PATENT PROTECTION IN CANADA

What is a Patent?

In Canada, a patent is a statutory monopoly in an invention which is granted by the federal government to a patentee in exchange for disclosing the invention to the public. Until the patent expires, the patentee has the exclusive right in Canada to make, construct, use and sell the invention to others.

What is eligible for a Patent?

A patent may granted for inventions which involve applied science or engineering, namely "any new and useful art, process, machine, manufacture or composition of matter" or improvements to same. In Canada, as in many other countries, patents are not available for mere scientific principle or abstract theorems, for higher life forms *per se*, for methods of medical treatment, or inventions which have an illicit object in view.

To be eligible for a patent, an invention must satisfy three criteria:

1. *Novelty:* The invention must be new. This means that be it cannot be previously known to other third parties and that the applicant cannot disclose the invention to the public prior to filing a patent application or the expiry of any available grace period. In Canada, there is a one year grace period within which to file a patent application after public disclosure. In many other countries, there is no such grace period available and patents are not available if there is any public disclosure of the invention prior to filing a patent application.

2. *Usefulness:* The invention must be useful. This means that the invention creates a vendible product or achieves some technical result, such as the transformation of matter from one form to another.

3. *Inventiveness:* The invention must be inventive or non-obvious. This means that the invention must exhibit some inventive "spark" or "leap" over what was previously known in the same field. It must be more than a routine improvement to a product or a process that would be arrived at without difficulty to solve an identified challenge.

Who is Entitled to a Patent?

"First to File" Principle

In some fields where research is ongoing and competitive, it is not unusual for the same invention to be independently developed by two or more parties in a relatively short period of time. In Canada, as in most other countries in the world, the first party to file a patent application for the invention is entitled to the patent. Consequently, the first party to invent may be barred from making, using and selling the invention if they are not the first party to file. For this reason, the timely filing of patent applications can be important.

Inventors, Employers and Educational Institutions

An inventor is an individual who makes a contribution to an invention as it is defined in the patent claims. All contributing inventors must be identified in the patent application for an invention as the failure to identify all of the inventors may be grounds for invalidation of the patent. In the absence of any agreement to the contrary, the general rule is that the inventor is considered the owner of the invention and related patents.

However, where the individual responsible for developing an invention does so in the course of their employment, the employer may be entitled to an assignment of title to the invention and

related patents. When an inventor was a student or professor with a university or other educational institution during the relevant time, a review of that institution's policies and employment agreements is necessary to determine ownership. Likewise, there are statutory rules governing the ownership of inventions made by public servants or employees of Crown corporations.

Where more than one individual is responsible for developing an invention and they do NOT do so in the course of employment for a single employer, the invention and related patent applications may be subject to complex rules for the joint ownership and exploitation of such property.

When does a Patent Expire?
For all patent applications filed in Canada after October 1, 1989, the issued patent will expire 20 years after the date of filing the application in Canada.

Can Patents be Sold or Licensed?
Yes, patents can be assigned or licensed wholly or partially by written agreement. Such agreements may be subject to a virtually unlimited variety of limitations as to territory, term and means of manufacture, use and sale.

To be effective against third parties, all assignments and exclusive licenses affecting a patent issued in Canada must be registered with the Canadian Patent Office.

What are the Steps to Obtain a Patent in Canada?

1. Patentability Search & Opinion
While not required, we recommend that a patentability search be conducted before drafting and filing a patent application. Such a search usually involves a search of the issued patents and the pending patent applications filed for related inventions. Since the United States Patent Office will usually have more references available than any other patent office in the world, such searches are usually commenced in that jurisdiction although they may be extended to other patent offices as considered prudent. Where appropriate, such a search may also involve a review of scientific journals and other trade publications for relevant references. Clients are strongly encouraged to assist in this process by identifying any references already known to them, including pending patent applications as well as any relevant material appearing in scientific journals, trade publications and/or web sites.

A patentability search provides: (a) guidance as to whether the invention is likely to be entitled to a patent; (b) guidance as to the potential scope of the monopoly that may be granted; and (c) guidance as to how the patent application should be prepared to highlight the improvements embodied in the invention over what was previously known in the same field.

Upon receipt, the search results are reviewed and analyzed and, where requested, a written patentability opinion prepared. The cost of such a search and an opinion depends on the complexity of the invention and the number of the references located in the search.

