



Canadian  
Intellectual Property  
Office

An Agency of  
Industry Canada

Office de la propriété  
intellectuelle  
du Canada

Un organisme  
d'Industrie Canada



## In Pursuit of Service Excellence

Annual Report 2002–2003

Canada

CIPO  OPIC



# Canadian Intellectual Property Office Annual Report 2002–2003

In Pursuit of Service Excellence

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# About us

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The Canadian Intellectual Property Office (CIPO), a special operating agency (SOA) of Industry Canada, administers Canada's intellectual property (IP) system. It assesses and grants requests for IP rights — the right to exclude others from using a protected invention, design or other work — and disseminates the technical information underlying these creations so that other inventors can build on existing innovations. CIPO also encourages invention, innovation and creativity in Canada, provides expert advice on IP administration to other countries, and promotes Canada's IP interests internationally.

CIPO's primary clients are applicants for IP protection, agents representing those applicants, exploiters of IP systems and the Canadian business community.

CIPO's core operations consist of receiving and examining applications for trade-marks, patents, copyrights, industrial designs and integrated circuit topographies, granting and registering these IP rights, and administering their renewal, assignment and transfer. The agency disseminates information relating to these innovations by means of publicly accessible databases and fosters effective exploitation of IP by Canadians, raising awareness of the value of IP rights as a means of safeguarding intellectual capital. CIPO also oversees the qualifying examinations for patent and trade-mark agents.

A revenue-generating agency, CIPO is financed by a revolving fund drawn entirely from fees for Canadian IP services.



# Vision, mission and values

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## Vision

To be a leading intellectual property office recognized for excellence in our products and services and for strengthening Canada's innovative capacity, through ongoing quality improvement, continuous development of our employees and adherence to our values.

## Mission

To accelerate Canada's economic development by:

### **fostering**

the use of the intellectual property (IP) system and the exploitation of IP information;

### **encouraging**

invention, innovation and creativity in Canada;

### **administering**

the IP system in Canada (patents, trade-marks, copyrights, industrial designs and integrated circuit topographies); and

### **promoting**

Canada's international IP interests.

## Values

Integrity

Fairness

Respect

Efficiency

Trust

Continuous improvement



Canadian  
Intellectual Property  
Office  
An Agency of  
Industry Canada

Office de la propriété  
intellectuelle  
du Canada  
Un organisme  
d'Industrie Canada

## Our client service commitment

### By telephone

- We answer your call with courtesy and efficiency and, if necessary, refer you to the appropriate officer to deal with your enquiry in the official language of your choice.
- We record all voice mail greetings clearly and bilingually. We provide an alternative number for immediate contact.
- We listen to voice messages at least once a day and return your call by the end of the next business day.

### In person

- We greet you within three minutes in the official language of your choice, during normal business hours.
- We direct you to a person competent to deal with your enquiry within the next five minutes.
- We ensure that you meet with a specialist within 20 minutes of your arrival.

### General mail

- We correspond with you in the official language of your choice.
- We reply to your mail within four weeks of receipt or explain the reason for the delay.

### Suggestions

- We invite you to comment on our services and to offer suggestions for improvement.
- If you wish to ask questions or have a complaint and cannot resolve the problem with the person you have been dealing with, you can speak to the supervisor or director.
- If you feel that the supervisor or director has not dealt with the issue to your satisfaction, you may call or write and we will respond within 10 working days.

*If you like the service you receive, let us know!*

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## List of acronyms and initialisms

<b>ANCAFA</b>	Accumulated net charge against the Fund's authority
<b>CBSC</b>	Canada Business Service Centres
<b>CIPPO</b>	Canadian Intellectual Property Office
<b>DCA</b>	Deferred capital assistance
<b>HRB</b>	Human Resources Branch
<b>IP</b>	Intellectual property
<b>IPEA</b>	International Preliminary Examining Authority
<b>ISA</b>	International Searching Authority
<b>IT</b>	Information technology
<b>PAYE</b>	Payables at year-end
<b>PB</b>	Patent Branch
<b>PCT</b>	Patent Cooperation Treaty
<b>SOA</b>	Special operating agency
<b>WIPO</b>	World Intellectual Property Organization

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Reader Survey (see tear sheet at end of report)



# Message from the CEO



**Most of us at the Canadian Intellectual Property Office (CIPO) will remember 2002–2003 as a year of successes, both large and small. It was the year that our ambitious plans to cut turn-around times, reduce backlogs and modernize work systems stopped seeming so ambitious and took on a more business-as-usual quality.**

It was the year that unprecedented numbers of new hires (nearly 100 in all) were integrated into the agency's work force without the productivity slowdowns that usually accompany such wholesale recruitment campaigns. And it was the year that delegates to the Patent Cooperation Treaty

Union of the World Intellectual Property Organization agreed overwhelmingly to accept Canada into the ranks of the handful of intellectual property (IP) offices around the world accredited as International Searching Authorities and International Preliminary Examining Authorities under the *Patent Cooperation Treaty*.

The acquisition of this status has great symbolic significance for Canada's IP community, representing as it does the start of a new era in global IP leadership for Canada. Mounting backlogs of patent applications at IP offices around the world are fueling a global interest in international cooperation in hopes of making the global IP system more efficient. In a sense, this new challenge raises the bar for CIPO.

It will inspire us to continue to enhance both our internal service capacity and our international credibility, all with an eye to serving clients better.

I want to take the opportunity to thank our clients for their continued support and readiness to discuss issues. I would also like to thank all staff for their continued efforts at improving services. Their efforts are the key to CIPO's success.

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



# The year at a glance

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The Canadian Intellectual Property Office (CIPO) made major strides in its pursuit of service excellence this year, reducing its backlog of trade-mark applications, accelerating trade-mark and patent examinations and expediting the registration of copyrights.

Much of the year's success was attributable to an aggressive recruitment and training campaign that began in 2001 and an ongoing crusade to modernize operational systems and streamline processes. CIPO also revamped procedures in its three-year-old Client Service Centre and established a quality control unit to track the handling of customer enquiries by the Centre.

Responding to clients' requests for easier access to intellectual property (IP) related information, CIPO launched a new searchable database containing the bilingual decisions of the Commissioner of Patents since 1970.

CIPO enhanced its role as a modern patent office this year, seeking and obtaining approval from the Assembly of the Patent Cooperation Treaty Union of the World Intellectual Property Organization (WIPO) to offer services as an International Searching Authority (ISA) and International Preliminary Examining Authority (IPEA). By joining the ranks of only 10 other IP offices in the world authorized to offer these services, CIPO will make it more convenient for its Canadian clients to file for patent protection in the 120 countries that are parties to the *Patent Cooperation Treaty*.

With an eye to broadening its Canadian customer base, CIPO continued to reach out to key stakeholders in the public and private sectors throughout 2002–2003, multiplying potential points of contact

with Canadian businesses and helping Canadians protect their creations in an increasingly competitive global economy.

Given its dependence on a motivated work force, CIPO had good cause to celebrate the findings of the Public Service Commission of Canada's 2002 Public Service Employee Survey. CIPO employees reported significant workplace improvements in almost every area covered, compared with the last survey in 1999. Excellent working relationships with supervisors and flexible work arrangements that made it easier to balance personal and professional responsibilities topped the list of accolades. Nevertheless, there are areas that require improvement. CIPO's first-ever human resources strategy, launched this year, will help the agency address concerns and attract and retain the critical mass of professionals it needs to become a leading IP office recognized for the excellence of its products and services.

Ultimately, the only guarantor of good client relations is a well-maintained network of two-way communications with stakeholders and a suite of analytical tools to interpret the signals and act on them. CIPO has been busy implementing a formal client relationship management strategy since its Baldrige assessment in 2000–2001 recommended a more systematic approach to client relations. The major breakthroughs in 2002–2003 included the launch of an ongoing client consultation process and the start of work on a new agency-wide complaints management mechanism. CIPO also garnered enthusiastic support from stakeholders for its proposal to realign service fees to meet client demands for service improvements.

# In pursuit of service excellence



The volume of applications for intellectual property (IP) protection both in Canada and worldwide has increased significantly over the past 15 years, prompted by rapid advances in science and technology, global economic integration, and a growing awareness of the strategic value of IP rights.

As a service-oriented agency with a mission to accelerate Canada's economic development, the Canadian Intellectual Property Office (CIPO) has sought to modernize its operations to meet the growing demand. At the same time, it has sought to expand Canada's sphere of influence on the world stage to ensure that today's rapidly evolving global IP regime is on a trajectory consistent with Canadian interests. Building capacity to reduce backlogs, anticipate developments in the global arena, and contribute to policy development internationally and domestically has therefore been a major preoccupation of CIPO in recent years. And because the effective exploitation of IP rights helps foster innovation at home, CIPO works to facilitate the acquisition of those rights by Canadian innovators, reaching out to Canada's enterprises and entrepreneurs with the help of partners and other like-minded organizations in the public, private and non-governmental sectors.

Still, the effectiveness of an agency like CIPO is only as good as its underlying support systems, including its human resources policies, its information handling systems and its business processes.

CIPO has therefore devoted considerable energy and resources to ensuring that its work force and organizational infrastructure are capable of supporting its ambitious plans.

To this end, CIPO's five-year business plan is structured around the following strategic priorities:

- to deliver high-quality, timely and cost-effective products and services that meet clients' needs;
- to position itself to thrive in a changing domestic and global environment by ensuring that Canada has a modern and responsive IP framework;
- to deliver a sustainable outreach program that will increase the awareness, knowledge and effective use of IP by Canadians;
- to attract and retain a qualified and productive work force capable of meeting the organization's business challenges; and
- to operate as a world-class business management regime.

This report chronicles CIPO's efforts to offer fuller, faster and more user-friendly service to its clients by: improving operations, facilitating access by Canadian innovators and their agents to IP protection in Canada, attracting and retaining qualified personnel, and fortifying the agency's foundations.



# Boosting production and productive capacity

During the past few years, the Canadian Intellectual Property Office (CIPO) has made it a goal to speed up the registration and granting of intellectual property (IP) rights for trade-marks, patents, copyrights and industrial designs, while also responding to clients' demands to maintain service excellence and expand its array of quality services, from on-line registration and renewals to international searching capabilities. It has streamlined file handling and examinations, hired and trained large numbers of new examiners and other personnel, automated its search processes, and made many of its services available on-line. CIPO also encourages and facilitates the acquisition of IP rights by Canadian innovators. In particular, it has taken steps to reach out to small and medium-sized enterprises through various channels to demystify IP rights and raise awareness of their value.

Delivering faster, better and more comprehensive services to an ever-expanding number of clients is a challenge in a world where the global demand for IP protection continues to grow and the exploitation of IP rights is becoming a cornerstone of economic competitiveness.

## Trade-marks

The most dramatic service improvements of 2002–2003 occurred in the Trade-marks Branch. Its backlog of trade-mark applications awaiting first action shrank by 37 percent, from more than 53 000 at the start of the year to just over 33 000 at year's end. What's more, the average waiting time between the filing of a trade-mark application and the issuing of a first report by a trade-mark examiner fell to just over 12 months by the end of 2002–2003, compared with just over

16 months at the start of the year. A new electronic service came on stream at the end of the year that will enable trade-mark agents to renew trade-mark registrations on-line.

The production gains came on the heels of an aggressive three-year campaign to revamp the branch's file management system, automate its search processes, streamline its examination procedures, and hire and train large numbers of new trade-mark examiners.

## Streamlining trade-mark operations: Pulling out all stops

"We pulled every emergency lever in the branch," says Trade-marks Branch director Doug Kuntze. "If there was a red bar or red lever somewhere, we pulled it; we turned the place upside down." These aggressive measures produced significant improvements in the quality and speed of service and a dramatic reduction in inventory backlogs.

Between 2000 and 2003 the branch saw the number of examiners more than triple, from 15 to more than 50. (The final 18 came on board in 2002–2003.) It also replaced its two-year on-the-job peer training regime with a short, intensive university-style classroom program. Although the immediate results were not as positive as hoped, with case backlogs and turnaround times reaching all-time highs in the fall of 2001, the payoff began late in 2001–2002. Both turnaround times and the number of cases awaiting action began to decline — slowly at first, and then with increasing speed.

The **Trade-marks Branch** determines whether an applicant is entitled to the exclusive use of a trade-mark for a specific set of wares or services. The branch maintains the trade-marks register and provides owners with the IP rights they need to protect their marks. The trade-mark applications that meet the requirements of the *Trade-marks Act* are published in the *Trade-marks Journal* and may be registered if they remain unopposed for a period of two months.

