Cassels

Empowering Innovation: Intellectual Property Funding Opportunities in Canada

Stephen I. Selznick, Mark Davis, A. Chandimal Nicholas, Jessica Zagar, Dakota Bundy

October 23, 2025

An effective intellectual property (IP) strategy is essential. Among other things, it helps businesses protect innovation, gain competitive advantages, attract investment, maximize federal and provincial government grants, tax credits, foster foreign strategic innovation partnering, manage risk, and expand into new markets with confidence. The Canadian federal and provincial governments have a number of programs that businesses can access to advance their IP strategies.

Some key programs include:

Intellectual Property Ontario (IPON)

Intellectual Property Ontario (IPON) helps subsidize the cost of eligible IP protection and commercialization for Ontario businesses. Applicants must demonstrate that they meet the following eligibility requirements:

- are an Ontario-based small-and-medium sized enterprise managed by a team that includes one or more Canadians, with fewer than 500 full-time equivalent employees or contractors globally, and having a physical address in Ontario for substantive operations;
- are owners of IP or IP rights, or exclusive licensees of IP, for the purpose of commercializing or monetizing the IP in a manner that benefits Ontario;
- operate in one of the following sectors: artificial intelligence and data drive technologies, vehicle technology, health technology, life science technology, mining technology, agriculture, and clean economy;
- intend to grow their business and maintain substantial operations in Ontario;
- intend to ensure their IP and IP rights remain under Canadian ownership or control;
- demonstrate the potential to realize societal or economic benefit to Ontario;
- demonstrate their own financial capacity to advance the protection and commercialization of any IP and IP rights that may be supported by IPON services; and
- have an immediate IP need suited for IPON services and IP funding.

Approved companies are required to cover at least 20% of the costs for IP-related services and disbursements and IPON will contribute up to 80% of the costs relating to the services and eligible expenses. This funding is exclusively for future work and typically cannot be combined with other IP funding sources unless approved by IPON.

IPON-funded services *must* be provided by licensed Ontario IP lawyers or registered IP agents.

Businesses that meet the eligibility requirements outlined above and wish to apply for IPON funding can apply here. IPON has also recently announced that, for a limited time, IPON will cover 80% of eligible costs for IPON clients to develop or update an IP strategy.

ElevateIP

ElevateIP, operated by Innovation, Science and Economic Development Canada, is a federal program delivered through select business accelerators and incubators (BAIs) in collaboration with regional partners to help Canadian start-ups develop and implement IP strategies. Funding is divided into 3 tiers: (1) IP Education & Awareness, (2) IP Strategy Development, and (3) IP Strategy Implementation.

While eligibility requirements and funding amounts vary depending on the BAI administering the program, start-ups may be eligible for up to $100,000 to develop and implement an IP strategy. Most BAIs require that the start-up have less than 500 employees and be headquartered in the geographic region of the BAI administering the program. The selected BAIs in different provinces are listed below:

- Springboard Atlantic Inc. – supporting startups in Newfoundland and Labrador, Nova Scotia, New Brunswick and Prince Edward Island
- Mouvement des accélérateurs d’innovation du Québec (MAIN) – supporting startups in Québec
- Communitech Corporation – supporting startups in Ontario, Manitoba and Saskatchewan
- University of Calgary with Innovate Calgary & Economic Development Lethbridge – supporting startups in Alberta
- New Ventures BC Society – supporting startups in British Columbia, Yukon, Nunavut and the Northwest Territories

More details about the ElevateIP program can be found here.

IP Assist

IP Assist, administered by The National Research Council of Canada Industrial Research Assistance Program, is a tiered program that provides comprehensive advisory services as well as funding to help accelerate the growth of Canadian small and medium-sized businesses.

Under the IP Assist program, businesses can receive support and funding across three different levels:

- Level 1 – Awareness. This level provides businesses with access to IP Assist's network of advisors, resources and partner organizations to increase knowledge of IP best practices and increase understanding of how to leverage and safeguard innovations.
- Level 2 – Strategy. This level provides businesses with access to IP experts who can assist with developing an IP strategy to support business goals, help prioritize IP actions as well as provide businesses with valuable insight related to technology, competitors and the IP landscape.
- Level 3 – Action. This level provides funding to help businesses execute the actions prioritized in their IP strategy.

Level 1 and Level 2 services *must* be provided by a lawyer approved to provide those specific services by the Intellectual Property Institute of Canada. More details about the IP Assist program can be found here.

Innovation Access Collective (IAC) Grant Program

Innovation Access Collective (IAC) is a membership-based organization funded by the Government of Canada. The IAC Grant Program is designed to support Canadian small and medium-sized enterprises with IP-related needs.

Full members may be eligible for grant funding up to $20,000 per grant, while associate members may be eligible for grant funding ranging up to $10,000 per grant.

IAC Grant submissions are judged on the ability to demonstrate how a business is able to move their business strategy forward using IP.

More details about the IAC Grant Program can be found here.

Scientific Research and Experimental Development (SR&ED) Incentives

The Scientific Research and Experimental Development (SR&ED) tax incentives are intended to encourage businesses to conduct research and development in Canada.

Those who conduct qualifying research and experimental development in connection with their innovation projects may be able to claim two complimentary and layered SR&ED tax incentives on a yearly basis throughout the term that the innovator is engaged in the research and experimental development of their innovations.

There are two SR&ED tax incentives:

- First, an entitlement to a deduction against income for current expenditures on qualifying SR&ED, including accelerated capital cost allowance on some categories of capital assets; and
- Second, the ability to earn an investment tax credit (ITC) of 15% of the innovator's qualified SR&ED expenditure pool at the end of the tax year.

