



Mr. Lloyd Longfield, M.P.
Chair
Standing Committee on Science and Research
House of Commons
Ottawa, Ontario K1A 0G6

Dear Colleague:

Pursuant to Standing Order 109 of the House of Commons, I am pleased to respond on behalf of the Government of Canada (the Government) to the recommendations made by the Standing Committee on Science and Research in its report entitled *Support for the Commercialization of Intellectual Property*, presented to the House of Commons on November 21, 2023.

The Government extends its thanks to the members of the Standing Committee for their study of the important and complex subject of intellectual property (IP). The Government also wishes to thank the Canadians who appeared as witnesses, and those that submitted documentation to the Committee for review. Hearing from academia, businesses, and government partners is crucial for crafting effective and informed policy as good policy is built from sound evidence.

Canada is an open economy reliant on trade and the export of goods and services, from which inventors and creators compete in a global innovation race. In order to succeed, Canada needs to attract and retain the most talented people and develop and deploy new and advanced technologies that foster growing companies. These companies are the engines that drive economic growth, jobs, and prosperity for Canadians.

Across all sectors, economic growth and prosperity is being increasingly driven by intangible assets. These intangible forms of capital are, in some instances, supplanting the traditional forms of capital within our economy—such as buildings, machinery, equipment, and product inventories. Intangible assets such as IP are becoming a must for economic competition. Nations that effectively adapt to these new realities will have the greatest opportunity to position themselves for strong growth and long-term prosperity. Supporting businesses in developing and protecting their intellectual capital is an important pathway to enhance our economic resilience in the face of significant change.

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Beginning with the 2018 National IP Strategy, the Government has recognized the growing importance of intangible assets and has acted to fill critical gaps in commercializing innovation. The National Intellectual Property Strategy (National IP Strategy) focuses on improving Canada's IP literacy, reducing the costs and complexity of engaging in the IP system, and improving Canada's IP system through amendments to key IP laws. This strategy led to accessible services like IP education tools from the Canadian Intellectual Property Office (CIPO), the introduction of the IP Clinics and the Indigenous IP grant programs, the ExploreIP marketplace, and the Patent Collective pilot project. Additionally, amendments to clarify acceptable practices and prevent the misuse of IP rights were made in the second *Budget Implementation Act* of 2018.

Budget 2021 built on the foundations of the National IP Strategy by introducing new IP-focused programs like IP Assist for high-growth Industrial Research Assistance Program (IRAP) clients, and ElevateIP to empower Canadian start-ups in managing their IP. Further, the Strategic Intellectual Property Program Review (the IP Program Review), first announced in Budget 2021, is assessing existing innovation and science programs to establish a robust and consistent approach to managing IP and ensure that these programs are operating in a manner that recognizes the importance of IP and maximizes the benefits of federal innovation programming. Additionally, Budget 2022 introduced initiatives aiding Canadian small and medium-sized enterprises (SMEs) in global market entry, collaboration with academic institutions and research centres, and fostering international research and development partnerships. Examples of such initiatives include the national Lab-to-Market platform to assist graduate students and academic researchers in commercializing their work; expansion of ExploreIP to put more public sector IP to use by Canadian businesses; and the expansion of the Intellectual Property Clinics Program, making it easier for Canadians to access basic, affordable IP services.

The Government recognizes the significance of promoting post-secondary institution innovations to Canadian businesses. To facilitate this, a survey on knowledge mobilization at post-secondary institutions (PSIs) is anticipated to be launched in 2024. This survey aims to evaluate how institutional knowledge drives commercial outcomes. The National Lab-to-Market program, launched in December 2023, will further support researchers in commercializing laboratory discoveries, integrating IP education and tools. Moreover, beginning in 2026–2027, the Canada Innovation Corporation, announced in Budget 2023, will provide focused support to Canadian businesses across all sectors and regions so that they become more innovative and productive.

The Government continues to explore ways to further support Canadian innovators in commercializing their ideas, and accordingly welcomes the Committee's Report. The Report's 14 recommendations highlight the complexity

of IP commercialization, involving factors from procurement to taxation. Improving outcomes of such a complex issue requires collaboration across government, and between government, post-secondary institutions, and the private sector. The Response agrees with recommendations 1, 4, 5, 8, 9, 13, and 14, agrees in principle with recommendations 2, 6, and 12, and acknowledges recommendations 3, 7, 10, and 11, and identifies actions it has taken that correspond with the Report's recommendations. Given the breadth of the topics raised in the Report, the Response addresses each recommendation individually.