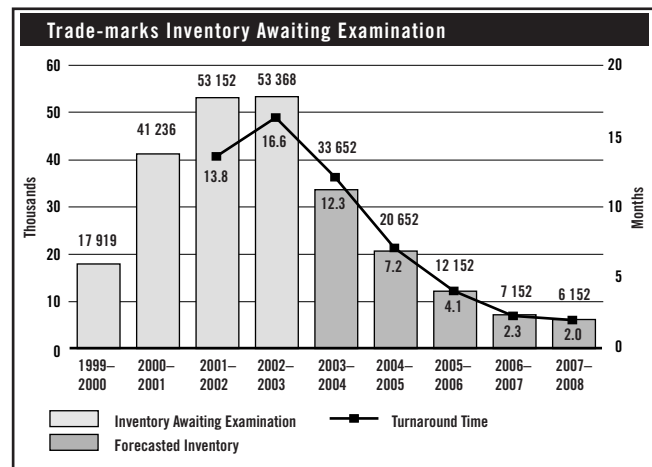


FIGURE 1



The Trade-marks Opposition Board faced several challenges in 2002–2003. A shortage of hearing officers created some delays in scheduling oral hearings and issuing decisions. Waiting times for hearings increased to 18 months from 12 months the previous year, and the number of decisions rendered declined slightly from the previous year. At the end of the year, the total number of active cases stood at 3100 (2500 opposition cases and 600 removal-for-non-use cases), up from 2600 cases in 2001–2002. The newly appointed chairperson undertook to increase the number of hearing officers and look for ways to improve internal practices and procedures for staff and clients.

The **Trade-marks Opposition Board** conducts hearings and renders decisions on behalf of the Registrar of Trade-marks on applications either opposing the registration of a proposed trade-mark advertised in the *Trade-marks Journal* or requesting the removal of a trade-mark from the trade-marks register on the grounds that the mark is not in use in Canada. Most oppositions of trade-marks are eventually settled or abandoned. In fact, only about four percent of opposition cases are decided by the board. Decisions of the Registrar of Trade-marks can be appealed to the Federal Court of Canada.

**Trade-marks Opposition Board —  
Operational Statistics**

	2000–2001	2001–2002	2002–2003
Statements of opposition filed	1145	931	1100
Opposition decisions rendered	121	104	80
Opposition abandonments	966	1037	1368
Section 45 notices issued	693	690	731
Section 45 decisions rendered	573	553	463

TABLE 1

## Patents

In the Patent Branch, workloads continued to mount as the number of requests for examination rose significantly in 2002–2003. A major factor was a 1996 amendment to the *Patent Rules* that shortened the deadline for requesting examination from seven years to five, causing two cohorts of patent applicants to observe the same cut-off year for submitting examination requests. Patent examiners disposed of an unprecedented 22 864 applications in 2002–2003, an increase of more than 15 percent over 2001–2002; of those disposals the number of patents granted in 2002–2003 fell to 11 805 from 12 445 the previous year. Increased operational efficiencies reduced processing times for registering assignments or transfers of ownership by 30 percent, resulting in a 10-percent increase in the number of assignments processed (67 257, compared with 60 819 in 2001–2002). CIPO also processed more than 250 000 maintenance fee payments in 2002–2003, an increase of 10 000 transactions over the year before.

A work force to be reckoned with: Patent Branch director Barney de Schneider credits the branch's operational successes this

The **Patent Branch** receives, classifies, examines and processes applications for patents, registers transfers of ownership, collects fees and ensures that the technical data underlying patent applications and patented inventions is faithfully transcribed and made available for public scrutiny. Clients include national and international patent applicants, searchers, researchers, scientists, statisticians, economists, inventors, entrepreneurs, innovators, patent professionals, research institutes, international organizations, universities, foreign offices, and national and international IP associations. The granting of a patent entitles the patent holder to exclude others from making, using or selling the invention for a period of 20 years from the original date of filing.

year to the high calibre and diversity of CIPO's patent examiners. "We've been able to build upon our existing team of examiners through the tremendous response we've had to our recruitment campaign. As we gear up for our new international service offerings under the *Patent Cooperation Treaty*, we can feel confident that we have a strong team that's up for the job."

Adopting more stringent methods for monitoring its workflow in 2002–2003, the branch managed to meet its patent examination service target: 80 percent of applicants requesting examination are waiting less than 25 months for a first substantive examination. Meeting the new service standard also reduced disparities in examination processing times among the different disciplines. Meanwhile, a new processing regimen for the branch's clerical staff also expedited the issuing of confirmations of national entry to the 70 percent of patent applicants who apply under the *Patent Cooperation Treaty*, shortening their waiting time to 8 weeks in 2002–2003 from 22 weeks the previous year.

CIPO continued with its aggressive recruitment and training campaign for patent examiners; this campaign began in 2001 and will likely continue through 2005–2006. The branch welcomed 45 additional patent examiners into the fold in 2002–2003, increasing the ranks of examination personnel by more than 35 percent.

In a departure from previous years, the new examiners were hired in groups and directed into an intensive three-month classroom training program instead of receiving the lion's share of their training from senior examiners on the job. The new training regimen offered three advantages. First, it hastened the acquisition of skills by new examiners so that the branch would be able to benefit sooner from the productivity gains associated with having more examiners. Second, it mitigated the productivity losses normally associated with assigning senior examiners to train new recruits on the job. And finally, the group teaching format has eliminated much of the variability in the job performance of new recruits, resulting in much more consistent patent examinations.

## Who's applying for patents?

As in previous years, the vast majority of patent applications received by CIPO originated in the United States (18 316), with Canada second at 5405. Other major originators of patent applications included Japan, with 2845 applications, Federal Republic of Germany (2841), France (1720) and the United Kingdom (1629).

There has been a general upward trend in the volume of applications for all patent disciplines, suggesting that the research and development culture in traditional fields such as mechanical engineering and organic chemistry is as robust as that of such newcomers as biotechnology and artificial intelligence.

<b>Patent Applications Filed, Requests for Examination and Grants by Discipline</b>			
	<b>2000–2001</b>	<b>2001–2002</b>	<b>2002–2003</b>
<b>Biotechnology</b>			
Filed	4 384	4 394	4 359
Requests for examination	2 088	2 911	3 927
Granted	614	643	843
<b>Computer-related</b>			
Filed	7 088	7 181	6 875
Requests for examination	3 428	4 774	5 700
Granted	2 282	2 389	2 186
<b>Electrical/Physics</b>			
Filed	3 682	3 739	3 305
Requests for examination	1 924	2 682	3 106
Granted	1 413	1 479	1 384
<b>Mechanical/Civil</b>			
Filed	8 953	9 129	9 402
Requests for examination	5 419	7 550	8 887
Granted	3 070	3 213	2 999
<b>Organic chemistry</b>			
Filed	4 967	5 047	5 028
Requests for examination	3 268	4 553	5 655
Granted	1 510	1 581	1 650
<b>Other chemistry</b>			
Filed	6 271	6 318	6 165
Requests for examination	3 625	5 051	5 952
Granted	1 873	1 961	1 789
<b>Miscellaneous</b>			
Filed	4 312	4 367	4 401
Requests for examination	2 410	3 359	4 083
Granted	1 126	1 179	954
<b>All disciplines</b>			
Filed	39 657	40 175	39 535
Requests for examination	22 162	30 880	37 310
Granted	11 888	12 445	11 805

TABLE 2

Multinational entities continued to be among the top ten patent applicants and patentees in 2002–2003.

**Top Ten Patent Applicants**

The Proctor & Gamble Company	399
Bayer Aktiengesellschaft	218
BASF Aktiengesellschaft	193
Honda Giken Kogyo Kabushiki Kaisha	189
3M Innovative Properties Company	169
General Electric Company	145
Unilever PLC	138
E.I. Du Pont de Nemours and Company	134
L'Oréal S.A.	129
Deere & Company	125

TABLE 3

**Top Ten Patentees**

The Proctor & Gamble Company	216
Lucent Technologies Inc.	164
E.I. Du Pont de Nemours and Company	119
AT&T Corp.	99
NEC Corporation	94
Nortel Networks Limited	94
L'Oréal S.A.	82
Novartis AG	74
Mitsubishi Heavy Industries, LTD.	67
Westinghouse Air Brake Company	66

TABLE 4

The Patent Appeal Board received 11 requests to review rejected patent applications and 5 requests to review rejected industrial design applications in 2002–2003. The board also received 9 new cases relating to conflicts between patent applicants claiming the same invention, nearly twice as many as in 2001–2002, reflecting a push by the Patent Branch to clear its backlog of cases.

## Accrediting IP practitioners

One of the responsibilities of the Patent Appeal Board is to oversee the qualifying examinations for patent and trade-mark agents. The number of candidates taking the patent agent exam rose to 205 in 2002–2003 from 148 the previous year; the number of trade-mark examination candidates dropped to 37 from 48 the previous year. The 38-percent increase in the number of candidates for the patent agent exam likely reflects both the growing labour market opportunities for these professionals and changes in the administration of the exam in 2001–2002 that made the accreditation process slightly less daunting.

<b>Patent Appeal Board — Operational Statistics</b>			
	<b>2000–2001</b>	<b>2001–2002</b>	<b>2002–2003</b>
<b>Final actions</b>			
Referrals	6	5	11
Disposals	8	5	2
<b>Industrial designs</b>			
Referrals	7	5	5
Disposals	2	5	3
<b>Conflicts</b>			
Referrals	7	5	9
Disposals	5	5	0
<b>Re-examination — section 48.1</b>			
Filings	2	1	3
Disposals	3	1	1
<b>Abuse — section 67</b>			
Filings	0	0	0
Disposals	2	0	0
<b>Candidates for qualifying examinations</b>			
Patents	116	148	205
Trade-marks	31	48	37

TABLE 5

Cases are referred to the **Patent Appeal Board** when a patent examiner rejects a patent application and the applicant is unwilling to amend the application and cannot overcome the examiner's objections to approving the patent by argument. This three-member advisory body reviews the case on behalf of the Commissioner of Patents and determines whether the examiner's rejection was justified and whether the application can be amended to comply with the *Patent Act*. The Patent Appeal Board also hears cases in which the patent application was filed before October 1, 1989, involving conflicts between two or more patent applicants seeking rights over the same invention; it reviews requests from third parties asking that an existing patent be re-examined; and it receives applications from third parties requesting compulsory licences in situations where patentees are alleged to have abused their patent rights. The Commissioner of Patents reviews the board's recommendations on each case and renders the decision. The Commissioner's decisions may be appealed to the Federal Court of Canada.

## Copyrights

CIPO's Copyright Office received 26 percent more copyright applications this year than it had in 2001–2002, registering 7965 copyrights in 2002–2003. Some of the increase may be attribu-

The **Copyright Office** of the **Copyright and Industrial Design Branch** issues certificates of registration for copyrights in Canada and maintains the register of copyrights. Anyone can search the register and obtain information about specific copyrights free of charge.

table to heightened awareness and use of CIPO's new electronic registration system, which became accessible to the public in 2001–2002 and dramatically simplified the registration process for copyrights. Electronic registrations helped to drive down turnaround times for new registrations to one week from three weeks in 2001–2002. And more applicants are using this method, with 33 percent of

copyright applications received electronically in 2002–2003, compared with 20 percent the previous year. Requests for assignments and licensing of copyrights rose by nearly 55 percent to 1806, from 1168 in 2001–2002.

## Industrial designs

Under the leadership of the interim director of the Trade-marks Branch, CIPO's Industrial Design Division began re-engineering its core business processes to improve client service. However, during this transition year, processing times from filing to registration increased to 12.4 months from 11.9 months the year before. Moreover, there was also a higher than usual number of applications and a consequent increase in the backlog of active cases. The number of applications received in 2002–2003 rose to 3534, up from 3190 in 2001–2002, and the backlog of active cases rose to 4312 by year end, compared with 3152 the previous year. In the meantime, a team of branch employees began working with CIPO's Informatics Services Branch to develop an automated operations system, DesignPlus, which is expected to simplify, modernize and expedite registrations for industrial designs and contribute to financial autonomy in the branch.

The **Industrial Design Division** receives, classifies, examines and processes applications for industrial designs — the visual features of a manufactured article. It registers assignments, licences and changes of ownership and collects fees. Its primary clients are manufacturers represented by patent agents. No legal claim of ownership can be made for an industrial design unless it is registered. The registered owner of an industrial design is entitled to prevent others from making, using, renting or selling the design in Canada for up to 10 years. Refused applications may be reviewed by the Patent Appeal Board upon the applicant's request. Once registered, industrial designs become part of a public register maintained by CIPO.

## Integrated circuit topographies

Integrated circuit topographies are the three-dimensional configurations of semiconductors, metals, insulators and other materials that make up the microchips found in medical and aerospace equipment, consumer electronics and household appliances. The Copyright Office received four applications for integrated circuit topographies in 2002–2003, compared with three in 2001–2002.

CIPO processes requests for registration of **integrated circuit topographies** with the Registrar of Topographies, a title held by the director of CIPO's Patent Branch.

## Disseminating information

Responding both to Government of Canada policy and client demands for easier access to electronic information and services, CIPO continued to make improvements to its Web site and upgrade its various databases. Ongoing improvements included the addition of a searchable database of bilingual patent appeal decisions of the Commissioner of Patents. The new database contains all published decisions issued by the Commissioner since 1970. In addition, CIPO followed up the redesign of its Web site in 2001–2002 with efforts this year to enhance the accessibility and user-friendliness of its on-line services and information. It collaborated with Industry Canada to develop a strategy to implement the Government of Canada's Common Look and Feel Standards, a set of norms for federal government Web sites that enable Canadians to distinguish federal programs and services from others and navigate with ease between sites. A survey of client satisfaction with CIPO's Web site in March and April of 2002 found that general satisfaction with the site had risen by 9 percent (to 82.3 percent from 75.5 percent) and the ease of finding specific information had improved by nearly 4 percent (to 72.9 percent from 70.2 percent) compared with the 2001 survey results.

