



Innovation, Science and
Economic Development Canada
Canadian Intellectual Property Office

Innovation, Sciences et
Développement économique Canada
Office de la propriété intellectuelle du Canada

The background of the cover is a photograph showing a pair of hands in a light blue shirt carefully placing a wooden block onto a tall, precarious stack of similar blocks. The blocks are made of light-colored wood with dark grain. The focus is sharp on the hands and the blocks being placed, while the rest of the stack and the background are slightly blurred.

Empowering innovation through IP

CIPO Annual Report
2016—2017

This publication is available upon request in accessible formats.

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Johanne Bélisle

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

MESSAGE FROM THE CEO

Innovation changes the way people work, learn and live. It reshapes the business landscape, sometimes transforming how entire industries operate. At its root is intellectual property (IP) and the right of inventors, creators and innovators to own, and allow others to use, their creations. These are inventions, creative works and new designs and processes that have the potential to add immense value to businesses in Canada and around the world.

In Budget 2017, the Government of Canada introduced its Innovation and Skills Plan to turn promising ideas into market-ready innovations. The Plan establishes programs and approaches to facilitate an innovation ecosystem in Canada where ideas and creativity are successfully commercialized and firms can grow with the help of their IP assets.

High-quality IP rights give innovators the confidence they need to enter new markets and allow businesses to grow and flourish. As we complete the last year of the Canadian Intellectual Property Office (CIPO)'s business strategy for 2012-2017, I am very proud of what we have accomplished. We are doing more to enhance Canada's innovation performance and economic competitiveness, and we are doing it in ways that better meet the needs of our customers.

We have a much better understanding today of the needs of our customers, and of the innovation cycle in which they operate. We are offering new IP awareness and education programs and products that help innovators and creators make the most of their inventions and creative endeavours.

We have made great strides in modernizing Canada's IP framework, increasing certainty in the marketplace and reducing red tape. We are working towards joining five international IP treaties which will make it easier and more cost-effective for our customers to file and register their IP rights and make Canada a more attractive place to do business. Participation in these international agreements will support the harmonization of Canada's IP system with those of over 100 countries, representing 80% of world trade¹. We have also established agreements and strengthened working relationships with our international counterparts to support businesses pursuing growth opportunities in foreign markets.

Over the last five years, we have improved both the quality and timeliness of the IP rights that our office grants. We have reduced our processing times to grant patent rights by almost 25%, helping innovators more quickly develop, monetize and commercialize their ideas. We have also implemented a new quality management system based on internationally recognized standards to ensure the consistency, accuracy and efficiency of our patent operations.

Key to our business strategy are the skills, knowledge and commitment of our workforce. We strive to be customer-focused and understand the value of IP and the opportunities it can create. To attract and retain qualified people and broaden our skills base we have improved access to learning and development opportunities. We have also stayed current on emerging technology fields and promoted knowledge sharing across the innovation community.

I take great pride in our achievements. We are well-positioned to work with inventors and creators to advance innovation in Canada and around the world. With our new business strategy for 2017-2022, we will build on this foundation to help make Canada a global centre of innovation.

¹World Intellectual Property Organization, 2017

Looking back

2012–2017 in review

CIPO's five-year business strategy focused on strategic and enabling activities to strengthen the role of IP in Canada's innovative capacity and output.

Strategic pillars

2012–2017 Achievements



Customers

CIPO focused on understanding the needs of business and developing a customer-centric approach to service.

- Hosted roundtable discussions with small and medium-sized enterprises (SMEs), IP offices, and technology transfer offices across the country to understand their IP needs.
- Partnered with local, provincial and federal organizations to increase IP awareness and access to IP information helping SMEs innovate and accelerating their growth.
- Held IP awareness activities for business and post-secondary communities across Canada to demonstrate the strategic value of IP.



Access to innovative knowledge

CIPO made innovative knowledge easier to access and more readily available throughout the innovation cycle.