Recommendation 1: That the Government of Canada explore policies and incentives to encourage entrepreneurial investment from large investment funds, including public pension plans.

The Government agrees with the Committee's recommendation to explore policies and incentives to encourage entrepreneurial investment from large investment funds, including public pension plans, and is committed to ensuring Canada has a vibrant and sustainable venture capital industry that supports innovative, early-stage companies.

The Government will strive for federal investments to complement the efforts of other actors in the ecosystem, such as the BDC, a bank for Canada's entrepreneurs. As Canada's most active venture capital (VC) investor, the BDC supports a mix of emerging and established VC fund managers while also investing directly in promising innovative companies. BDC invests alongside private investors, including pension funds and other private investors, to support Canada's technology ecosystem, and its VC strategy has led to the creation of several direct VC funds focusing on areas of economic importance, including clean technologies, deep tech, IP, and the Thrive Platform, which supports women in technology.

Building on the success of the Venture Capital Action Plan (Budget 2013), the Government invested \$371 million through the Venture Capital Catalyst Initiative (VCCI) in Budget 2017, with the majority (\$279 million) allocated to the funds-of-funds stream, which makes investments in venture funds and enterprises. This stream raised \$1.176 billion from public and private sector investors, with 20% (approximately \$233.5 million) from pension funds ([Performance Metrics for VCCI 2017 – December 31, 2021 \(canada.ca\)](#)). Under Budget 2021, the Government renewed VCCI and allocated an additional \$450 million, including \$350 million to a new funds-of-funds stream, \$50 million to support venture capital funds focused on the life sciences and \$50 million to support inclusive growth. Investments in funds-of-funds and the life sciences stream have been announced, and these funds are now actively raising additional private sector capital. The renewed VCCI (2021) investment is expected to raise at least \$1.6 billion when leveraged with other public and private sources of capital, including those from large private investment funds.

In Budget 2022, the Minister of Finance announced the creation of the \$15 billion Canada Growth Fund (CGF), a subsidiary of Canada Development Investment Corporation. The CGF will catalyze private-sector investment into low-carbon projects, technologies, businesses, and supply chains. It will also be able to partner with private investors, including pension funds, on direct investment, co-investment, and third-party funding opportunities.

The Government believes that continued domestic investments by Canada's pension funds have the potential to boost Canada's economy and create good careers for people across the country. In the *2023 Fall Economic Statement*, the Government announced that it will work collaboratively with Canadian pension funds to create an environment that encourages and identifies more opportunities for investments in Canada by pension funds and by other responsible investment pools, while helping to deliver secure pensions for Canadians.

Recommendation 2: That the Government of Canada review and revise federal procurement practices to increase, wherever possible, investment in Canadian start-ups and small and medium-sized enterprises commercializing new products and services.

The Government agrees in principle with this recommendation.

The legal and policy framework for procurement in Canada is premised on the idea that Canada's interests are best served by operating fair, open, and transparent procurement processes. For example, the *Government Contracts Regulations*, made under the *Financial Administration Act*, generally require contracting authorities to solicit bids before entering into a contract. Similarly, the Treasury Board's Directive on the Management of Procurement emphasizes financial stewardship, giving precedence to competition, and fair and open procurement processes. The aim of these requirements is to ensure procuring departments operate competitive procurements where possible so that they can buy the goods and services they need at the best value to Canada. Public Services and Procurement Canada (PSPC) also supports federal departments and agencies in their daily operations as their central purchasing agent and has delegated authorities to issue competitive and non-competitive contracts on their behalf.

Canada is party to twelve trade agreements that have substantive government procurement obligations and is a party to the World Trade Organization (WTO) Agreement on Government Procurement (GPA). Government procurement obligations in international trade agreements ensure that Canadian suppliers of goods and services are treated in an open, transparent, and non-discriminatory manner when they sell to governments outside of Canada, and that they have access to dispute settlement mechanisms to ensure that these obligations are respected. The government procurement chapters in international trade

agreements set out procedural rules governing the conduct of procurement and identify the types of acquisitions that are subject to those rules. In these trade agreements, Canada has committed to opening some of its government procurements to trade partners, in exchange for access to the other party's government procurements market.

