Federal Budget 2025:

Federal Government's Budget Includes Funding for Intellectual Property Programs

November 5, 2025

OVERVIEW

Prime Minister Mark Carney's government tabled its first federal budget on November 4, 2025. This marks a significant shift in Canada's fiscal approach, as the federal government transitions from a spring to a fall budget cycle. Finance Minister François-Philippe Champagne has positioned this change as an effort to improve coordination with provinces, municipalities, and other stakeholders that better aligns with Canada's construction season and fiscal timelines.

The Budget lays out new spending of $89.7 billion over five years and roughly $56-billion in savings from cuts to the public service and program spending. Minister Champagne added that the budget could spur $1 trillion in overall investment. The 2025-26 deficit will be $78.3 billion, which the government says is projected to drop to $56.6 billion by 2029-30.

According to Minister Champagne's Office, a fall budget will "provide the certainty and predictability needed to plan ahead and ensure projects can begin as soon as construction season starts." A Spring Economic Statement will now be issued. The fall cycle is intended to help departments, businesses, and public partners implement federal investments more efficiently and with improved oversight.

The government is also introducing a new Capital Budgeting Framework, a notable change to fiscal reporting. For the first time, the federal budget will formally distinguish between day-to-day operational spending and long-term capital investments. Capital spending is any federal expenditure that contributes to public or private sector capital formation. The Finance Minister said this will "prioritize investments that generate long-term benefits for Canadians". To back this up, Ottawa is creating the Major Projects Office to fast-track big, nation-building projects. The federal government will work with the Canada Infrastructure Bank, which is getting a big bump in funding from $35 billion to $45 billion, to move major projects forward across the country.

A centrepiece of Budget 2025 is the new $50 billion "Build Communities Strong Fund", a 10-year local infrastructure program focused on housing, transportation, and health infrastructure like hospitals. The fund will consolidate and streamline existing programs, such as the Canada Public Transit Fund, to accelerate municipal and provincial project delivery. To spur on private sector investment the government has announced a new Productivity Super-Deduction allowing businesses to immediately write off 100% of investments in machinery, clean energy equipment and manufacturing technology acquired before 2030. This measure will phase out over the period of 2030-2033.

The Official Opposition, led by Pierre Poilievre, has called the government's approach "reckless borrowing under the guise of growth" and warned of rising debt servicing costs and declining investor confidence. The Conservatives have confirmed they will oppose the budget, citing deficit levels that surpass those under former Prime Minister Trudeau, accusing the government of abandoning fiscal discipline.

The government is facing significant challenges in securing support for the budget in a minority Parliament. The Bloc Québécois has tabled a list of demands the government has rejected. The New Democratic Party has ruled out supporting what it describes as an austerity budget. Minister Champagne has signalled a return to pre-pandemic public service staffing levels, confirming cuts across departments, an area of direct concern for the NDP. All parties have begun accusing one another of engineering a Christmas election. Given the timing of the budget, defeat would trigger an election during the winter holiday season.

Intellectual Property Institute of Canada
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IP RELATED HIGHLIGHTS IN THE BUDGET

- $84.4 million over four years, starting in 2026-27, to Innovation, Science and Economic Development Canada to extend the Elevate IP program, as well as $22.5 million over three years, starting in 2026-27, to renew support for the Innovation Asset Collective's Patent Collective.
- $75 million over three years, starting in 2026-27, to the National Research Council to extend the IP Assist Program.
- An intellectual property performance review to identify new ways to partner with emerging and scaling intellectual property intensive firms, increase domestic investment in leading and high potential firms, retain and commercialise intellectual property in Canada, and help firms to protect and commercialise their intellectual property in foreign markets to advance trade diversification.
- Improving legal certainty and transparency in the intellectual property system to help facilitate more intellectual property backed lending and limit abusive behaviour.
- $925.6 million over five years to build a large-scale sovereign compute capacity, providing AI infrastructure to further support sovereign AI capacity in Canada and ensure a successful Canadian AI ecosystem.
- Increasing the prior-year taxable capital phase-out thresholds for the Scientific Research and Experimental Development (SR&ED) program's enhanced 35-per-cent tax credit.
- Increasing the annual expenditure limit on which the enhanced credit can be earned, from $3 million to $4.5 million.
- Extending the enhanced credit to eligible Canadian public corporations.
- Restoring the eligibility of SR&ED capital expenditures.
- Increasing the annual expenditure limit on which the SR&ED program's enhanced credit can be earned from $4.5 million (as previously announced) to $6 million, effective for taxation years that begin on or after December 16, 2024.
- The government announced its intent to amend the Copyright Act to create an Artist's Resale Right in Canada, ensuring Canadian visual artists benefit from future sales of their work.

CLIENT-AGENT PRIVILEGE

IPIC has been working towards a legislative change to expand the scope of client-agent privilege on confidential communications between a patent or trademark agent and their clients. While it was not included in this Federal Budget, IPIC has received positive signals from both the Minister of Innovation, Science and Industry, as well as the Minister of Finance that they are willing to work with IPIC towards its inclusion in the upcoming Spring Economic Statement.

If you have any questions, please contact Adam Kingsley, IPIC CEO, at akingsley@ipic.ca or at 613-234-0516 x 25.