



## Applicant's Entitlement Under the New Canadian Patent Rules

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The first of the awaited *Rules Amending the Patent Rules*<sup>1</sup> (the *Rules*) will come into force October 1, 2010, following over two years of consultation. These *Rules* will be followed by further amendments, anticipated sometime in 2011<sup>2</sup>.

The originally proposed amendments to published in 2008 addressed applicant's entitlement, sequence listings, time to request examination, priority documents, name changes and reinstatement notifications practice<sup>3</sup>. The *Rules* in their final form are far less ambitious, and purport only to simplify and clarify some of the administrative processes, and reduce administrative burden to the client.

The most prominent change introduced with the *Rules* is an amendment to reduce the burden to register an applicant's entitlement. However, it is important to note that this amendment does not alter the burden of ensuring that an applicant is entitled to file a patent application in Canada. Another significant change is to simplify completion requirements upon filing an application. The impact of these changes on new filings in Canada (both regular and PCT national phase) are reviewed below. Other administrative amendments put forth in the pending rules package include:

- Simplifying the definition of the term "description;"
- Consolidating provisions that address the establishment of a filing date;
- Clarifying the confidentiality period; and
- Correcting of typographical errors.

The June 2, 2007 amendments to the Patent Rules<sup>4</sup> introduced the requirement to file an Entitlement Declaration in lieu of an assignment. According to the 2007 Rules, and as set out in Form 3 of Schedule 1, an applicant's entitlement can be based on the fact that the applicant is the inventor (Form 3(1)), an employment agreement, an assignment, an agreement, a consent, a court order

or other contract (Form 3(2)). The basis for an applicant's entitlement must have occurred before the Canadian filing date<sup>5</sup>, and the date and basis of entitlement is required to be set out in the declaration in order to complete the application.

Under the *Rules*, the requirement for the specific details of the basis for entitlement as set out in Form 3(2) is repealed, and the "Instructions" provided with Form 3 have been amended. Now, it is required that the applicant is the "legal representative"<sup>6</sup> of the inventor (Section 37 (2) of the *Rules*):

- 37.** (1) If the applicant is the inventor, the application must contain a statement to that effect.
- (2) If the applicant is not the inventor, the application must contain a statement indicating the name and address of the inventor and,
- (a) in respect of an application other than a PCT national phase application, a declaration that the applicant is the legal representative of the inventor; and
- (b) in respect of a PCT national phase application, either
- (i) a declaration that the applicant is the legal representative of the inventor, or
- (ii) a declaration as to the applicant's entitlement, as at the filing date, to apply for and be granted a patent, in accordance with Rule 4.17 of the Regulations under the PCT.
- (3) A statement or declaration required by subsection (1) or (2) shall be included in the petition or be submitted in a separate document.

The information requested in subsections (1) to (3) of Section 37 is required within 12 months from the filing date of the application, or three months from a Notice issued by the Commissioner, whichever is later<sup>7</sup>. If the applicant has not replied in good faith within these time periods, the application will be considered abandoned.

With the new rules, neither a Declaration of Entitlement, nor the registration of an assignment is required to complete an application. All that is required is a statement as set out in Section 27(1) or (2) of the *Rules* that the applicant is the legal representative. On the surface, these requirements for entitlement appear less burdensome as no proof of status needs to be filed, but the required supporting documentation has not changed. Generally, the "legal representative" is an assignee, whether by virtue of an executed assignment, a contract (e.g. an employment contract), or local or regional law. Of interest is that the *Rules* no longer require that the basis for entitlement be established prior to the filing date of the Canadian application. Rather, the basis for entitlement needs to be in place prior to the filing of the statement that the applicant is the legal representative.

While the "legal representative" statement is sufficient to meet the Patent Office's requirement to establish entitlement, it is still recommended that an assignment be registered at the Patent Office. The *Patent Act* requires that every assignment of a patent be registered in the Patent Office<sup>8</sup>; further, any assignment is void against any subsequent assignee, unless the assignment is registered<sup>9</sup>.

<sup>1</sup> Canada Gazette Part II SOR/2009/319 November 26, 2009; available at <http://www.gazette.gc.ca/rp-pr/p2/2009/2009-12-09/html/sor-dors319-eng.html>

<sup>2</sup> <http://www.cipo.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/wr01624.html>

<sup>3</sup> "Proposed Canadian Patent Rules for 2009" C. Shippam-Brett and K. Sechley, in *Life Science and Law 2009/10 Current Issues*, p 28-29; available at <http://www.gowlings.com/industry/pharma.asp>

<sup>4</sup> "Entitlement Declaration as Required Under the Amended Patent Rules: J. Erratt, in *Life Science and Law 2008 Current Issues*, p 30; also see 2, above; available at <http://www.gowlings.com/industry/pharma.asp>

<sup>5</sup> "This declaration is applicable only to those events that have occurred before the filing date."; see Schedule 1, Form 3 (under "Instructions") of the Patent Rules.

<sup>6</sup> Section 2 of the *Patent Act*: "legal representatives" includes heirs, executors, administrators, guardians, curators, tutors, assigns and all other persons claiming through or under applicants for patents and patentees of inventions."

<sup>7</sup> Section 37(4) of the *Rules Amending the Patent Rules*.

<sup>8</sup> Section 50(2) of the *Patent Act*: "Every assignment of a patent, and every grant and conveyance of any exclusive right to make and use and to grant to others the right to make and use the invention patented, within and throughout Canada or any part thereof, shall be registered in the Patent Office in the manner determined by the Commissioner."

<sup>9</sup> Section 51 of the *Patent Act*: Every assignment affecting a patent for invention, whether it is one referred to in Section 49 or 50, is void against any subsequent assignee, unless the assignment is registered as prescribed by those sections, before the registration of the instrument under which the subsequent assignee claims.

"The *Guidance Document* is not a legal instrument and does not impose any new obligations regarding data protection."