- Expanded our IP analytics capacity to improve understanding of the patent landscape domestically and abroad.
- Increased the amount of data shared publicly on the Canadian Patents Database.
- Shared trademark data with the World Intellectual Property Organization (WIPO) for inclusion in the Global Brand Database.
- Converted industrial design data to the internationally accepted standard for exchange with WIPO.



Modern IP framework

CIPO made significant improvements to Canada's IP framework to support innovation and competitiveness and reduce the administrative burden for customers.

- Passed amendments to the *Trade-marks Act* allowing Canada to join three international administrative treaties (the Nice Agreement, the Madrid Protocol and the Singapore Treaty).
- Passed amendments to the *Patent Act* and *Industrial Design Act*, enabling Canada to join the Patent Law Treaty, and the Hague Agreement, respectively.
- Completed a parliamentary process to adjust patent and trademark fee structures and allow Canada to join five IP treaties.
- Signed new Patent Prosecution Highway (PPH) agreements and partnered with 23 other IP offices in a global PPH pilot to accelerate patent applications under certain conditions.
- Signed memorandums of understanding with five international IP offices to enable government-to-government collaboration to better serve businesses operating across borders.
- Continued involvement in international fora to advance IP harmonization.

25% decrease
patent turnaround times

93% of service standards
met or exceeded

200,000 images
added to the Canadian Patents Database

Canada became PPH partners with
25 countries/IP offices



Enabling pillars

2012–2017 Achievements



Highly skilled workforce

Putting in place the building blocks to attract, retain and develop a highly skilled workforce.

- Promoted a respectful, healthy and inclusive workplace, and implemented well-being and mental health initiatives.
- Implemented a performance management program and talent management process.
- Developed an orientation program for employees.
- Built competency profiles for various organizational roles, as well as self-assessment and learning tools to help guide professional development.



Responsive IT infrastructure

Ensuring CIPO's IT systems support innovation and respond to the business needs of the IP community.

- Approved a multi-year IT modernization plan.
- Initiated over a dozen foundational and component-based IT projects.
- Introduced customer interfaces for online access to status updates for patent applications and Trademarks Opposition Board decisions.
- Launched an electronic bill payment system and provided online access to customer payment interaction history.
- Improved CIPO's website and web-based applications to increase accessibility and facilitate online searches.



Operational excellence

Improving both the level and value of service CIPO customers receive.

- Improved process efficiencies and turnaround times.
- Pursued quality management practices across the organization.
- Established a Lean Centre of Excellence for corporate process improvement initiatives.
- Developed activity-based management models to improve resource allocation and inform strategic management decisions.







IP administration

in 2016–2017

CIPPO is committed to the efficient and cost-effective administration of Canada's IP rights and to provision of services that meet our customers' needs and expectations.

Strengthening the IP system

Modernizing the IP framework to support Canadian businesses operating both at home and abroad increases our country's economic competitiveness. This involves amendments to Canada's IP acts and regulations to align domestic IP procedures with international treaties. This in turn gives Canadian businesses a competitive advantage by reducing costs, time and administrative burden.

Treaty harmonization

Legislative and regulatory work will allow Canada to join five international IP treaties, supporting harmonization with other jurisdictions in IP protection and increasing Canada's global competitiveness. Canadian businesses looking to expand their presence in international markets will benefit from a faster, simpler and more cost-effective way to acquire protection in multiple countries with a single application.

In 2016–2017, CIPPO received parliamentary approval to adjust its patent and trademark fee structures to allow Canada to implement the Patent Law Treaty, Madrid Protocol, Singapore Treaty, and Nice Agreement. The proposal was reviewed by the Senate Standing Committee on Banking, Trade and Commerce and approved in February 2017.

First drafts of regulatory amendments to the *Patent Rules*, *Trade-marks Regulations* and *Industrial Design Regulations* were developed in 2016–2017. CIPPO engaged key stakeholders in a technical review of the *Trade-marks Regulations* to inform the proposed amendments. Feedback was favorable and helped us refine the draft regulations, setting the stage for wider public consultations in 2017–2018 when interested parties can provide their input on the proposal. Progress was also made on IT infrastructure changes to ensure our systems are ready for treaty implementation.





