



Intellectual Property Institute of Canada
Institut de la propriété intellectuelle du Canada

Intellectual Property Institute of Canada (IPIC) Submission on Proposed College of Patent Agents and Trademark Agents Regulations

Submission to the
Department of Industry

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INTRODUCTION

The Intellectual Property Institute of Canada (IPIC) is a professional association of patent agents, trade-mark agents and lawyers practising in all areas of intellectual property law. Our membership totals over 1700 individuals, consisting of practitioners in law firms and agencies of all sizes, sole practitioners, in-house corporate intellectual property professionals, government personnel, and academics. Our members' clients include virtually all Canadian businesses, universities and other institutions that have an interest in intellectual property (e.g. patents, trade-marks, copyrights and industrial designs) in Canada and elsewhere, and also foreign companies that hold intellectual property rights in Canada.

(I) SECTION 3: COMMITTEE ADMINISTERING LICENSING REQUIREMENTS

Section 3 of the proposed regulations establishes a committee for administering the requirements, including a qualifying exam, for becoming a patent agent licensee or trademark agent licensee. The remainder of the regulation sets out the compositional requirements of the committee, including the inclusion of a representative from the Patent Office and the Office of the Registrar of Trademarks. As explained in the introductory notes to the proposed regulations, “CIPO's continued involvement would ensure that testing remains current with its standard practices, rules, and guidelines that may be updated from time to time” [underlining added].

Notwithstanding the recognized need for involvement of CIPO experts on the committee who have current knowledge of CIPO's standard practices, rules and guidelines, the draft regulation excludes from the committee composition “any individual who is a member of an association the primary purpose of which is to represent the interests of persons who provide advice on patents or trademarks” (paragraph b).

Most Canadian Intellectual Property practitioners, including licensed patent and trademark agents, are members of at least one national and/or international IP association. Currently, all Canadian and international associations for patent and trademark professionals that would fall within the Section 3 definition, have strong mandates to provide their members with up-to-date information on the development of intellectual property laws and practice through:

- ongoing committee work liaising with the Canadian government, the World Intellectual Property Organisation and Canadian courts, amongst other bodies, and
- continuing professional education, usually at discounted rates for members.

Therefore, the regulation contemplates the exclusion of the very individuals outside CIPO who would be the most capable of ensuring testing remains current with intellectual property laws and

practice outside direct practice before the CIPO Offices¹. This exclusion constitutes a significant departure from the status quo for testing set in subsection 20(2) of the *Patent Rules* and subsection 17(2) of the *Trademark Regulations* that this draft section 3 is presumably intended to replace. No rationale for the exclusion or change in status quo is provided in the introductory notes.

The statutory basis for this exclusion is also unclear. The *College of Patent Agents and Trade-mark Agents Act* imposes restrictions on lawful freedom of association for members of the governing Board of the College, but not for this committee.

It is submitted that with the safeguards in paragraphs (a) and (d) of the regulation, that committee members (including the non-CIPO members) serve at the pleasure of the Board (i.e., are under the full supervision of the Board) and are subject to a conflict of interest policy established by the Board, are sufficient to protect the integrity of the committee.

Recommendation: Amend section 3 by deleting paragraph (b) as follows:

“The committee of the College that is established to administer the requirements, including a qualifying exam, that are to be met in order to obtain a licence under section 26 or 29 of the *Act* must

(a) be composed of members who may be removed at pleasure by the Board;

~~(b) not include any individual who is a member of an association the primary purpose of which is to represent the interests of persons who provide advice on patents or trademarks;~~

~~(c)~~ (b) include a representative from the Patent Office and the Office of the Registrar of Trademarks; and

~~(d)~~ (c) be subject to a conflict of interest policy established by the Board.”