The volume of traffic on CIPO's Web site continued to rise, as did the number of on-line searches and the volume of documents downloaded from CIPO sources. Transactions on the CIPO Web site grew to an unprecedented 3 million in 2002–2003, up from 2.4 million the previous year. Searches of the Canadian Patents Database increased by 36 percent in 2002–2003, compared with the previous year, and searches of the Canadian Trade-marks Database rose by 53 percent.

Given CIPO's mission to foster the use of the IP system and the exploitation of IP information, and to encourage invention, innovation and creativity in Canada, the **Information Branch** disseminates IP-related information to its clients through numerous channels. These include the CIPO Web site, a Client Service Centre and data exchanges with 29 other IP offices around the world. On the Web site, people can find information on how Canada's IP system works, as well as searchable databases and electronic forms that make it possible to file applications for patents, trade-marks and copyrights, as well as transfers of ownership, grants of interest and renewals — on-line.

The agency faced a mounting number of requests for IP information: nearly 140 000 requests in 2002–2003, up from 120 000 requests in 2001–2002. To respond more effectively, CIPO established a quality control unit to track the handling of customer enquiries by its three-year-old Client Service Centre and revamped its customer service procedures. The agency also conducted an inventory of its information products and services to clients, with a view to updating and enhancing the current publications system. This project will lead to the development of new or enhanced information products and services that are better suited to clients' needs, depending on their level of awareness of IP.

Finally, CIPO began examining ways to streamline and standardize its various dissemination activities with an eye to better aligning its products and services with its numerous delivery channels.



# Promoting Canada's intellectual property interests in the global arena

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Given the growing importance of intellectual property (IP) in the global economy and the importance of securing international patent protection, the Canadian Intellectual Property Office (CIPO) devoted much effort in the past year to helping Canadians take full advantage of an evolving global IP system.

To facilitate searching the trade-marks database in both official languages, CIPO adopted the Vienna Classification system; an international system for classifying the figurative elements of trade-marks.

In September 2002, the Assembly of the Patent Cooperation Treaty Union of the World Intellectual Property Organization (WIPO) approved Canada's application to become an International Searching Authority (ISA) and an International Preliminary Examining Authority (IPEA) under the *Patent Cooperation Treaty*.

This international treaty facilitates the acquisition of patent protection in 120 countries through the filing of a single international application.

CIPO is just the 11th IP organization in the world<sup>1</sup> to offer these services and its accreditation as an ISA/IPEA will enhance the agency's international status and facilitate access by Canadians to the international IP system.

In the wake of CIPO's new accreditation, the Patent Branch appointed a project management team, continued its recruitment campaign and began putting in place the systems needed to offer ISA/IPEA services by the summer of 2004. This work also includes a new information technology infrastructure to support CIPO's new services.

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1. There are currently 10 patent offices offering ISA/IPEA services: Australia, Austria, China, Japan, Republic of Korea, Russian Federation, Spain, Sweden, United States and the European Patent Office.



## IP diplomacy

CIPO stepped up its diplomatic efforts during 2002–2003, hosting several delegations from IP offices in developed countries with a view to sharing strategy and keeping the interests of clients high on the international agenda.

As it has for the past three decades, CIPO also supplied advice and technical assistance to IP officials from developing countries. Of note was a week-long workshop on improving patent services that attracted senior officials from China, India and other countries in the Asia-Pacific region.

The agency maintained a strong presence throughout the year in international IP fora, with the aim of increasing Canadian input into international IP treaties, agreements and policies relating to the administration of the global IP regime. CIPO attended meetings of the Standing Committee on the Law of Patents. CIPO representatives also continued to participate in an initiative to reform the *Patent Cooperation Treaty*. Amendments scheduled to take effect in January 2004 will streamline the filing process for applicants and IP offices. In addition, CIPO

CIPO clients, whose enthusiastic use of the *Patent Cooperation Treaty* system puts Canada among the top 10 countries for the filing of these applications, will be able to realize benefits from the agency's new status. They will be able to deal directly with CIPO rather than with the European Patent Office, which has been conducting ISA/IPEA services for applicants in Canada. Mounting backlogs of patent

## WIPO/CIPO TRAINING WORKSHOP MAY 27–31, 2002



### LIST OF PARTICIPANTS FROM THE ASIA-PACIFIC REGION

From top to bottom: Ong Chui Koon, Malaysia; Verasak Maiwatana, Thailand; Ge Shu, China; Ir Razilu, Indonesia; Thi Thanh Ha Nguyen, Vietnam; Rosella L. Fernandez, Philippines; Bharat B. Thapa, Nepal; Jong-Hyo Park, Republic of Korea; D. M. Karunaratna, Sri Lanka; Yasmin Abbasi, Pakistan; Diane Brazeau, CIPO; Rajeev Ranjan, India; Mohammad Hassan Kiani, Iran.

has been an active participant in meetings to bring about important reforms to International Patent Classification systems by January 2005.

applications at IP offices around the world are fueling a global interest in international cooperation in hopes of making the global IP system more efficient. As rising numbers of patent applications and demands for service improvement continue to pressure IP offices worldwide, Canada will be well positioned to participate fully in any global discussion of service delivery.



## Reaching out to Canadian innovators

**To encourage and facilitate the acquisition of intellectual property (IP) rights and the exploitation of associated information by Canadian innovators, the Canadian Intellectual Property Office (CIPO) reaches out to Canada's business community and IP practitioners to demystify IP rights, raise awareness of their value and promote effective use of the IP system and information available.**

Canadian entrepreneurs and innovators are active users of the IP system. Within the Canadian system alone, 14 percent of patent applicants, 12 percent of applicants for industrial designs and nearly half (48 percent) of trade-marks applicants are Canadian. Since a vibrant IP culture stimulates innovation and accelerates economic development, part of CIPO's mission is to facilitate and increase the use of the IP system by Canadians. It does this by raising awareness of IP rights and promoting their exploitation to protect intellectual capital.

Specifically, CIPO works to ensure that Canadian businesses have the information they need to avail themselves of IP protection at a time when it is most likely to matter. It raises awareness among small and medium-sized businesses about the advantages of registering a company logo, filing for patent protection for a new invention, and using IP information as a source of business and technical intelligence.

In 2002–2003, CIPO strengthened its strategic alliances with IP practitioners and federal government service providers that have strong relations with its target audiences.

To foster more effective use of Canada's IP regime, CIPO began collaborating with the Intellectual Property Institute of Canada on programs of IP education and marketing activities directed at IP practitioners and their clients.

This partnership will allow both organizations to leverage resources and skills for the delivery of more client-centred services. Developments this year included the signing of a memorandum of understanding, the adoption of a two-year action plan, the establishment of a joint steering committee and two working groups, a series of eight focus groups across the country to learn about the information needs of IP practitioners, and discussions on developing a bank of speakers.

Meanwhile, CIPO also reached an agreement with the national network of Canada Business Service Centres (CBSC) to develop a prototype for an IP toolkit. The kit will be disseminated to clients of these centres, mostly small and medium-sized businesses, including new enterprises. The agency began training CBSC personnel in various aspects of Canada's IP regime to ensure that information officers have the know-how to direct clients to the IP information they need, when they need it.

With an eye to broadening its Canadian customer base, CIPO officials continued to reach out throughout 2002–2003 to key stakeholders in the public and private sectors, multiplying potential points of contact with Canadian businesses and helping Canadians protect their creations in an increasingly competitive global economy.

# Attracting and retaining a qualified work force



The Canadian Intellectual Property Office's (CIPO's) ambitious plan for work force expansion took an important turn in 2002–2003 when the agency adopted its first-ever human resources strategy. Supported by a restructuring of the Human Resources Branch, the new strategy positions the agency to attract and retain the critical mass of seasoned professionals it needs to become a leading intellectual property (IP) office recognized for the excellence of its products and services.

## A systematic approach to human resources

The emergence of new research disciplines, the increasing complexity of computer-enabled inventions and the advent of the 50 000-page patent application have changed the profile of the typical patent examiner. Competing for highly educated knowledge workers in the modern economy requires a sophisticated understanding of the agency's human resources needs, where to find the right people and

### New resources and authorities

In 2002–2003, CIPO approved additional human and financial resources for the Human Resources Branch, as well as a branch restructuring. With a bigger budget and more staff, the branch now has the capacity to deliver a full range of human resources services to the agency.

In addition, CIPO renegotiated with Industry Canada and the Public Service Commission the delegation of patent examiner staffing to the agency.

how to retain them. CIPO began gathering intelligence in 2001–2002, conducting a demographic analysis, reviewing public service survey results, analyzing gaps in its in-house expertise, and initiating focus group discussions with 120 employees and bargaining agents.

In 2002–2003, CIPO finalized a five-year human resources strategy with five interconnected strategic objectives:

- human resources planning at branch and agency levels will contribute to succession planning and a proactive approach to recruitment and learning;
- recruitment systems will meet the agency's external hiring needs and human resources practices will reflect a values-based staffing approach;
- a positive work environment will contribute to the agency's ability to recruit and retain a motivated work force;
- as a learning organization, CIPO will encourage and support personal and professional development; and
- CIPO's work force will be representative of Canadian work force availability.

The strategy also commits CIPO to meet its obligations under the *Official Languages Act* in the areas of equitable access, language of work, service to the public and support of official language minority communities.

CIPO began executing the new strategy in 2002–2003, appointing five executive champions to shepherd the implementation process for recruitment, learning, workplace well-being, employment equity and official languages. Work began on action plans that drew from best practices in other organizations, public service employee survey results and CIPO employee focus groups, as well as input from supervisors and managers.

## 2002 Public service employee survey

CIPO employees reported a significant improvement in almost every area covered in the 2002 survey of public servants, compared with the results of the initial survey (done in 1999). Of note are employees' reports of excellent working relationships with supervisors, as well as their satisfaction with the flexible work arrangements that facilitate the balancing of personal and professional responsibilities.

## An ambitious recruitment target

An upward spiral of IP applications combined with an agency-wide commitment to service improvement have translated into unprecedented numbers of new hires. CIPO has set an aggressive recruitment target: to grow its work force from 720 employees at the end of 2001–2002 to approximately 1000 by the end of 2004–2005. Most of this increase consists of examination staff.

One successful recruitment tactic has been CIPO's high visibility at university campuses; the agency participated in seven university recruitment fairs in 2002–2003. Meanwhile, its bank of patent examiner applicants more than doubled by the end of the year, reaching nearly 2800 from 1240 in 2001–2002. At the same time, the number of visitors to CIPO's patent examiner recruitment site, updated during the year, also increased, to 84 247 from 57 598 in 2001–2002.

## Holding on to new recruits

To retain this qualified work force, CIPO invests significantly in creating a positive work environment and enhancing learning opportunities for employees. The welcome mat was laid out in earnest this year as CIPO introduced an orientation program that gives new recruits the support they need to integrate into a large and complex organization. To keep in touch with the new arrivals, CIPO held a focus group with many of the employees who had been with the organization for one year. Participants applauded the agency's stable, relatively stress-free working environment. Ongoing dialogue with employees will help refine CIPO's human resources action plans, particularly those relating to workplace well-being and learning.



### CIPO PATENT EXAMINER RECRUITERS

From top to bottom: Stephen MacNeil (PB), Benoît Bourgon (PB), Valerie Lundy (PB), Éric Breton (PB), Claude Charron (HRB), Bruce Brown (PB), Salim Abounehme (PB), Serge Meunier (PB), Serge Carrier (PB), Anne Lessard (HRB), Zachary Rokosh (PB), Shirly Anne Ho (PB), Hong Tin Tiv (PB), Johanne Rozon (HRB). Missing from photo: Matthew Chisholm (PB), Gaétan Provencher (PB), Sophie Beaudoin (PB).

## Strength through diversity

CIPO has made progress in recruiting and retaining members of traditionally disadvantaged groups. By the end of the year, the representation of designated employment equity groups exceeded their availability in the Canadian work force in every category but one. Visible minorities, who make up 8.6 percent of the Canadian work force overall, fell just shy of that figure at CIPO, accounting for 8.2 percent of agency staff. The fact that 20 percent of CIPO's new hires self-identified as a visible minority, Aboriginal person or person with a disability augurs well for the attainment of the organization's employment equity targets in the near future.

# Establishing a world-class business management regime



Keeping the Canadian Intellectual Property Office (CIPO) in sync with a constantly evolving business environment is a full-time challenge, one the agency is tackling on several fronts. A Malcolm Baldrige quality assessment of the agency in 2000 marked the start of a whole new era in performance management, bringing a systems perspective to such functions as client relations, financial and business planning, performance measurement and process management.

