



Client Alert

March 17, 2022

Preparing for Patent Rule Changes in Canada

The Government of Canada is expected to implement new patent rules to address excess claim fees and continued examinations before the summer. As of this writing, the date that the proposed changes will take effect has not been announced. However, the date is likely to occur in the first half of 2022.

Below is an overview of the proposed changes.

Excess Claim Fees

Canada currently does not charge additional fees based on the number or types of claims in a patent application. The proposed amendments introduce “excess claim fees” for applications that include more than 20 claims. The proposed fee is CAD\$100 for each claim over this limit. The excess claim fee will be determined twice – when requesting examination and when paying the final fee due upon allowance. The final fee upon allowance will include excess claim fees for any excess claims that were not already paid at the time examination was requested.

Request for Continued Examination

At present, there is no limit on the number of examination reports (office actions) issued on a patent application. The proposed amendments implement a requirement that examination will cease after the issuance of the third office action unless a Request for Continued Examination (RCE) is filed along with a corresponding fee. The RCE fee will be CAD\$816.

An RCE will allow for two additional office actions. After the examiner has issued another two office actions, the applicant will be required to file and pay for another RCE to reopen prosecution.

Formal Matters

The proposed amendments also include other changes intended to reduce patent application pendency and streamline the examination process to assist in meeting some of Canada’s requirements under the United States-Mexico-Canada Agreement (USMCA) that replaced the North American Free Trade Agreement (NAFTA).

Currently, an application with minor errors, such as typographical errors, is typically resolved through the efforts of the Canadian examiner to contact the applicant’s agent to request a voluntary amendment. Under the proposed new rules, the examiner will instead send a Conditional Notice of Allowance (CNOA) to inform the applicant that the application is in condition for allowance, apart from the errors. The CNOA provides an opportunity for the applicant to correct the errors and avoid an RCE.

The proposed amendments also adopt new standards for biological sequence listings to align the requirements in Canada with current international standards.

What to Consider

The proposed changes could result in significant fee increases for some applicants. Fortunately, the draft rules include a provision that excess claim fees and RCE fees would not be assessed to any application where examination is requested within a short grace period after registration of the amendments.

Many applicants delay requesting examination in Canada for several years after filing to allow prosecution in other jurisdictions to mature, or simply to delay the costs of the Canadian prosecution. However, requesting examination before the expiration of this grace period—even if earlier than an applicant would typically request examination—may be desirable to ensure that excess claim fees and RCE fees will be avoided.

Applicants should consider their patent strategies in advance and be prepared to take necessary action, particularly considering the short period of time that will be available for action after registration of the changes in the Canadian laws. COJK attorneys are available to assist with the strategic planning involved. Please contact your COJK attorney with questions.

This alert is not intended to provide legal advice, and no legal or business decision should be based on its content. Questions concerning issues addressed in this alert should be directed to your [COJK attorney](#).