Alternate recommendation: Even if there is a public interest basis for imposing restrictions on the freedom of association of the members of this committee, the advantage of having individuals with current knowledge of intellectual property laws and practice outside patent and trademark office practice *per se* should not be discounted. An appropriate balance between the competing public

¹ The Federal Court of Canada has long recognized that Canadian patent and trademark agents provide legal services beyond patent and trademark prosecution, *per se*. See, for example, *Lumonics Research Ltd v Gould* (1983), 70 CPR (2d) 11 (FCA); *Laboratoires Servier v Apotex Inc*, 2008 FC 321.

interests of avoiding conflicts of interest and ensuring adequate testing of licensee candidates can be struck by revising paragraph (b) to echo the wording used elsewhere, in paragraph 14(d) of the *Act*:

“The committee of the College that is established to administer the requirements, including a qualifying exam, that are to be met in order to obtain a licence under section 26 or 29 of the *Act* must

(a) be composed of members who may be removed at pleasure by the Board;

(b) not include any individual who ~~is~~ was, within the preceding 12 months, a member of a governing body or a steering committee of an association the primary purpose of which is to represent the interests of persons who provide advice on patents or trademarks;

(c) include a representative from the Patent Office and the Office of the Registrar of Trademarks; and

(d) be subject to a conflict of interest policy established by the Board.”

(II) SECTIONS 4-11: RESIDENCY REQUIREMENTS

Sections 4–11 of the proposed regulations impose a residency requirement on

- applicants for patent agent licences (section 4),
- patent agent licensees (section 5),
- applicants for patent agent in training licences (section 6),
- patent agent in training licensees (section 7)
- applicants for trademark agent licences (section 8),
- trademark agent licensees (section 9),
- applicants for trademark agent in training licences (section 10), and
- trademark agent in training licensees (section 11).

We understand from recent conversations that IPIC has had with members of ISED that the intention of the proposed regulations pertaining to residency requirements is to “**replicate**” the current requirements as found in the *Patent Act* and *Patent Rules* and the *Trademarks Act* and the *Trademarks Regulations*. In other words, the intent was to maintain the status quo with respect to residency requirements as set out in the current rules and regulations.

The *Regulatory Impact Analysis Statetement* presents the status quo as follows:

Currently, non-resident agents may be listed on the Register of Patent Agents or list of trademark agents maintained by CIPO. However, although listed, these agents have limited

4

powers and must appoint an associate agent who is a resident of Canada to conduct most business interactions with CIPO.

The proposed regulations' imposition of a residency requirement is a significant departure from the status quo since non-resident agents, although with limited powers, will no longer be listed on the Register of Patent Agents or list of Trademark Agents. As such, IPIC strongly recommends that the true status quo be preserved by striking the residency requirement as currently set out in sections 4-11 of the proposed regulations and maintaining the current *Patent Rules and Trademarks Regulations* in respect of any existing residency requirements therein.

Approximately 800 Canadian resident patent agents are registered to practice directly before the United States Patent and Trademark Office (the "USPTO") on behalf of Canadian-resident applicants, based on reciprocal privileges granted by current Canadian and United States law. As explained further below, this can result in significant cost savings to Canadian innovators. In particular, US patent regulations extend privileges to patent agents of other countries "provided that the patent office of such country allows substantially reciprocal privileges to those admitted to practice before the [USPTO]. Registration as a patent agent under this paragraph shall continue only during the period that the conditions specified in this paragraph obtain".²

Currently, CIPO is the only patent office recognized as allowing substantially reciprocal privileges to those admitted to practice before the USPTO.³

² 37 CFR 11.6(c) Foreigners. Any foreigner not a resident of the United States who shall file proof to the satisfaction of the OED Director that he or she is registered and in good standing before the patent office of the country in which he or she resides and practices, and who is possessed of the qualifications stated in § 11.7, may be registered as a patent agent to practice before the Office for the limited purpose of presenting and prosecuting patent applications of applicants located in such country, provided that the patent office of such country allows substantially reciprocal privileges to those admitted to practice before the Office. Registration as a patent agent under this paragraph shall continue only during the period that the conditions specified in this paragraph obtain. Upon notice by the patent office of such country that a patent agent registered under this section is no longer registered or no longer in good standing before the patent office of such country, and absent a showing of cause why his or her name should not be removed from the register, the OED Director shall promptly remove the name of the patent agent from the register and publish the fact of removal. Upon ceasing to reside in such country, the patent agent registered under this section is no longer qualified to be registered under this section, and the OED Director shall promptly remove the name of the patent agent from the register and publish the fact of removal.

