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B U S I N E S S P L A N 2 0 1 1 - 2 0 1 2

Touch the Future of IP



Canada 

CIPO  OPIC

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Message from the CEO

It is our responsibility, and well within our capacity, to lead change and determine the type of organization we will become.

— Mary Carman

Canadian innovators know that change is inevitable — the global economy shifts, markets evolve, new competitors and products emerge. They understand that the key to long-term success depends on their ability to manage change in order to continually compete and create the innovations of tomorrow. To help Canadian pioneers gain a competitive edge and succeed in an evolving knowledge-based global economy, the Canadian Intellectual Property Office (CIPO) grants intellectual property (IP) rights that protect the value of their ideas, enabling them to secure investment capital and to commercialize the leading-edge creations that are vital to Canada's long-term economic growth and prosperity.

Over the last four years, CIPO has also had to manage change. We realized early on that we needed to not only facilitate innovation, but also incorporate it into our organizational DNA. Our Five-Year Strategic Plan, entitled *Moving Forward to Canada's Advantage*, was the beginning of that journey. It outlined five strategic directions providing a road map to realizing our vision of becoming a leading intellectual property office (IPO). We are proud of the achievements we have made against our strategic plan including significantly reduced turnaround times (TATs), streamlined processes, progress on e-services, targeted outreach programs, improved administrative and regulatory policies, stronger links with foreign IPOs, and expanded training and support to staff — all while navigating the worst recession since the 1930s.

CIPO has now reached the final leg of the journey we started four years ago. The last year of our strategic plan represents a critical juncture — and change is upon us again. As a result, CIPO's Business Plan 2011–2012 not only lists the specific strategies for managing the year ahead, it also sets the stage for launching our next Five-Year Strategic Plan by highlighting the domestic and international drivers that may affect our clients and our ability to become a world-class IPO.



CIPO has made key strides towards building an innovative workplace through its Enterprise Business Renewal (EBR) initiative. We have mapped out efficient processes, and have initiated the roll-out of automated tools that support these processes in order to do business better. For example, the organization developed online applications for filing statements of opposition and requests for extensions of time for Trade-marks Opposition Board proceedings.

EBR will continue to be CIPO's key strategic focus with many new projects on the way and others continuing well into the next strategic plan period. In 2011–2012, CIPO will move forward on a new web-based trade-mark e-commerce system that includes a new service to assist with filing a trade-mark application, as well as continuing with improvements to trade-mark examination and operational processes. We will automate registration of copyrights as extensively as possible, and enable e-payments of industrial design maintenance fees. In addition, we will initiate a new e-service to request national entry of international patent applications, and make patent correspondence available online.

Externally, CIPO will continue to raise IP awareness in the community by focusing its attention on the education sector. With our government partners, we will continue to pursue amendments to aspects of the *Patent Rules*, the *Trade-marks Act* and the *Trade-marks Regulations*. CIPO will also continue to share best practices with other IPOs, and build on our ongoing international responsibilities at the World Intellectual Property Organization (WIPO) and other IP-related groups.

While it is important to cultivate an innovative workplace, it is equally critical that we foster an innovative culture that embraces change. Along with most organizations, CIPO is about to undergo a substantial generational shift as many of its employees, managers and executives will be eligible to retire in the coming years. To ensure that we can thrive through this transition, we will implement a succession plan, and provide knowledge transfer opportunities at all levels of the organization through various training, learning and mentoring initiatives. In addition, CIPO will deliver change management training to ensure that the leaders of today and tomorrow embrace and inspire the universal adoption of change inside and outside of the organization.

Creators who turn to CIPO for IP protection are constantly seeking to develop new ideas and to improve existing ones. In the same way, CIPO began a journey four years ago seeking to improve our services through innovation. This year represents the last leg of that journey, and this business plan is our strategy for completing it. As we launch our next Five-Year Strategic Plan, we are getting ready to pass the torch to a new generation of leaders, and they will receive a financially strong and modern organization with a committed workforce that embraces innovation and, most importantly, change. After all, it is our responsibility, and well within our capacity, to lead change and determine the type of organization we will become.




Mary Carman
Commissioner of Patents,
Registrar of Trade-marks
and Chief Executive Officer

Introduction

CIPO's agenda for 2011–2012

CIPO is responsible for granting and registering IP rights in Canada. Our vision is to become a leading IPO recognized for excellence in our products and services, and for strengthening Canada's innovative capacity.

CIPO operates within an IP framework comprising legislation, regulations and office practices. Our mission is to accelerate Canada's economic development by:

- fostering the use of the IP system and the exploitation of IP information;
- encouraging invention, innovation and creativity in Canada;
- administering the IP system in Canada; and
- promoting Canada's international IP interests.

Our mandate is to deliver high-quality and timely IP products and services to clients, and to increase awareness, knowledge and effective use of IP by Canadians.

CIPO protects innovations by granting patents and registering trade-marks, copyrights, industrial designs, and integrated circuit topographies. It is also responsible for building IP awareness, and providing collaborative policy and research support to international players, and to domestic government partners, in the development of IP administrative policies and positions.

Based on the five strategic directions outlined in our Five-Year Strategic Plan, this year's business plan outlines the progress we intend to make in this final year of the strategic plan. It describes key business and human resources (HR) strategies to achieve concrete results in a rapidly-evolving international IP climate.

This document integrates CIPO's Business Plan 2011–2012 and Human Resources Plan — the two are intertwined. We understand that our people are key to our business results. It follows then, that business planning must reflect HR realities, while HR planning must reflect the current and future states of our business operations.



Environmental scan

Building on results

The Business Plan 2011–2012 builds on the progress that CIPO has realized since the 2007 launch of the Five-Year Strategic Plan. Specifically, we have:

- reduced TATs;
- improved the percentage of service standards met;
- significantly reduced the inventory of trademark and industrial design applications;
- reduced the inventory of patent applications awaiting first examination;
- expanded our network of Patent Prosecution Highway partners by significantly accelerating the examination of patent applications in cases where examination work has already been conducted at another IPO;
- worked with our IP partners and stakeholders to create a more efficient and effective IP regime in support of the modernization of CIPO's products and services;
- pursued key opportunities to contribute our expertise at international meetings, leading to the advancement of Canada's IP international position;
- improved the level of IP awareness among graduates of Canadian universities and colleges;
- worked with WIPO to provide technical assistance in the form of programs and services to developing countries; and
- built capacity and enjoyed stable retention of employees in an increasingly competitive labour market.

