

College of Patent Agents & Trademark Agents

2022 Annual Report

Protecting Public Interest.

Strengthening Competencies.

Building Confidence.

Driving Innovation.

Stimulating Economic Growth.

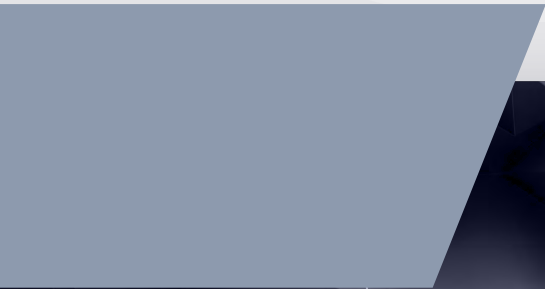


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CPATA – A Regulator at the Forefront of Innovation

The College of Patent Agents and Trademark Agents (CPATA) came into force in June 2021 as Canada's independent public interest regulator of patent agents and trademark agents. We ensure that innovators and creators have access to intellectual property services from competent and ethical practitioners.

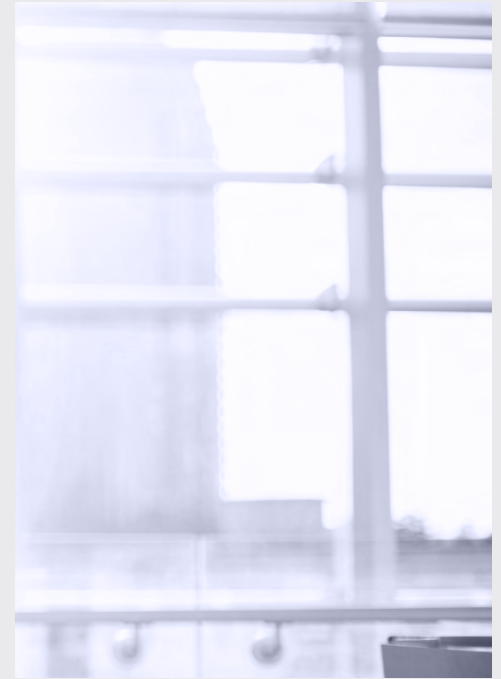
CPATA protects the public interest by strengthening the competencies of patent agents and trademark agents, and building confidence in accessible, ethical and expert intellectual property services in Canada. Our commitment to supporting the rigour, sophistication and growth of the profession plays an important part in driving Canadian innovation.

In 2022, CPATA balanced daily operations with start-up initiatives and large-scale projects, always ensuring that our efforts remained focused on the public interest. Still a young regulator, our priority was working towards establishing systems to achieve regulatory excellence.

Key accomplishments

- ✓ Established technical competency profiles for patent agents and trademark agents
- ✓ Ensured that all Class 1 active and Class 3 agent-in-training licensees had adequate professional liability insurance
- ✓ Surveyed over 500 licensees to obtain key data about the state of Canada's IP profession
- ✓ Made improvements to and administered the 2022 qualifying examinations
- ✓ Educated licensees on their professional and ethical obligations
- ✓ Responded fairly and efficiently to concerns about agent behaviour
- ✓ Started a research project on pathways to licensure
- ✓ Worked on amendments to the *CPATA Act* and By-laws
- ✓ Welcomed newly elected and appointed directors to the Board and hired a permanent CEO
- ✓ Conducted the second annual licence renewal process

As CPATA looks ahead to 2023, we will continue developing and implementing a world-class regulatory framework that will contribute to Canada's economic strength on the world stage.



Our Vision

Public access to a globally-respected body of patent agents and trademark agents who are highly skilled, ethical, and current in their knowledge.

Our Regulatory Objectives

As a modern, professional regulator, CPATA carries out the following Regulatory Objectives:

1. Protect and promote the public interest in patent and trademark services;
2. Protect those who use patent and trademark services;
3. Promote innovation in the delivery of patent and trademark services and the protection of intellectual property rights;
4. Improve access to, and promote competition in the provision of, patent and trademark services;
5. Promote the independence of the patent and trademark profession;
6. Ensure licensees deliver patent and trademark services ethically and competently; and,
7. Promote equity, diversity and inclusion in the patent and trademark profession and in the delivery of patent and trademark services.