Recommendations from the Baldrige assessment, together with the Government of Canada's new management framework, with its focus on results for Canadians and modern comptrollership, prompted CIPO to launch several major initiatives that will enable the agency to deliver ever-improving value to customers, improve overall organizational effectiveness and capabilities, and enhance learning in the organization — initiatives designed to transform the agency into a world-class business operation. Since 2001, the agency has taken steps to better understand client needs, align its capabilities with those needs, refine its business and financial planning process, and enhance its performance measurement framework.

## Keeping an ear to the ground

As an organization that depends on client revenues, CIPO is perpetually striving to understand its clients better. In 2001, it launched a new corporate initiative that allows client feedback to be the main driver of product and service improvements and the inspiration for new client services. The results of client focus groups held in September 2001 and a comprehensive client survey conducted in December 2001 determined the agency's highest priority of 2002: improving turnaround times for patents and trade-marks. CIPO also decided to launch an ongoing process for actively listening to its clients and responding to their needs. This new process-driven client relationship management model has four components: client satisfaction, relationship building, complaint management and ongoing client consultation. During the year, CIPO began implementing a systematic agency-wide complaint management process. Meanwhile, work continued on the development of processes for supplying a steady stream of intelligence to inform decisions on client relations, outreach and the handling of enquiries

by the Client Service Centre. Data models and a data inventory for the Centre were also completed during the year, and a new client satisfaction indicator that will give decision-makers some insight into how clients see the agency was approaching final approval by year's end. As CIPO follows through on its ambitious business agenda, its client relationship management strategy will serve as a key process for ongoing quality improvement, helping the agency align its service offerings with the evolving needs of its clients.

Throughout the year, CIPO continued to participate in meetings of the Patent Joint Liaison Committee of the Intellectual Property Institute of Canada, which held its 100th meeting in 2002–2003. The agency also seized the opportunity to address the Institute's annual general meeting in October 2002. Finally, 2002–2003 saw the adoption of a new corporate communications strategy and action plan whose implementation will result in better coordination of communications efforts relating to employees, clients, stakeholders and partners.

## Geared to perform

The systems perspective reflected in CIPO's communications strategy and new approach to client relations is in evidence throughout the organization, lending new levels of precision to a wide range of business functions. For example, in 2002–2003, CIPO streamlined its business planning and performance reporting processes, better aligning its budget allocation process with its business planning cycle, and adopting new management accounting tools.

The agency took steps this year to introduce a more rigorous system of linking revenues to costs and outputs throughout the agency. Driven by the results of the Baldrige assessment and the imperatives of modern comptrollership, CIPO's adoption of activity-based costing will help managers integrate cost and performance information and make better fact-based decisions about pricing strategy, planning and budgeting. In fact, initial efforts to allocate overhead and direct support costs to outputs helped CIPO formulate the proposals for its new fee structure and have helped the agency manage its information technology (IT) investments.

## Making smarter choices

CIPO also continued to modernize its work instruments and tools, completing the first phase of a major project to upgrade the IT system it uses to manage patent processes, and improving its e-commerce functionality by introducing an on-line system for trade-mark renewals.

CIPO also began work in 2002–2003 to overcome a major barrier to full integration with its clients' operational systems: the inability of the agency's IT infrastructure to communicate easily with the myriad software applications of the intellectual property (IP) practitioners that are CIPO's major clients. Laying the groundwork for a seamless interface, CIPO's Informatics Services Branch reconfigured its Web environment and architecture, revamping the basic infrastructure that underlies all of CIPO's Web applications. The upshot of these changes is that CIPO now has in place the architecture that will allow it to receive data sent electronically by IP practitioners anywhere in the world, through a standard data exchange protocol, and convert it automatically into a format compatible with CIPO's own internal operational systems.

## Managing information better

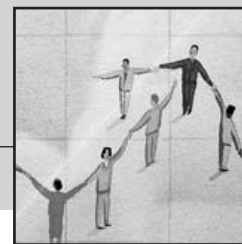
Meanwhile, the agency began work on an information management framework this year that will enable CIPO to manage and disseminate information in accordance with federal government policies and international standards. The creation of the Information Management Division within CIPO's Information Branch signalled the start of a new era in which information is seen more as a corporate asset, and information management as a corporate function. Several information-related functions were consolidated under this framework to facilitate the consistent application of

information management principles. Centralizing information management in a single corporate function will facilitate a much more systematic and integrated approach to record keeping and document handling across the agency. At the core of this initiative is an advisory function that ensures that considerations relating to record keeping and information management are factored into operational decision making. The Information Management Division will be developing policies, procedures and standards for information management practices across the organization.

## Financing service improvements

Given CIPO's reliance on fees for service, it became apparent in recent years that the agency's ability to tackle mounting workloads and respond to calls for improved service would necessitate an increase in these fees. CIPO's fees had gone largely unchanged since the late 1980s and the agency also needed to secure funding for its growing participation in the international IP arena and for a more proactive outreach program. To ensure that the agency's fees accurately reflected the cost of these service improvements and to introduce fees for CIPO's new International Searching Authority (ISA) and International Preliminary Examining Authority (IPEA) service, the agency conducted a major stakeholder consultation in the fall of 2002, garnering strong support for proposed amendments to its fee structure. The new fee schedule includes some incentives designed to encourage clients to file for IP protection on-line. Published in the *Canada Gazette* Part I in March 2003, and scheduled to take effect at the start of 2004 (pending publication in the *Canada Gazette* Part II), the new schedule will better align CIPO's service fees with its ambitious plans and enhance the agency's capacity to deliver world-class service.

# Audited financial statements



## Management report

We have prepared the accompanying financial statements of the Canadian Intellectual Property Office (CIPO) Revolving Fund (the "Fund") as required by and in accordance with the policy of Treasury Board on revolving funds and the reporting requirements and standards of the Receiver General for Canada. These financial statements were prepared by the management of the Fund in accordance with the significant accounting policies set out in Note 2 of the financial statements, on a basis consistent with that of the preceding year.

Responsibility for the integrity and objectivity of these financial statements rests with the management of the Fund. The information included in these financial statements is based on management's best estimates and judgment with due consideration given to materiality. To fulfil its accounting and reporting responsibilities, the Fund maintains a set of accounts, which provides a centralized record of the Fund's financial transactions. Financial information contained in the ministerial statements and elsewhere in the *Public Accounts of Canada* is consistent with that in these financial statements, unless indicated otherwise.

The Fund's directorate of financial services develops and disseminates financial management and accounting policies and issues specific directives, which maintain standards of accounting and financial management. The Fund maintains systems of financial management and internal control which give due consideration to costs, benefits and risks. They are designed to provide reasonable assurance that transactions are properly authorized by Parliament, are executed in accordance with prescribed regulations, and are properly recorded to maintain accountability of Government funds and safeguard the assets under the Fund's administration. The Fund also seeks to assure the objectivity and integrity of data in its financial statements by the careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility and by communication programs aimed at ensuring that its regulations, policies, standards and managerial authorities are understood throughout the organization.

At the request of the Fund, these financial statements have been examined by external auditors, their role being to express an opinion as to whether the financial statements present fairly the financial position as at March 31, 2003, and the results of operations and cash flow for the year then ended in accordance with the accounting principles for revolving funds of the Government of Canada as described in Note 2 of the financial statements.

Approved by:

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

André Rousseau, CGA  
Manager, Finance and Administration

May 30, 2003



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## **AUDITORS' REPORT TO THE DEPUTY MINISTER, INDUSTRY CANADA**

We have audited the balance sheet of the Canadian Intellectual Property Office Revolving Fund as at March 31, 2003 and the statements of operations, accumulated surplus and cash flows for the year then ended. These financial statements are the responsibility of the management of the Canadian Intellectual Property Office Revolving Fund. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Canadian Intellectual Property Office Revolving Fund as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with the accounting principles for revolving funds of the Government of Canada as described in Note 2.

*KPMG LLP*

Chartered Accountants

Ottawa, Canada

May 30, 2003



**Statement of Authority (Used) Provided (Unaudited)  
For the year ended March 31, 2003 (in thousands of dollars)**

	2003		2002	
	Estimates	Actual	Estimates	Actual
Net income	6 821	3 880	4 215	229
Add: items not requiring the use of funds	<u>15 134</u>	<u>12 582</u>	<u>12 809</u>	<u>14 483</u>
Operating source of funds	21 955	16 462	17 024	14 712
Net capital acquisitions	(10 754)	(8 584)	(12 500)	(9 846)
Changes in working capital (Note 7)	(800)	985	2 248	828
Other items	<u>(7 122)</u>	<u>(3 647)</u>	<u>(9 274)</u>	<u>(713)</u>
Authority (used) provided	<u>3 279</u>	<u>5 216</u>	<u>(2 502)</u>	<u>4 981</u>

The accompanying notes form an integral part of these financial statements.

**Reconciliation of Unused Authority (Unaudited)  
As at March 31, 2003 (in thousands of dollars)**

	2003	2002
Debit balance in the accumulated net charge against the Fund's authority	(58 340)	(54 105)
Transfer from Treasury Board Vote 5	<u>(165)</u>	<u>(331)</u>
	(58 505)	(54 436)
Add: PAYE charges against the appropriation account after March 31	6 194	7 121
Less: amounts credited to the appropriation account after March 31	(1 136)	(1 082)
Net authority provided, end of year	(53 447)	(48 397)
Authority limit	<u>5 000</u>	<u>5 000</u>
Unused authority carried forward	<u>58 447</u>	<u>53 397</u>

The accompanying notes form an integral part of these financial statements.

**Statement of Financial Position**  
**As at March 31, 2003 (in thousands of dollars)**

	2003	2002
<b>Assets</b>		
Current assets		
Petty cash	2	2
Accounts receivable		
Government of Canada	623	463
Outside parties	1 227	1 110
Unbilled revenues	7 112	5 393
Prepaid expenses	26	-
Capital assets (Note 3)	59 404	63 402
Unbilled revenues	318	105
	<u>68 712</u>	<u>70 475</u>
<b>Liabilities</b>		
Current		
Deposit accounts	1 085	833
Accounts payable		
Government of Canada	3 991	2 858
Outside parties	6 141	7 421
Deferred revenues	<u>16 176</u>	<u>13 274</u>
	27 393	24 386
Employee termination benefits and vacation pay	4 445	3 808
Deferred revenues	<u>25 773</u>	<u>24 440</u>
	30 218	28 248
Deferred capital assistance (Note 4)	27 135	33 520
<u>Equity of Canada (Note 5):</u>		
Accumulated net charge against the Fund's authority	(58 340)	(54 105)
Accumulated surplus	<u>42 306</u>	<u>38 426</u>
	(16 034)	(15 679)
	<u>68 712</u>	<u>70 475</u>
Commitments (Note 6)		
Contingencies (Note 10)		

The accompanying notes form an integral part of these financial statements.

**Statement of Operations**  
**As at March 31, 2003 (in thousands of dollars)**

	<b>2003</b>	<b>2002</b>
Revenues	86 945	77 269
Expenses		
Salaries and employee benefits	54 159	45 498
Professional services	12 227	13 677
Amortization of capital assets	12 559	12 519
Accommodation	5 509	5 241
Materials and supplies	1 727	2 234
Information	257	328
Communications	808	573
Travel	423	320
Freight and postage	367	248
Repairs and maintenance	936	398
Training	331	280
Rentals	<u>124</u>	<u>145</u>
	89 427	81 461
Net income before amortization of deferred capital assistance, loss on disposal and write-down of capital assets	<u>(2 482)</u>	<u>(4 192)</u>
Amortization of deferred capital assistance	<u>6 385</u>	<u>6 385</u>
Net income before disposal and write-down of capital assets	3 903	2 193
Loss on disposal and write-down of capital assets (Note 3)	<u>(23)</u>	<u>(1 964)</u>
Net income	<u><u>3 880</u></u>	<u><u>229</u></u>

The accompanying notes form an integral part of these financial statements.

**Statement of Accumulated Surplus  
For the year ended March 31, 2003 (in thousands of dollars)**

	2003	2002
Balance, beginning of year	38 426	38 197
Net income	3 880	229
Balance, end of year (Note 5)	<u>42 306</u>	<u>38 426</u>

The accompanying notes form an integral part of these financial statements.

**Statement of Cash Flows  
For the year ended March 31, 2003 (in thousands of dollars)**

	2003	2002
Operating activities		
Net income	3 880	229
Add: amortization of capital assets	12 559	12 519
Add: loss on disposal and write-down of capital assets	23	1 964
Less: amortization of deferred capital assistance	<u>(6 385)</u>	<u>(6 385)</u>
	10 077	8 327
Changes in working capital (Note 7)	985	828
Changes in other assets and liabilities		
Unbilled revenues	(213)	158
Employee termination benefits and vacation pay	637	681
Deferred revenues	<u>1 333</u>	<u>7 351</u>
	1 757	8 190
Net financial resources provided by operating activities	12 819	17 345
Investing activities		
Capital assets acquired	<u>(8 584)</u>	<u>(9 846)</u>
Net financial resources provided and change in the accumulated net charge against the Fund's authority account, during the year	4 235	7 499
Accumulated net charge against the Fund's authority account, beginning of the year	<u>54 105</u>	<u>46 606</u>
Accumulated net charge against the Fund's authority account, end of the year (Note 5)	<u>58 340</u>	<u>54 105</u>

The accompanying notes form an integral part of these financial statements.