Canada's federal government procurement market is \$22 billion annually, and can be used to spur innovation and encourage the growth of Canadian companies. Recognizing this opportunity, the Government introduced the Innovative Solutions Canada program as part of the 2017 Innovation and Skills Plan. Through ISC, the Government plays a transformative role in growing innovative small businesses by acting as a partner in their early-stage development of their pre-commercial innovation, and the creation of unique intellectual property. The program allows the Government to play the vital role as a future first customer for novel, commercialized technologies and services—enhancing the Government's operations through made-in-Canada innovations—providing a powerful market signal for Canadian SMEs through the validation of their novel technologies and services.

In the military and security sector, ISC is complemented by the Innovation for Defence Excellence and Security (IDEaS) program, which catalyzes the development of innovative solutions with participants across the innovation community including large defence industry prime contractors, academia, small and medium-sized enterprises, not-for-profits, as well as municipal, provincial, and territorial organizations. The program is a critical component in the pipeline that identifies and matures promising technologies. Upon reaching the appropriate readiness level, solutions could be considered for procurement through existing procurement mechanisms within DND. This ensures that procurement decisions are made with foresight and aligned with broader strategic objectives and budgetary frameworks.

Lastly, Canada's Industrial and Technological Benefits (ITB) Policy, including the Value Proposition, leverages defence and Canadian Coast Guard procurements to contribute to jobs, innovation, and economic growth across the country. The ITB Policy contractually requires companies awarded defence procurement contracts to undertake business activity in Canada equal to the value of the contracts they have won.

The ITB Policy applies on all defence and Canadian Coast Guard procurements over \$100 million that are not subject to trade agreements or for which the national security exception is invoked. Defence procurements valued between \$20 and 100 million are reviewed for the possible application of the Policy.

The Government continues to explore the role procurement can play in advancing priorities and more broadly Canada's industrial strategy. To align with the market realities and operational requirements of the 21st century, Canada is

identifying capabilities of national and strategic importance and exploring options (e.g., programs, international partnerships, policy, legislation, etc.) to leverage procurement to bridge the innovation to capability gap and ensure maximum benefits possible for Canadian companies, including SMEs.

Recommendation 3: That the Government of Canada consider expanding the Innovation Asset Collective model to other industries, either within the existing organization or through the establishment of parallel organizations in other industries.

The Government acknowledges the Committee's recommendation. Innovation Asset Collective (IAC) is the independent, membership-based not-for-profit organization selected to administer the Patent Collective Pilot Program with the purpose of assisting Canadian SMEs in the data-driven cleantech sector with their IP needs. IAC officially launched in December 2020, and provides SME members with access to a portfolio of IP education programs, funding grants to assist with IP development and growth, IP intelligence reports which provide an overview and analysis of market patent data for particular technology segments, and access to a patent pool.

The Government is assessing the results of the program with a view of identifying paths forward and lessons learned with this model and its services.

Recommendation 4: That the Government of Canada, in collaboration with the provinces, territories and other stakeholders, undertake a review of Canada's support system for intellectual property, research and development, and commercialization, with an aim toward identifying and addressing redundancies, gaps and inconsistencies.

The Government agrees with the Committee's recommendation and recognizes the importance of ensuring that Canada's innovation supports system is coherent and fulfills the needs of innovators and is identifying and filling gaps in services. Canada has a long history of research excellence, but the Government understands that more has to be done to assist Canadian inventors and researchers from extracting value from their inventions and discoveries.

The Government has initiated work to ensure that federal initiatives are well positioned to support businesses and researchers. For example, the IP Program Review, as first announced in Budget 2021, is assessing how the Government's suite of innovation and science programs support, and are aligned with, a sound IP approach that is conducive to IP value creation and maximization of benefits for Canadians. The IP Program Review, using internal expertise, external consultations, and international comparisons, will ensure that Government programming is well positioned to assist Canadian innovators in getting the most

value out of their IP. This includes taking steps to ensure that Canadians are aware of the importance of IP in the knowledge economy and are able to identify and access the supportive services IP-related services available to them.

In Budget 2022, the Government announced its intention to review the Scientific Research and Experimental Development (SR&ED) tax incentive program, first to ensure that it is effective in encouraging Research and Development (R&D) that benefits Canada, and second to explore opportunities to modernize and simplify it. This review is ongoing, and the Government has launched consultations with stakeholders as a next step in the process.

Recommendation 5: That the Government of Canada, in partnership with the provinces, territories, and post-secondary institutions, identify promising practices for post-secondary technology transfer and fund the implementation of those practices.