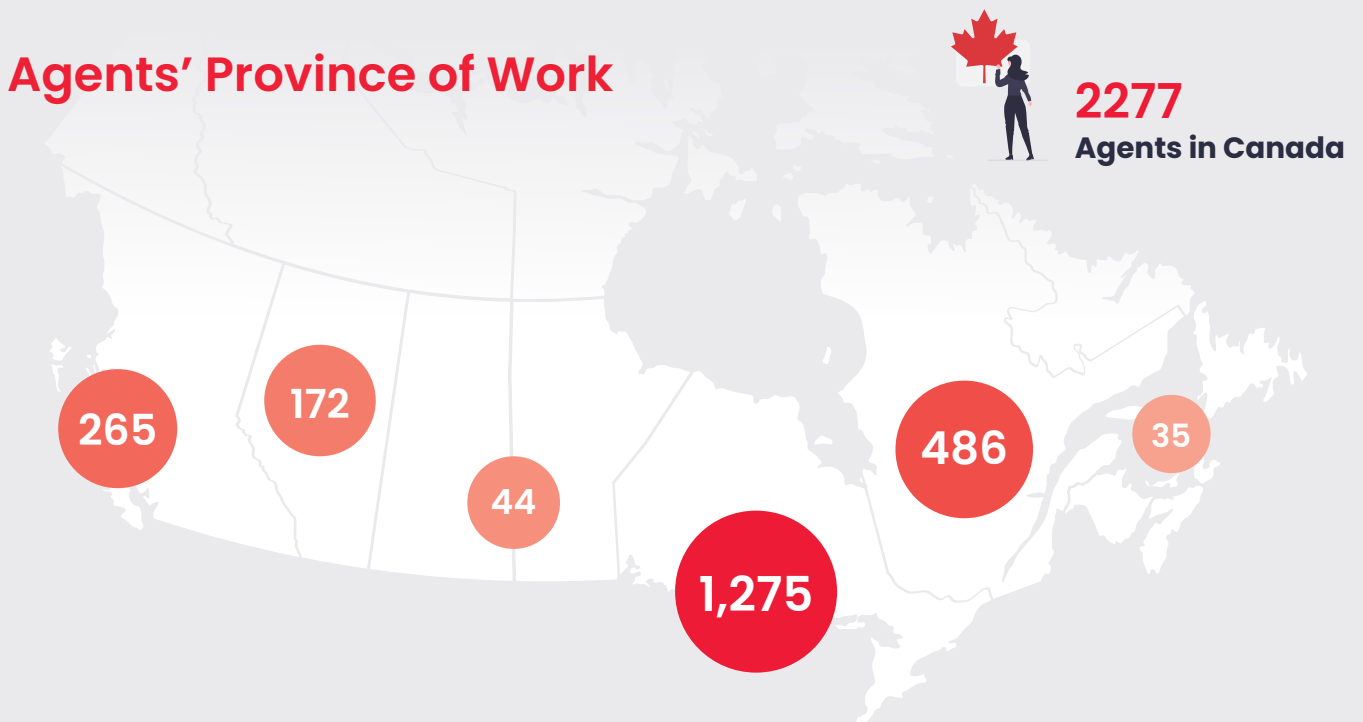
A Portrait of the IP Profession in Canada

Data on the following pages was pulled from our licensee database on January 3, 2023 and collected during our 2022 survey of licensees, completed by 549 licensees.

CPATA is committed to ensuring that the public has access to an expert offering of IP services from a robust body of highly competent and ethical professionals.

Registered patent agents and trademark agents serve the public by providing highly specialized legal services which allow innovators and creators to protect their intellectual property in Canada.

The expertise of our licensees is instrumental in ensuring that Canada reaps the benefits of an innovation-driven world economy.



Patent Agents



898 Class 1 Licence
Active Agent



76 Class 2 Licence
Restricted Agent



178 Class 3 Licence
Agent-in-training

Trademark Agents



1,321 Class 1 Licence
Active Agent



137 Class 2 Licence
Restricted Agent



133 Class 3 Licence
Agent-in-training

21% of licensees hold both a patent agent and a trademark agent licence

Other Professional Designations

IP agents often have technical or legal educational backgrounds and other professional credentials that provide them with a specialized understanding of their clients' needs.



Lawyer

47% of patent agents

80% of trademark agents



Engineer

22% of patent agents

6% of trademark agents

A Stagnant Profession

Canadian innovators and creators require access to licensed agents to receive affordable and accessible expert IP services.