CIPO continually improves internal operations and management processes which translate into more efficient operations and better results. Recent annual reports point to progress in our management of finance, HR, information management, and information technology (IT). Feedback from Canadian stakeholders and IPOs we deal with around the world suggests that improvements undertaken since 2007 have been noted.

Economic trends, internal and external factors

While the U.S. Federal Reserve has upgraded its U.S. economic growth forecast this year from between 3 - 3.6 percent to 3.4 - 3.9 percent — the fastest annual growth in the U.S. since 2004 — forecasts also suggest that U.S. unemployment will remain as high as 8.8 to 9 percent this year.¹ Similarly, the Bank of Canada has upgraded its 2011 Canadian economic growth forecast from 2.3 to 2.4 percent, and its 2012 economic growth forecast from 2.6 to 2.8 percent.²

With signs of an improving economic environment in both Canada and the U.S., CIPO expects higher volumes of applications for 2011–2012. However, considering the fragility of the recovery, the organization is also taking measures to limit growth in its expenditures and reduce costs in specific areas of CIPO's operations, in line with overall government spending reductions.

Despite our best efforts, however, some costs will continue to rise. We will continue to see increases in certain operational costs, such as salary and benefit commitments, as well as the cost of services from other government departments, including HR management, IT, paper mail, translation, accommodations, banking and legal services. As EBR remains

1. *The New York Times*, "Fed Forecasts Faster Growth as Economy Improves," February 16, 2011.
2. Consensus Economics Inc., "Consensus Forecasts," February 14, 2011.

a top priority, CIPO will continue investing in the necessary IT that enables corporate-wide automation. EBR has been vital to improving client services throughout CIPO. For example, we enhanced the search capability of CIPO's web databases to include bilingual queries of patent abstract documents. While EBR has also been important for delivering operational efficiencies, this year, in the absence of new technologies, CIPO has limited capacity to further gain efficiencies or reduce costs.

Financial overview

Over the last several years, CIPO has achieved break-even or better financial results, while maintaining its ability to make strategic capital investments in technology infrastructure and improve production capacity.

In fact, CIPO's financial forecasts indicate positive financial results for the upcoming planning period. Revenues are expected to trend upwards between 2011–2012 and 2013–2014, and then remain flat at levels near \$154 million. These revenue forecasts take into account the positive signs that the improving economic environment have on IP filings, the fact that the patent maintenance fee stream is reaching maturity, and the increase in production capacity for examination activities.

For the same period, expenditure forecasts are expected to slightly increase to a level of \$154 million in 2013–2014, despite the fact that CIPO is taking concrete measures to limit expenditure growth. In fact, since 2008–2009, expenditure growth has been contained to marginally greater than the cost of living by expenditure reviews of non-essential travel, professional services, IT purchases, and by focusing our growth on areas of priority in response to increasing client demand. However, some costs will continue to rise including inflation costs, IT capital investment in technology infrastructure, and investments to improve production capacity.

These expenditures reflect CIPO's commitment to meet the growing complexity of IP applications, the impact of globalization, and to improve service. We continue to address economic uncertainty and the lingering impacts of the global recession through prudent fiscal management and a consolidated effort to limit and manage growth. CIPO is committed to vigilantly monitoring budgets, forecasts and actuals for both revenues and expenditures. Process improvements, increased internal operational controls and investments in IT capital will support the achievement of operational efficiencies and will amplify our capacity to meet client expectations.



Human resources overview

CIPO has pursued aggressive expansion of capacity in prior years. This growth was driven by client demand, primarily in the area of patents. Last year's growth was forecast as the final year that the Patent Branch would be increasing internal examination capacity. As a result, this stable volume of applications, combined with the continued need for cost containment, precludes further employment growth at this time.

Consequently, the organization expects to shift HR emphasis from recruitment and training of new employees, to succession planning, as well as retention and development of current employees.

We want to ensure not only that we have the right people in the right positions, but that our talented and highly-skilled workforce sees a future here at CIPO or in the broader Public Service. This objective drives our focus on providing professional learning and development opportunities that will enable

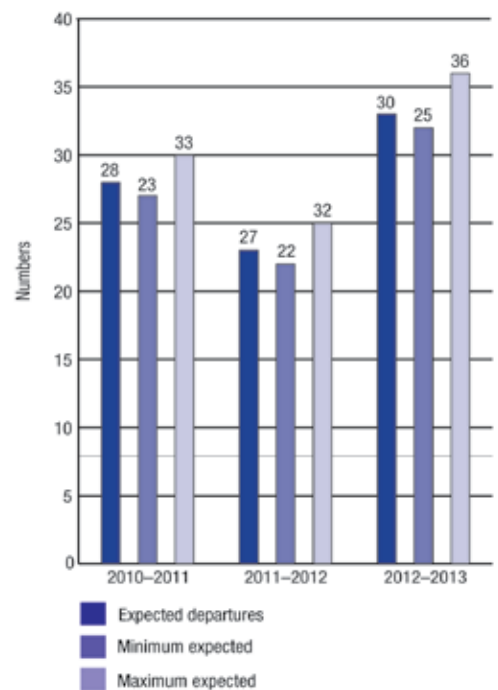
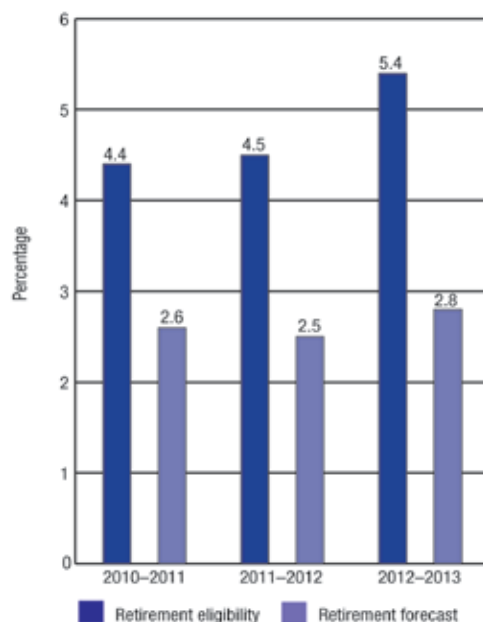
effective succession planning as a significant proportion of the senior executive cadre will be eligible to retire in the coming years. We want to prepare CIPO's future leaders today, ensuring the stability of the organization. Initiatives in this area, as well as our approach to competency and capacity building, mentoring, change management, and focus on workforce and retention will be discussed in the *Our people* section of this document, along with our overarching Learning and Development Program.