International collaboration

CIPO collaborates with WIPO and key IP offices around the world to influence global IP policy-making and administration. By advancing harmonization in how IP rights are protected, we support Canada's trade and investment strategy.

Building partnerships with other governments allows CIPO to promote practices that benefit Canadian businesses in the many jurisdictions where they operate. To that end, in 2016–2017 CIPO completed PPH agreements with Mexico and Chile. The PPH has been increasing in popularity as a way to fast-track patent applications. Between 2013 and 2015, Canadian requests using this option rose 51%. Worldwide, requests rose 40%.

Agreements were signed with the patent offices of China, Mexico, Chile and the European Union. Work plans were established to share best practices and information and to improve inter-office efficiency and IP quality.

In 2016–2017, CIPO participated in WIPO's annual General Assemblies to ensure that Canada's perspective is reflected in the standard-setting decisions this body makes to increase consistency in the examination of IP rights from one country to another. Internationally we were also involved in bilateral and multilateral discussions with partners and IP stakeholders. For example, in 2016–2017 CIPO participated in meetings of the Asia-Pacific Economic Cooperation forum's Intellectual Property Rights Experts Working Group to exchange best practices on IP administration.

IP Canada Report

In 2016–2017 CIPO launched its first **IP Canada Report** that presents trends in IP filing activities in Canada by Canadians and foreign applicants, and by Canadians around the world. The report spotlighted patenting in climate change mitigation technologies to allow for a better understanding of emerging technologies in this field and identify where Canadians may have a technological advantage. The report is a valuable source of information for policy makers and for businesses seeking to identify opportunities to grow and increase their global competitiveness.

Data, research and analysis

IP analytics is crucial to better inform policy decisions that support innovation and economic success. More data and information on IP trends and emerging technologies provide innovators with a better understanding of innovation in Canada and the pathways businesses are taking to grow in the domestic and global marketplace.

In 2016–2017, we carried out research on patenting in the space sector and climate change mitigation technologies, and conducted an analysis of women in patenting. We increased our efforts to share strategic information, publishing our first IP Canada Report.

Sharing best practices

CIPO hosted patent examiners from IP offices around the world for the second Canadian Patent Law and Examination Workshop in September 2016. Participants came from Mexico, the United States, Israel and China to share knowledge on patent examination methods. The aim was to collaborate with our international counterparts, inform them about Canadian patent law and practices and share best practices in the fields of search and examination.

A customer focus

At CIPO, understanding the IP needs of innovators and businesses is essential for us to achieve our mission and deliver on our promise to be customer-centric.

A strategy for service

Maintaining a reputation for the delivery of high-quality, timely and accessible products and services means we must continuously improve the way we work in step with what our customers expect of us. To guide these efforts, in 2016–2017 CIPO developed a five-year service strategy (2017–2022) for achieving service excellence. This is our roadmap for increasing customer satisfaction by offering a consistent and e-enabled service experience. An integral component is collecting the feedback we need from our customers and stakeholders to improve our service offerings and guide the development of new ones.

Given IP's crucial importance to continued economic growth and prosperity, all Canadians have a stake in high-quality IP rights. In 2016–2017, we made improvements to CIPO's website and web-based applications to increase accessibility and facilitate online searches. We also enhanced our social media presence through a number of theme-driven campaigns for small businesses and entrepreneurs, and online Twitter chats.

Over the next five years, guided by our Service Strategy, we will accelerate improvements to the design and delivery of our services to ensure all Canadians benefit from an accessible and robust IP rights system.



