 72 F.3d 1577, 1582 (Fed.Cir.1996).

¹⁷ *Beloit Canada Ltd. v. Valmet OY* (1986), 8 C.P.R. (3d) 289 (F.C.A., 1986).

relatively "difficult to satisfy"¹⁸ this suggests that Canadian patents are less vulnerable to attack on grounds of obviousness.

D. Disclosure Requirements

In contrast to the United States, there is no obligation on a Canadian patent applicant to disclose all known material prior art to the Canadian Patent Office. Instead, an applicant need only respond to any requisition of the Canadian Patent Office to identify specified categories of prior art. However, it is beneficial to provide particulars of the United States and other foreign prosecutions at the Canadian Patent Office. As discussed elsewhere in this paper, the Canadian Patent Office can view the prosecution in the United States Patent Office and in the European Patent Office as being persuasive when contemplating the patentability of the claims of a patent application.

E. Treatment of Business Methods

In respect of business method patents, there is a trend in Canada in favor of the patentability of software inventions and computer implemented business methods. Specifically, in 2005 the Manual of Patent Office Practice was updated to clarify that computer related subject matter is patentable subject matter if it comprises a series of acts performed by some physical agent upon some physical object producing a change in character or condition and if it produces an essentially economic result relating to trade, industry or commerce. Further, detailed examples of computer related claims of process, machine and manufacture types are provided.¹⁹

At present, the protection available for business methods in Canada is much more limited than that available in the United States and is generally considered to be similar to that currently available in the European Patent Office. That is, the inclusion of a physical element (e.g. a data terminal or numeric keyboard) in the patent claims can help to establish that the invention constitutes patentable subject matter. Accordingly, advantageous claiming strategies for obtaining patent protection for business methods in Canada include submission of software claims, process claims, apparatus claims (computer programmed in a certain way) and, finally, what are known as "Beauregard" claims, associated with computer-readable storage medium.

Of some interest is the growing number of pending patent applications and issued patents in Canada (that correspond to issued U.S. patents) covering business method inventions. Specifically, in 2005-2006, 2286 of the 15331 patents issued concerned software inventions, which are now second behind patents for mechanical and civil engineering categories.²⁰ Further, in two recent decisions, *Re Patent Application No. 2,119,921* (January 25, 2007) and *Re Patent Application No. 2,298,467* (January 25, 2007) each of which pertain to computer financial-service related inventions, the Canadian Patent Appeal Board reversed the examiners'

¹⁸ *Beloit Canada Ltd.*, *supra* note 16 at page 294.

¹⁹ Manual of Patent Office Practice, chapter 16.

²⁰ Canadian Intellectual Property Office, *Annual Report 2004-2005* – see http://strategis.ic.gc.ca/sc_mrksv/cipo/corp/annual0506/ar_0506-e.pdf

subject matter rejections.²¹ Following these decisions, examiners are likely to apply the Patent Act more strictly during examination, especially in cases which might instinctively be classified as business methods.

Canadian jurisprudence may follow that of the United States, since the classifications of patentable subject matter under the two Acts are very similar. Accordingly, commentators have suggested that interested applicants consider filing business method cases in Canada in order to ensure that their claims will be accorded proper priority should the law change before examination of the application. As discussed below, it is possible to delay request for examination of a Canadian application for up to five (5) years. Even then, it typically takes two to three years for a first Office Action to issue. Given this, it is quite possible that the Canadian Patent Office will change its official policy regarding business methods before currently filed applications are examined.

F. Examination

As in the United States, a patent application must be examined and allowed by an examiner. However, while in the United States examination of an application commences automatically, Canadian patent applications are not automatically examined. Examination must be explicitly requested and the examination fee paid within five years from the Canadian filing date (for applications filed in Canada on or after October 1, 1996). The request for examination may be filed at the time of filing the application. As previously mentioned, with the present examination backlog levels, patent applications are typically not examined until two to three years after examination has been requested.

While it is desirable in some cases to delay examination of an application for as long as possible (e.g. while waiting for favourable examination at the USPTO or the EPO), in other cases, it is important to obtain an issued patent as soon as possible (e.g. in the case of potential infringement). In Canada, it is relatively inexpensive and straightforward to expedite examination of an application by requesting advanced examination (special order) in contrast to the Petition to Make Special procedure in the United States.

In order to obtain advanced examination of a Canadian application, a written submission and the accompanying government fee must be submitted to the Canadian Patent Office. An application under advanced examination is given immediate action as long as it is in proper condition for examination (i.e. all formal filing requirements have been completed). Further, the application must be laid open to the public, before examination is commenced. Therefore, a request for expedited examination on or shortly after the filing of the application in Canada would also require a request for early publication. To obtain advanced examination, the written request must establish that failure to advance the application is likely to prejudice the applicant's rights. Some conditions which can help establish likelihood of prejudice include knowledge of actual or potential infringement in Canada, or the need for a licensed patent for commercialization.