³ General Requirements Bulletin for Admission to the Examination for Registration to Practice in Patent Cases Before the United States Patent and Trademark Office, page 8, [http://www.law.uh.edu/patentofficestudies/Decline%20of%20the%20Patent%20Registration%20Exam/GRBs/GRB%202011%20\(Feb\).pdf](http://www.law.uh.edu/patentofficestudies/Decline%20of%20the%20Patent%20Registration%20Exam/GRBs/GRB%202011%20(Feb).pdf)

These reciprocal privileges are vital to Canadian innovators. CIPO statistics indicate that in 2018, Canadians filed 13,045 applications in the US, and CIPO also reports that “the United States unsurprisingly remains the top filing jurisdiction for Canadian inventors, confirming the deep integration between the two markets.”⁴

If this residency requirement is maintained in the final regulations, US-resident patent agents will be removed from the Canadian Register, and presumably by operation of US law, all currently-registered Canadian-based US patent agents will in turn be stripped of their US privileges. Canadian applicants will in turn be subject to increased patenting costs as their filings would then need to be routed through US patent firms⁵.

In short, imposition of a residency requirement according to sections 4 and 5 of the proposed regulations will do serious and irreparable harm to the public interests the College is intended to protect. The proposed regulations appear to be based on a fundamental misunderstanding of the international IP ecosystem, and on Canada’s position within that ecosystem. At a time when Canada *must* strategically reposition itself for success in the world economy, the proposed regulations will severely limit Canadians’ ability to access the US market and to attract investment in Canadian companies.

Furthermore, the imposition of a residency requirement in the proposed regulations for the College is not necessary for effective regulation. First, the existing *Patent Rules* provide for certain residency requirements such that if these rules are preserved the sought after status quo regarding residency requirements can be achieved. For example, section 28(2) of the *Patent Rules* currently provides that:

A patent agent who does not reside in Canada and is appointed as the patent agent by an applicant for a patent, a patentee or other person to represent them in any business before the Patent Office, must appoint a patent agent who resides in Canada as an associate patent agent in respect of that business.

Second, it is also worth noting for comparative purposes that applicants for example to the Lawyer Licensing Process of the Law Society of Ontario are not required to be a Canadian citizen or

⁴ CIPO: IP Canada Report 2020, https://www.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/eng/h_wr04873.html#Section6

⁵ It is also worth noting that even the Canadian government benefits from this limited right to practice. The NRC, for example, requires in its requests for proposals that the Canadian agent file and prosecute the US applications directly, and formally prohibits Canadian agents from retaining US counsel. To continue imposing the residency requirement will have the result of increasing the costs related to obtaining patent protection for inventions created within the Canadian government and its agencies.

permanent resident of Canada.⁶ The College is empowered to enact by-laws that would make it a requirement for a licensee to consent to or attorn to its jurisdiction as a condition of the license.⁷

The *Act* also contemplates the involvement of the Federal Court in investigative and disciplinary matters. If a Federal Court order is required for the purpose of disciplinary proceedings concerning a non-resident licensee, the Court could issue letters rogatory.

Recognizing that patent agents are a key component of the innovation ecosystem, imposing a residency requirement on registered Canadian patent agents is therefore completely at odds with the Government of Canada's 2018 IP Strategy which, as stated in the *Regulatory Impact Analysis Statement*, "...is an initiative aimed at ensuring that Canadian businesses, creators, entrepreneurs and innovators have access to the best possible IP resources".

It is therefore of vital importance to Canadian innovators that the residency requirement be deleted, so that Canadian patent agents can retain the ability to file and prosecute patent applications directly before the USPTO.

