

# LAST CHANCE FOR LATE NATIONAL PHASE ENTRY INTO CANADA

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## Introduction

It is official – Canada's new Patent Rules will come into force on October 30, 2019. The new Patent Rules were published on July 10, 2019 in *Canada Gazette Part II, Vol. 153, No. 14*.

The primary objective of the new *Patent Rules* is to implement amendments that were made to the *Patent Act* in order to allow Canada's ratification of the *Patent Law Treaty (PLT)*.

With the coming into force of the new Patent Rules, Canada will no longer be one of the few contracting states to the Patent Cooperation Treaty (PCT) that permit late entry into national phase for an international patent application as of right.

Under the prior Canadian *Patent Rules*<sup>[1]</sup>, the national phase entry of an international application could be delayed for up to 12 months (that is, to 42 months from its priority date) as of right, with a relatively modest payment of CAD \$200, without furnishing an explanation for the late entry.

This will no longer be the case for international applications filed on or after October 30, 2019. For international applications filed after the new Patent Rules<sup>[2]</sup> come into force, an applicant who fails to comply with the requirements for national phase entry within 30 months after the priority date will be required to submit to the Commissioner a request that the rights of the applicant be reinstated with respect to the PCT international application, a statement that the failure was unintentional and pay a fee for reinstatement of rights within 12 months (42 months from the priority date).

## Canada is a Signatory to the Patent Law Treaty

Canada became a signatory to the *Patent Law Treaty* in May 21, 2001, a little less than a year after the United States which became a signatory on June 2, 2000. The United States ratified the treaty on September 18, 2013, and the treaty came into force in the United States on December 18, 2013. Canada will accede to the *Patent Law Treaty* on October 30, 2019.

## Changes to the Patent Rules

Under the new *Rule 154(3)(a)(i)*, excerpted below, it will no longer be sufficient to simply pay the late national

phase entry fee, without any explanation, in order to enter national phase in Canada after the expiry of 30 months from the priority date for PCT applications filed on or after the new rules come into force. The applicant will be required to submit to the Commissioner a declaration that the failure was unintentional and a statement of reasons for the failure. Moreover, reinstatement of the right to enter national phase will be discretionary on the part of the Commissioner. It is unclear how the Commissioner will exercise the discretion, and what circumstances will justify late entry.

### **Reinstatement of rights**

(3) An applicant who fails to comply with the requirements of subsection (1) and, if applicable, subsection (2) not later than 30 months after the priority date, is considered to have complied with those requirements within that time if

(a) not later than 12 months after that time, the applicant

(i) submits to the Commissioner a request that the rights of the applicant be reinstated with respect to that international application and a statement that the failure was unintentional,

(ii) complies with the requirements of paragraphs (1)(a) and (b),

(iii) pays the basic national fee, which is

(A) the small entity fee set out in item 21 of Schedule 2, if the small entity status condition set out in subsection 44(2) is met and if, not later than 12 months after the time referred to in subsection (1), a small entity declaration is filed in respect of the application in accordance with subsection 44(3), and

(B) in any other case, the standard fee set out in that item, and

(iv) pays the fee for reinstatement of rights set out in item 22 of Schedule 2; and ...

### **Last Chance**

In an earlier article<sup>[3]</sup>, the authors urged applicants to utilize the short window of opportunity to take advantage of Canada's late national phase entry regime.

The next few months provide a last chance before Canada accedes to the *Patent Law Treaty* on October 30, 2019. The existing requirements for late entry are relatively hassle free and the cost is quite modest.

### **What a Difference a Day Makes**

Suppose today is October 29, 2019, as illustrated in the above example. Under the current *Patent Rules*

applicable on October 29, 2019, a PCT application having a filing date of October 29, 2019 or earlier could enter national phase in Canada *as of right* with a late entry fee of CAD \$200, up to 42 months from the priority date.

However, the new Patent Rules come into force the next day. For international applications filed on or after that date (that is, having an international filing date of October 30, 2019 or later), the highlighted late entry window (as illustrated above) will disappear. Transitional provisions<sup>[4]</sup> allow for late national phase entry of applications already filed before October 30, 2019. However, an application filed on or after October 30, 2019 will not be able to enter national phase in Canada later than 30 months after its priority date without satisfying the new requirements.

## Conclusion

If patent protection is sought in Canada on the basis of an international PCT application, applicants wishing to take advantage of the existing late entry window in Canada should file the international application before October 30, 2019.

by Tilaye Terrefe and Keith Bird\*

[1] Rule 58(3)b (repealed on October 30, 2019).[ps2id id='1' target='']

[2] New Rule 154(3).[ps2id id='2' target='']

[3] *Short Window of Opportunity to Take Advantage of Canada's Late National Phase Entry Regime*, November 2018.[ps2id id='3' target='']

[4] Subsection 210(3) – published after the aforementioned article of November 2018.[ps2id id='4' target='']

\* Tilaye Terrefe is a patent specialist at McMillan LLP and Keith Bird is a partner and the Chair of the Patent Group at McMillan LLP. The article corrects an example provided in an earlier version. The authors wish to thank Craig MacMillan for his valuable feedback.

## A Cautionary Note

The foregoing provides only an overview and does not constitute legal advice. Readers are cautioned against making any decisions based on this material alone. Rather, specific legal advice should be obtained.

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