

# The Limited Monopoly™

## Canadian Patent Law - A Primer From The Great White North

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### The Basics

The Patent Act in Canada came about in 1869, modeled after the U.S. Patent Act of 1790. Today, the Canadian patent system is very similar to that of the United States, but there are some differences that can have dire consequences for unwary U.S. companies wishing to extend their patent portfolio northward.

The term of a Canadian Patent is 20 years from the filing date, as it is in the United States. Patent applications are also published in Canada 18 months from the filing date. Patent applications are also not automatically taken up for examination as they are in the U.S. In Canada the Applicant must request examination and has up to five years to do so from the original filing date. It is important to know that Canada does not have a provisional patent application, but the filing of a provisional patent application in the United States has benefits to both Canadian and U.S. applicants. Canadian patent applications may be filed in either English or French, but the language of filing must be consistent throughout the application. Canada does not limit the total number of claims in a patent application by virtue of additional fees, as does the United States. It should be noted that incorporating by reference earlier patents or published patent applications in a Canadian patent application is not permissible, as it is in the United States. Canada also has annual maintenance fees that must be paid, in contrast to the U.S. where maintenance fees are due 3½, 7½ and 11½ years after the date of issue.

### What is Patentable

To be patentable in Canada, like the United States, inventions must have utility, be non-obviousness, and

novel. Novelty implies that an invention must not have been described in another Canadian patent application that has a filing date that is before the claim date or publicly disclosed before the claim date by another anywhere in the world<sup>1</sup>. The claim date is the filing date in Canada. If a prior art reference is found to have each of the elements of the claimed invention, the prior art reference anticipates the claimed invention and the invention lacks novelty. Non-obviousness, also referred to as inventive step, is defined

in the Canadian Patent Act<sup>2</sup> as subject matter that would not have been obvious on the claim date to a person skilled in the art or science to which it pertains having regard to both information disclosed more than one year before the filing date by the applicant or a person who obtained such knowledge from the applicant in a public manner and also in regard to any publicly available information disclosed before the claim date. Lastly, for an invention to

have utility, it must have a useful function or be a new and useful art<sup>3</sup>.

### Patentable Subject Matter

Patentable subject matter has been defined and interpreted by the courts in Canada based on the three fundamental requirements for patentable subject matter above. Section 2 of the Canadian Patent Act defines an invention as “any new and useful art, process, machine, manufacture or composition of matter, or any new and useful improvement in any art, process, machine, manufacture or composition of matter.” Thus, there are five categories of inventions as defined by Canadian law. Art has been defined as the application of knowledge to effect a desired result<sup>4</sup>. A process is considered to be the application of a method to a material or materials<sup>5</sup>. The Canadian Intellectual



Property Office Manual of Patent Office Practice states that the process may be patentable even if the process does not produce a patentable product. A machine is defined in the CIPO Manual of Patent Office Practice as the mechanical embodiment of any function or mode of operation designed to accomplish a particular effect. A manufacture, as defined by the Manual of Patent Office Practice implies that the invention is made by hand, machine, industrially, by mass production, or by changing the character or condition of material objects. A composition of matter is defined as a combination of ingredients or substances. Improvements to these five categories of inventions are also considered to be patentable.

### The 12 Month Grace Period and Absolute Novelty

In most countries, if you publicly disclose your invention before you file a patent application on that invention, you are not able to obtain a patent on that invention. This is known as absolute novelty. Fortunately, in Canada (as well as the United States), if you disclose your invention you may still apply for a patent for up to 12 months from the date of that first disclosure. A danger, however, lies in the fact that this grace period is for one year prior to the Canadian filing date<sup>6</sup>, and not the filing date of the priority application. So if, for example, a U.S. applicant files a U.S. application 4 months after his initial disclosure and then files a Canadian patent application 10 months after the U.S. application, his Canadian application will be rejected since the Canadian application was filed more than one year after the initial disclosure. For a PCT national phase entry, the Canadian filing date is considered to be the PCT international filing date.

Of course, since Canada is a “first to file” country, a delayed filing can still be problematic even if it is within the 12 month grace period. There is an ever present risk that another inventor will beat your filing date, spurred on by your public disclosure. So establishing the earliest possible “claim date” as it is known in Canada, is very important. The “claim date” is the date the application is filed in Canada, or the priority date if properly claimed.

### Canada as a PCT Receiving Office

Canada has long been a member of the Patent Cooperation Treaty<sup>7</sup> and the priority date of a first filed Canadian Patent Application is recognized as a valid priority date that must be followed up within 12 months by a PCT application. In addition, if an Applicant named in a PCT application is Canadian, the Canadian Intellectual Property Office can be used as the Receiving Office where the PCT application is filed. Canadian Applicants may also elect Canada as

the International Searching Authority, something that is not possible with U.S. Applicants in a PCT application. In addition, with a Canadian National Phase entry from a PCT application, if the 30 month national phase deadline is missed, you may pay a late fee to file in Canada within 42 months from the priority date for the PCT application.

### There are No Registered Patent Attorneys in Canada, Only Patent Agents

In Canada, individuals who are registered and licensed to represent patent applicants before the Canadian Intellectual Property Office (CIPO) are known as “Patent Agents.” The Canadian Intellectual Property Office does not recognize the designation “Patent Attorney.” While a Patent Agent may also be a Canadian lawyer, the two designations are not related, and lawyers are not authorized to represent clients in patent proceedings before the Canadian Intellectual Property Office. In matters related to contracts, litigation, or ownership issues, a lawyer is involved in the related court proceedings in Canada. That lawyer may be versed in patent law, and may even be a Patent Agent as well, but is not formally designated as a Patent Attorney. For reasons unknown to the authors, lawyers are referred to as lawyers and not attorneys in Canada. So if you wish to file a patent application in Canada, you can either contact a U.S. Patent Agent (or attorney) who can act as a foreign liaison with a Canadian Patent Agent, or you can contact a Canadian Patent Agent directly. The Canadian Intellectual Property Office maintains a listing of all current Canadian Patent Agents on their website [www.cipo.ic.gc.ca](http://www.cipo.ic.gc.ca).

1. Paragraph 28.2(1)(b)(c) of the Canadian Patent Act
2. Section 28.3 of the Canadian Patent Act
3. Paragraph 28.2(1)(a) of the Canadian Patent Act
4. Shell Oil Co. v. Commissioner of Patents. 1982. Canada
5. Commissioner of Patents v. Ciba Ltd. 1959. Canada.
6. Section 2 of the Canadian Patent Act
7. See “The Limited Monopoly” November 2007

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