Patent Agents

Years of experience

Less than 10 25% of licensees

11-20 years 35% of licensees

21-30 years 27% of licensees

Trademark agents

Years of experience

Less than 10 28% of licensees

11-20 years 28% of licensees

21-30 years 24% of licensees

In 2022



59 licences

administratively
suspended



32 licences

surrendered



55 licensees

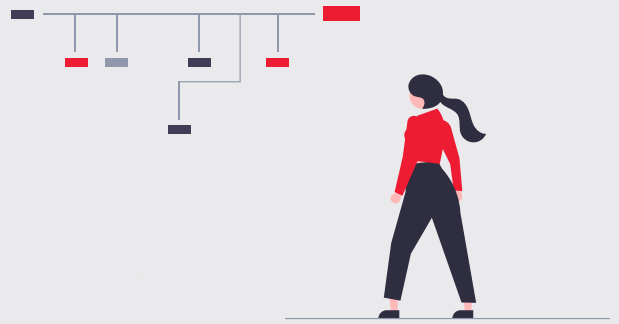
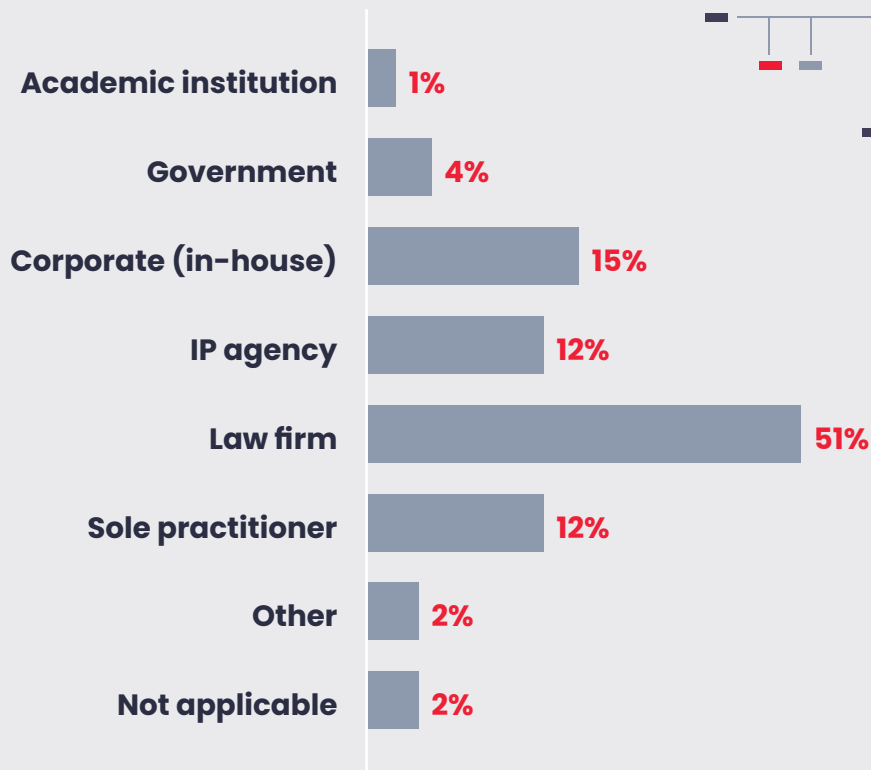
passed the
2021 qualifying
examinations



38 licences

reinstated

Primary Practice Setting



Licensee Demographics

Prior to CPATA's licensee survey, minimal data existed about the demographic makeup of the IP profession in Canada. The collection of this information was an essential first step towards understanding the state of the IP agent profession and its demographic composition.

How would you describe your gender?



Do you identify as a member of the 2SLGBTQIA+ community?



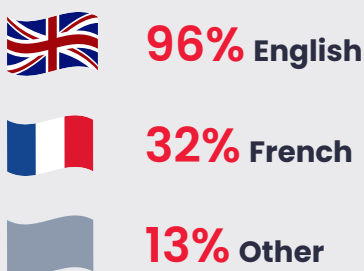
Do you identify as Indigenous? (First Nations, Métis, and/or Inuk/Inuit)



When were you born?



What languages do you fluently speak read, and write?



Do you identify as a person with a disability?



Professional Responsibility

Professional Ethics and Education

CPATA's ongoing commitment to proactive ethical education assists IP professionals and pre-empts harm to the public by making sure that licensees have the information they need to avoid common ethical pitfalls.

As a modern regulator, we believe that the most effective way to protect the public is to ensure that licensees adequately understand their professional and ethical obligations towards their clients, other agents, and the public.