Demographic highlights

- **Employees:** As of September 2010, CIPO had 1 103 employees, including indeterminate, term and casual employees and students.
- **Average age:** The average age of CIPO's workforce is 41.9 years, compared to Industry Canada's (IC) average of 43.4 years. However, 27 percent of CIPO's workforce is 50 years of age or over. In addition 70 percent of the executive category are 50 years old and over.



Retirement Departure Forecast



Retirement eligibility

In fiscal year 2011–2012, 4.5 percent of employees will be eligible to retire compared to 7.2 percent for employees at IC. Yet, based on historical trends, the actual rate of retirement at CIPO is predicted to be approximately 2.5 percent compared with 3.6 percent for IC. In fiscal year 2012–2013, the proportion of employees eligible to retire will reach 5.4 percent for CIPO and 7.7 percent for IC, while the actual rate of retirement is predicted to be approximately 2.8 percent for CIPO and 3.8 percent for IC.

- **Official languages:** 57.4 percent of CIPO’s employees indicated English as their first official language, while 42.5 percent indicated French.
- **Bilingualism:** As of March 31, 2010, among those employees who were in positions with a bilingual requirement, 88 percent met their bilingual language requirements.
- **Employment equity groups:** Most recent data indicate the following representation:
 - **Women** account for 54.1 percent of the workforce compared with a workforce availability (WFA) of 52.1 percent.
 - **Aboriginal peoples** account for 1.6 percent of the workforce compared with a WFA of 1.9 percent.
 - **Persons with disabilities** account for 3.3 percent of the workforce compared with a WFA of 4 percent.
 - **Visible minorities** account for 13.8 percent of the workforce compared with a WFA of 10.9 percent.

This data shows modest incremental increases in employment equity representation for women and visible minorities, and slight decreases in representation for Aboriginal peoples and persons with disabilities over the previous fiscal year.

Enterprise Business Renewal: Achieving our strategic goals

Enterprise Business Renewal (EBR) will continue to be fundamental to the CIPO corporate agenda in 2011–2012. Through EBR, the organization is working to make client services and internal processes more efficient and effective. Coordinated projects under EBR focus on the transformation of our operational processes, the interfaces through which clients deal with us, our business applications and our IT infrastructure.

EBR will put the tools, processes and technologies in place to:

- increase client self-sufficiency and satisfaction;
- integrate our business functions;
- improve internal processing tools;
- move away from paper-based processes;
- enhance our ability to share information across the organization; and
- meet expected outcomes and results in our five strategic directions.

The EBR initiative will help us drive CIPO forward to become a leading IPO. We will continue to closely manage EBR during 2011–2012 to focus on the initiatives that are most likely to generate optimal results for our clients and internal operations. We are employing effective project management practices to keep EBR initiatives on track and on budget. Once fully implemented, we would expect to see significantly higher take-up in our e-services, improvements in client satisfaction, reduced TATs in responding to client requests, and savings accrued from reductions in costs associated with paper-based management.



Improvement of enabling and support services

CIPO strives to improve in all management areas. Particular attention is given to those areas that impact all product lines and can impact the organization's capacity to fulfill its obligations, commitments and priorities, and provide a high potential for long-term strategic and operational benefits. Some of these areas are described below.

Development of a business classification structure to serve as a foundation for CIPO's information management program

The business classification structure is part of CIPO's larger information management strategy, which sets the stage for a phased action plan to organize and structure the organization's information holdings. This will result in easier search and retrieval, and provide the governance required for managing information. In compliance with information management legislation and requirements, work has already begun to establish standards and guidelines, to increase skills and support, and collaboration to share knowledge.

Resource Centre — The Resource Centre will continue its efforts to improve service delivery and contribute to employee efficiency by introducing time-saving tools. For example, a federated search capability will be introduced that will allow CIPO staff to save time by searching multiple databases with a single query.

Enhanced policy and research contributions

— CIPO's Policy, International and Research Office (PIRO) houses the organization's policy and research expertise. Policy and research at CIPO is directed at improving and modernizing Canada's IP framework and policies and

working internationally with other IPOs to advance Canada's IP interests abroad. This includes providing policy expertise to support administrative, regulatory and legislative initiatives, including interfacing with central agencies and other government departments. CIPO's research capacity supports policy development, product lines and the corporate performance framework. During 2011–2012, PIRO will continue to play a key role in policy-related initiatives, including the preparation of the organization's next strategic plan.

Management practices — Decision making on management practice improvements will continue to be based on an assessment of return on investment, as well as client and organizational impact. CIPO has implemented sound management principles and practices that align with the Government of Canada's management accountability framework. We are continually working to enhance management practices, improve accountability, and promote strong financial and audit controls essential to ensuring rigorous stewardship of funds and value for money.

Examples of enhancements include the introduction of Activity-Based Costing and an online Activity Time Reporting System (ATRS). ATRS is not an employee tracking system, but rather a powerful financial tool. Working in tandem, these systems enable us to analyze and better understand the real cost of business activities and transactions. As part of CIPO's effort in perfecting its integrated planning and reporting cycle, these performance results provided specific detail areas of improvement and assisted in the priority setting exercise in the organization.