2016–2017 in numbers

Applications

Patents:	37,297
Trademarks:	55,270
Copyrights:	8,750
Industrial designs:	6,141

Grants/Registrations

Patents:	26,962
Trademarks:	34,164
Copyrights:	8,663
Industrial designs:	5,691

Requests for examination

Patents:	28,382
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Enquiries

Enquiries:	67,136
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IP awareness and education

In 2016–2017, CIPO launched a more robust IP awareness and education program to enable businesses, especially SMEs, to better understand, exploit and take advantage of IP throughout the business life cycle. We developed new training material for SMEs, universities, and business associations, and expanded outreach through business networks. CIPO developed partnerships with a broad spectrum of partners to provide IP information to high-growth SMEs and priority sectors identified by Canada's Innovation and Skills Plan. Our partners include the Centre for International Governance Innovation, the Canadian Chamber of Commerce, the Canada China Business Council, the Intellectual Property Institute of Canada, the Canadian Bar Association, incubators, accelerators, business associations, law schools, and post-secondary institutions. Our goal is to help more Canadians understand the fundamentals of IP and ensure they have the required knowledge to extract increased value from their creations and innovations.

Award-winning service

CIPO is committed to delivering superior service for Canadians and serving our customers in the official language of their choice. In 2016–2017, our team won the Public Service Award of Excellence in support of official languages, recognizing the quality of the French language used in the office's patent work tools.

Our people

CIPO's Human Resources Strategic Plan aims to ensure we have the qualified and engaged workforce our mission demands. Recognition of a job well done plays a key role in building an effective, productive and supportive work environment. To reinforce a sense of ownership and pride in our work, in 2016–2017 we held two successful recognition campaigns that gave managers and employees the opportunity to highlight the accomplishments of their colleagues in contributing to our business goals. We also continued our work to implement an employee performance and talent management program to ensure that our employees receive the direction, support and development opportunities they need to excel.

Equally important to building a culture that puts the customer first is fostering a respectful, healthy and inclusive workplace. Over the past year, we held several workplace events to increase awareness of our individual and collective responsibilities in employment equity, official languages, inclusivity and workplace well-being.

Success story

On November 16, 2016, CIPO celebrated the 40th anniversary of the grant of the one millionth patent in Canada—an important milestone in the history of science and innovation in Canada. To highlight the anniversary, we produced a video that tells the story of the critical importance of patents to the progress, innovation and success of Canadian entrepreneurs. CIPO also produced a video to help Canadians better understand copyrights. Both videos were popular, receiving over 10,000 views via our website.





Operational excellence

In 2016–2017, CIPO doubled the number of its trained Lean process improvement agents and coordinated the implementation of process changes across the organization to reduce turnaround times for our customers. For example, process improvements have allowed us to reduce wait times for certificates of correction (under section 8 of the Patent Act) from upwards of two years to less than nine months, while the time to process agent renewals and registrations was cut by more than half from four days to under two. We also introduced activity-based management models in our trademark and industrial design operations that help us improve oversight and management of examiners' workload and application processing times.

We began modernizing our Manual of Patent Office Practice (MOPOP) in 2016–2017 to improve navigation and increase online search functionality. We also piloted new workplace initiatives, such as the Patent Telework Project, that enable our employees to work remotely using a secure network. Other upgrades to our IT infrastructure, including new reporting and file management applications, have increased productivity, standardized data exchanges with international partners and reduced maintenance costs.

In these and other ways, CIPO's efforts to achieve operational excellence focus on delivering quality and timely IP rights. The following demonstrates our turnaround time performance in 2016–2017.



Patents

CIPO reduced the time it takes to issue a first office action. We also implemented system changes that improved the overall efficiency of the granting process. Patent turnaround times—the average time between a customer’s request for examination and the receipt of their patent right—was reduced by 2.1 months to an annual average of 36.7 months in 2016–2017. By March 2017, we achieved a monthly average patent turnaround time of 34.6 months.

We also piloted an examination interview service to expedite the application process in instances where minor defects are identified and prosecution is likely. Direct communication between the examiner and the applicant to resolve the defects led to turnaround times that were between two and six months faster than the average processing time. Given the positive results, this service will be integrated into the patent examination process in the future.

We expanded quality management to all our patent operations in 2016–2017, laying the groundwork for certification by the Canadian General Standards Board. This will allow us to conform to the international standard ISO 9001:2015 in early 2017–2018.