# Notes to financial statements

## Year ended March 31, 2003

### 1 — Purpose and authority

The Canadian Intellectual Property Office Revolving Fund (the “Fund”) grants or registers exclusive ownership of intellectual property (IP) in Canada. In exchange, the Fund acquires IP information and state-of-the-art technology which it disseminates to Canadian firms, industries and individuals to improve economic performance, competitiveness and to stimulate further invention and innovation.

The Fund was established on April 1, 1994. The authority to make expenditures out of the Consolidated Revenue Fund was granted on February 22, 1994, and has an authorized limit of \$15 million. During the fiscal year ended March 31, 2002, the Fund’s authorized limit was reduced from \$15 million to \$5 million. The Fund has continuing non-lapsing authority from Parliament to make payments out of the Consolidated Revenue Fund for working capital, capital acquisitions and temporary financing of accumulated operating deficits. The Fund may retain surpluses to continue to automate operations.

### 2 — Significant accounting policies

#### BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with the policy of Treasury Board on revolving funds and the reporting requirements and standards of the Receiver General for Canada.

#### REVENUE RECOGNITION

Revenue derived from processing patent, trade-mark and industrial design applications is recognized using the percentage of completion method as work progresses. Fees received in advance of work being completed are recorded as deferred revenues.

When work is completed prior to the receipt of the fee, the amount is recorded as unbilled revenue. Other revenue is recognized upon receipt. Fees are prescribed by various Orders in Council.

#### CAPITAL ASSETS AND AMORTIZATION

Capital assets are recorded at cost and are amortized on a straight-line basis over their estimated useful lives, beginning in the month after acquisition, as follows:

Software	3 years
Hardware	3–5 years
Furniture	10 years
Equipment	10 years
Leasehold improvements	5 years
Systems	Estimated useful life beginning in the year of deployment

#### DEFERRED CAPITAL ASSISTANCE

The Fund received \$63 848 000 from the Crown for the development of the TechSource automation project, which was implemented in 1997–1998. The deferred capital assistance is amortized on a straight-line basis over the estimated useful life of the TechSource system.

#### EMPLOYEE TERMINATION BENEFITS

Employees of the Fund are entitled to specified termination benefits, calculated based on salary levels in effect at the time of termination as provided for under collective agreements and conditions of employment. Employee termination benefits earned prior to an employee joining the Fund are a liability of the Treasury Board and accordingly have not been recorded in the accounts. As at March 31, 2003, the Treasury Board liability for the Fund’s employees is \$4.1 million (2002—\$4.5 million). The liability for benefits earned after an employee joins the Fund is recorded in the accounts as the benefits accrue to employees.

## PENSION PLAN

Employees of the Fund are covered by the Public Service Superannuation Plan administered by the Government of Canada. Under present legislation, contributions made by the Fund to the Plan are limited to an amount equal to the employee's contributions on account of current service. These contributions represent the total pension obligations of the Fund and are charged to operations on a current basis. The Fund is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Superannuation Account and/or with respect to charges to the Consolidated Revenue Fund for the indexation of payments under the *Supplementary Retirement Benefits Act*.

## USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Capital assets, revenues and human resource related accrued liabilities are the most significant items for which estimates are used. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

### 3 — Capital assets and accumulated amortization (in thousands of dollars)

	Cost March 31, 2002	Additions	Disposals	Cost March 31, 2003	Accumulated amortization	Net carrying value
Leasehold improvements	13 211	2 870	-	16 081	8 801	7 280
Software	716	532	-	1 248	697	551
Hardware	2 069	298	-	2 367	692	1 675
Equipment	-	-	-	-	-	-
Furniture	-	-	-	-	-	-
Systems						
INTREPID	3 735	-	-	3 735	2 913	822
TechSource	82 111	3 424	-	85 535	47 274	38 261
Other	6 998	2 492	-	9 490	4 322	5 168
Systems under development	6 702	(1 032)	23	5 647	-	5 647
Total	115 542	8 584	23	124 103	64 699	59 404

#### 4 — Deferred capital assistance (in thousands of dollars)

	2003	2002
Deferred capital		
assistance contribution	63 848	63 848
Accumulated amortization	<u>36 713</u>	<u>30 328</u>
Net book value	<u>27 135</u>	<u>33 520</u>

#### 5 — Equity of Canada

##### ACCUMULATED NET CHARGE AGAINST THE FUND'S AUTHORITY

Accumulated net charge against the Fund's authority is the cash position of the Fund, held by the Government on behalf of the Fund.

##### ACCUMULATED SURPLUS

The accumulated surplus is an accumulation of each year's surpluses including the absorption of the opening deficit of \$9.45 million upon establishment of the Fund.

#### 6 — Commitments (in thousands of dollars)

##### TECHSOURCE

The Fund has contracted Government Telecommunications and Informatics Services to provide maintenance services for the TechSource system. Amounts committed are:

2004	3587
2005	3587
2006	<u>496</u>
	<u>7670</u>

The Fund has operating leases for its premises from Public Works and Government Services Canada. Future lease payments are as follows:

2004	5 891
2005	<u>5 761</u>
	<u>11 652</u>

#### 7 — Changes in working capital (in thousands of dollars)

Components of the changes in current assets and liabilities include:

	2003	2002
Accounts receivable	(277)	991
Unbilled revenues (short term)	(1719)	136
Prepaid expenses	(26)	23
Deposit accounts	252	201
Accounts payable	(147)	1630
Deferred revenues (short term)	<u>2902</u>	<u>(2153)</u>
	<u>985</u>	<u>828</u>

#### 8 — Related party transactions

Through common ownership, the Fund is related to all Government of Canada created departments, agencies and Crown corporations. Payments for accommodation, translation, legal services, compensation and benefit services, mail services, security services, and mainframe and computing services are made to related parties in the normal course of business.

#### 9 — Insurance

The Fund does not carry insurance on its property. This is in accordance with the Government of Canada policy of self-insurance.

#### 10 — Contingencies

##### SICK LEAVE

Employees are permitted to accumulate unused sick leave. However, such leave entitlements do not vest and can be used only in the event of illness. The amount of accumulated sick leave entitlements which will become payable in future years cannot reasonably be determined and accordingly have not been recorded in the accompanying financial statements. Payments of sick leave benefits are included in current operations as incurred.

#### 11 — Income taxes

The Fund is not subject to income taxes.



# Additional financial information

## Revolving fund

As a special operating agency (SOA) within Industry Canada, with a revolving fund authority, the Canadian Intellectual Property Office (CIPO) finances its operations entirely from revenues generated by fees received from the provision of intellectual property (IP) services.

The financial statements of CIPO's Revolving Fund (the "Fund") have been prepared in accordance with generally accepted accounting principles as well as reporting standards and requirements of the Receiver General for Canada. Some of the information included in these financial statements is based on management's best estimates and judgment, with due consideration given to materiality.

CIPO develops accounting policies and maintains the financial systems and internal controls necessary to fulfil its accounting and reporting responsibilities. By adhering to sound financial management practices and internal accounting controls, CIPO's financial administration provides reasonable assurance that transactions are recorded and executed in accordance with its authority, and that its assets are safeguarded.

In the context of modern comptrollership, and to improve managerial accountability and reporting, external auditors are hired to examine the financial statements and to express an opinion as to whether they present fairly CIPO's financial position at year-end.

## Management report

### Statement of financial position

The *statement of financial position* of the Fund reveals that CIPO is in a good financial position. At the end of March 2003, the statement of financial position sheet indicates an ANCAFA (accumulated

net charge against the Fund's authority) of \$58.3 million (\$16.3 million net of current and long-term deferred revenues) and an accumulated surplus of \$42.3 million. Note the ANCAFA represents the cash situation of the Fund.

The *capital assets* of \$59.4 million, net of depreciation, represent mainly the net value of the two major information technology (IT) systems, TechSource for patents and INTREPID for trade-marks, the investment in leasehold accommodation as well as other investments to improve access of information to clients and to reduce turnaround times for processing patent and trade-mark applications.

Under liabilities, the current and long-term *deferred revenues* of \$16.2 million and \$25.8 million, respectively, represent the prepaid amount for services to be provided in the near future and is directly linked with the growing inventory of files to be examined. The total deferred revenues account represents an increase of \$4.2 million over last year. When work is completed prior to the receipt of the fee, the amount is recorded as unbilled revenue; as of March 2003, the amount is \$7.1 million. The *deferred capital assistance* (DCA) has decreased by \$6.4 million; it is amortized on a straight-line basis over the useful life of the TechSource system.

Other financial elements such as assets and liabilities, accounts receivable and payable, and employee termination costs remain relatively stable.

The *accumulated surplus* stands at \$42.3 million as of March 31, 2003. This amount ensures that CIPO will be able to remain both fiscally responsible and viable and will be in the position to maintain/improve service levels, such as reducing turnaround times, investing in human resources and in new IT (e.g. e-commerce), and delivering new products/services to be in a better position to serve the interests of clients.



## Statement of operations

*Revenues* for fiscal year 2002–2003 equal \$86.9 million, which represents an increase of \$9.7 million over last year. This increase comes mainly from examination revenues for trade-marks and patents, as well as patent maintenance fees.

*Expenditures* for the same period equal \$89.4 million and are \$8 million higher than last year. Salary expenses represent a large part of this increase, due to the significant hiring of new examiners to deal with the growing demand for IP products/services. These investments in personnel have already had a significant positive impact on turn-around times in many areas and consequently generate additional revenues. We note a reduction under professional services, which is the result of the move to reduce these costs by relying more on internal resources. (For more detail on revenues and expenditures, please refer to the graphs in the following section.)

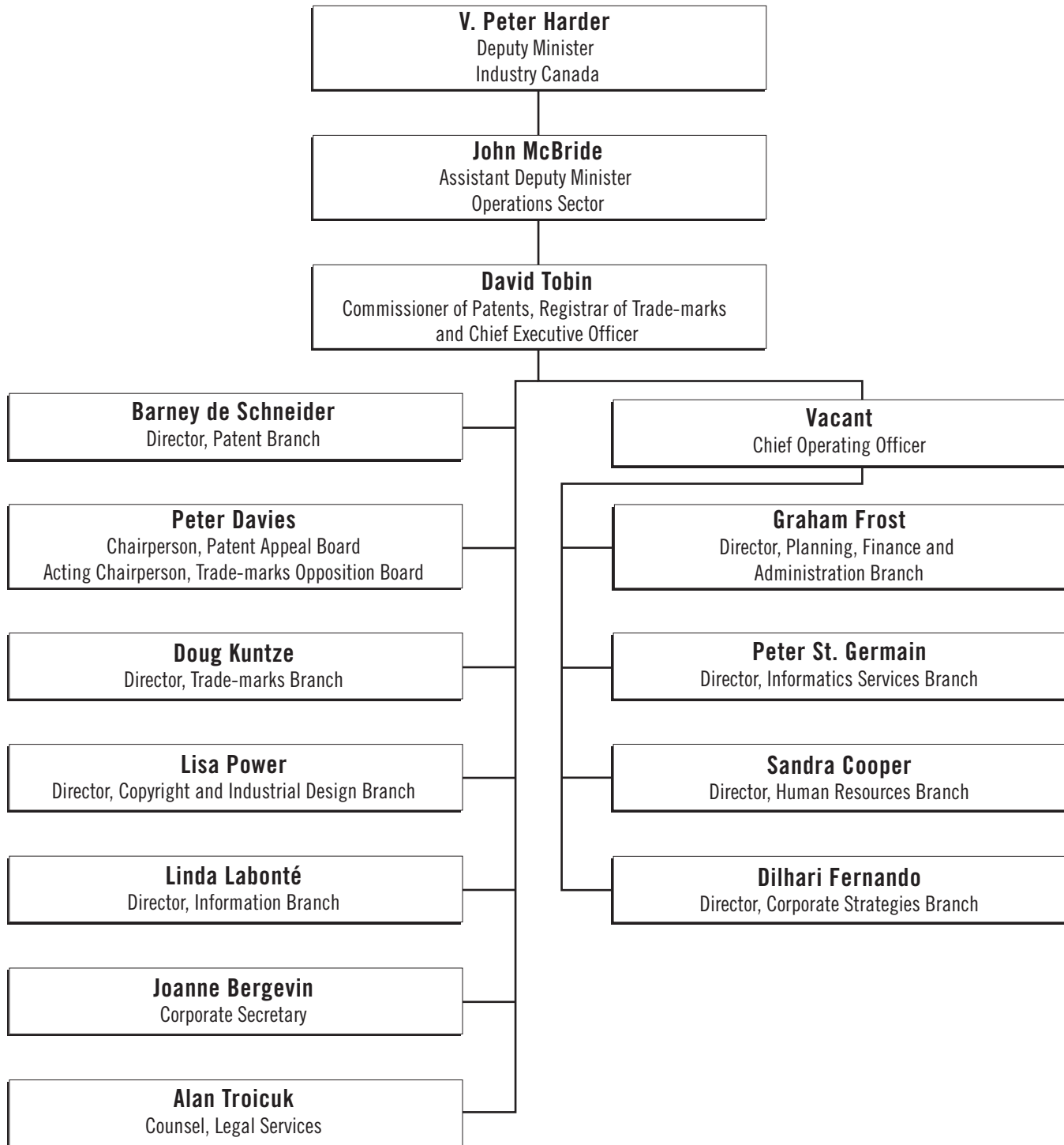
The *net income* for fiscal year 2002–2003 before DCA and write down of capital assets is a deficit of \$2.5 million; afterwards, it stands at a positive balance of \$3.9 million, which represents the change of accumulated surplus from last year.