Evaluations — CIPO is committed to operating in a transparent and fiscally prudent manner. The organization will undergo evaluations during 2011–2012 which will provide an opportunity to receive independent assessments of our progress on key initiatives. For instance, internal audits will occur on EBR and CIPO's financial control framework. These evaluations will help the organization to further improve its operational efficiencies.

Progress on CIPO's five strategic directions

In our Five-Year Strategic Plan, entitled *Moving Forward to Canada's Advantage*, we identified the following priorities:

- to provide clients with quality IP rights in a timely fashion;
- to effectively respond to Canadians' evolving IP knowledge needs and expectations, including providing general information regarding the existence, benefits and obligation of IP rights, as well as access to technical information, business data and intelligence contained in IP documents that could be used for innovative/commercial purposes;
- to administer a modern, internationally competitive IP framework;
- to play an active role of influence and collaboration with domestic and international IP partners and stakeholders; and
- to be an innovative organization, with a proactive orientation, that strives to continually enhance the value and contributions of its products and services, and its people.

These priorities led to the development of five strategic directions. These strategic directions, and their corresponding outcomes, focus upon: client services and outreach, which together constitute the core of our business; the IP administrative framework and international activities, which are key IP enablers for client services and outreach; and our people, CIPO's single most important asset.

In this section, we outline how CIPO plans to achieve progress in each of these five strategic directions during the final year of the strategic plan.



Client services

Outcomes:

- The delivery and quality of CIPO's products and services respond to client needs and expectations, and meet or surpass the performance of IPOs.
- CIPO clients, including the public, can easily locate the information and people they need.

CIPO has made progress in enhancing services, having improved its achievement of service standards over the last several years. In addition, we have identified ways to improve services by modernizing and streamlining processes for our clients and staff. We have identified how IT can make it easier for clients to connect with us and for our employees to carry out their responsibilities. This will help us to continue to reduce TATs and to improve our services.

CIPO's goal is to deliver faster, more efficient service with consistently high quality. Our direction is to introduce or expand existing automated services to reduce administrative obligations on clients.

Some of our initiatives will produce visible impacts for clients and stakeholders in 2011–2012:

- We will continue to work towards our goal of a CIPO portal, which will serve as a single point of access for all online transactions.
- We will also continue our efforts to move towards the unique client identification database the portal will require. This will improve case management, increase automation of core CIPO processes, and make it easier for clients to reach us online.
- We will continue to improve trade-mark examinations and operational processes in advance of CIPO's roll-out of the Integrated Client and Case Management Solution.
- We will continue with an initiative to simplify and automate parts of the process for the registration of copyrights.

- We will offer a modernized application for the electronic payment of industrial design maintenance fees. It will enable clients to pay either by credit card or by deposit account, and receive instant confirmation of the payment.
- To ensure patent client requests are tracked, and feedback is recorded and reported, we will continue with a pilot project between the Client Service Centre (CSC) and the Patent Branch Assignments Unit, that if successful, could be expanded to other branches within CIPO.
- CIPO will continue to translate, display, and allow search functionality of patent abstracts in both official languages.
- We will undertake a CSC assessment to review our client services approach.

In some cases, results will only be visible to clients in 2012–2013 or soon thereafter:

- To reduce examination costs and improve client satisfaction, we will move forward on a new web-based trade-mark e-commerce system. This new e-service will deliver better functionality and navigation to clients, such as predefined lists that clients can use to select goods and services, and a tool to help them complete a trade-mark application.
- We will initiate a new e-service to enable the National Entry Unit for patents to automatically request and receive international applications electronically, and automatically load the applications into CIPO systems. In addition, it will instantly provide client application numbers, validate Patent Cooperation Treaty (PCT) numbers during the national entry request, and automatically capture e-payments in CIPO's Financial Information Tracking Tool.
- To increase transparency, client self-sufficiency and information sharing between IPOs, we will make patent correspondence available online.

- A study of our financial management processes will tell us how we can improve the integration of information across our operational system. This will not only support stronger financial management, but it will also be critical as we begin to offer financial tools on the portal, such as e-payments.
- As a Special Operating Agency (SOA) within IC, with a revolving fund authority, CIPO finances its operations entirely from revenues generated by fees received from the provision of IP services. As a result, we must be cognizant of balancing revenues with the costs of doing business. Fees need to be reviewed in light of efficiencies already achieved, inflation, as well as process and IT improvements in the pipeline. Specifically, we need to examine the alignment between the cost of providing services and revenue, and account for the impact of future e-services, as well as modernized IP legislation and regulations.
- CIPO receives roughly 800 000 pieces of paper mail annually; significant strides have been made to reduce TATs for processing paper mail, particularly in the Patent Branch. Clients will benefit from these improvements as well as from new, streamlined processes under study.
- Individuals, companies and organizations filing patent and trade-mark applications will benefit as we continue our quality management program and roll out new improvements to our search tools.
- Enhancing our understanding of client uses of CIPO online resources by assessing visitor engagement in our website, providing the organization with information necessary to better support CIPO initiatives.

Outreach

Outcomes:

- Targeted Canadian SMEs make use of IP assets and information.
- Post-secondary graduates are aware of the benefits of IP and of using IP information.

CIPO has an important role to play in helping Canadians understand the importance of IP to the country's economic objectives. Increasing Canadians' awareness, knowledge and effective use of IP is a mandated responsibility. The management and exploitation of innovative knowledge can be a decisive determinant of business success and growth.

In 2010–2011, CIPO's continuing use of IP case studies proved to be very effective at increasing post-secondary students' understanding of the value of IP, as well as the importance of protecting it. In fact, students who participated in the delivery of IP Case Study sessions indicated that knowledge of IP would be useful for them in their careers.

As a result of this success, CIPO has decided to refocus its outreach activities going forward. The primary area of focus will be on the post-secondary education sector. We will also direct our outreach efforts toward exporting small and medium-sized enterprises (SMEs) through intermediaries.

In 2011–2012, we will:

- Aim to increase awareness of IP benefits in the post-secondary education sector by introducing IP case studies and speakers to targeted colleges and universities.
- Build on our training initiatives with the Department of Foreign Affairs and International Trade (DFAIT) to explore potential new intermediaries that would enable us to expand CIPO's reach to exporting SMEs. This includes facilitating intermediary access to IP tools for their clients.