Instead of depending exclusively on a complaints and discipline process to address harms after the fact, we take a proactive approach to educating licensees, protecting the public at the outset.

How Our Ethics Inquiry and Analyses Process Works



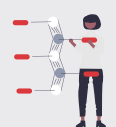
Ethics Snapshot



96%

of licensees agree that they understand all of their obligations under the CPATA Code of Professional Conduct for Patent Agents and Trademark Agents.

In 2022



28 Ethics Inquiries answered

9 Ethical Analyses Articles written, viewed a total of **2241** on CPATA's website

Example Inquiries

I am retiring. What should I do with my client files?

Can I charge and collect fees from clients in advance for foreign disbursements?

Can I represent a client if I serve on the Board of Directors of their company?

Complaints and Discipline



Capitalizing on right-touch, risk-focused early resolution approaches, CPATA protected innovators and creators by addressing concerns and complaints regarding licensees in a fair, principled and transparent manner.

CPATA's mandate is to protect those who use patent and trademark services, including by appropriately addressing concerns about the behaviour of licensees who offer those services. With its coming-into-force, CPATA established the foundations for a best-in-class professional responsibility process that experienced its first full year of operation in 2022.

How we are unique:

- We focus on harm reduction and restorative justice principles
- We favour early-resolution mechanisms that are faster and more flexible
- Our Investigations Committee and Discipline Committee are comprised of a majority of non-licensees, bringing diverse expertise to the table
- We value transparency and all our policies and procedures are publicly available on our website
- We use trends in complaints to identify opportunities for licensee education

CPATA's Investigations Committee and Discipline Committee developed its foundational policy framework for complaint and investigation procedures, necessary to ensure optimal regulation in the public interest. Amendments to the *CPATA Act* came into force, allowing for more effective handling of complaints, for example by allowing the Registrar to evaluate and dismiss complaints and by giving the Investigations Committee the authority to issue interim orders.

12 Agent Conduct Inquiries received → **9 resolved through early resolution mechanism** & **3 referred for investigation**

Agent Conduct Inquiry themes:

- Conflict of interest
- Unreasonable fees
- Poor quality of service
- Inadequate practice management systems



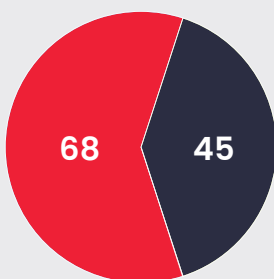
Licensure and Registration

With the goal of improving entry to the profession and ultimately public access to IP services, CPATA made improvements to the 2022 qualifying examinations, removed unjustified barriers for foreign-trained IP professionals, and began a research project on pathways to licensure.

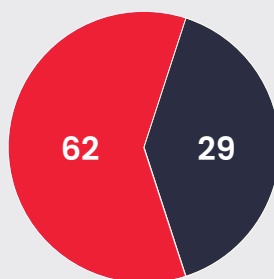
Licensure

On a daily basis, CPATA employs fair registration practices to consider the individual application files of licensees. In 2022, we issued 295 licences (including change of class and reinstatements):

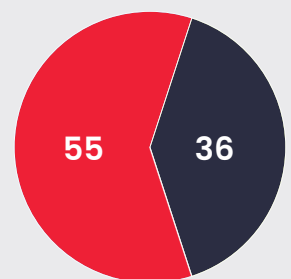
113 Class 3 Licence
Agent-in-training



91 Class 2 Licence
Restricted Agent



91 Class 1 Licence
Active Agent



■ Patent ■ Trademark

We issued 17 Foreign Practitioner Registrations.

We conducted 9 Prior Experience Assessments for applicants with international training and education.