## Modern comptrollership

The Government of Canada's modern comptrollership concept supports effective stewardship of resources through integrating financial and non-financial information and having in place a sound approach to risk management, appropriate control systems and a shared set of values and ethics. CIPO moved ahead in a number of related management initiatives. Activity-based costing was implemented within corporate services branches and is being implemented throughout the organization's product lines to support cost recovery through user fees, make or buy analyses, and other business case decisions. During the year, CIPO consulted extensively with clients on proposed fee increases, obtained their broad support to move ahead, and undertook the necessary regulatory processes to obtain approval for fee changes. In addition, CIPO improved the integration of its business planning process (involving multiple strategic plans for operations, IT, human resources, and finance) with its budgetary cycle, supporting better fact-based decision making and more timely finalization of the 2003–2004 business plan.

# Appendix 1

## Organizational structure



# Appendix 2

## Financial charts

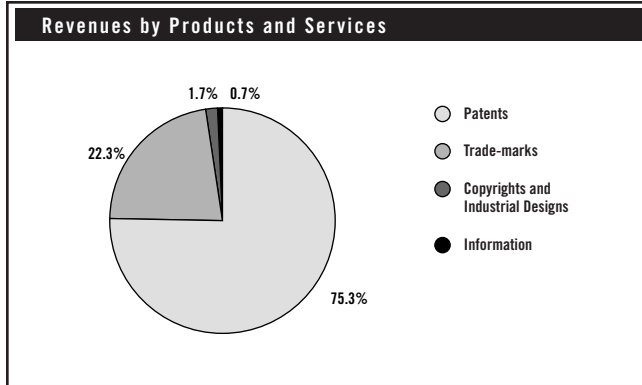


FIGURE 2

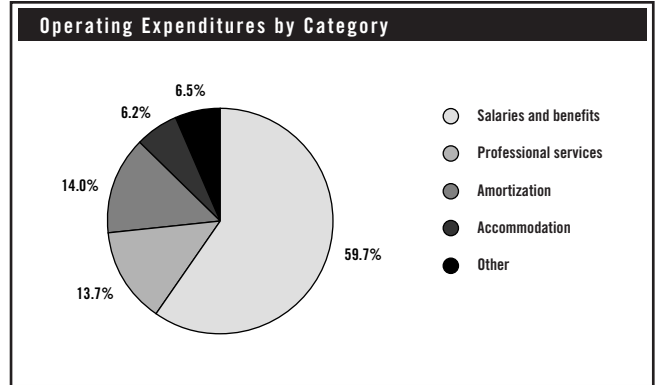


FIGURE 3

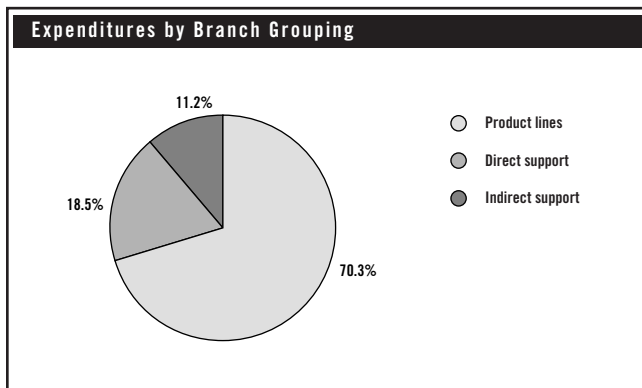


FIGURE 4

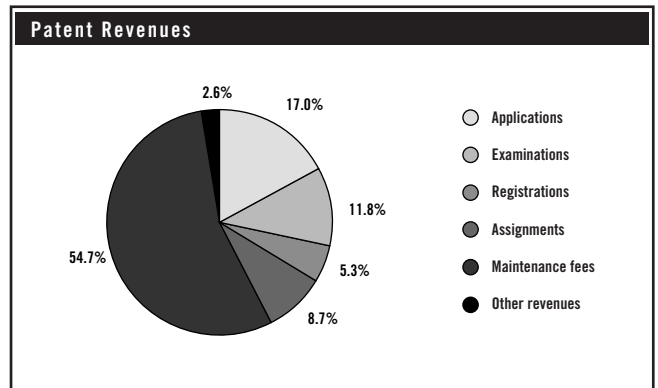


FIGURE 5

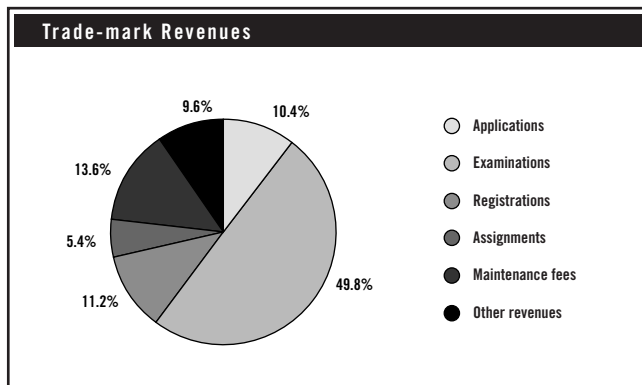


FIGURE 6

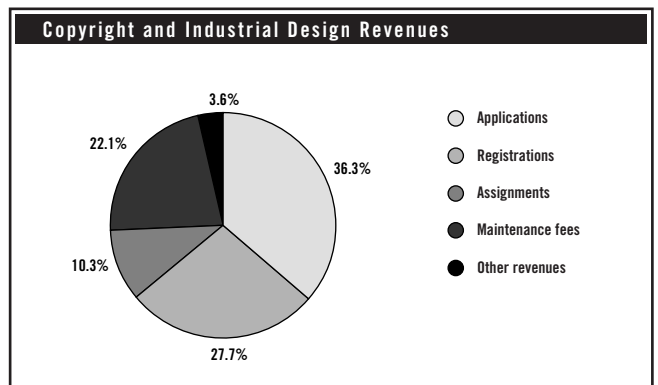


FIGURE 7

# Appendix 3

## Statistics

TABLE 6

Product Outputs	2000–2001	2001–2002	2002–2003
<b>Applications</b>			
Patents	39 657	40 175	39 535
National	14 940	13 530	12 566
PCT	24 717	26 645	26 969
Trade-marks	44 809	37 691	36 949
Copyrights	6 912	6 377	7 938
Industrial designs	3 313	3 190	3 534
Integrated circuit topographies	1	3	4
<b>Requests for examination</b>			
Patents	22 162	30 880	37 310
<b>Disposals</b>			
Patents	18 392	19 758	22 864
<b>Grants — Registrations</b>			
Patents	11 888	12 445	11 805
Trade-marks	16 940	16 746	18 847
Copyrights	6 879	6 312	7 965
Industrial designs	2 850	3 128	2 098
Integrated circuit topographies	1	3	4
<b>Abandonments</b>			
Trade-marks	13 176	15 605	20 610
Copyrights	185	157	102
Industrial designs	325	355	463
<b>Maintenance — Renewals</b>			
Patents	222 500	240 196	252 192
Trade-marks	6 623	7 241	8 476
Industrial designs	1 084	1 047	1 634
<b>Assignments</b>			
Patents	52 003	60 819	67 257
Trade-marks	47 025	44 880	41 244
Copyrights	1 125	1 168	1 806
Industrial designs	820	893	767
<b>Enquiries</b>			
Patents	22 439	24 137	28 241
Status requests (Patents)	53 499	63 673	80 689
Trade-marks	23 027*	19 991	19 421
Copyrights	13 237*	8 225	8 762
Industrial designs	2 972*	1 204	2 047
Integrated circuit topographies	140	48	54
General information	4 231	1 613	1 464
Other	3 399	738	848

\*Because of year-end adjustments, numbers may vary from previously published data.

## Patent statistics

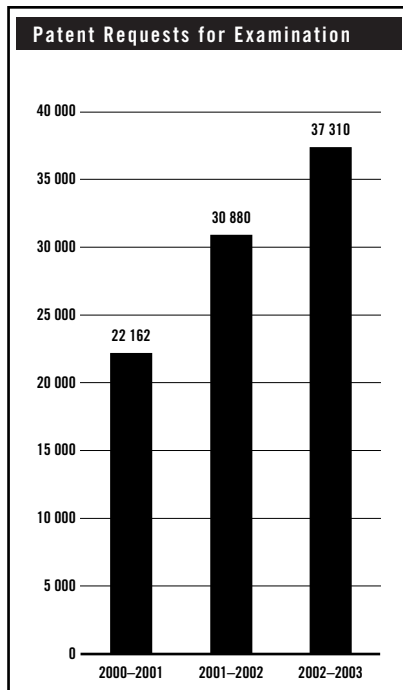


FIGURE 8

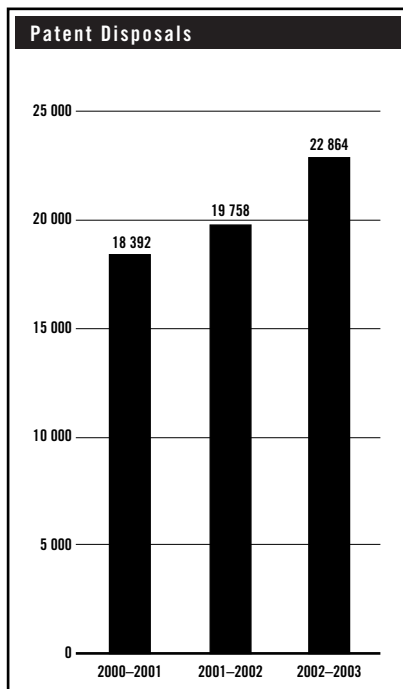


FIGURE 9

**Patent Applications Filed by Language**

	2000-2001	2001-2002	2002-2003
English	37 824	38 412	37 821
French	1 833	1 763	1 714
<b>Total</b>	<b>39 657</b>	<b>40 175</b>	<b>39 535</b>

TABLE 7

**Patent Applications Filed and Granted to Residents of Canada and Foreign Countries**

	PCT	Non-PCT	Total	Grants
<b>Canada</b>				
Alberta	172	613	785	195
British Columbia	150	433	583	115
Manitoba	14	88	102	34
New Brunswick	3	51	54	10
Newfoundland and Labrador	2	19	21	4
Northwest Territories	0	1	1	1
Nova Scotia	8	41	49	17
Nunavut	0	0	0	0
Ontario	503	1 717	2 220	490
Prince Edward Island	0	5	5	1
Quebec	343	1 107	1 450	318
Saskatchewan	22	102	124	26
Yukon	0	11	11	0
<b>Subtotal</b>	<b>1 217</b>	<b>4 188</b>	<b>5 405</b>	<b>1 211</b>
<b>Foreign countries</b>	<b>25 752</b>	<b>8 378</b>	<b>34 130</b>	<b>10 594</b>
<b>Total</b>	<b>26 969</b>	<b>12 566</b>	<b>39 535</b>	<b>11 805</b>

TABLE 8

## Patent Applications Filed and Granted by Origin as Stated by Applicant

TABLE 9

	Filed	Granted		Filed	Granted
Argentina	8	2	Luxembourg	46	13
Australia	640	90	Macedonia	1	0
Austria	189	42	Malaysia	5	1
Azerbaijan	2	0	Malta	3	0
Bahamas	13	3	Mauritius	1	0
Bahrain	2	0	Mexico	14	0
Barbados	98	4	Monaco	9	0
Belgium	224	52	Morocco	0	1
Belize	2	0	Netherlands Antilles	46	5
Bermuda	17	3	Netherlands	575	111
Brazil	43	7	New Zealand	98	12
British Virgin Islands	25	5	Niger	0	1
Canada	5 405	1 211	Norway	184	25
Cayman Islands	4	0	Panama	1	0
Chile	4	0	Philippines	1	0
China	86	11	Poland	13	0
Colombia	0	1	Portugal	5	2
Cook Islands	2	0	Republic of Korea	324	91
Costa Rica	2	0	Romania	1	2
Croatia	6	2	Russian Federation	57	4
Cuba	5	2	San Marino	1	0
Cyprus	9	0	Saudi Arabia	0	1
Czech Republic	10	0	Seychelles	0	2
Czechoslovakia	0	3	Singapore	31	3
Democratic Republic of Germany	3	0	Slovakia	5	1
Denmark	239	67	Slovenia	8	3
Egypt	3	1	South Africa	62	7
El Salvador	2	0	Spain	105	24
Federal Republic of Germany	2 841	672	Sweden	625	153
Finland	410	101	Switzerland	1 112	262
France	1 720	525	Taiwan	220	42
Georgia	4	0	Thailand	3	0
Gibraltar	4	0	Trinidad and Tobago	1	0
Greece	17	1	Tunisia	3	0
Guinea	0	1	Turkey	8	1
Guyana	2	0	Turks/Caicos Islands	4	1
Hong Kong	37	13	United Kingdom	1 629	440
Hungary	25	5	Ukraine	6	0
Iceland	17	2	United Arab Emirates	3	0
India	64	5	United States	18 316	6 139
Indonesia	4	0	Uruguay	3	1
Ireland	78	15	USSR	0	1
Israel	271	23	Vatican City State	1	0
Italy	549	152	Venezuela	5	3
Japan	2 845	1 413	Yugoslavia	1	0
Kazakhstan	2	1	Zambia	3	0
Kenya	2	0	Countries unknown	17	1
Liechtenstein	44	17			
			<b>Total</b>	<b>39 535</b>	<b>11 805</b>

