



Canada and the U.S.:

Differences in Patent Prosecution

by Kent Ledwell and Mark Sprigings

Canada has always had very close trade and political ties with the United States. It is not surprising therefore that the original Patent Act in Canada borrowed heavily from U.S. patent law and over time, Canadian patent law has continued to follow the U.S. lead in many respects.

However, there are still some fundamental differences between the two systems that must be considered in any applicant's patent strategy:

First-to-Invent vs. First-to-File

Though it may change in the very near future, the United States is currently a "first-to-invent" jurisdiction. Most countries, including Canada, are "first-to-file". That is, in Canada it is important to file applications as soon as possible as the citability of prior art turns completely on the filing date and any priority dates. It is not possible in Canada to "swear back" to an earlier date of invention to avoid prior art, or to challenge a competitor's co-pending application under an interference proceeding.

Advanced Examination Easily Obtained in Canada

Having the examination of a patent application advanced out of the regular order in the United States (i.e. "making special") can be an onerous process. It requires that the application fall into one of the specially identified classifications (for example, that the inventor is old, that the technology relates to AIDS research, renewable energy, or similar technologies that are of special interest to the public, etc.). It also requires that the applicant have a comprehensive search performed and place comments on the record regarding the relevance of the discovered art. Under the current state of patent enforcement in the United States, where any of the Applicant's words placed in the record can be used to his detriment, this is a requirement potentially fraught with difficulty.

If contrast, "advanced examination" in Canada is currently being granted in response to a broad affirmation that "the failure to advance the application for examination is likely to prejudice the applicant's rights." It is not necessary to provide any evidence or further details to support this affirmation, to perform any prior art searching, or to provide any commentary regarding the prior art or the application.

Advanced examination typically results in an Office Action issuing within three months, in dramatic contrast to the three or more years for regular applications.

No Difficulty in Filing Claim Amendments in Canada

Two major complications with the filing of claim amendments in the United States are 1) that this usually elicits a Final Action, and 2) that the “Festo” related case law causes the scope of the amended claims to be limited by the courts. In contrast, claim amendments are commonly filed in Canada without the concern for either of these difficulties.

As noted above, the Canadian Patent Office only issues Final Actions when it is clear that an impasse has been reached. In Canada, amending the claims generally serves to avoid a Final Action rather than provoke one, provided that the amendments clearly are an effort to advance the application to allowance.

In Canada, we do not currently have case law long the lines of the “Festo” decisions in the United States. That is, claim amendments made during prosecution do not impact the scope of the issued claims. In fact, the prosecution history of a patent application cannot be cited before the courts in Canada for the purpose of construing the claims of the patent.

Final Actions Uncommon During Prosecution

In the United States, Patent Examiners will typically issue a Final Action if claims are amended in response to an Office Action. This is not the case in Canada. Generally, a Final Action will only be issued if it is clear that the Examiner and applicant have reached an impasse. This typically requires at least 4 or 5 Office Actions.

In fact, contrary to the practice in the United States, the filing of claim amendments generally helps to *avoid* a Final Action rather than provoke one, provided that the amendments are an attempt to advance the application to allowance.

Excess Claim Fees

There are no excess claim fees or government fees for multiply dependent claims in Canada. Exploiting this can be very advantageous to the patent applicant.

Higher Life Forms

Claims to gene sequences, animal cells, plant cells and lower life forms are allowable in Canada. However, animals at any stage of development, from fertilized eggs onward, are considered to be higher life forms and are not patentable.

Methods of Medical Treatment

Methods of medical treatment may not be claimed in Canada, though they can easily be amended to “use” format which is allowable.

Filing of Prior Art

There is no “duty of candour” regarding the filing of prior art in Canada. The applicant’s only obligation is to respond to specific requests from the Patent Examiner, though the Examiner is entitled to ask for details regarding the prosecution of corresponding foreign applications (i.e. prior art cited, state of any opposition proceedings, etc.). If the Examiner does request such information the applicant is obligated to file a complete and honest reply. Often, no such request is made.

With much of the records of foreign prosecution now being available online, the Examiner may have access to a great deal of this information. This presents an interesting dilemma to the applicant – because the Examiner may be considering the foreign prosecution anyway, there may be an advantage to voluntarily filing prior art to ensure that it is explicitly entered onto the record.