IP administrative framework

Outcomes:

- Canada's IP administrative framework is internationally competitive.
- CIPO leverages its expertise to contribute to the domestic IP agenda.

The IP administrative framework consists of legislation, regulations as well as office practices. It determines how IP rights are granted and protected, and outlines how CIPO must administer its processes. Many of our commitments to improved client service and more efficient and cost-effective operations are contingent on a modernized administrative framework. A strong, modern and internationally competitive IP framework is vital to Canada's competitiveness. It serves to reduce barriers to innovation and to improve the registration and protection of IP in Canada.

During 2011–2012, we will continue to work towards advancing the IP administrative framework modernization initiatives that are already underway. Some of our administrative framework initiatives will focus on implementing changes that have already been approved or will involve further consultation:

- We will move forward with proposed amendments to the *Trade-marks Regulations* to modernize and simplify the administration of the trade-mark opposition regime. If approved, the amendments would improve internal processes and administration of trade-mark opposition files, increase transparency and predictability of timeliness, reduce the overall time it takes for a case to obtain a final decision, and permit the electronic filing of evidence and the serving of documents by electronic means.
- We will move forward with changes to the *Patent Rules* to safeguard applicants' rights in situations where those rights might be expunged otherwise. The amendments, which will provide more flexibility on issues such as who can pay a fee and how an abandoned application can be reinstated, require significant IT development and will be prioritized accordingly.

- We will pursue regulatory amendments that will harmonize the qualifying examination process and eligibility criteria to sit for the qualifying examinations to ensure that agents entered on the Register of Patent Agents and the List of Trade-mark Agents have comprehensive knowledge of IP law before entering the practice. These amendments will also provide increased flexibility and efficiency in the administration of the qualifying examinations.
- We will move forward with amendments to the *Patent Rules* that are aimed at modernizing, simplifying and clarifying CIPO's processes associated with the review, by the Commissioner of Patents, of a patent application that has been rejected in a final action by a patent examiner. Minor changes will also be made to clarify the re-examination process. If approved, these amendments will improve legal certainty and allow CIPO to better serve its clients and continue to administer Canada's IP system in an efficient manner, thereby reducing the administrative burden for both the applicants and the Patent Office.
- We will build upon public consultations carried out during the previous fiscal year to put in place internal guidelines in 2011–2012 that will improve the management of the patent system in cases where use is granted to the Government of Canada or provincial governments.



Other initiatives are at early stages, or are changes that may be the focus of initial consideration:

- We will continue efforts to examine the modernization of the *Trade-marks Act*, which has been largely untouched since 1954. We will build on stakeholder consultations from 2010–2011 to remove administrative burdens and enable simpler, more automated administrative processes that are harmonized with those of other major jurisdictions where Canadians seek trade-mark protection.
- We will conduct an analysis of aspects of Canada’s industrial design policy as a possible first step towards changes to the legislative framework. Similar initial steps may be taken to consider updates to the *Patent Act* that would support a modernized administrative framework and act on Canada’s international commitments.

International activities

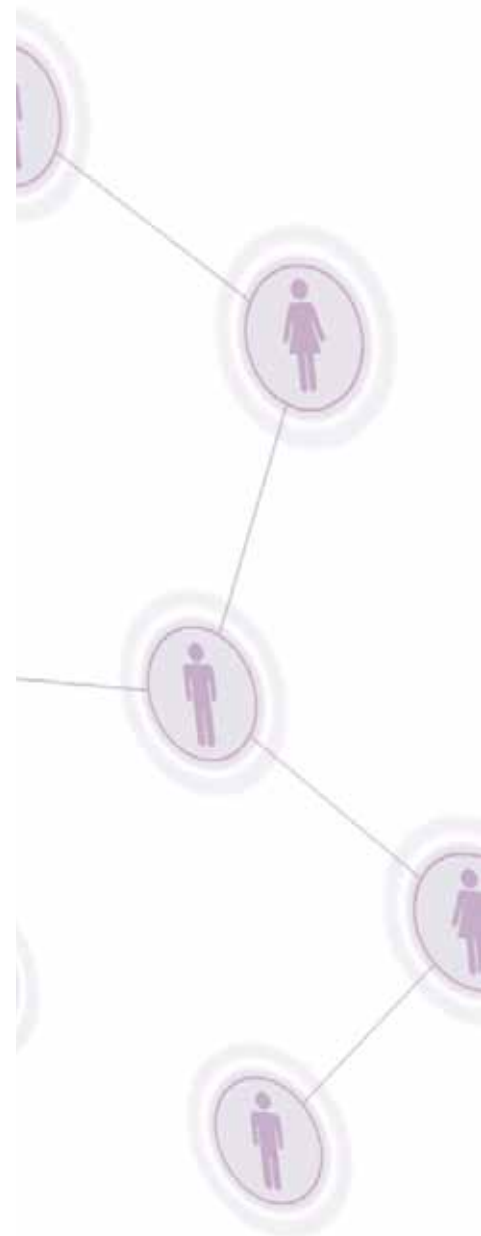
Outcomes:

- **CIPO is proactive and demonstrates leadership in advancing Canada’s IP position internationally.**
- **The IP assistance provided to developing countries is recognized as being of high quality.**

Innovation is a global activity and Canada’s IP framework must facilitate this growing trend. Numerous international IP treaties and agreements create an international framework as does WIPO. In partnership with IC and DFAIT, CIPO represents Canada’s IP interests abroad. It participates at WIPO events, in IP working groups such as the Asia–Pacific Economic Cooperation (APEC), as well as in an array of bilateral and multilateral efforts with other IPOs.

Given the need to make strategic choices among the many opportunities for CIPO to engage with other IPOs and other stakeholders, we implemented a strategic international framework. It clarifies CIPO priorities for international attention, including our technical assistance activities with developing countries. The framework is designed to achieve four outcomes:

- procedures and administrative frameworks are strengthened and improved;
- improved international and national IP regimes protect and promote IP rights;
- key international IP institutions and fora focus on shared priorities; and
- participating IPOs apply knowledge acquired and information received during workshops and technical assistance activities.