The Government agrees that knowledge transfer activities of PSIs are important, as they bridge the gap between academia and the corporate sector, ensuring that research and knowledge are put to practical use for the benefit of society as a whole. In recognition of this importance, the Government has put in place an extensive portfolio of federal programs that facilitate the commercialization of IP emanating from PSIs.

Foremost among these programs is the Research Support Fund (RSF). The Research Support Fund assists Canadian PSIs with the costs associated with managing their research enterprise, helping them to maintain a world-class research environment. Over \$450 million is invested each year through the RSF to support researchers, collaboration, and breakthrough science. Eligible expenses covered by the RSF include the creation, expansion, or maintenance of a technology transfer office or similar function; administration of invention patent application support for technology licensing; legal fees for technology licensing; administration of agreements and partnerships with industry; development of incubators; support for the creation of spin-off companies; and some outreach activities undertaken to transfer knowledge.

The Government recognizes that more can be done, and with this in mind, has launched numerous initiatives that will further create a positive impact on the commercialization of IP within PSIs. For example, the Lab-to-Market program was launched in December 2023 by NSERC in collaboration with the Social Sciences and Humanities Research Council (SSHRC) and the Canadian Institutes of Health Research (CIHR). In addition to promoting entrepreneurial culture among PSIs, this initiative will provide multi-year grants to PSIs, or networks of PSIs, to fund the development of training programs in entrepreneurship for students and researchers. Lab-to-Market will enable

students and researchers across disciplines to assess the commercial potential of their technology or innovation, build entrepreneurial awareness during their commercialization or knowledge translation journey, and would result in knowledge transfer of commercialization practices and tools that would not otherwise be part of PSIs research training.

Also, the new Statistics Canada survey on knowledge mobilization at PSIs, anticipated to be launched in the latter half of 2024, will provide insights on how investments in PSI research generate commercial outcomes as well as measure their broader societal and economic impact.

Recommendation 6: That the Government of Canada establish comprehensive IP education and awareness materials, available through the Canada Innovation Corporation and other existing IP programs, directed toward different industries, demographic groups, and stages of innovation.

The Government agrees in principle with the Report's recommendation to support access to comprehensive IP education and awareness materials.

A key component of the National IP Strategy is CIPO's IP Awareness and Education Program, launched in May 2017, which raises the knowledge and understanding of the strategic use of IP by Canadians, including women, Indigenous, and Black entrepreneurs, so that they better leverage IP for commercial and business success. The Program delivers tailored and responsive products and services in collaboration with partners and networks across Canada. More than 750 IP presentations have been delivered on various IP topics, CIPO's IP Advisors have met with more than 4,000 entrepreneurs to provide IP guidance and information, and more than 18,000 Canadian entrepreneurs have been reached through training sessions, meetings, conferences, and events across the country.

Furthermore, CIPO has established and developed an extensive network of partnerships and collaborations across the country with key anchor partners in the IP ecosystem for delivery of IP information. Those partners include other federal and provincial departments, business accelerators and incubators (BAIs), associations and businesses in strategic and innovative sectors, academia, IP professionals and more.

To help Canadian SMEs better understand how to use IP more effectively, the IAC, CIPO, the Business Development Bank of Canada (BDC), Innovation, Science and Economic Development Canada (ISED), the Intellectual Property Institute of Canada (IPIIC) and the National Research Council of Canada Industrial Research Assistance Program (NRC IRAP) and the Trade

Commissioner Service (TCS) established a unique collaboration called the IP Village. This initiative extends existing partnerships into a synergistic working group where practical intelligence, best practices, thought leadership, questions and answers are shared.

The Government supports the strategic use of IP to help businesses grow, and it is for this reason that federal programs like the Global Innovation Clusters encourage the strategic management of IP, building IP considerations into the framework of the program. For example, each cluster must set out an IP strategy, hire an in-house IP manager, and create an IP database for its members. In addition, partners must develop an IP agreement for each collaborative technology leadership project. Programs such as the Patent Collective and Elevate IP also support innovators in building their IP acumen and making sound and strategic decisions.

The IP Centre of Expertise will continue to leverage the Federal Intellectual Property Partnership, an internal community of practice with more than 300 public servants from 34 federal organizations working in IP, to support collaboration, information sharing, and greater coordination across the Government.