Historically, the Canadian courts have granted deference to the Patent Office and shown reluctance to reconsider art that the Patent Office has already determined to be insufficient to bar a patent. It is possible that the Canadian Patent Examiner could review foreign prosecution records electronically without making this review of record. If there is no record in the prosecution file, then the application may be limited by the foreign art without having the benefit of a record that would cause a court to treat the patent with deference as indicated above.

If the applicant voluntarily files prior art with the Canadian Patent Office then it will certainly be on the record and hopefully, will make it difficult for others to successfully rely on it in court.

Voluntary Filing of Divisional Applications

While it is common strategy in the U.S. to file voluntary divisional patent applications, this not the case in Canada. A recent decision from the Supreme Court of Canada drew a significant distinction between divisional applications which were filed voluntarily, and those which were filed in response to a request from the Patent Office. Voluntarily filed divisional applications run the risk of being held invalid under the “double patenting” doctrine. In contrast, divisional applications filed at the request of the Patent Office seem to be insulated from this problem.

Thus, it is preferable to put any “divisional”-type claims before the Examiner during prosecution, providing him with the opportunity to raise a unity of invention objection.

No “Continuation-in-Part” Patent Applications in Canada

In Canada, as in the United States, the applicant is not allowed to add “new matter” to an application once it has been filed. Any amendments must be “reasonably inferable” from the application as originally filed.

In the U.S., applicants may file a “Continuation-in-Part” patent application which introduces new matter to the pending application. In Canada, the applicant must file a completely new patent application if he wishes to add new matter. The new Canadian application will have a new filing date, the citability of prior art turning on that new filing date (and any available priority dates).

Patent Term Extension

In Canada, there are no patent term extensions provided by the Patent Office. The term of a patent is fixed to 20 years from the effective filing date.

Reinstatement Provisions

Reinstatement provisions in Canada are not dramatically different from those of the United States, but are noteworthy given their critical nature.

Reinstatement of an abandoned patent or patent application is available in Canada as a matter of right, within twelve months of the date of abandonment. No explanation is necessary, in contrast to the United States where one might be required to establish that the abandonment was “unintentional” or “unavoidable”. Also, the government fee for reinstatement in Canada is currently a modest \$200 CDN.

Late PCT National Phase Entry

In Canada, if the 30 month PCT national phase entry deadline is missed, you may file “late”, within 42 months of the priority date for the PCT application. The additional government fee for filing “late” national entry is a modest \$200 CDN.

Inventors’ Signatures No Longer Required

In Canada, it is not necessary to have a Declaration or a Power of Attorney signed by the inventors, as required in the United States.

Furthermore, under the new *Patent Rules* that were effective June 2, 2007, it is no longer necessary to register an assignment of rights from the inventors to the applicant. The applicant may simply file an “Entitlement Declaration” setting out the mechanisms under which the applicant has acquired the right to file the application. Entitlement Declarations often indicate that the applicant has a right to the patent because an employment agreement had been signed, or simply because the inventors are employees of the applicant.

Though there are advantages to having an assignment executed and registered, the filing of an Entitlement Declaration allows the applicant to control and

prosecute his Canadian patent application without having any documents signed by the inventors.

Incorporation by Reference

In Canada, we are not allowed to expressly incorporate documents by reference, but we can identify a document that is available to the public. We must provide enough information so that the document can be located, and simply avoid the “incorporated herein by reference” wording.

During prosecution, the Canadian Patent Office will have no difficulty allowing us to amend wording such as: “as described in United States Patent Application Serial No. zz/zzz,zzz, incorporated herein by reference” with wording along the lines of: “as described in United States Patent Serial No. y,yyy,yyy”.

Small Entity

A small entity in Canada must employ fewer than 50 employees, while in the United States a small entity must have fewer than 500 employees.

Another distinction that appears in the new definition for a small entity in Canada as of June 2, 2007, is that small entity status is lost if the company is “controlled” by a large entity. No definition was offered in the new *Patent Rules* as to what “controlled” means. Universities are allowed to pay government fees at the small entity rate in both countries.

Maintenance Fees

In contrast to the U.S. where maintenance fees are due 3 1/2, 7 1/2 and 11 1/2 years after the date of issuance of the patent, maintenance fees are due in Canada on an annual basis, on the anniversary of the filing date.

Konrad Sechley
Vancouver
(604) 443-7610
konrad.sechley@gowlings.com

Kent M. Ledwell
Ottawa
(613) 786-8670
kent.ledwell@gowlings.com

Mark Spriging
Ottawa
(613) 783-8838
mark.spriging@gowlings.com

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