Over the past four years, CIPO has exercised increasing influence in bilateral and multilateral IP fora. For example, CIPO plays a leadership role in both the Vancouver Group (Canada, Australia and the United Kingdom) and Group B+ (a group of industrialized economy IPOs that collaborate on shared agendas for improved services and processes).

Our general direction in 2011–2012 is to build on our ongoing international responsibilities such as managing Canada’s involvement in the work and meetings of WIPO, the APEC–Intellectual Property Rights’ Expert Group and other IP-related groups. We will continue to build links to other IPOs, principally amongst industrialized economies, to share best practices and work toward harmonizing processes. Under our international framework:

- We will work closely with partners in the Vancouver Group and through other groups to share expertise in order to improve speed and quality of service, as well as to identify opportunities to harmonize individual IPO practices and pursue work sharing initiatives.
- Canadian leadership will continue as senior CIPO officials chair key meetings such as the plenary of Group B+.
- We will enhance relations with key IPOs from developing countries primarily through development and delivery of the CIPO/WIPO Workshop on the Application of Management Techniques in the Delivery of IP Services.
- CIPO is continuing its work under a trilateral memorandum of cooperation with the United States Patent and Trademark Office, the Japan Patent Office, and the Office for Harmonization in the Internal Market. The goal is to have a common list of acceptable goods and services, providing an easier way for clients to file trade-marks internationally.

Our people

Outcomes:

- CIPO attracts and retains individuals with the competencies it needs.
- CIPO is a learning organization where individual capabilities and organizational leadership are reinforced.
- Employees are committed, supportive and involved in their jobs and organization.

As a knowledge-based organization, CIPO’s workforce is its most valuable asset. Our recent focus on recruitment, training and retention has enabled CIPO to enjoy a consistently low turnover rate (5 percent in 2009–2010, 4 percent in 2008–2009), as well as a substantial improvement in the percentage of staffing requests met (92 percent in 2009–2010 compared with 63 percent in 2008–2009). This year, we will pursue initiatives that will help us build our future workforce.

Succession planning

Along with many organizations, CIPO is about to undergo a significant generational shift as many of its employees, managers and executives will be eligible to retire in the coming years. For example, 70 percent of the senior executive cadre are 50 years of age or older and are eligible to retire over the next six years. Effective succession planning is therefore a key component of the organization’s people agenda.

During 2011–2012, identification of key areas and positions will be an important element of the succession planning process. Over the next six months, the strategy will be to develop and communicate a succession planning process for all levels of the organization. This process will provide employees and managers with the experience options and development courses that are required to provide a foundation in the basic competencies developed by Treasury Board Secretariat for supervisors, managers and executives.



Competency and capacity building

CIPO is committed to understanding and acting on the needs of highly-specialized knowledge workers who deliver services central to our mandate. The organization is creating opportunities for staff to develop broader skills and experience to support CIPO in the workforce transformation that will take place.

During 2011–2012, CIPO will engage current and future leaders in the Executive Leadership Development Program hosted by the University of Ottawa’s Telfer School of Management. This program will support the development of next-generation leaders and will contribute to the creation of a succession pool. This initiative builds upon the successful participation of the senior executive cadre in 2009–2010 in a customized learning program also developed by the Telfer School of Management designed to build core competencies.

This approach is part of an ongoing management focus on aligning training goals and opportunities for development with organizational goals. It is consistent with CIPO’s strategy of building a workplace where people succeed by broadening their skills and experience.

Mentoring

In most organizations, newly recruited managers face a steep learning curve. Organizations often assume that by virtue of their status and experience they will require little support in negotiating the challenges they face in their new roles. Experience tells us otherwise. Borrowing a page from lessons learned in other forward-looking corporations, CIPO has instituted a mentoring program for new managers and executives. The program pairs new managers and executives with more senior members of the management team.

This year, CIPO will continue to offer its mentoring program, with the objective of promoting knowledge transfer including sharing institutional memory, and promoting adaptation to organizational culture and practices.

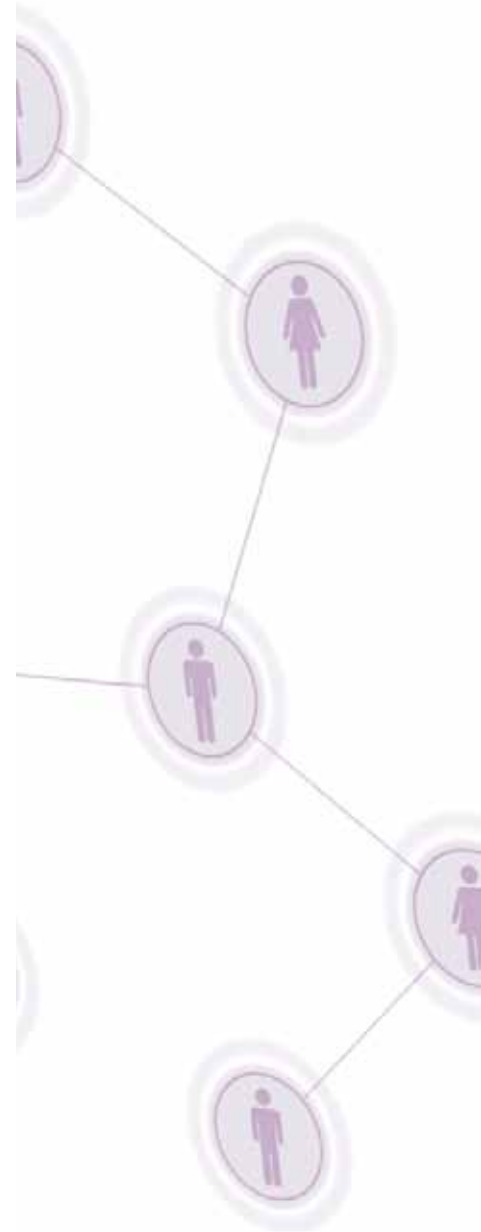
Change management

As CIPO continuously adapts to meet client needs through such initiatives as EBR, there will be a greater requirement among middle managers for the “soft” leadership skills needed to effectively manage the people side of change. These skills include one-on-one communications and coaching, which are not typically associated with the operational requirements of a regulatory program.