## Trade-mark statistics

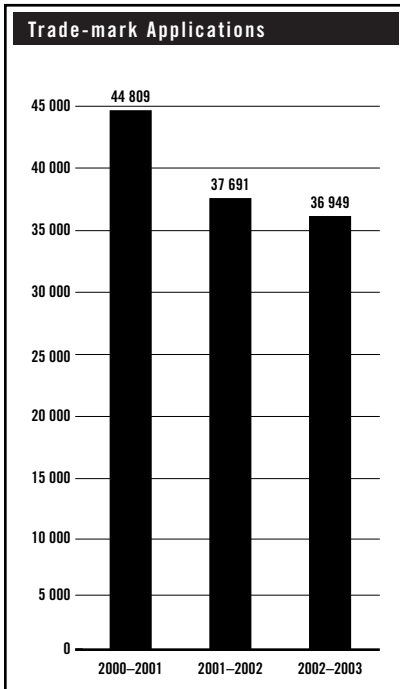


FIGURE 10

	2000-2001	2001-2002	2002-2003
English	41 326	34 566	33 888
French	3 483	3 125	3 061
<b>Total</b>	<b>44 809</b>	<b>37 691</b>	<b>36 949</b>

TABLE 10

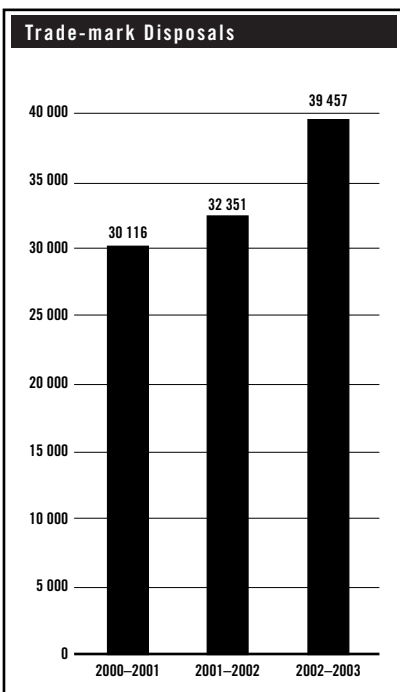


FIGURE 11

	Filed	Registered
Alberta	1 476	885
British Columbia	2 245	1 144
Manitoba	378	216
New Brunswick	201	75
Newfoundland and Labrador	70	30
Northwest Territories	10	1
Nova Scotia	202	91
Nunavut	1	0
Ontario	8 166	4 406
Prince Edward Island	16	17
Quebec	4 091	2 097
Saskatchewan	181	121
Yukon	8	8
Province not specified	22	3
<b>Total</b>	<b>17 067</b>	<b>9 094</b>

TABLE 11

# Trade-mark Applications Filed and Registered by Origin as Stated by Applicant

TABLE 12

	Filed	Registered		Filed	Registered
Algeria	23	0	Latvia	1	0
Andorra	1	0	Lebanon	9	3
Anguilla	1	0	Liechtenstein	18	3
Argentina	40	7	Luxembourg	46	27
Armenia	0	1	Macau	0	1
Australia	285	96	Malaysia	14	6
Austria	88	42	Malta	0	1
Bahamas	23	17	Mauritius	5	2
Barbados	34	10	Mexico	116	32
Belgium	129	59	Monaco	19	8
Belize	2	2	Mongolia	1	0
Benelux (Netherlands)	2	0	Morocco	4	0
Bermuda	42	15	Namibia	0	1
Brazil	48	23	Netherlands	387	184
British Virgin Islands	34	12	Netherlands Antilles	10	2
Cameroon	1	0	New Zealand	51	29
Canada	17 067	9 094	Norway	32	24
Cayman Islands	9	1	OHIM (EC)	1	0
Channel Islands	19	1	Oman	1	0
Chile	29	20	Pakistan	6	1
China	155	53	Panama	12	10
Colombia	8	4	Peru	11	1
Costa Rica	1	2	Philippines	4	3
Croatia	3	1	Poland	23	7
Cuba	7	10	Portugal	16	25
Cyprus	2	3	Republic of Korea	118	0
Czech Republic	8	8	Romania	4	2
Democratic People's Republic of Korea	1	53	Russian Federation	23	4
Denmark	98	65	Saudi Arabia	3	0
Dominican Republic	0	1	Seychelles	0	1
Ecuador	1	1	Singapore	48	18
El Salvador	1	0	Slovenia	3	0
Estonia	3	0	South Africa	53	13
Fiji	2	3	Spain	140	100
Finland	84	43	Sri Lanka	8	0
France	965	567	Sweden	216	93
Germany	1 192	617	Switzerland	761	315
Gibraltar	7	0	Syrian Arab Republic	1	0
Greece	11	2	Taiwan	97	49
Guyana	4	0	Thailand	33	5
Haiti	1	0	Trinidad and Tobago	0	1
Hong Kong	141	51	Tunisia	1	0
Hungary	5	1	Turkey	15	6
Iceland	3	0	Uganda	1	0
India	51	12	Ukraine	2	1
Indonesia	15	2	United Arab Emirates	5	4
Ireland	58	25	United Kingdom	862	332
Israel	38	27	United States	11 579	5 918
Italy	464	255	Uruguay	2	0
Jamaica	7	4	Vanuatu	2	0
Japan	946	385	Vietnam	9	1
Jordan	0	1	West Indies	13	18
Kenya	4	0			
			<b>Total</b>	<b>36 949</b>	<b>18 847</b>



**Top Ten Trade-mark Applicants**

The Proctor & Gamble Company	232
Unilever Canada Inc.	155
Johnson & Johnson	146
Novartis AG	138
Avon Products Inc.	111
Deutsche Telekom AG	88
Ford Motor Company	64
Wms Gaming Inc.	61
L'Oréal S.A.	59
Reckitt Benckiser (Canada) Inc.	54

TABLE 13

**Top Ten Trade-mark Registrants**

The Proctor & Gamble Company	62
Johnson & Johnson	45
Royal Bank of Canada	35
L'Oréal S.A.	35
U L Canada Inc.	34
Kellogg Canada Inc.	32
The Gillette Company	30
Siemens Aktiengesellschaft	30
Avon Products Inc.	29
Bank of Nova Scotia	28

TABLE 14

## Copyright statistics

<b>Copyright Applications Filed by Language</b>			
	2000-2001	2001-2002	2002-2003
English	5529	5148	6508
French	1383	1229	1430
<b>Total</b>	<b>6912</b>	<b>6377</b>	<b>7938</b>

TABLE 15

<b>Copyright Applications Filed and Registered by Province/Territory</b>		
	Filed	Registered
Alberta	545	544
British Columbia	886	883
Manitoba	130	131
New Brunswick	53	55
Newfoundland and Labrador	31	35
Northwest Territories	3	3
Nova Scotia	60	58
Nunavut	4	4
Ontario	3084	3076
Prince Edward Island	18	18
Quebec	1983	1982
Saskatchewan	106	108
Yukon	4	4
<b>Total</b>	<b>6907</b>	<b>6901</b>

TABLE 16

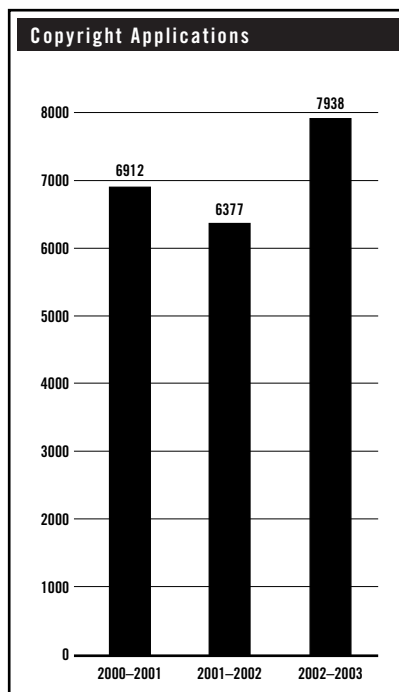


FIGURE 12

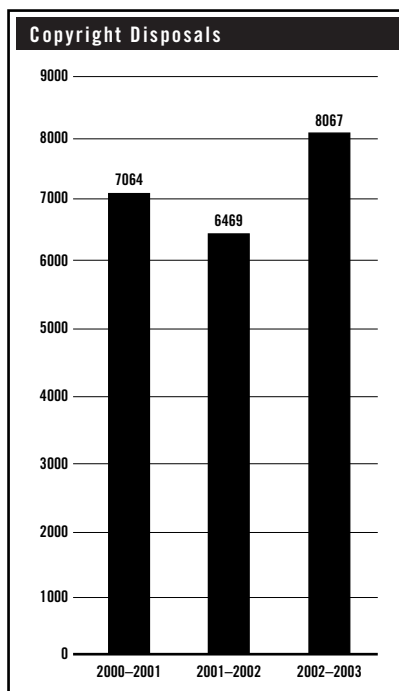


FIGURE 13

**Copyrights Filed  
by Origin as Stated by Applicant**

	Filed
Albania	1
Australia	12
Barbados	1
Belarus	5
Belgium	5
Bermuda	25
Bosnia-Herzegovina	1
Brazil	1
British Virgin Islands	3
Chile	1
China	52
Canada	6907
Congo	1
Cuba	12
France	30
Germany	16
Ghana	1
Hong Kong	77
Hungary	1
India	21
Ireland	4
Italy	7
Japan	14
Luxembourg	3
Mexico	1
Netherlands	1
New Zealand	3
Pakistan	4
Poland	23
Republic of Korea	2
Russian Federation	2
Saudi Arabia	2
Singapore	2
South Africa	4
Spain	5
Switzerland	33
Taiwan	27
United Arab Emirates	1
United Kingdom	72
United States	555
<b>Total</b>	<b>7938</b>

TABLE 17

**Top Ten Copyright Applicants**

Pearson Education Canada	259
Hatley – Little Blue House Inc.	140
Molson Canada	84
Fabtrends International Inc.	79
Sound Ideas – A Division of The Brian Nimens Corporation	73
Groupe Educalivres Inc.	72
Adobe Systems Incorporated	57
CCH Canadian Limited	44
Les Editions Chouette (1987) Inc.	36
Design Council Ltd. d.b.a. The Style Council	36

TABLE 18

## Industrial design statistics

<b>Industrial Designs Registered by Language</b>			
	2000–2001	2001–2002	2002–2003
English	2720	3027	2020
French	130	101	78
<b>Total</b>	<b>2850</b>	<b>3128</b>	<b>2098</b>

TABLE 19

<b>Industrial Designs Registered by Province/Territory</b>	
	Registered
Alberta	19
British Columbia	50
Manitoba	2
New Brunswick	1
Newfoundland and Labrador	0
Northwest Territories	0
Nova Scotia	9
Nunavut	0
Ontario	172
Prince Edward Island	2
Quebec	133
Saskatchewan	0
Yukon	0
<b>Total</b>	<b>388</b>