2. Preparation and Filing the Application
A Canadian patent application will generally include the following parts:

- an abstract summary of the invention;
- formal drawings of the preferred embodiment of the invention;
- a specification fully describing the invention so that any person skilled in the field could reproduce it; and
- a series of claims specifying the scope of the monopoly sought by the applicant.

Patents are complex documents that often, by necessity, employ obscure language conventions in the manner in which they are drafted. Errors may not be easily corrected and can be fatal to the success of the application. It is therefore

recommended that a patent agent be retained to file all patent applications.

Again, the cost of preparing a new patent application varies depending on the complexity of the invention and the amount of references that must be considered by the patent agent. Other costs generally include the professional preparation of formal drawings. Once a new application has been prepared, it may be used as the basis for filing corresponding applications in other countries, though minor amendments may be necessary to comply with the unique conventions of each country.

3. Examination

In Canada, a new application is not examined until a request is filed. If no request for examination is filed on or before the 5th anniversary of the application filing date, the application will be considered abandoned.

After a request for examination is filed, a patent examiner will first review the application to determine whether it's in the proper format. The patent examiner will then conduct and review a search of other patents issued and patent applications pending in Canada and elsewhere as well as other technical literature for relevant references. Based on this review, the examiner will likely issue one or more reports including objections to the application, including objections as to its form and content focussing especially the scope of the claims.

The examination process typically takes anywhere from 1 to 5 years to complete after the request for examination is filed, depending on: (a) the complexity of the invention; (b) the number of references that must be considered; and (c) the workload of the available patent examiners in the relevant field. The cost of responding to the examiner's objections, and amending the application as necessary, will depend on the number and nature of the objections.

4. Maintenance Fees

Starting on the second anniversary of the application filing date and each year thereafter until the patent expires, fees must be paid to maintain each patent application. If not paid in a timely manner, the patent will be considered abandoned. At present, these maintenance fees start at $ 100 per year and gradually increase each year up to $450 per year. We track the maintenance fees requirements for our clients in each country and, where possible, will remind our clients when a maintenance fee is due for payment.

5. Issuance

Once the patent application is found to be in compliance with all of the requirements of the *Patent Act,* a notice of allowance will issue. After the applicant has paid the statutory issuance fee, Letters Patent will be issued.

6. Filing in Other Countries

A Canadian patent only grants a monopoly to the patentee in Canada. To obtain similar monopolies in other countries, corresponding patent applications must be filed in each relevant jurisdiction.

Country by Country

Most countries in the world adhere to an international treaty which regulates the orderly filing of patent applications in multiple countries. This treaty stipulates that if a patent application is filed in one or more additional countries within **12 months** after the first application is filed for the same invention, these additional patent applications will be effectively backdated to the filing date of the first application. In other words, the invention will not lose its status as "novel" for a period of **12 months** on the ground that it has been disclosed to the public by virtue of filing the first patent application.

We file patent applications in other countries through associate law firms located in those jurisdictions whom we know are qualified in this specialized area of the law. In countries where

English is not an official language, we may also be required to obtain official translations of the patent application.

PCT Applications
The Patent Cooperation Treaty is a more structured administrative system available for filing patent applications in multiple countries. With very few exceptions, most countries participate in the PCT System. Although often referred to as an "international application", a PCT application does not result in an "international patent". Instead, the PCT System offers more streamlined administration, deferred costs and the opportunity for a preliminary assessment of patentability.

Under this treaty, a single patent application may be filed in one patent office designating all participating countries, essentially reserving the right to file patent applications in as few or as many of the reserved countries as desired. . The applicant is not obliged to pursue patents in all or any of the designated countries. As PCT applications are accepted at the Canadian Patent Office, such patent applications may be filed by Ballagh & Edward LLP without the cost of retaining foreign agents and preparing translations at the initial stages.

The applicant has approximately 30 months from the filing date of the PCT application to make its final selection of the countries in which to proceed and complete the national requirements for filing applications in those countries. It is only when filing so-called "national phase" applications in the selected countries that the cost of retaining foreign agents and preparing required translations must be incurred.

Under the PCT System, a preliminary patent search is automatically conducted and there is an opportunity to request a basic preliminary written opinion as to patentability. This search and written opinion is available to examiners in the designated countries where "national phase" patent applications are subsequently filed, but each examiner is entitled to conduct their own searches and come to their own conclusions as to patentability.

Where Can I Get More Information?

You can get more information by visiting the web sites for:

Canadian Intellectual Property Office
www.cipo.ic.gc.ca

United States Patent & Trademark Office
www.uspto.gov

Or by contacting:

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