During 2011–2012, CIPO will expand its change management training initiative.

Focus on workforce retention

CIPO recognizes that our people are critical to successful business results. A stable workforce is necessary to ensure that the organization is equipped to meet the generational change that it will face. This year, we will not only offer the professional development described above, we will evaluate our key offerings, such as the Executive Leadership Development Program and the Mentoring Program. These evaluations will help CIPO to determine whether its employees are receiving development of high quality, and if the organization is receiving a maximum return on investment.



CIPO will continue its efforts at workforce retention that have allowed it to enjoy a high retention rate in the following ways:

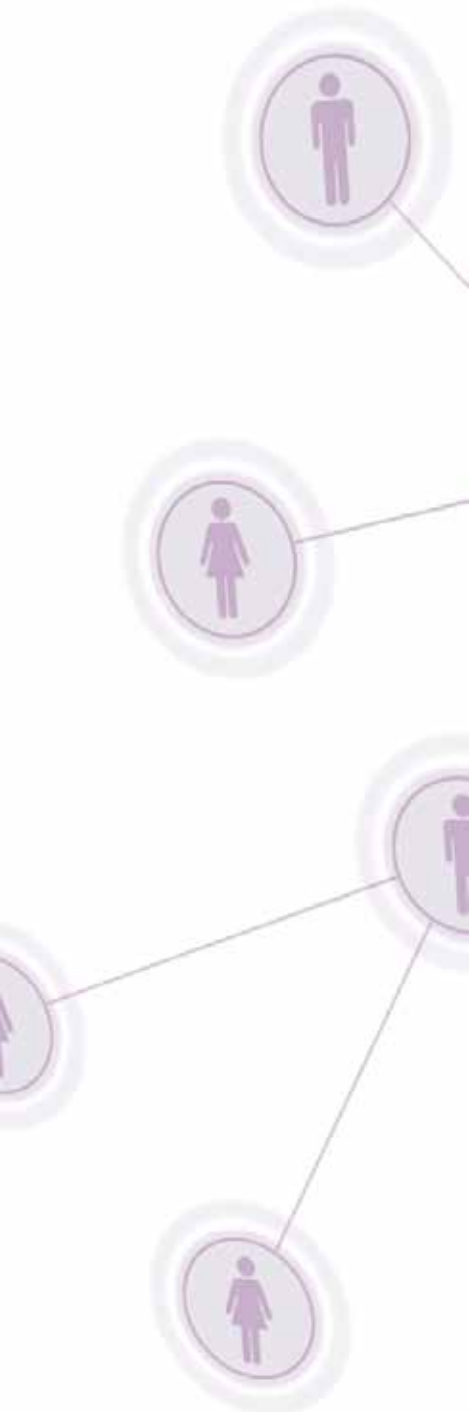
- **Development assignments** — CIPO staff will continue to be provided opportunities to shift from operational roles, such as IP examiners, to special project assignments.
- **Learning and development** — CIPO encourages and supports personal and professional development for all its employees. To be leaders in innovation, we need to be a learning organization. As our vision statement emphasizes, CIPO is committed to being recognized as a leading IPO. We also know we can do more to strengthen Canada’s innovative capacity by continuing to build a workplace that fosters professional development, integrity, fairness, respect, efficiency, trust, quality, and continuous improvement. During 2011–2012, we will continue to offer learning and development opportunities to CIPO employees, such as the Official Languages Development Program, mandatory training, corporate learning activities, and the Employee Orientation Program.
- **Branch initiatives** — CIPO’s branches will continue to offer opportunities to help employees develop in their current roles. For example, the Patent Branch training program is a continuous program that provides the training, learning and development activities that examiners require.

Looking forward to the next five years

As we launch our next Five-Year Strategic Plan, we must pay attention to the international and operational trends driving change:

International environment

- **World IP trends** — WIPO has identified a number of IP trends, including the following:
 - an uncertain global economic recovery;
 - the internationalization of innovation (e.g. 21.9 percent of scientific articles were internationally coauthored in 2007, three times as many as in 1985);
 - a geographical shift in innovation activities on a global scale (e.g. China, Japan and Republic of Korea accounted for 29.2 percent of international patent application filings in 2009, compared to just 7.6 percent in 1994); and
 - the requirement to improve IP rights participation of developing countries.
- **Canada’s IP framework** — Canada’s IP regime needs to be brought up to modern standards to improve overall administrative efficiencies, decrease uncertainty for businesses and inventors, and support new types of IP.
- **Increased pressure for better alignment** — Canada is facing increased pressure to align with international agreements including the Madrid Protocol, the Singapore Treaty, the Patent Law Treaty, the Geneva Act of the Hague Agreement, as well as to actively engage non-Madrid Member States to better support inventors who operate on a global scale and to maximize the benefits to Canadians of the IP system.
- **Market for IP** — Forty years ago, tangible assets, namely land and equipment, made up the bulk of a business’s net worth. Today, intangible assets such as IP have eclipsed the value of traditional, hard assets. The market for IP as a tradable commodity is now well established and growing globally.



Operational environment

- **Demographic challenges** — Demographic data tells us that CIPO can expect significant turnover in the coming years. Succession planning and knowledge transfer must therefore be addressed at the organization's many levels.
- **Accountability** — A corporate-wide evaluation of CIPO will commence this year. The spotlight will be turned on accountability and meeting objectives. We must ensure that we have what we need in place to be best of class as an SOA.
- **Our clients** — The global environment is transforming itself by the second. The worth and importance of IP is growing. While EBR is a start, CIPO must continue to adapt and innovate in order to meet the needs of Canadian inventors and businesses.

While these trends represent challenges for CIPO, they are also opportunities. For example, the demographic shift that CIPO is about to face is a chance to renew ourselves and to strengthen our dynamic culture. We can use this opportunity to choose leaders who can build bridges inside and outside of CIPO. Partnerships will help CIPO to operate domestically and internationally, and help us to move forward with our mandate to support Canadian innovation.