Recommendation 7: That the Government of Canada establish taxation measures, potentially including the creation of a patent box, to encourage the commercial development of intellectual property and the retention of intellectual property within Canada.

The Government acknowledges the Committee's recommendation. Budget 2022 announced the Government's intention to review the SR&ED tax incentive program, which continues to be a cornerstone of Canada's innovation strategy. As part of this review, the Government indicated that it would also consider the suitability of adopting a patent box regime to encourage the development and retention of IP stemming from R&D conducted in Canada. This review is ongoing, and the government has launched consultations with stakeholders as a next step in the process.

Recommendation 8: That the Government of Canada update the National Security Guidelines for Research Partnerships to provide research institutions and organizations with clarification in regard to jurisdictions and organizations that present potential risks to Canada's national security.

The Government agrees with the Committee's recommendation. The *National Security Guidelines for Research Partnerships* (the *Guidelines*) reflect the Government's overall research security approach, which is country and company

agnostic. This is based on the recognition that threats evolve and can originate in anywhere in the world, and that the research sector should be prepared to adapt to an ever-changing threat landscape.

The *Guidelines* provide a framework that researchers and research institutions can follow to conduct consistent, and risk-targeted due diligence to improve their research security posture as it relates to any research partnerships. As part of the *Guidelines*, grant applications involving partnerships with industrial partners must submit a risk assessment form and a risk mitigation plan. If the risk cannot be sufficiently mitigated, the project will not be funded.

Other initiatives, including the Safeguarding Science initiative and the Safeguarding Your Research portal, complement the work of the *Guidelines* by providing educational resources and tools on research security to the research community.

On February 14, 2023, the Government announced its intent to further protect Canada's most sensitive technology research by requesting that Canada's granting agencies and the CFI adopt an enhanced research security posture. Grant applications that involve conducting research in a sensitive research area will not be funded if any of the researchers working on the project are affiliated with a university, research institute or laboratory connected to military, national defence, or state security entities of foreign state actors that pose a risk to our national security.

The implementation framework of this new policy was released on January 16, 2024, and includes detailed guidance as well as a list of sensitive technology research areas and a list of research organizations connected to military, national defence, or state security entities of foreign state actors that pose a risk to our national security. After coming into force in the spring of 2024, the new policy will deny funding to grant applications advancing sensitive technology areas made to federal granting agencies and the Canada Foundation for Innovation if any of the researchers involved in activities supported by the grant are affiliated with, or are in receipt of funding or in-kind support, from a listed organization.

Recommendation 9: That the Government of Canada, in collaboration with the provinces, territories and other stakeholders, identify key sectors in which to foster innovation, such as through ongoing support of the Pan-Canadian Artificial Intelligence Strategy and the National Quantum Strategy.

The Government agrees with this recommendation and is continually monitoring ways in which to bolster Canadian strengths in all industry sectors, but particularly with regard to the growing sectors of artificial intelligence (AI) and quantum technologies.

Artificial intelligence (AI) is one of the most impactful technologies of our age. Not only does AI hold the potential to realize breakthrough discoveries and innovations, AI practitioners, the companies they create, and others hiring AI talent promise to spur economic growth. That is why the Government is adopting bold measures to drive the responsible development and use of AI across Canada's economy and society.

The first phase of the Pan-Canadian Artificial Intelligence Strategy (PCAIS) was launched in 2017, with an investment of \$125 million over five years, from 2017 to 2022, to strengthen Canada's talent base and global competitiveness in AI research. CIFAR, a Canada-based global research organization, was identified as the organization responsible for leading the design and implementation of the PCAIS's first phase, given the organization's long-standing leadership in advancing AI research.

Since then, CIFAR has been working with Canada's National Artificial Intelligence Institutes—Amii (Edmonton), Mila (Montréal), and the Vector Institute (Toronto and Waterloo)—to attract, retain, and develop top AI talent in Canada, as well as to support institutional collaboration, research programs, and training efforts.

With an investment of \$443.8 million over ten years, from 2021 to 2031, the PCAIS's second phase is both amplifying and broadening the gains of the first phase, while helping to better leverage these efforts to foster responsible adoption and commercialization of AI. It is also giving AI researchers access to advanced research computing resources and promoting the development and adoption of AI standards reflective of Canadian values and interests. These combined measures aim to ensure that advances in AI have a greater impact on growing the Canadian economy and generating tangible social, health, and environmental benefits that enhance the daily lives of Canadians.