Following an analysis of its review procedures, CIPO’s Patent Appeal Board implemented a more predictable and rigorous process. It provides for a more thorough analysis of all known issues at the beginning of the Board’s review, giving our customers a better opportunity to respond.

Trademarks

In 2016–2017, CIPO reduced its average trademark turnaround time from filing to registration by one month to 26.5 months. We achieved this by implementing new measures to better manage inventory levels and prioritize the examination of older files.

We engaged the IP community and trademark owners to improve the quality and timeliness of processing trademarks. This led to new quality assurance procedures and the definition of a “quality baseline” for trademark examination that will guide our efforts in 2017–2018 in establishing a robust quality management framework.

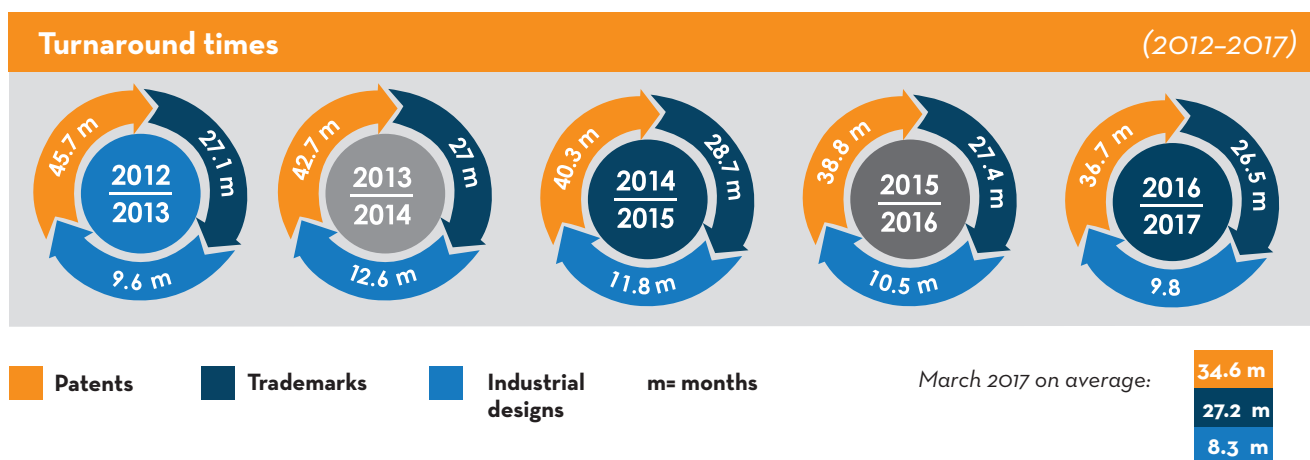
To improve transparency and service, CIPO’s Trademarks Opposition Board now publishes Board decisions on CIPO’s website and enables comprehensive online searches.

Industrial designs

In 2016–2017, CIPO lowered the turnaround time from filing to registration of an industrial design application from an average of 10.5 months to 9.8 months. We achieved this by improving workflows and hiring additional examination staff to better meet demand.

In addition, CIPO worked closely with industry stakeholders to modernize our office practices with a view to improving service to clients, reducing administrative burden and modernizing our practices to align with international norms. Some of the changes we announced in January 2017 include:

- New practices regarding computer-generated animated designs and colour as a registrable feature
- Reduced time limits to respond to office actions
- An option for accelerated search where there is a priority claim







Looking forward

2017-2022 Business Strategy

In 2016-2017, we developed CIPO's 2017-2022 Business Strategy. It outlines the following strategic priorities that will guide our activities over the next five years:

- Help advance innovation through a modern IP framework and active international collaboration
- Deliver quality and timely IP rights based on modern, efficient and quality-based services and processes
- Provide innovators in Canada with the IP knowledge they need to succeed
- Offer a modern service experience that is responsive to clients' needs
- Foster an agile and high-performing organization

This new strategic direction will support creativity, innovation and economic prosperity, and contribute to the Government's goal of making Canada a global centre of innovation.