Starting to Explore Pathways to Licensure

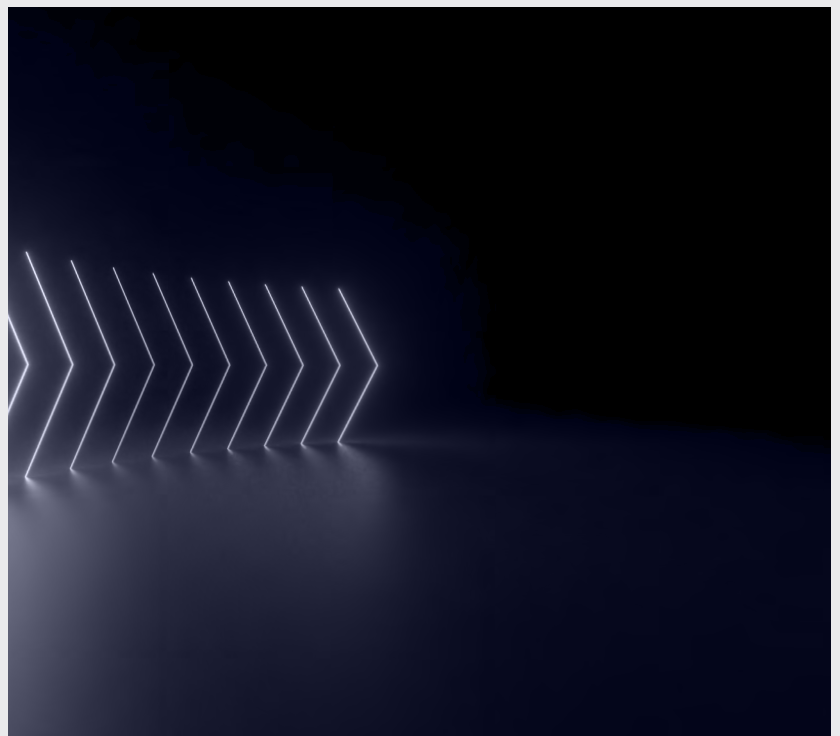
The path to becoming a patent agent or a trademark agent has historically been based on an apprenticeship and exam model. Currently, an individual must complete 24 months of training under the supervision of a Registrar-approved Class 1 agent or authorized representative of the Canadian Intellectual Property Office and pass the qualifying examinations to become a patent agent or trademark agent.

While apprenticeships can enable licensing candidates to obtain IP agent competencies to deliver services to the public, apprenticeship models may limit the supply of agents compared to other potential licensing approaches. Other jurisdictions and other legal services professions have adopted a range of other pathways to educate competent practitioners and enable entry into the professions.

With the goal of removing arbitrary barriers to entry into the profession and establishing a defensible model for generating sufficient competent and ethical agents to meet public demand, CPATA is overseeing research into the current landscape to support the exploration of possible pathways. This includes a study of:

- formal academic opportunities that may provide individuals with IP competencies
- ISED-funded IP Clinics and their potential to serve as training opportunities
- pathways to licensure in other jurisdictions, and
- other modalities for professional training and assessment

The research report is scheduled to be delivered in spring 2023.



Removing Historic Barriers to Entry for Foreign-Trained IP Professionals

With increasing immigration to Canada, foreign-trained professionals represent an important source of potential IP agents in Canada. Before the coming-into-force of the *CPATA Act*, foreign-trained professionals had to complete a minimum of 12 months of Canadian experience to be eligible to write the qualifying examinations.

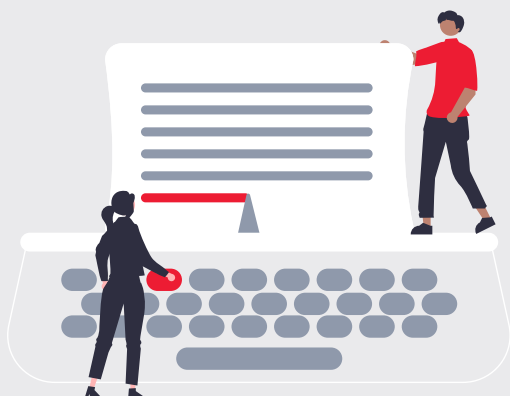
Through its 2021 Prior Experience Assessment Policy, CPATA takes a flexible approach, allowing for full recognition, partial recognition or no recognition of international training and education, which is evaluated on a case-by-case basis. This removes artificial barriers to entry for IP professionals coming to Canada. The introduction of technical competency profiles for agents will support the fair, objective, transparent and impartial assessment of internationally trained and educated IP professionals.

Improvements to the 2022 Qualifying Examinations

Several incremental improvements were made to the 2022 qualifying examinations to improve their validity, reliability and defensibility.

- Exam candidates who succeeded on one part of the trademark agent qualifying examination but not both in 2022 will not have to rewrite that part in 2023
- To improve year-over-year consistency of exams, exam board members followed guidance on specific content and question complexity
- Marking guides were adjusted to provide model answers and mark breakdowns
- Timing of exams were adjusted so that marks could be released two months earlier
- The Registration Committee reviewed five Registrar decisions related to re-corrections of the 2021 qualifying examination

Similar improvements will be made for the 2023 administration of the qualifying examinations.