Thanks to its strong AI ecosystem, and important investments made by both the public and private sectors, Canada continues to place among leading nations on both the [Stanford Global AI Vibrancy Index](#) and [Tortoise's Global AI Index](#).

In January 2023, the Government launched the National Quantum Strategy (NQS), with a \$360-million investment to support the growth of Canada's quantum sector and capitalize on its potential. Specifically, the NQS is investing in applied research and development activities, commercialization efforts and talent development to meet current and future workforce needs. It also identifies three key missions around which the activities are concentrated: quantum computing, communications, and sensors.

To support the NQS, the Government created a secretariat (NQSS) to coordinate across the Government, connecting the Canadian ecosystem, and to continue advancing the sector. The NQSS holds regular meetings with provincial governments and quantum officials in governments of other like-minded countries.

Several key sectors are being engaged to capitalize on economic opportunities created by advancements in quantum technology, for example banking and finance, telecommunications, natural resources, agriculture, health care, environmental and climate change monitoring, defence and security, and transportation and logistics.

Recommendation 10: That the Government of Canada undertake a review of the *Copyright Act* in order to study appropriate remuneration for Canadian content creators, particularly as it relates to educational material.

The Government acknowledges the Committee's recommendation and welcomes the sharing of views and evidence on copyright matters from Canadians. The Government has benefitted from previous studies on this matter, and information is reviewed and considered on an ongoing basis. The Government has introduced measures to support content creators by implementing time limits for Copyright Board decisions, extending the general term of copyright protection, and consulting on a number of issues flowing from the recommendations of the review.

The first parliamentary review on the *Copyright Act* was conducted in 2018–2019 by the Standing Committee on Industry and Technology (INDU), with the support of the Standing Committee on Canadian Heritage (CHPC) on the issue of creator remuneration. This process provided the Government with over 50 policy recommendations.

On the particular issue of remuneration for educational materials, the initial parliamentary review of copyright saw divergent recommendations. On this matter, the CHPC recommended the clarification of certain exceptions, a focus on collective licensing, and enhanced remedies. Simultaneously, the INDU committee recommended changes to the fair dealing exception and restudying the issues related specifically to educational copying after jurisprudential determinations.

The *Copyright Act* stipulates that a committee of Canada's Senate, of Canada's House of Commons, or of both chambers, is to be designated or established for the purpose of reviewing the Act every five years. The process for and scope of the next review will be determined by Parliament.

The Minister of Canadian Heritage and the Minister of Innovation, Science and Industry are pursuing a mandate to further protect artists, creators, and copyright holders. As mentioned in Budget 2022, the Government is working to ensure the Act protects all creators and copyright holders. This includes a sustainable publishing industry, including fair remuneration for creators and copyright holders, as well as a modern and innovative marketplace that can efficiently serve copyright users.

Recommendation 11: That the Government of Canada undertake a review of Canada's intellectual property regulation regime in comparison with other jurisdictions to ensure international competitiveness in regard to timelines, protection, and interoperability.

The Government acknowledges the Committee's recommendation. The extent of IP protection in Canada broadly aligns with that of our major trading partners. To support harmonization and interoperability, Canada is a party to the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights and numerous other IP-related treaties. Canada is also a party to numerous international trade agreements and treaties (including the Canada-United States-Mexico Agreement (CUSMA), Canada-European Union Free Trade Agreement (CETA), and the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP)) that create mutual obligations in respect of IP rights and provide more harmonization of IP regimes among their members. Consistent with its international obligations, Canada's IP regime also has unique features designed to protect and support Canadian interests or objectives.

The CIPO provides the timely delivery of quality IP rights through operational excellence and a modern client experience while allowing innovators and businesses to get to market with confidence and in a timely manner. With respect to current efforts, in terms of patents, CIPO participates in the Patent Prosecution Highway (PPH), an international framework that allows patent applicants to request accelerated examination of their patent applications in participating countries, based on the allowance or grant of claims in a corresponding application in another PPH-participating patent office. CIPO also provides accelerated examination services for clean technology patent applications, which help to meet public policy objectives regarding the environment and Climate Change. In addition, in 2019, Canada committed to patent term adjustment (PTA) under the CUSMA, where all signatories must provide patent term adjustment when an applicant experiences unreasonable delay in the issuance of a patent. Full PTA implementation will likely encourage increased timeliness in the processing of patent applications.