With regard to the ability to earn an ITC, some Canadian controlled private corporations (CCPC) earn an enhanced ITC rate of 35% on their first $3 million dollars of qualifying SR&ED expenditure in the year (the expenditure limit) which increases to an annual SR&ED qualifying expenditure limit of $4.5 million following December 16, 2024. Post December 16, 2024, the SR&ED ITC rate begins to reduce when the CCPC claimant achieves a $15 million threshold in capital expenditures or revenues and reduces to zero when the CCPC claimant achieves a $75 million threshold in capital expenditures or revenues. To the extent that the CCPC does not use the entire SR&ED ITC to offset and reduce its revenues in a year, the balance may be refunded to the CPCC innovator. This serves as an important source of financing for early-stage IP innovators who perform their research and development (R&D) through a CCPC and have little to no revenue during their start up and R&D arc.

Moreover, several provinces offer supplementary or enhanced R&D tax credits to incentivize research and development activities within targeted sectors. These incentives are designed to foster the development of human resource capital and stimulate related manufacturing or commercial activity within those regions.

More details about SR&ED tax incentives can be found here.

Global Innovation Clusters

Innovation, Science and Economic Development Canada has established several innovation clusters to assist innovators in desirable R&D sectors and attendant commercialization by Canadians. Each cluster has its own application process and accepts members from industry, academia, Indigenous groups and non-profit organizations. Some have associated fees or different membership levels, including free options.

The five clusters are as follows:

- Digital Technology Cluster, DIGITAL– encourages and supports the innovation of technologies in virtual, mixed and augmented reality, data collection and analytics, along with quantum computing with the goal of improving services and delivery in the natural resources, precision health and manufacturing sectors.
- Protein Industries Cluster, Protein Industries Canada – encourages and supports agrifood enabling technologies, including genomics, processing, and information technology, to increase the value of key Canadian crops in high-growth foreign markets and boost the sale of plant-based meat alternatives and new food products to markets in North America and Europe.

- Advanced Manufacturing Cluster, NGen – aims to strengthen the competitiveness and growth potential of Canada's advanced manufacturing ecosystem, such as through automation, machine learning, cybersecurity, and additive manufacturing (3D printing).
- AI-Powered Supply Chains Cluster, Scale AI – encourages and supports various industrial and commercial sectors, including manufacturing and retail, to build intelligent supply chains through AI and robotics.
- Ocean Cluster, Canada's Ocean Supercluster – encourages and supports emerging technologies like digital sensors and monitoring, energy generation, marine biotechnology and marine engineering, to strengthen Canada's marine renewable, energy, fisheries, aquaculture, oil and gas, defense, shipbuilding, and transportation industries.

More details about Global Innovation Clusters can be found here.

Business Development Bank of Canada (BDC)

The Business Development Bank of Canada (BDC) is a Crown corporation and national development bank wholly owned by the Government of Canada. Its core mission is to support Canadian entrepreneurs, particularly small and medium-sized enterprises. Some notable services and programs offered by the BDC include the following:

- BDC Venture Capital – innovators are able to apply for venture capital funding from the BDC particularly in technology-driven sectors such as communications, health, information technology and energy/clean technology; and
- BDC Technology Financing – financing programs may be available to assist innovators with the upgrade or purchase of information and communications technology. In some circumstances, refundable SR&ED tax credits may be used as deemed revenues in order for meeting debt and revenue borrowing ratios.

More details about BDC services and programs can be found here.

CanExport

CanExport, through Canada's Trade Commissioner Service, offers funding and support programs to assist companies growth into global markets.

CanExport SMEs

The CanExport SMEs program is designed to encourage small and medium-sized enterprises (SMEs) to export Canadian goods and services to new international markets.

To be eligible, small or medium-sized enterprises looking to apply for funding must:

- be established in Canada;
- operate for-profit;
- be an incorporated legal entity, limited liability partnership (LLP), or cooperative in Canada;
- have an active Canada Revenue Agency (CRA) business number;
- have between 1 and 500 full-time equivalent employees; and
- have between $100,000 and $100 million in annual revenue declared in Canada during its last complete tax reporting year (or during the last 12 months for monthly and quarterly filers).

Successful applicants may receive up to $50,000 to support eligible market development activities for existing products and services in foreign countries. CanExport SMEs is accepting applications for projects taking place in the 2025-2026 fiscal year. To qualify, project expenses must be incurred between April 1, 2025 and March 31, 2026.

To learn more about CanExport SMEs, please click here.

CanExport Innovation

Innovators from Canadian organizations may access up to $75,000 in funding to assist with research and development for a single technology. CanExport will cover up to 75% of the costs to pursue and sign collaborative research and development agreements with international partners. SMEs, academic institutions and non-government research centers can apply for funding from CanExport.

To be eligible, organizations looking to apply for funding must:

- be registered in Canada;
- have a Canada Revenue Agency (CRA) business number;
- own, co-own, or have decision-making authority over the intellectual property (IP) rights for the technology;
- have a prototype (Technology Readiness Level 4 or higher); and
- intend to commercially launch the technology within 5 years.

To learn more about CanExport Innovation, please click here.

AgriInnovate Program

The AgriInnovate Program, operated by Agriculture and Agri-Food Canada, provides repayable contributions to incentivize targeted commercialization, demonstration and/or adoption of commercial-ready innovative technologies and processes that increase agricultural and agri-food sector competitiveness and sustainability benefits.

The maximum Agriculture and Agri-Food Canada contribution toward a project will normally not exceed $5,000,000.

More details about the AgriInnovate Program can be found here.

Participation in the above IP funding programs should be planned in conjunction with both legal and accounting professionals. The Cassels Intellectual Property team has supported clients in accessing these programs and would be pleased to provide guidance regarding applying for funding to develop IP strategies.