Finally, it should be noted that it is not uncommon for Canadian agents to relocate outside of Canada for work or personal reasons. For example, they may be asked by their employer to transfer to an office outside of Canada, or relocate for reasons related to family needs. In such circumstances, there is no compelling reason to prevent such individuals from being able to practice before CIPO.

Recommendation: IPIC strongly recommends that current status quo be preserved through the removal of the residency requirement from sections 4 and 5 of the proposed regulations and the maintenance of current Section 28 of the *Patent Rules*.

(III) SECTION 16 AND 17: UNAUTHORIZED REPRESENTATION - EXEMPTIONS

It is IPIC's understanding that one of the underlying tenets of the proposed regulations is to do no harm.

In the case of sections 16 and 17 of the proposed regulations, the proposed exemptions will result in harm as they have the potential of doing indirectly what cannot be done directly. Currently, to prosecute a patent application before the Patent Office or a trademark application before the

⁶ Law Society of Ontario: Prerequisites for Admission, <https://lso.ca/becoming-licensed/lawyer-licensing-process/prerequisites-for-admission>

⁷ *College of Patent Agents and Trademark Agents Act*, s. 75, S.C. 2018, c. 27, s. 247

Registrar of Trademarks, a person (other than the applicant) must be a registered patent agent⁸ or a registered trademark agent⁹. There are some administrative tasks that do not require the services of a patent agent or trademark agent, *e.g.*, submitting a request to record a transfer of right in the Patent Office¹⁰ or paying a fee to the Office of Registrar of Trademarks¹¹. Accordingly, the rules of the *Patent Act* and the regulations of the *Trademarks Act* contemplate some tasks being carried out by non-agents. It is therefore unnecessary to include the additional wording in section 16(a) of the proposed regulations “or under any other Act of Parliament or any Act of the legislature of a province” or the wording in section 17(a) of the proposed regulations “or any other Act of Parliament or any Act of the legislature of a province”.

In addition, by implying that work can be done before the Patent Office and Office of the Registrar of Trademarks by persons other than registered agents, the proposed regulation is in conflict with the regulations already in place for the *Patent Act* and the *Trademarks Act*.

The *Regulatory Impact Analysis Statement* does not identify – and IPIC is not aware – of any reason to expand the possible exemptions from unauthorized representation to Acts of the legislature of a province or to any Act of Parliament other than the *Patent Act* and *Trademarks Act*.

Since the Patent Office and the Office of the Registrar of Trademarks fall within the jurisdiction of the federal government, there can be no Act of the legislature of a province that could relate to the prosecution of patents or trademarks or to business before the Patent Office or the Office of the Registrar of Trademarks.

In addition, the *Regulatory Impact Analysis Statement* does not identify any Act of Parliament (in addition to the *Patent Act* and *Trademarks Act*) that could relate to the representation of an applicant in the presentation or prosecution of applications for patents or trademarks, or in any other business before the Patent Office or the Office of Registrar of Trademarks. Indeed, any enactments relating to such representation or other business should only be contained within the relevant statutes, namely the *Patent Act* or the *Trademarks Act*, or the relevant regulations (the *Patent Rules* or *Trademarks Regulations*). There is no identified need to allow for further exemptions in any other Act of Parliament.

⁸ Sections 27 and 36(1), Patent Rules;

⁹ section 25(1), Trademarks Regulations

¹⁰ Section 36(3) Patent Rules

¹¹ Section 25(3) Trademarks Regulations

If the purpose behind proposed sections 16(a) and 17(a) of the proposed regulations is to protect non-agents (and particularly lawyers), this has already been accomplished by the exceptions found in the *Patent Rules* and the *Trademark Regulations* as well as the wording of section 70(2) and 71(2) of the *College of Patent Agents and Trademark Agents Act*. Under those sections, legal counsel is exempted from the provisions of section 70(1) and 71(1) of the *Act*.

