

Canada's New Patent Term Adjustment Regime Comes Into Force

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As we reported [previously](#), changes were introduced into Canadian patent practice in October 2022 to further streamline Canadian patent examination, to pave the way for a patent term adjustment (PTA) system in Canada as per the Canada-United States-Mexico Agreement (CUSMA). The PTA system is set forth in the [recent amendments](#) to the *Patent Rules* published on December 18, 2024, which came into force on **January 1, 2025**. The purpose of the PTA system is to compensate patentees for unreasonable delays in the processing and grant of applications by the Canadian Intellectual Property Office (CIPO).

PTA requirements

To qualify for a PTA, a patent must meet the following criteria:

- Have a filing date (which is the PCT filing date for a Canadian national phase case) on or after December 1, 2020;
- Have an issue date on or after December 2, 2025;
- Issue after the later of 5 years from filing or 3 years from requesting examination (passing the "5/3 threshold" - see below).

Furthermore, to obtain a PTA for a patent meeting the above-noted criteria, a request must be filed together with a fee (currently C\$2,500) within three months of patent issuance

Any PTA will be added on to the base "20-year from filing" calculation of patent term, and will also require the payment of annual maintenance fees during any additional patent term as a result of the PTA.

PTA calculation - the "5/3 threshold"

The starting point for the calculation of PTA is any additional days to patent issuance beyond the later of:

- 5 years from the Canadian national phase entry date for a PCT-based case, the Canadian filing date for a non-PCT case, or the presentation date (i.e., the date that the actual divisional filing documents are submitted) for a

- divisional application; or
- 2. 3 years from date of requesting examination.

The next step of the calculation will be to subtract from the above additional days any days in which the processing of the application was in the Applicant's hands (any overlapping days in this regard are only counted once), such as delays in paying fees or attending to filing formalities, time to respond to CIPO notices, extensions, periods of abandonment, the period after the filing of a first request for continued examination (RCE), etc. As such, the PTA is only focused on any delays attributable to CIPO.

Practical considerations

One strategy to maximize the potential of obtaining a PTA is to request examination closer to the deadline, which is 4 years from the PCT filing date for a Canadian national phase case, or 4 years from the Canadian filing date for a non-PCT case. The basis of this strategy is to try to shift the balance towards period (2) noted above being applied to the PTA calculation. In doing so, any delays attributable to the Applicant before requesting examination are no longer relevant to the calculation. This strategy is less relevant for divisional applications, as the deadline for requesting examination is often only 3 months after the presentation date (when the divisional filing documents are submitted).

A further strategic consideration relates to cases in which a third Examiner's report is issued or an RCE is filed. The filing of an RCE applies in the following scenarios:

1. Following the issuance of a third Examiner's report in cases in which examination was requested on or after October 3, 2022;
2. Re-opening examination after allowance, for all cases.

Since the issuance of a third Examiner's report (even in cases where examination was requested prior to October 3, 2022) or the filing of an RCE will have a significant negative impact on the PTA calculation, Applicants should try to streamline prosecution, to file amendments and address any issues early on during examination, to avoid the issuance of a third Examiner's report and/or the filing of an RCE. Similarly, Applicants should avoid re-opening examination after allowance, which requires the filing of an RCE (even in cases where examination was requested prior to October 3, 2022).

While it is predicted¹ that few patents will qualify for a PTA in view of the issues noted above and CIPO's efforts to reduce pendency, the calculation will in most cases be relatively straightforward, allowing Applicants to assess whether requesting PTA is worthwhile before proceeding.

1. The Regulatory Impact Analysis Statement published with the final version of the new *Patent Rules* predicts about 113 PTA applications per year over the next 10 years.