²¹ *Re Patent Application No. 2,119, 921* (January 25, 2007), Patent Appeal Board and the Commissioner of Patents Decision.
Re Patent Application No. 2,298,467 (January 25, 2007), Patent Appeal Board and the Commissioner of Patents Decision.

G. Continuation Practice

While it is possible to file a continuation type application in Canada and claim internal priority from an earlier Canadian parent application, several significant limitations exist. First, any continuation type application is only entitled to internal priority if filed within one year of the earlier of the filing date of the earliest parent application and the priority filing date. In addition, any applicant-derived public disclosure made more than one year prior to filing the continuation application will be considered prior art. These limitations can give rise to difficulties when seeking protection in Canada for a number of continuation applications that have been filed in the United States.

It is common for United States applicants to file a series of continuation-in-part applications that can span many years of invention development. Commonly, it is assumed that a corresponding series of Canadian applications should be filed in Canada shortly before the expiry of the Convention period following each individual USPTO filing. It should be borne in mind that every Canadian application is published 18 months after the claim date, which in this case would be the filing date of the corresponding U.S. case.

However, unlike in the United States, a Canadian applicant's own earlier filed patent application can be cited against a subsequently filed application, if the earlier application was published more than one year before the filing date of the second application.²² In order for the additional subject matter contained in the later applications to be considered patentable, it must be considered non-obvious in light of the earlier filed application. It can be difficult to overcome these citations, especially if the additional subject matter relates to conventional improvements that do not require inventive ingenuity.

Accordingly, if any subject matter contained in a continuation-in-part application could be considered to be an obvious variation over that of the parent application, then the applicant should try to file a corresponding Canadian application within a year from the date of publication of the first Canadian application.

H. Publication

Unlike in the U.S., in Canada, all patent applications are published 18 months from the claim date. In contrast, in the U.S., an applicant can file a Non-Publication Request (certifying that the applicant does not intend to file a foreign patent application or PCT patent application) in order to delay publication of the patent application until the application issues to patent. No such mechanism exists in Canada.

I. Prosecution History Estoppel

²² *Canadian Patent Act*, s. 28.2(1)(a).

The prosecution history of a patent consists of the proceedings in the Patent Office for the patent application. When an application is laid open in Canada, the entire prosecution history is also laid open for public inspection. The Supreme Court of Canada in *Free World Trust v. Electro Sante Inc. et al.*²³ recently confirmed that, unlike the situation in the United States, the prosecution history of a Canadian patent application cannot be used in construing the claims of a Canadian patent. The Supreme Court cited a number of reasons for refusing to use a prosecution history "for the purpose of restricting the meaning of the words of the claims in suit and limiting the ambit of the invention defined in them". The Court noted that the use of a prosecution history for such a purpose would undermine the public notice function of claims, would increase uncertainty, and that it would be inconsistent with the prevailing principle of purposive claim construction. The Court did not completely shut the door on the use of the prosecution history - presumably it can be relied on for certain issues of fraud on the Patent Office.

J. Damages for Infringement

In the United States, a U.S. court has discretion to award treble damages and attorneys' fees in the case of willful infringement. Canadian courts do not have the same discretion but are free to award punitive damages in certain cases. In Canada, a patentee can be given the choice of an award of damages by accounting all of the profits made by the infringer by reason of the infringement. This is in contrast to the United States where the accounting of profits remedy is not available.

Like in the United States, an action for infringement can only be brought in Canada after a patent has issued. In Canada the *Patent Act* provides that a patentee can claim "reasonable compensation"²⁴ for any damages sustained by the patentee as a result of infringement that occurs between the date of publication of the application and the issue date. This right is based on a finding that the claims as published would have been infringed "if the patent had been granted on the day the application became open to the public"²⁵. Similarly, under U.S. law, patentees have provisional rights which include the right to obtain (under particular circumstances) a "reasonable royalty" if another makes, uses, sells or imports the invention during the period from publication of the application to issuance of the patent²⁶. The infringer must have actual notice of the published application and the infringed published application claim must be "substantially identical" to the claimed invention of the issued patent.

K. Prior Rights

In Canada, if a person has purchased, constructed or acquired the invention before the claim date (i.e. the filing date or the priority date as applicable) of a Canadian patent, then that

²³ (2000), 9 C.P.R. (4th) 168 (S.C.C.).

²⁴ Neither the *Canadian Patent Act* nor Canadian case law currently provides guidance on what is meant by "reasonable compensation".

²⁵ *Canadian Patent Act*, s. 55(2).