TABLE 20

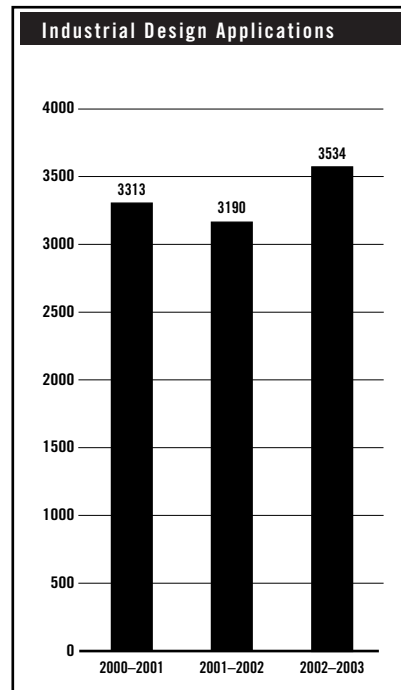


FIGURE 14

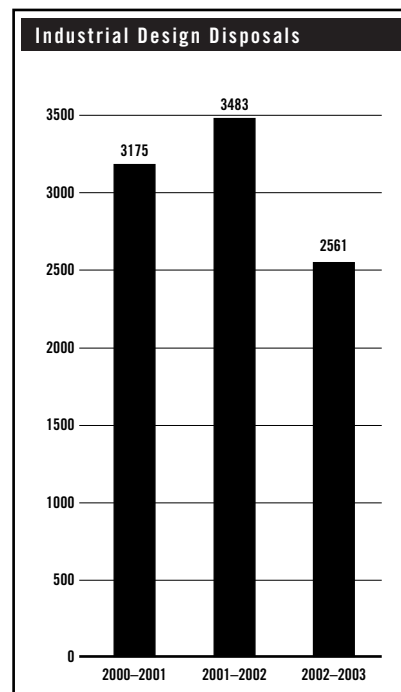


FIGURE 15

### Industrial Designs Registered by Origin as Stated by Applicant

	Registered
Argentina	3
Australia	24
Austria	7
Bahamas	1
Barbados	1
Belgium	4
Bermuda	14
Brazil	21
British Virgin Islands	1
Canada	388
China	34
Denmark	4
Finland	4
France	62
Germany	60
Hong Kong	20
Ireland	1
Israel	5
Italy	48
Japan	146
Luxembourg	1
Netherlands	16
Netherlands Antilles	3
New Zealand	5
Norway	2
Panama	2
Poland	1
Portugal	1
Republic of Korea	5
Romania	1
South Africa	1
Spain	5
Sweden	17
Switzerland	48
Taiwan	18
Thailand	1
United Kingdom	61
United States	1062
<b>Total</b>	<b>2098</b>

TABLE 21

### Top Ten Industrial Design Applicants

Hannstar Display Corp.	93
Nike International Inc.	89
Nokia Corporation	86
Dart Industries Inc.	61
The Proctor & Gamble Company	45
Elby Gifts Inc.	36
Michelin Recherche Et Technique S.A.	31
S.C. Johnson & Son, Inc.	31
Unilever Plc	31
Pi-Design Ag	30

TABLE 22

### Top Ten Industrial Design Registrants

The Proctor & Gamble Company	79
Dart Industries Inc.	33
Emhart, LLC	26
Nike International Inc.	26
Moen Incorporated	23
Hannstar Display Corp.	22
Reese Products Inc.	22
Industrie Natuzzi S.P.A.	20
Black & Decker Inc.	19
Sony Computer Entertainment Inc.	18

TABLE 23

# Information statistics

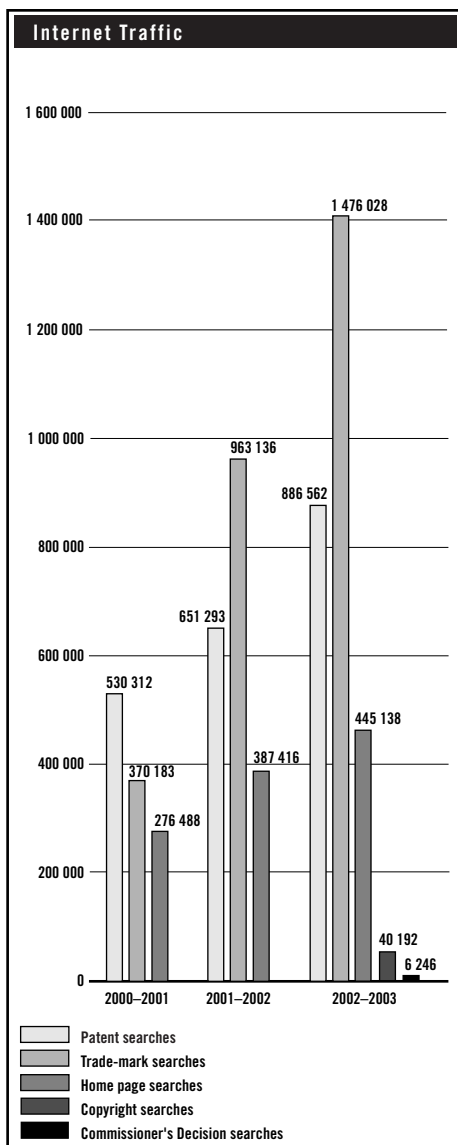


FIGURE 16

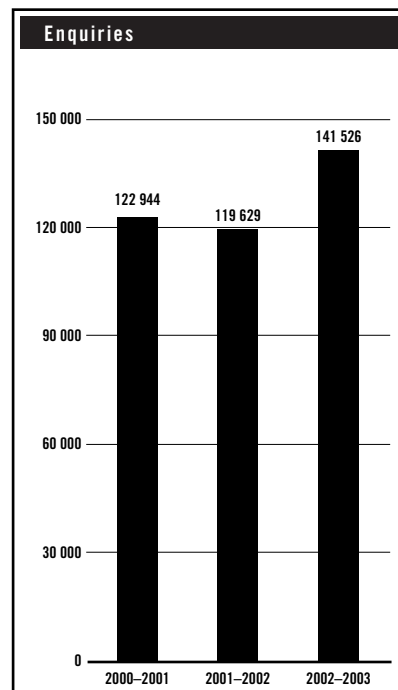


FIGURE 17

# Human resources statistics

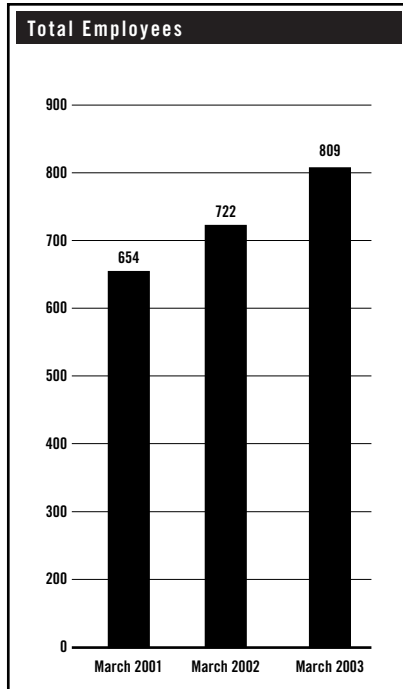


FIGURE 18

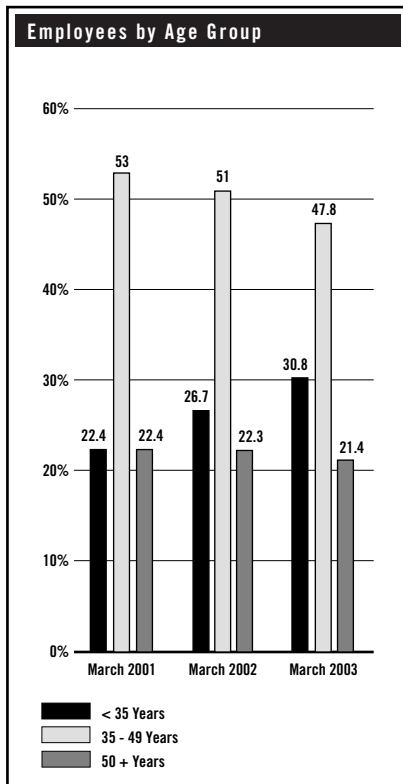


FIGURE 19

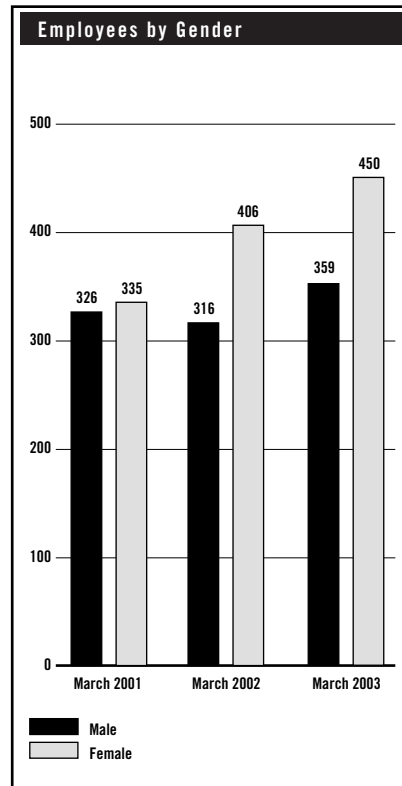


FIGURE 20

# Appendix 4

## Client service standards

Services	Client service standards	Current status
<b>PATENTS</b>		
• issue filing certificate for patent applications meeting filing requirements	4 weeks from the date of receipt	6 weeks
• issue confirmation of national entry for PCT applications meeting entry requirements	8 weeks from the date of receipt	8 weeks
• issue an ownership registration certificate	6 weeks from the date of receipt of documentation	7 weeks
• 80 percent of applications with a request for examination will be waiting for a first substantive examination action (including all known objections to patentability)	less than 25 months	less than 25 months
• issue a patent	12 weeks after receipt of final fees	12 weeks
<b>PATENT APPEAL BOARD</b>		
• Patents - contact applicant to arrange hearing date	24 months	24 months
• Industrial Designs - contact applicant to arrange hearing date	2 months	2 months
<b>TRADE-MARKS</b>		
• acknowledge correctly filed new applications	7 working days of filing date	8.7 working days
• acknowledge e-commerce applications	1 working day	1 working day
• approve acceptable applications	13 months of filing date	13.1 months
• issue first examination reports for unacceptable applications	13 months of filing date	12.3 months
• advertise marks in the <i>Trade-marks Journal</i>	6 weeks of approval	6.4 weeks
• allow unopposed marks where no examination report was needed	15 months of filing date	18 months
• allow unopposed marks where one or more examination reports were needed	20 months of filing date	23.2 months



Services	Client service standards	Current status
<b>TRADE-MARKS (CONT.)</b>		
• issue registration certificates	10 working days	8.8 working days
• issue assignment records for correctly filed assignment requests	6 weeks of receipt	4.1 weeks
• issue renewal certificates	15 working days of receipt of fees	5.2 working days
<b>TRADE-MARKS OPPOSITION BOARD</b>		
• respond to correspondence		
- opposition	1 month of receipt	1 month
- section 45	1 month of receipt	1 month
• conduct oral hearings		
- opposition	4 months of receipt of request	18 months
- section 45	4 months of receipt of request	12 months
• render decisions		
- oral hearing opposition	2 months of oral hearing	1 month
- oral hearing section 45	2 months of oral hearing	2 months
- non-hearing opposition	4 months of decision stage	12 months
- non-hearing section 45	4 months of decision stage	5 months
<b>COPYRIGHTS</b>		
• regular process	3 weeks from receipt of application	9 days
- forward to reviewer for examination		
- check application for accuracy		
- assign copyright registration number, print registration certificate, carry-out quality control check		
- mail registration certificate to applicant		
• accelerated action	3 working days from receipt of request	1 working day
- undertake process upon receipt of request; inform applicant by telephone		

**Services****Client service standards****Current status****COPYRIGHTS (CONT.)**

• assignments and licensing - verify authenticity of documents and issue file number on receipt of original document (or the certified true copy) to be registered - mail registration and assignment document to applicant	3.5 weeks	3 weeks
• copies or register extracts	2 working days	2 working days
• certified copies	3 working days	2 working days

**INDUSTRIAL DESIGNS**

• receive applications - verify requirements are met - assign filing date and application number - prepare filing certificate or issue letter indicating application is incomplete	4 weeks of receipt	4 weeks
• classify applications in accordance with Canadian Industrial Design Classification system	2 weeks of preliminary classification	2 weeks
• search registered and prior art and examine applications to determine originality of designs - allow application or issue examiner's report outlining deficiencies	9 months of receipt	10.4 months
• assign registration numbers - microfiche and mail registration certificates	2 weeks of allowance	2 weeks
• abandonment and reinstatement - issue notification of abandonment - return reinstated application to examination process	2 weeks after such files are identified 2 weeks of request	1 week 1 week
• prepare and mail transaction certificate and assignment	1 week of receipt of assignment	1 week
• prepare and mail maintenance certificate	1 week of receipt of fee	1 week

Services	Client service standards	Current status
<b>CLIENT SERVICE CENTRE (INFORMATION BRANCH)</b>		
• respond to telephone enquiries	immediately	immediately
• access to Information Officer (on-site)	10 minutes	10 minutes
• acknowledge requests by voice mail, e-mail and the Internet	2 working days	2 working days
• acknowledge general correspondence and fax requests	5 working days	5 working days
• mail IP kits	2 working days	2 working days
• access to other on-site services	as posted in the Client Service Centre	as posted
<b>RESOURCE CENTRE (INFORMATION BRANCH)</b>		
• reference and research services (depending on level of complexity)	3 days of request	3 days
• interlibrary loans	5 days of request	5 days
<b>REPRODUCTION AND SALES SECTION (INFORMATION BRANCH)</b>		
• over-the-counter copies		
- small order	30 minutes	30 minutes
- large order	1 working day	1 working day
• certified copies	2–5 working days	2–5 working days

# Appendix 5

## Management team and regional advisors

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### Management team

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