

# Expanding Protection of IP Licensees: Changes to the BIA and CCAA via the Budget Implementation Act, 2018, No. 2

November 18, 2019

On November 1, 2019, amendments to the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 (BIA) and the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36 (CCAA) came into force. Among other changes described in our previous publication, these amendments expand the protection offered to intellectual property (IP) licensees in the event that the licensor enters insolvency.

Previously, both the BIA and the CCAA provided certain protection to an IP licensee from the disclaimer or resiliation of the license agreement. Sections 65.11(7) of the BIA and S. 32(6) of the CCAA allow the continued use of the IP as permitted under the license, so long as the licensee fulfils its obligations in relation to the IP use under the agreement.

This protection was expanded by amendments to the BIA and CCAA that received royal assent on Dec. 13, 2018 as part of the Budget Implementation Act, 2018, No. 2, S.C. 2018, c. 27 (the Act). Sections 266-269 of the Act offer the same protection currently afforded to IP licensees in the event the license is disclaimed to situations where the IP is sold by the licensor, or where a trustee or receiver disclaims the license or sells the IP. The proclamation of these amendments was deferred, but by Order in Council, P.C. 2019-1226, sections 266-269 of the Act came into force on Nov. 1, 2019.

## Changes to the BIA:

- Section 266 of the Act introduces the new subsection 65.13(9), allowing an IP licensee to continue to use the IP if it is sold in a restructuring;
- Section 267 of the Act introduces the new section 72.1, allowing an IP licensee to continue to use the IP if it is sold or the license is disclaimed by the trustee in a liquidation;
- Section 268 of the Act introduces the new section 246.1, allowing an IP licensee to continue to use the IP if it is sold or the license is disclaimed by the receiver in a receivership.

# Change to the CCAA

Section 269 of the Act introduces the new subsection 36(8), allowing an IP licensee to continue to use the IP if it is sold in a CCAA restructuring.

By

[Beverley Moore](#), [Lisa Hiebert](#), [David Chapman](#)

Expertise

[Intellectual Property](#)

## BLG | Canada's Law Firm

As the largest, truly full-service Canadian law firm, Borden Ladner Gervais LLP (BLG) delivers practical legal advice for domestic and international clients across more practices and industries than any Canadian firm. With over 800 lawyers, intellectual property agents and other professionals, BLG serves the legal needs of businesses and institutions across Canada and beyond – from M&A and capital markets, to disputes, financing, and trademark & patent registration.

[blg.com](http://blg.com)

## BLG Offices

### Calgary

Centennial Place, East Tower  
520 3rd Avenue S.W.  
Calgary, AB, Canada  
T2P 0R3

T 403.232.9500  
F 403.266.1395

### Ottawa

World Exchange Plaza  
100 Queen Street  
Ottawa, ON, Canada  
K1P 1J9

T 613.237.5160  
F 613.230.8842

### Vancouver

1200 Waterfront Centre  
200 Burrard Street  
Vancouver, BC, Canada  
V7X 1T2

T 604.687.5744  
F 604.687.1415

### Montréal

1000 De La Gauchetière Street West  
Suite 900  
Montréal, QC, Canada  
H3B 5H4

T 514.954.2555  
F 514.879.9015

### Toronto

Bay Adelaide Centre, East Tower  
22 Adelaide Street West  
Toronto, ON, Canada  
M5H 4E3

T 416.367.6000  
F 416.367.6749

The information contained herein is of a general nature and is not intended to constitute legal advice, a complete statement of the law, or an opinion on any subject. No one should act upon it or refrain from acting without a thorough examination of the law after the facts of a specific situation are considered. You are urged to consult your legal adviser in cases of specific questions or concerns. BLG does not warrant or guarantee the accuracy, currency or completeness of this publication. No part of this publication may be reproduced without prior written permission of Borden Ladner Gervais LLP. If this publication was sent to you by BLG and you do not wish to receive further publications from BLG, you may ask to remove your contact information from our mailing lists by emailing [unsubscribe@blg.com](mailto:unsubscribe@blg.com) or manage your subscription preferences at [blg.com/MyPreferences](http://blg.com/MyPreferences). If you feel you have received this message in error please contact [communications@blg.com](mailto:communications@blg.com). BLG's privacy policy for publications may be found at [blg.com/en/privacy](http://blg.com/en/privacy).

© 2026 Borden Ladner Gervais LLP. Borden Ladner Gervais LLP is an Ontario Limited Liability Partnership.