113 patent agents
70 trademark agents
wrote the Qualifying Examinations

Technical Competency Profiles

With the goal of better protecting the public by establishing standards for ethical and competent practice, CPATA developed technical competency profiles for entry-level patent agents and trademark agents.

CPATA's Board of Directors adopted the new competency profiles for patent agents and trademark agents, following the profiles' approval by the Registration committee at the end of 2022.

The profiles were developed through a rigorous process to ensure that they reflect the knowledge and skills that IP agents require to serve the public in today's complex and globalized intellectual property regimes. The results are competency profiles that reflect IP practice today. The profiles will be reviewed on a regular basis and updated as necessary to reflect the evolution of IP agent knowledge and skills over time.

Work in 2023 will include the development of an IP professional foundations profile. This profile would cover the more universal IP professional practice competencies that are essential to many disciplines, such as communication, work management and working with others. CPATA will redevelop the qualifying examinations for 2024 to align with the profiles and to reflect valid, reliable and defensible best practices for administering high-stakes examinations.

The establishment of competency profiles and exams that test against these competencies will ensure that all new and current licensees have the skills necessary to competently and ethically serve their clients. These competencies and exam processes provide transparency by clearly setting the expectations for those considering joining the IP profession regarding what skills they need to acquire.

[View profiles](#)

What is a 'Technical Competency Profile'

A technical competency profile describes the knowledge and skills entry-level professionals need to have in order to provide competent services to the public. CPATA has developed one competency profile for patent agents and one for trademark agents.



Competency Initiative Timeline

The process undertaken to develop the competency profiles was comprehensive and defensible, involving subject-matter experts and members of the profession.



What will the new qualifying examinations look like?

The approach taken by CPATA will be data-driven and strive to minimize unnecessary barriers to entry into the profession while evaluating candidate skills more accurately. The new exams will benefit from improved validity, reliability and psychometric defensibility.

Knowledge Examinations

A computer-based, multiple-choice examination to test theoretical understanding. Candidates must pass the knowledge examinations to establish eligibility for the skills examinations.

Skills Examinations

A computer-based, constructed-response examination to test application of knowledge.

Professional Liability Insurance

CPATA added a layer of public protection to the delivery of patent and trademark services by ensuring that all licensees had adequate professional liability insurance by December 31, 2022.

Insurance is an important way in which CPATA can safeguard the public interest, as it protects the client in situations where errors and omissions on the part of the agent result in financial loss for clients. The *CPATA Act* includes a legislative requirement for licensees to hold professional liability insurance. CPATA consulted with subject matter experts in 2021 to establish right-touch requirements for insurance which adequately address real risks, including those related to the global nature of IP practice.

We contracted an external subject matter expert to undertake an analysis of current law society offerings for lawyer-licensees. We remain sensitive to the fact that overlapping insurance costs are impacting licensees who are also lawyers. We continue discussions with law society insurance providers to align our requirements and reduce costs and burden to licensees who are also lawyers.





Licensee Survey

CPATA gathered never-before collected data from over 500 licensees about their professional activities and demographics, enabling us to anchor our regulatory policies and systems in concrete data about the real-world activities of licensees.

549 patent agents and trademark completed CPATA's survey of licensees in August and September. Questions covered demographics, professional activities, practice information, client profiles, continuing professional development, compensation and income and more.

It provides important demographic information about the profession. Of note, the survey indicates that the number of IP agents in Canada is stagnant. However, there is increasing demographic diversity in the profession.

The survey also confirms that while many licensees are also lawyers or engineers, who are now subject to co-regulation under CPATA and provincial and territorial regimes, many IP agents are not members of other professions and are now subject to professional regulation for the first time.

The survey likewise highlights the international nature of patent practice, and the robust practice management systems used by IP agents to manage the numerous filing and other deadlines that are a part of modern trademark and patent practices.

The voluntary survey had a high participation rate, providing robust, statistically defensible and representative data. It creates a helpful baseline comprehension of the profession. However, mandatory annual reporting on specific elements by licensees would be a more comprehensive way for CPATA to collect the information required for effective regulation year-over-year.

[Read full report](#)

Leadership and Governance

CPATA transitioned from its start-up to long-term leadership team in 2022 and continued building and refining its worldclass approach to governance and leadership.

Having the right expertise at the table is essential to ensuring that a new organization like CPATA adopts best-in-class regulatory approaches from the start.