Recommendation: IPIC recommends that sections 16(a) and 17(a) of the proposed regulations be revised to read as follows:

16. Subsection 70(1) of the *Act* does not apply to

(a) a person who is permitted to represent another person before the Patent Office under the *Patent Rules* or under the *Patent Act*;

...

17. Subsection 71(1) of the *Act* does not apply to

(a) a person who is permitted to represent another person before the Office of the Registrar of Trademarks under the *Trademarks Regulations* or under the *Trademarks Act*;

(IV) SECTIONS 19 AND 20: TRANSITIONAL PROVISIONS AND AGENT TRAINEES

Subparagraphs 19(1)(b)(ii) and 20(1)(b)(ii) of the proposed regulations include a deeming provision for agents in training that covers an individual supervised by “an individual who is responsible for a legal clinic associated with a Canadian law school”.

The provisions of subparagraphs 19(1)(b)(i) and 20(1)(b)(ii) of the proposed regulations run afoul of one of the underlying tenets of the regulations which is to do no harm. In order for an agent in training to be properly trained, the person training the individual must be competent in the area of the practice of patent or trademark prosecution. A legal education is not equivalent to the training required to practice before the Patent Office and Office of the Registrar of Trademarks, which is clear from the fact that lawyers must write the Patent Agents exams before prosecuting patent applications and must write the Trademark Agents exams before prosecuting trademark applications.

To protect the public, persons training to be patent and trademark agents must be trained by persons who themselves are trained and qualified. Those working at legal clinics are not necessarily trained as patent or trademark agents and it would be expected that in almost all cases they are

not. It is further troubling to include “an individual who is responsible for a legal clinic” which would include non-lawyers.

The purpose of having a 24-month training period¹² for agents before writing the examinations is to have them trained by a person who has qualified and passed the Trademark Agents exams and/or the Patent Agents Exams or is working at the Canadian Intellectual Property Office (CIPO) and therefore is knowledgeable in the area of patent and/or trademark law and prosecution.¹³ It is axiomatic that, if the trainees are not properly trained, they are less likely to succeed in writing the exams which reduces the pool of available patent and trademark agents for Canadian businesses. Accordingly, this consequence of subparagraphs 19(1)(b)(ii) and 20(1)(b)(ii) of the CPTA Regulations is not in the best interests of the public.

This required experience also helps to alleviate the burden on those marking the exams. Where people are properly trained, they approach the exams with the background necessary to succeed. Otherwise, the exams are in effect a training exercise which makes marking the exams much more difficult.

Recommendation: IPIC recommends that Section 19 of the proposed regulations be amended to delete subparagraphs 19(1)(b)(ii) and Section 20 of the proposed regulations be amended to delete subparagraph 20(1)(b)(ii).

(V) SUGGESTED FORMALISTIC CHANGES PERTAINING TO THE DRAFT REGULATIONS:

IPIC also notes the following formality issues and suggests corrective changes to the draft *Regulations* for purposes of consistency with the *Act*:

1. *Paragraph 2(a) of the regulations:*

The wording of paragraph 2(a) of the proposed regulations allows for individuals with a “patent agent in training licence” or “trademark agent in training licence” to compose the committee that administers the qualifying examination given to an individual with a “patent agent in

¹² Section 16, *Trademarks Regulations*; section 19, *Patent Rules*

¹³ Section 16 of the *Trademarks Regulations* and section 19 of the *Patent Rules* require experience in the preparation and prosecution of trademark and patent applications (respectively) which can only be done under the supervision of a qualified agent, as only a qualified agent can prosecute patent/trademark applications: Sections 27 and 36(1), *Patent Rules*; section 25(1), *Trademarks Regulations*; or experience at CIPO

training licence” or “trademark agent in training licence” (“trainees”). As such, the current wording allows trainees to sit on the committee that administers their own examination.