In the area of trademarks, a number of factors have converged to bolster demand in Canada, including continual growth in demand for trademarks over the past decade, acceding to the international treaty for trademarks (the Madrid

protocol) and resilient trademark applications through the pandemic. While this has led to an application backlog, since 2021 CIPO has initiated a Trademark Recovery Plan, which is implementing measures that will align its timelines with those of Canada's main trading partners.

Recommendation 12: That the Government of Canada undertake additional data collection and analysis on Canada's intellectual property landscape, including an expanded version of the 2019 Survey on Intellectual Property Awareness.

The Government agrees in principle with the Committee's recommendation and recognizes the importance of having access to reliable and complete data. Access to quality data plays a crucial role in supporting government policy and programs as it provides a solid foundation for evidence-based decision making and allows for a better understanding of the issues faced by businesses and other members of the innovation ecosystem. Complete and reliable data facilitates analysis of the impact of IP policy on the innovativeness, productivity, and competitiveness of businesses, and on effects associated with social welfare.

The 2019 Intellectual Property Awareness and Use Survey (IPAUS) provides the Government, and all Canadians, with data that are crucial for IP policy development, including data on whether and how IP contributes to business performance and challenges faced by businesses when using the IP system. Building an understanding of IP among Canadians is a major component of ensuring that Canadian businesses recognize the value of IP and its importance to business growth, and frame their thinking about IP differently.

The IPAUS also helps establish a baseline that enables the Government to assess progress and effectiveness of the National IP strategy, better inform decisions for further policy or program proposals, and determine whether particular demographics, economic sectors, or regions should be targeted for outreach.

IP-related data is also being collected through the Survey on Financing and Growth of SMEs and the Survey of Innovation and Business Strategy, both recurrent instruments run by Statistics Canada every three years. These surveys contribute to understanding the link between IP and financing activities, growth patterns, exporting, and innovation. Together, they provide data on many topics relevant to Innovation, Science and Economic Development Canada's mandate such as skills, use of emerging and clean technologies, supply chains, outsourcing and exporting activities, with an increasing focus on equity, diversity, and inclusion.

With regard to IP developed in Canadian colleges and universities, the Government agrees that there is limited data on the extent and range of activities

undertaken by these organizations to commercialize research and transfer it to other sectors of the economy. As such, the Government is looking to improve its ability to measure the impacts of these investments through a new Survey on knowledge mobilization in PSIs in Canada. This project is being advanced in coordination with Statistics Canada and data is anticipated to be available in 2025.

Recommendation 13: That the Government of Canada launch communities of practice and mentorship programs to support the participation of underrepresented groups in intellectual property development and commercialization.

The Government agrees with the Committee's recommendation and is well aligned with the objectives of the Government's ongoing initiatives to increase participation of underrepresented groups in IP development and commercialization.

CIPO's IP Awareness and Education Program offers a variety of IP tools and resources, and delivers customized training in partnership with key organizations, government departments, businesses, academia, and regional offices. These tools and resources support underrepresented entrepreneurs across the country to more strategically use and leverage IP for commercial and business success.

In recent years, CIPO participated in various roundtables and as efforts continue, CIPO will look at organizing activities with key partners in the IP ecosystem to better understand how the Government can better support the underrepresented business's needs.

The Innovation Asset Collective (IAC), the organization selected to administer the Patent Collective Pilot Program, conducted a study in partnership with University of Windsor on women and IP in the data-driven clean tech sector. The purpose of the study was to engage in a consultation process to better understand women's experience in navigating the IP system. The study was followed by the hosting of a forum and a roundtable discussion focused on women entrepreneurs and IP. In response to the study, the IAC created a grant for women-owned, -led, and -founded companies with the goal of lowering gender-based barriers for protecting IP.

The Intellectual Property Clinics Program, as launched in 2019, encourages the establishment or enhancement of IP clinics within Canadian universities, and law and business schools through grants. The program supports the provision of free or low-cost IP services and encourages outreach to serve those traditionally underrepresented as holders of IP. The Clinics Program prioritizes support for applications that incorporate engagement with underrepresented groups into

their design. For example, projects that incorporate outreach to Indigenous communities into their programming will be prioritized since these communities often exist outside of major cities, where IP services have traditionally exclusively been available. Additionally, the Indigenous Intellectual Property Program (IIPP) grant program provides \$150,000 annually to fund eligible Indigenous organization's initiatives and projects related to IP, Indigenous Knowledge, and Indigenous Cultural Expressions. It can also fund their participation in World Intellectual Property Organization (WIPO) sessions.