We are committed to independent, professional regulation. Our small Board is comprised of both appointed non-licensee and elected licensee Directors to enable a breadth of expertise, including IP agent professional expertise, to guide the organization in the public interest. Our small staff team has a wealth of experience in professional regulation to build CPATA's regulatory foundations.

In 2022, CPATA:

- held our first elections, and four Board members were elected from the profession
- received re-appointments for 3 non-licensee Board members from the start-up Board
- finished populating 6 committees with experienced professionals
- hired a permanent CEO
- held our first AGM in Ottawa
- hired an external consultant to develop a Policy on Director Remuneration to ensure transparent, fair-market compensation for professional skills
- adopted a Regulatory Checklist to ensure the Board remains accountable to the public interest

Board of Directors

The Board of Directors leads CPATA by setting strategic priorities and direction. In early 2023, the Board received two additional appointments by the Honourable François-Philippe Champagne, Minister of Innovation, Science and Industry in order to be fully constituted as per the *CPATA Act*.

Thomas G. Conway – Appointed Director and Chair

Iris Almeida-Côté – Appointed Director

Amber Batool – Appointed Director

Karima Bawa – Appointed Director

Ruth McHugh – Appointed Director

Andrew Currier – Elected Patent Agent Director

Jeffrey Astle – Elected Patent Agent Director

Brigitte Chan – Elected Trademark Agent Director

Leonora Hoicka – Elected Trademark Agent Director

See more about the Board at: www.cpata-cabamc.ca/board

CPATA's New CEO

Juda Strawczynski

CPATA's Board of Directors appointed Juda Strawczynski as CEO and Registrar. Juda joined CPATA from LawPRO, where he was a member of the Executive Team and led PracticePRO, LawPRO's claims prevention and risk management program. Prior to that, Juda held the role of Strategic Policy Counsel at the Law Society of Ontario, where he provided creative, progressive and practical policy advice to address challenging issues. Juda's background is one of dynamic leadership at the forefront of legal services, risk, regulation and rights, a combination that makes him uniquely suited to lead a new, modern regulator.

A Word from Juda

“

I have dedicated my career to and am passionate about excellence in professional regulation, public protection, and public interest-based legal services regulation.

I deeply respect the regulatory objectives and principles CPATA has adopted. Since CPATA fills a significant regulatory function for IP professionals and the public, it faces many policy and operational challenges. It's an honour to be leading CPATA at a time when innovation and IP rights are so vital to Canada and its long-term economic prospects. Patent agents and trademark agents work in the protection of creative ideas, invention and the processes that preserve what is innovative.

This is an exciting time to be committed to protecting the public's interests in this work.





Financial Reports

The financial information presented below is an extract from CPATA's 2022 audited annual Financial Statements. The full set of audited Financial Statements and a report on Board of Directors and Committee Member remuneration and expenses for 2022 are available at www.cpata-cabamc.ca/financial-reports.

CPATA's Financial Position

	December 31, 2022	December 31, 2021
Assets	\$ 534,933	\$ 499,881
Liabilities	\$ 230,050	\$ 254,864
Unrestricted net assets	\$ 304,883	\$ 245,017
Liabilities and net assets	\$ 534,933	\$ 499,881

CPATA's Operations and net assets for the years

	2022	2021
Revenues	\$ 2,354,059	\$ 2,061,742
Expenses	\$ 2,294,193	\$ 1,427,794
Excess of revenues over expenditures	\$ 59,866	\$ 633,948
Net assets, beginning of the year	\$ 245,017	\$ (388,931)
Net assets, end of the year	\$ 304,883	\$ 245,017

Revenue Notes

- Licence Fees for patent agents and trademark agents received in 2022 were based on the first full year of CPATA operations and were set at \$1,000 (2021, \$700) for patent and trademark licences. Agents who held both patent and trademark licences again received a discounted rate on the second licence and paid a fee of \$500 (2021, \$350).
- The number of licences renewed in 2022 was similar to 2021. There were 1,890 (2021, 1,880) patent and trademark licences renewed at an annual fee of \$1,000. There were also 380 (2021, 393) renewals for licensees who held both patent and trademark licences.
- Exam Registration Fees relate to the patent and trademark qualifying examinations. There were 113 (2021, 126) patent candidates who paid for a total of 335 (2021, 393) papers. 73 (2021, 66) trademark exam candidates paid for both parts of the exam.
- During the annual licence renewal period, we received a large number of applications for category changes. Since then, we have also seen an increase in new applications for Class 3 agent-in-training licences and for Foreign Practitioner status. This can be attributed to CPATA's infancy and agents' understanding of the various classes and requirements.
- Fees transferred from CIPO in 2021 were not applicable in 2022 as CPATA was in operation and collected fees for the full year.

