

# Act now: Request examination early to avoid excess claims fees and other restrictions under proposed new Canadian Patent Rules



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Authors: [J. Bradley White](#), [Nicole Dinaut](#), [Clark Holden](#)

The Government of Canada is proposing amendments to the Canadian *Patent Rules* that will introduce excess claims fees and a Request for Continued Examination (RCE) procedure, among other provisions. These amendments are being implemented to streamline the patent examination process to meet obligations under the Canada-United States-Mexico Agreement (CUSMA). Applicants should consider taking steps now to avoid excess claims fees and other restrictions under the proposed new *Rules*, which are expected to be finalized and in force by mid-2022.

## Excess claims fees

Currently, there are no excess claims fees in Canada. The proposed new *Rules* will introduce excess claims fees, bringing this aspect of Canadian patent practice more in line with other jurisdictions, such as the U.S., Europe, Japan and Australia.

Under the proposed new *Rules*, the fee for each claim in excess of 20 will be CAD \$100 (reduced by 50% for small entities). According to the current draft of the new *Rules*, excess claims will be assessed at the time of requesting examination (wherein applicants must pay for each claim in excess of 20), and again when the final fee is paid (wherein applicants must pay for each claim in excess of 20 that was not paid for when examination was requested). Applicants will be able to reduce or avoid excess claim fees at the time of requesting examination under the new *Rules* by filing a voluntary amendment to reduce the number of claims. Refunds will not be available if applicants reduce the number of claims following the request for examination.

Having regard to voluntary amendments to reduce the number of claims, it should be noted that Canadian patent law, unlike that of the United States, does not include a continuation or a continuation-in-part practice, and that voluntary divisional applications are generally not recommended in Canada, given the strict prohibition against double patenting, which is grounds for invalidity. Also unlike the U.S., there are no terminal disclaimers or equivalent remedies to cure double patenting rejections in Canada. These aspects of Canadian patent practice will need to be given careful consideration when contemplating claim amendments/reductions in view of the proposed new *Rules*.

## Request for Continued Examination (RCE) procedure

Currently, there are no limits to the number of Examination Reports (Office Actions) that can be issued by an Examiner in respect of a Canadian patent application. In a case where prosecution is particularly challenging an applicant may receive several Office Actions, and if it appears that prosecution has reached an impasse the Examiner may issue a Final Action — although this is a relatively rare occurrence.

Under the proposed new *Rules*, limits will be placed on the number of Office Actions that can be issued by an Examiner prior to engaging a new RCE procedure. Under the proposed new *Rules*, a request for examination would entitle the applicant to receive a maximum of three Office Actions. At this point, examination would cease, and applicants who elect to continue examination may do so by filing an RCE and paying the prescribed fee (CAD \$816; reduced by 50% for small entities).

Following the filing of an RCE, the proposed new *Rules* require an applicant wishing to continue examination to file a further RCE after each second Office Action received thereafter.

## Timing and strategic considerations

The proposed new *Rules* remain in draft form, and it is possible that they will be further amended prior to registration. At the time of writing, there has been no official announcement regarding a coming-into-force date. However, it is expected that the new *Rules* will be finalized and in force by mid-2022.

As currently drafted, there will only be a short window of 30 days after the date of registration of the new *Rules* within which applicants can take action to request examination of any pending applications to avoid excess claims fees and the need to file RCE's based on the number of Office Actions received. In view of the foregoing, applicants should consider taking steps to request examination on pending applications at this time should they wish to avoid these proposed new requirements. Further, applicants contemplating new Canadian filings should consider initiating such filings and requesting examination upon filing, especially in respect of patent applications having large claim sets, for the same reasons.

The deadline for requesting examination in Canada in the normal course is four years from the filing date for applications filed on or after October 30, 2019, and five years from the filing date for applications filed prior to this date. Applicants wishing to defer examination in Canada to delay associated costs and/or to allow prosecution to progress in other jurisdictions in order to leverage these results in Canadian prosecution will need to weigh the potential benefits of deferring examination against the restrictions under the proposed new *Rules*. This will need to be assessed on a case-by-case basis, and the authors would be pleased to discuss these and any other strategic considerations around delaying examination versus requesting examination prior to the new *Rules* coming into force.

The information provided herein is intended to highlight selected potential upcoming changes impacting filing and prosecution of Canadian applications and is not an in-depth analysis of all aspects of the proposed new *Patent Rules*. We plan to provide further updates and recommendations for applicants following registration of the *Rules* in their final form. In the meantime, if you have any questions or wish to discuss the proposed new *Rules*, please do not hesitate to contact the authors or any member of our Intellectual Property Group.