As currently worded, paragraph 2(a) of the proposed regulations states that the committee is composed of members. “Members” are defined in the *Act* as being licensees (section 11 of the *Act*). “Licensees” are defined in the *Act* as a “patent agent” or “trademark agent” (section 2). “Patent agent” is defined, under section 2 of the *Act*, as “[...] an individual who holds a patent agent licence **or a patent agent in training licence**”. “Trademark agent” is defined, under section 2 of the *Act*, as “[...] an individual who holds a patent agent licence or **a trademark agent in training licence**”. Therefore, a “member”, as currently worded, would include an individual with a patent agent in training licence or trademark agent in training licence.

The following amendment is proposed for paragraph 2(a) of the draft *Regulations*:

[...] (a) be composed of members **having a licence under subsection 26(1) and/or 29(1) of the Act** who may be removed at pleasure by the Board. [...]

2. Paragraph 16(c) of the proposed regulations:

Paragraph 16(c) of the proposed regulations would shield a person, who is performing an administrative activity with the permission of an individual *with a patent agent in training licence* (hereinafter a “trainee”) to represent another person before the patent office, from committing an offence under sections 70 and 73 of the *Act*.

However, for the interests of protecting the public, where a defective patent application can prejudice the owner of the patent application and/or expose the owner to an involuntary abandonment of the application or invalidity of the patent, it is recommended that this paragraph be restricted to a person having permission from a patent agent having a licence under subsection 26(1) of the *Act* (excluding trainees).

Certain administrative activities before the Patent Office are delicate, and if improperly executed, could lead to invalidity or affect the integrity of the patent application. Examples may include paying certain government fees as a small entity versus a large entity. Another would be requesting examination of the application on time. Trainees may not grasp some of the subtleties of these administrative tasks, and are not sufficiently qualified to direct the person performing the administrative activity.

As such, the following amendment is proposed for paragraph 16(c) of the proposed regulations:

[...] “a person who is performing an administrative activity, if they have the permission of a patent agent **having a licence under subsection 26(1) of the Act**, whose licence is not suspended, to perform that activity. [...]

11

3. Paragraph 17(c) of the proposed regulations:

Similarly to Paragraph 16(c), paragraph 17(c) of the proposed regulations would shield a person, who is performing an administrative activity with the permission of an individual with a trademark agent in training licence (a “trainee”) to represent another person before the Office of the Registrar of Trademarks, from committing an offence under sections 70 and 73 of the Act.

However, for the interests of protecting the public, the same comments with respect to administrative tasks pertaining to patent applications and patents equally apply here, with the necessary adaptations. IPIC recommends that this paragraph be restricted to a person with permission from a patent agent having a licence under subsection 29(1) of the Act (excluding trainees).

Again, trainees may not grasp some of the subtleties of these administrative tasks, and are therefore not sufficiently qualified to direct the person performing the administrative activity.

As such, the following amendment is proposed for paragraph 17(c) of the proposed regulations:

a person who is performing an administrative activity, if they have the permission of a trademark agent **having a licence under subsection 29(1) of the Act**, whose licence is not suspended, to perform that activity.

(VI) BOARD VS. COLLEGE

Caution must also be exercised in how the proposed regulations grant authority for various matters to the “Board” and/or the “College”. These terms do not appear to be used consistently throughout the regulations. Matters which are to be decided solely by the Board must be carefully circumscribed so as not to encompass decisions which may affect the agency profession as a whole without providing the profession a chance to vote on such matters through the College. To vest such powers in the Board without the ability of members to voice their views would cause a great deal of unrest and uncertainty among members. There is a reason that Parliament has set rules for boards of directors of corporations and not-for-profit corporations. A board should not be able to wield power in overarching matters over the entire profession without the input of the profession. Hence, the use of the terms “Board” and “College” needs to be carefully considered.

(VII) OTHER ISSUES

We understand that issues which were previously raised in respect of the proposed regulations regarding “physical and mental fitness” are already being addressed (see subparagraphs 4(b)(iv), 5(b)(iii), 6(b)(iii), 7(b)(iii), 8(b)(iv), 9(b)(iii), 10(b)(iii) and 11(b)(iii)).

We also understand that section 12 of the proposed regulations will be amended to clarify that proceedings may be brought by way of application to the Federal Court.