Expense Notes

- 2022 saw the development and population of new Committees. There were two Board of Directors in-person meetings held, resulting in increased travel, meeting and remuneration costs for Board and Committee members.
- Insurance costs relate to CPATA's requirement to have Directors and Officers, Cyber and Commercial General Liability insurance coverage. We have seen an increase in costs of approximately 20% year over year.
- Legal Fees have increased from 2021 based on additional costs incurred during the year for legal fees in the areas of privacy impact, complaint investigations, agent insurance requirements, By-law revisions and writing and opinions.
- Professional and consulting fees relate to support costs incurred in Communications, Finance, Human Resources, Admissions and Education and Information Technology. As 2022 was the first full year of operations, these costs increased substantially from 2021.
- Salaries and benefits increased as 2022 was a full year for salary costs and an additional employee was hired.
- Translation expenses relate to the costs of making CPATA's services available in both official languages for both licensees and the public we serve.

Financial Sustainability

During 2022, CPATA continued to build on programs and services initiated in the early start-up phase in 2021. CPATA has been diligent in planning expenses and daily operation costs and in exercising financial prudence in the face of a limited initial revenue stream.

CPATA's main source of revenue comes from fees collected from licensees, primarily the annual licence fees which support our operations. These fees are established in our By-laws. Significantly lower fees than those of comparable regulators were initially established, despite that fact that CPATA regulates fewer professionals than other legal services regulators and therefore does not benefit from the economies of scale that larger regulators may have. Low fees were maintained during the initial build-out phase, since CPATA had not yet gauged or incurred the full, true costs of regulating the IP profession.

We made many strategic choices early on to reduce expenses, such as operating virtually to eliminate costs related to a physical location and employing only a small team of fewer than 10 staff to conduct operations. These choices allowed us to focus our spending on start-up regulatory activities.

CPATA continued to have a positive net cash throughout the year and into 2023 before the annual licence renewal payments started to arrive in late February. In addition, the surplus of revenues over expenditures in 2022 has increased the net asset balance (reserve).



Ambitious Plans for 2023

As CPATA looks ahead to 2023, we will continue playing our part in Canada's innovation ecosystem by establishing a best-in-class regulatory framework. Our oversight of the patent agent and trademark agent profession will protect the interests of innovators and creators.

Specifically, in the upcoming year, CPATA will focus on:

Leadership transition

The integration of a new CEO and a fully-constituted Board of Directors will solidify the organization's leadership and ensure excellence in governance and leadership.

Competency Initiative

CPATA will continue to make significant investments in standardizing and modernizing the process of entry into the IP profession. Starting in 2023, we will develop a professional foundations profile to complement the technical competency profiles, outlining the professional skills (communication, collaboration, work management) licensees need. Taken together, the technical competencies and professional foundations profile will provide the complete list of competencies expected of IP agents.

Qualifying Examinations

CPATA will continue making improvements to the qualifying examinations for 2023. Following the approval of the new technical competency profiles, we will re-imagine the qualifying examinations for 2024 for patent agents and trademark agents. The approach will be data-driven and strive to minimize unnecessary barriers to entry into the profession while evaluating candidate skills more accurately. The new exams will benefit from improved validity, reliability and psychometric defensibility.

Complaints and Discipline

CPATA's first virtual discipline proceedings will take place in 2023, following the complaints that were referred to the Discipline Committee by the Investigations Committee in late 2022. We will continue to develop our policy framework as amendments to the *CPATA Act* and By-laws expand our Committees' toolkits, giving them the necessary flexibility and authority to employ best-practice, risk-focused, proportional and public interest approaches to complaints.



CPATA promotes and safeguards the public interest.

- So creators and innovators can commercialize their ideas.
- So agents can make their IP services available.
- So investors can get behind the next big idea.
- So government can drive Canada's economic future.
- So stakeholders are invested in Canada's growth and innovation potential.
- So all Canadians can benefit from Canada becoming an innovation disruptor on the world stage.

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[Contact Us](#)



COLLEGE OF PATENT
AGENTS & TRADEMARK AGENTS

COLLÈGE DES AGENTS DE BREVETS ET
DES AGENTS DE MARQUES DE COMMERCE