²⁶ 35 U.S.C. 154(d).

person has the right to use and sell to others the invention notwithstanding the patent without being liable for infringement.²⁷ This provision allows someone who has secretly made and used a machine before the claim date of a patent on the machine to continue using and/or sell the machine after issuance of the patent. It should be noted that while a stockpile of manufactured articles that were acquired prior to the priority date can be sold off, these prior rights do not entitle a person to continue to manufacture infringing articles after the issue date. In the U.S., there are similar provisions, but they are only applicable to methods of doing or conducting business.²⁸

IV. PCT News – The Latest Developments in Canada

National Phase Entry in Canada is relatively simple. Delayed entry into the national phase is allowed until 30 months after the priority date irregardless of whether a Chapter II demand has been filed. This provides a common entry date in Canada for both Chapter I and Chapter II entries. One reason that the entry process is straight forward – at least for English or French language applications, is that when the Canadian Patent Office is designated, the PCT Office automatically transmits PCT documents directly to the CPO. Accordingly, in most cases, PCT documents do not need to be filed with the Request for national phase entry in Canada.

A. PCT Entry Rules

The time limits fixed in Article 22(1) of the Patent Cooperation Treaty were modified as of April 1, 2002, to extend the basic time limit for entry into the national phase from 20 months from the *Paris Convention* priority date to 30 months from the priority date, irregardless of whether an applicant has elected International Preliminary Examination under Chapter II of the PCT. The filing of the Chapter II Demand for an opinion of patentability and an International Preliminary Examination Report (IPER) is now optional and independent of the desire to "buy more time" for many – but not all – countries. As previously mentioned, Canada amended its rules so that Chapter I entry can be deferred until 30 months from the priority date. In addition, the *Canadian Patent Rules* allow an applicant to enter the national phase in Canada up to 12 months late (i.e. up to 42 months after the priority date) upon payment of a late fee.

B. Moving On Up – Canada is now an ISA and an IPEA

The Canadian Patent Office (CPO) became an International Search Authority (ISA) and an International Preliminary Examination Authority (IPEA) under the Patent Cooperation Treaty (PCT) in 2004. Canada is now capable of offering international search and pre-examination services for international patent requests. As the IP world becomes more harmonized and dominated by large offices, Canada's ability to provide this international-based service is a powerful advantage for applicants.

²⁷ *Canadian Patent Act*, s. 28.1.

²⁸ 35 U.S.C. 273(a) and (b).

V. Filing Cases in Canada – Do's and Don'ts

When seeking patent protection in Canada for an invention, the unique characteristics of Canadian patent practice must be kept in mind. The following is a brief summary of commonly asked/answered Canadian patent practice points that arise in my day-to-day practice.

A. File Early in Canada

As discussed above, one fundamental difference between patent practice in the United States and Canada is that Canada is a first-to-file country while the United States is a first to invent country. That is, the relevant date at which novelty and obviousness is assessed in Canada is when an application is filed. In the United States, it is the date of invention. Accordingly, it is important to ensure that a Canadian filing date (or a Convention priority date with follow up Canadian filing) is obtained as soon as possible.

B. Watch Invention Disclosure Dates

In most of the world, novelty is a requirement for patentability including the United States and Canada. As discussed above, Canada and the United States have a grace period exemption to this strict rule of novelty, however, in Canada this grace period only applies to applicant and applicant-derived disclosures. To ensure that Canadian novelty requirements and grace period exemptions are fully taken advantage of, it is important to consider the following.

- Docket all disclosures of the invention that "disclose the invention in such a manner that the subject matter becomes available to the public" and file a Canadian application within one year of such disclosure.
- Scrutinize all instances of public use or sale of the invention to determine whether the inventive subject matter has become available to the public.
- Has any disclosure been (or is about to be) made by a third party? Third party disclosure that is not applicant-derived before the claim date will bar patentability in Canada.

C. Here's the Drill - The Mechanics of Filing in Canada

When contemplating filing a corresponding case in Canada, your Canadian associate will require specific filing information and/or documents. Consider the following when either filing a Canadian *Paris Convention* application based on a foreign filing or when requesting National Phase Entry in Canada based on a PCT filing.

- Instruct your Canadian associate to file all Canadian cases as large entity cases.

- For a U.S. based filing, provide your Canadian associate with complete application. For a PCT National Phase Entry, provide a copy of the PCT application as published, any Article 19 or 34 amendments, and the International Preliminary Examination Report.
- Provide an Assignment if available – if not, keep in mind there is a 12 month period within which an Assignment can be filed without fee surcharge.
- It is possible to delay PCT national phase filings in Canada until 30 months from the *Paris Convention* priority date regardless of whether a Chapter II demand has been filed.
- Late National Phase Entry in Canada is possible by filing a request for reinstatement within 12 months of the expiry of the national phase entry deadline.
- Provide corresponding case prosecution particulars to your Canadian associate as they become available in order that they may be filed with the request for examination.
- Consider filing a voluntary amendment to conform the claims of the Canadian case to those that have issued in a corresponding U.S. or European case.