

# PATENT TERM ADJUSTMENTS IN CANADA ARE HERE

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On January 1, 2025, provisions related to Canada's new patent term adjustment framework came into force.<sup>[1]</sup> These changes form part of the remaining steps needed for Canada to meet its obligations under the Canada-United States-Mexico Agreement (CUSMA) and follow other recent changes to the Canadian patent system, including the introduction of excess claim fees and adoption of a request for continued examination (RCE) procedure.<sup>[2]</sup>

## Background

CUSMA entered into force on July 1, 2020. As a party to CUSMA, Canada has committed not only to processing Canadian patent applications in a timely manner, but also to compensating patentees for unreasonable delays in the issuance of their Canadian patents. Under the new Canadian patent provisions that came into force on January 1, 2025, Canada will compensate patentees for unreasonably delays in the issuance of their Canadian patents by providing what is referred to in the *Patent Act* and *Patent Rules* as an "additional term".

## Amendments to the *Patent Act*

The *Patent Act* was amended to include § 46.1, which provides the statutory framework for granting an "additional term". § 46.1(1) states (emphasis added)

**46.1 (1)** The Commissioner shall grant an additional term for a patent if

**(a)** the patent was issued after the later of

**(i)** the fifth anniversary of the applicable day set out in subsection (2), and

**(ii)** the third anniversary of the first day, without taking subsection 35(4) into account, on which a request for examination has been made under section 35 in respect of the application for the patent, the prescribed fee referred to in subsection 35(1) has been paid and, if applicable, the prescribed late fee referred to in paragraph 35(3)(a) has been paid;

**(b)** the filing date for the application for the patent is on or after December 1, 2020; and

**(c)** the patentee applies for the additional term in accordance with the regulations, and pays the

prescribed fee, within three months after the day on which the patent is issued

The term “applicable day” is defined under § 46.1(2) of the *Patent Act*. Depending on the type of Canadian patent application that resulted in the granted Canadian patent, the term “applicable day” may be understood as follows:

Type of Application	“Applicable day”	Statutory Authority
Divisional application	Presentation date	§ 117.02(1) of the <i>Patent Rules</i> § 46.1(2)(a) of the <i>Patent Act</i>
PCT National Phase Entry	National phase entry date	§ 117.02(2) of the <i>Patent Rules</i> § 46.1(2)(b) of the <i>Patent Act</i>
Any other Canadian patent application (e.g., original Canadian application)	Filing date of the application	§ 46.1(2)(c) of the <i>Patent Act</i>

Thus, for a Canadian patent granted based on an original Canadian application that is neither a divisional application nor a national phase entry of a PCT application, the applicable day is the filing date of the application for patent.

### Neither automatic nor free

An additional term is not automatically granted. Instead, an application for an additional term must be made by the applicant,<sup>[3]</sup> and a prescribed fee must be paid.<sup>[4]</sup>

This contrasts unfavorably with the comparable practice in the United States, which requires neither a separate application nor a fee. Patent term adjustments in the United States, if applicable, are determined when an application is allowed and provided as part of the Issue Notification letter.<sup>[5]</sup>

### Maintenance fees for an additional term

Maintenance fees will be required for an additional term granted.<sup>[6]</sup> The maintenance fees are the same for each anniversary starting on the 20th anniversary.<sup>[7]</sup>

### Duration of an additional term

The duration of an additional term is computed as the number of days between the later of the fifth anniversary of the applicable day as defined in the table above, and the third anniversary of the request for examination (i.e., the latter of anniversaries set out in paragraph 46.1(1)(a) of the *Patent Act*) and the day on which the patent is issued, minus the number of days to be subtracted as determined under the regulations.<sup>[8]</sup>

The number of days to be subtracted under subsection 46.1(4) of the *Patent Act* is the sum of all the days in one or more periods specified under § 117.03(1) of the *Patent Rules*. The list of periods is extensive,<sup>[9]</sup> and appears to be directed at days that could have theoretically been used by the applicant to advance prosecution but were not. These include:

- each day an examination is deferred;<sup>[10]</sup>
- each day the patent application is abandoned;<sup>[11]</sup>
- each day of extension of time used under § 3(1) of the *Patent Rules*;<sup>[12]</sup>
- each day starting on the date of a notice of allowance<sup>[13]</sup> or a notice of conditional allowance<sup>[14]</sup> until the final fee is paid (unless the notice is set aside, the notice is withdrawn, or the application becomes abandoned); and
- each day after the late fee due date<sup>[15]</sup> for a maintenance fee.

### **Concurrent with CSP**

A Certificate of Supplementary Protection (CSP) runs *concurrently* with any additional term for the patent that may be granted. Specifically, the *Patent Act* prescribes that the term of a CSP takes effect on the expiry of the term under § 44 of the *Patent Act*, regardless of whether any additional patent term is granted § 46.1 of the *Patent Act*.

CSP provisions only apply to patents relating to a medicinal ingredient, or a combination of medicinal ingredients,<sup>[16]</sup> contained in a drug for which an authorization for sale was issued. However, the additional term provisions apply to all patents, regardless of what subject matter they are directed to.

### **Conclusion**

A Canadian patent does not become eligible for an “additional term” unless it is granted after the latter of: (i) five years from the date of national entry, presentation date, or filing date (for a PCT national phase entry application, divisional application or other application, respectively); and (ii) three years from the date of examination request. Notwithstanding the fact that the legal provisions governing Canada’s new patent term adjustment framework have come into force, CIPO has advised that it will be updating its Manual of Patent Office Practice (MOPOP) regarding additional terms later in 2025.<sup>[17]</sup>

The effect of the CUSMA imposed obligations generally, and in particular the implementation of the “additional term”, on Canada’s reputation as a patentee-friendly jurisdiction remains to be seen. At first glance, the introduction of patent term adjustments is likely to be perceived as a positive development by patentees. However, the efficacy of taking advantage of the existing patentee-friendly aspects of Canada’s patent regime such as its deferred examination, may now need to be weighed against their effect on any potential additional

term.

[1] Canada Gazette, Part I, Volume 158, Number 20: Regulations Amending the Patent Rules and Certain Regulations Made Under the Patent Act, pp. 1224 to 1292, Online: [here](#)

[2] Online: [here](#)

[3] § 117.01 (1) of the *Patent Rules*

[4] Item 41 of Schedule 2 – the standard fee is \$2500 under Item 41(b) whereas the small entity fee is \$1000 under Item 41(a)

[5] 37 CFR § 1.705; USPTO *Manual of Patent Examining Procedure*, Section 2733

[6] § 46.2 of the *Patent Act*

[7] Item 8(e) of Schedule 2 – the standard fee is \$1000, whereas the small entity fee is \$400

[8] § 46.1(4) of the *Patent Act*

[9] There are 38 paragraphs under § 117.03 (1) of the *Patent Rules* enumerated as paragraphs (a) to (z), (z.01) to (z.09), (z.11), and (z.12)

[10] § 117.03(1)(k) of the *Patent Rules*

[11] § 117.03(1)(x) of the *Patent Rules*

[12] § 117.03(1)(j) of the *Patent Rules* - “if the Commissioner extends a period of time under subsection 3(1), the period beginning on the day on which the original period ends and ending on the earlier of the day on which the action for which the extension was requested was taken and the day on which the extended period ends”

[13] § 117.03(1)(q) of the *Patent Rules*

[14] § 117.03(1)(r) of the *Patent Rules*

[15] § 117.03(1)(f) of the *Patent Rules*

[16] §106(1)(c) of the *Patent Act*

[17] Online: [here](#)

by [Alex Buonassisi](#), [Tilaye Terrefe](#), [Pablo Tseng](#), and [Keith Bird](#)

### **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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