Furthermore, the Government is prioritizing business and entrepreneurship supports directed to the needs of Women and Black entrepreneurs. Services available include online informational supports, where an applicant or beneficiary can access research journals, as well as third party-hosted IP-related events, and basic IP education opportunities.

Building on the National IP Strategy, the Government continues to support Canadian innovators, start-ups, and businesses. In Budget 2021, the Government announced \$90 million over four years, starting in 2022–2023 to create the ElevateIP program. ElevateIP will help business accelerators and incubators (BAIs) provide the tools Canadian start-ups need in three important areas (IP education and awareness, development of IP strategies, and implementation of IP strategies) to understand, strategically manage, and leverage their IP. ElevateIP was designed to recognize barriers to participation and proactively identify and offer supports to improve IP outcomes of innovators, start-ups, and businesses from historically underrepresented groups. Lessons learned and best practices developed from ElevateIP and other programs providing targeted IP supports to underrepresented groups will continue to inform the design of the Government's investments in IP.

Recommendation 14: That the Government of Canada—in collaboration with Indigenous governments, organizations, and communities—explore the impacts of Indigenous data sovereignty and collective rights on intellectual property policies.

The Government agrees with the Committee's recommendation and will continue to work in consultation and collaboration with Indigenous Peoples toward making Canada's IP system more inclusive. Indigenous Peoples have also long recognized and emphasized the importance of data as a key part of their cultural heritage and an important means of repatriating, protecting, accessing, and sharing their collective history, culture, language, and traditional knowledge as they determine. Given the interconnectedness between data and cultural heritage, traditional knowledge, and traditional cultural expressions, Indigenous Data Sovereignty becomes relevant to legislation and policies regarding IP.

As part of Canada's commitment to support the *United Nations Declaration on the Rights of Indigenous Peoples* (UNDRIP), the *United Nations Declaration on the Rights of Indigenous Peoples Act* (UNDA) was developed and received royal assent on June 21, 2021. Article 31 of the declaration states Indigenous peoples, "have the right to maintain, control, protect and develop their IP over such cultural heritage, traditional knowledge, and traditional cultural expressions."

To this end, as part of Canada's UNDA Action Plan (Shared Priority 101) measures, which were launched last year, the Government has committed to: "Work in consultation and cooperation with First Nations, Inuit, and Métis to ensure appropriate measures are in place for Indigenous peoples to maintain, control, protect and develop their cultural heritage, traditional knowledge and traditional cultural expressions, including working in partnership with responsible government departments to ensure that Canada's intellectual property legislative and regulatory frameworks (e.g., *Copyright Act*, *Trademarks Act*, *Patent Act*) are consistent with the UN Declaration."

Support for Indigenous Data Sovereignty is a government-wide, cross-cutting priority that contributes to Indigenous self-determination, as demonstrated in the *UNDA Action Plan* (Shared Priority 30) and the 2023–2026 Data Strategy for the Federal Public Service. As part of this priority, the Government is committed to supporting Indigenous jurisdiction over their own data and enabling the development of Indigenous knowledge through Indigenous-led surveys and other data collection strategies. There are many examples of active government initiatives that support the tenets of Indigenous Data Sovereignty.

As noted above under Recommendation 13, the IIPP grant provides \$150,000 annually to fund eligible Indigenous organization's initiatives and projects related to IP, Indigenous Knowledge, and Indigenous Cultural Expressions. It can also fund their participation in World Intellectual Property Organization (WIPO) sessions. Additionally, the IP Legal Clinics Program is also providing \$750,000 to eligible projects with a commitment to improve the understanding of IP and increase access to IP services for Canadian SMEs, including for women and Indigenous-led businesses. The IP Village will also deliver a range of targeted educational resources and tools to support small and medium-sized enterprises leverage their IP assets as part of their business strategies.

In conclusion, on behalf of the Government, I would like to express my appreciation for the efforts of the Members of the Committee, witnesses, and others who contributed to the valuable work that led to the preparation of the Report. I believe this work will provide useful guidance for the Government as we continue our work toward developing strong federal frameworks and initiatives which are needed to promote IP commercialization and foster a healthy, innovation-based economy.

Sincerely,

A handwritten signature in black ink, appearing to read 'F. Champagne', with a stylized flourish at the end.

The Honourable François-Philippe Champagne, P.C., M.P.