CIPO releases its first decision under new due care standard for patent prosecution

April 08, 2022

The Canadian Intellectual Property Office (CIPO) has published notice of its first decision under the new due care standard for patent prosecution. Although due care was found, it required a series of written arguments and affidavit evidence from the Applicant to convince the Patent Office.

The issue arose following a missed maintenance fee payment during prosecution of CA 2,862,859. The facts below are summarized from the submissions of the Applicant and the responses of the Commissioner as found in the online file wrapper. However, not all of the supporting documents and correspondence are available online.

What you need to know

- A notice of allowance was issued for the patent application without receiving a single examiners report;
- In order to make an amendment to the application that would require further searches by the examiner, it was necessary to allow the application to become abandoned by failure to pay the final fee under section 32 of the Patent Rules (as they read prior to October 30, 2019);
- The patent application was allowed to expire for failure to pay the final fee;
- The Applicant had engaged an annuity service to pay the 2020 maintenance fee and advised the Canadian agent accordingly. The Canadian agent removed the maintenance fee payment from its docketing system; and
- The Applicant later reversed the maintenance fee payment instruction and asked the Canadian agent to pay the 2020 maintenance fee. This reversal was accidentally mischaracterized in the agent's docketing system, such that the maintenance fee was not paid and the application was abandoned.

Although fees to reinstate and late fees were paid, the application was deemed abandoned for failure to pay the 2020 maintenance fee within the six month period following the due date.

Written arguments and affidavit evidence

At this point, the patent applicant can not reinstate as of right, but instead must show that the failure to pay the maintenance fee occurred despite the due care required by the circumstances having been taken.[1] Thus, the Applicant submitted written arguments and affidavit evidence claiming that the isolated human error occurred as a result of a complicated series of events that were unlikely to ever occur again, namely:

- It is no longer necessary to abandon the application by failing to pay the final fee because amendments to the *Patent Act* and Rules were made to allow withdrawal of the Notice of Allowance.
- The abandonment caused the Applicant's annuity service to delete its own docket to pay the maintenance fee.
- The Applicant's instructions to the Canadian agent to not pay the maintenance fee in favour of the annuity service caused the Canadian agent to delete the docket to pay the maintenance fee
- The COVID-19 pandemic caused the Canadian agent's office to close and to switch everyone to working from home
- The instruction from the Applicant reversing its original position and asking the Canadian agent to pay the maintenance fee was accidentally mischaracterized in the docketing system by the administrative staff member who processed the email. This meant that a new docket to pay the fee was not created to replace the docket that was previously deleted.

The Patent Office was not convinced that this met the due care standard. Eight months after the Request Letter was sent, the Patent Office took issue with the evidence provided, such as failing to explain:

- Whether and how the administrative staff responsible for receiving incoming correspondence were carefully chosen, trained or monitored. This comment was made despite recognizing the administrative staff member who made the error had been with the Canadian agent's firm for 18 years;
- The instruction that was provided to the administrative staff member regarding the classification of client instructions and entry of instructions into the docketing system;
- What reasonable and regular supervision was exercised over the work performed by the administrative staff member generally, and specifically in the COVID-19 pandemic, to ensure that classification errors would be avoided, or would be identified and addressed;
- The measures taken to ensure client instructions are properly classified;
- How foreseeable limitations of the mail classification system and entry of instructions into the docketing system are generally monitored and addressed;
- How the docketing system itself is generally satisfactory;
- What quality assurance and monitoring protocols are in place;
- How the misclassification of the client instruction was an isolated event; and
- How the transition to working from home was linked to the failure to pay the fees.

Three weeks later, the Applicant filed additional submissions and affidavit evidence to address the Patent Office's concerns. The Patent Office responded after a further five months, and reinstated the application.

Takeaways

As can been seen from this decision, the Patent Office requires a high level of detail in the due care submission.

Furthermore, the Patent Office's proposed service standard is to respond within two months of the request to reinstate or two months from receipt of the last correspondence relating to the request. However, as can be seen above, the Patent Office took eight months and a further five months to respond. Third-party rights can begin at the same time as the due care standard, and ends on the earlier of reinstatement or grant. Therefore, applicants ought to be warned that the delay in reinstatement can potentially result in a significant loss of rights.

[1] Section 73*, Patent Act*

By

Adrian J. Howard

Expertise

Intellectual Property, Patents

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

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 or manage your subscription preferences at blg.com/MyPreferences. If you feel you have received this message in error please contact communications@blg.com. BLG's privacy policy for publications may be found at blg.com/en/privacy.

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