Conclusion

CIPO has reached the final leg of the journey we started four years ago — and look how far we have come. We have used innovation to achieve progress against all of our strategic directions: client services, outreach, IP administrative framework, international activities and our people — and we are now looking forward to the next five years.

What will CIPO look like in 2017? Will it be robust enough to thrive in a constantly evolving business landscape?

While we cannot predict what will happen over the next five years, we can plan ahead and prepare to confront the challenges that we will face head on. CIPO has already made key strides in building an innovative organization, and a workforce that has shown its ability to adapt and its commitment to change. CIPO's Business Plan 2011–2012 reflects that commitment to complete the journey we began four years ago, and to confidently plan for the next one.



Annex A — CIPO 2011–2012 Service commitments

Patents		
Service	Commitment	Expectation
Issue filing date	within 4 weeks upon receipt of application that meets filing requirements including fees	90%
Issue confirmation date of national entry for Patent Cooperation Treaty (PCT) applications	within 8 weeks upon receipt of application that meets entry requirements including fees	90%
Provide first action (allowance or first substantive report) — Patent Prosecution Highway (PPH)	upon receipt of a complete request for PPH: <ul style="list-style-type: none"> • within 3 months for every discipline 	90%
Provide an international search report and written opinion or a no search report and written opinion — International Search Authority (ISA)	upon receipt of request for ISA: <ul style="list-style-type: none"> • the later of 3 months from receiving search copy or 9 months from the priority date, in all disciplines 	90%
Provide an international preliminary report on patentability (IPRP) — International Preliminary Examining Authority (IPEA)	upon receipt of request for IPEA: <ul style="list-style-type: none"> • the later of 6 months from receipt of a complete request or 28 months from the priority date, in all disciplines 	90%
Examination — TATs Percentage of inventory of applications with a request for examination waiting for a first substantive office action	percentage of applications with a request for examination will be waiting for a first substantive office action less than (by discipline): <ul style="list-style-type: none"> • Biotechnology — 21 months 	80%
	<ul style="list-style-type: none"> • Electrical — 30 months 	80%
	<ul style="list-style-type: none"> • Mechanical — 18 months 	80%
	<ul style="list-style-type: none"> • Organic chemistry — 18 months 	80%
	<ul style="list-style-type: none"> • General chemistry — 18 months 	90%
Examination — TATs Percentage of inventory of applications with a request for examination waiting for subsequent office actions	upon receipt of your response, a subsequent Patent Office action will be completed within the period specified for each discipline: <ul style="list-style-type: none"> • Biotechnology — 24 months 	90%
	<ul style="list-style-type: none"> • Electrical — 30 months 	90%
	<ul style="list-style-type: none"> • Mechanical — 12 months 	90%
	<ul style="list-style-type: none"> • Organic chemistry — 12 months 	90%
	<ul style="list-style-type: none"> • General chemistry — 12 months 	90%
Issue ownership registration or notification requesting additional information	within 6 weeks upon receipt of request and fees	90%

Patent Appeal Board*

Service	Commitment	Expectation
Schedule hearing date	for applications referred to Patent Appeal Board before January 2011	90%
Issue decision	for applications referred to Patent Appeal Board <ul style="list-style-type: none"> • before January 2011 and filed before March 1995 • before April 2010 	90%

*The Patent Appeal Board is responsible for both patent and industrial design appeals.

Trade-marks

Service	Commitment	Expectation
Issue filing date	within 4 business days upon receipt of electronic application that meets filing requirements including fees	90%
	within 7 business days upon receipt of paper application that meets filing requirements including fees	90%
Provide first action (approval or issue examiner's report)	within 6 months from filing date	90%
Respond to client correspondence received subsequent to a first action	within 4 months upon receipt of correspondence	90%
Register a trade-mark	immediately upon electronic registration	100%
	within 25 business days upon receipt of paper request and fees	90%

Trade-marks Opposition Board

Service	Commitment	Expectation
Schedule hearing date	within 14 months upon receipt of request (Opposition)	90%
	within 14 months upon receipt of request (Section 45)	90%
Issue decision	within 12 months upon referral for a non-hearing decision (Opposition)	90%
	within 12 months upon referral for a non-hearing decision (Section 45)	90%
	within 4 months following hearing date (Opposition)	90%
	within 4 months following hearing date (Section 45)	90%

Industrial Designs

Service	Commitment	Expectation
Issue filing date	within 3 weeks upon receipt of application that meets filing requirements	90%
Provide first action (register or issue examiner's report)	within 8 months from filing date and receipt of fees	90%

Copyrights

Service	Commitment	Expectation
Register a copyright	within 5 business days upon receipt of electronic application that meets filing requirements including fees	90%
	within 7 business days upon receipt of paper application that meets filing requirements including fees	90%

Information Branch – Client Service Centre**

Service	Commitment	Expectation
Respond to general enquiries	within 24 hours upon receipt by telephone	90%
	within 48 hours upon receipt by mail, email or fax	90%
Provide access to an on-site information officer	within 10 minutes upon receipt of request	90%
Send CIPO publications	by mail within 48 hours upon receipt of request	90%
Send patent, trade-mark, copyright or industrial design documents	by mail or electronically (only patent documents are available electronically) within 72 hours upon receipt of request and fees for photocopies	90%
	by mail within 72 hours upon receipt of request and fees for certified copies	90%

**The Client Service Centre's business hours are from 8:30 a.m. to 5:00 p.m. from Monday to Friday; statutory holidays are excluded.

Acronyms and initialisms

APEC	Asia-Pacific Economic Cooperation
ATRS	Activity Time Reporting System
CIPO	Canadian Intellectual Property Office
CSC	Client Service Centre
DFAIT	Department of Foreign Affairs and International Trade
EBR	Enterprise Business Renewal
HR	Human resources
IC	Industry Canada
IP	Intellectual property
IPO	Intellectual property office
IT	Information technology
PIRO	Policy, International and Research Office
SME	Small and medium-sized enterprises
SOA	Special operating agency
TATs	Turnaround times
WIPO	World Intellectual Property Organization
WFA	Workforce availability