

Are You Entitled to a Longer Patent Term?

Federal Circuit Rules that the USPTO Short-Changed Patent Term Adjustments

The Federal Circuit recently held in *Wyeth v. Kappos*, 93 USPQ 2d 1257 (Fed. Cir. 2010) that the United States Patent and Trademark Office (USPTO) has been miscalculating the patent term adjustment (PTA) owed to patentees arising from certain types of USPTO examination delays. In response, the USPTO has created a new procedure for patentees to request a recalculation of PTA, to thereby extend the expiration date of the patent.

The Patent Act provides for a 20-year term of enforceability for a U.S. patent, measured from the earliest filing date of the application. To reduce harm to patentees caused by erosion of the enforceable patent term due to USPTO examination delays, Congress provided for patent term adjustments in 35 USC 154(b), which increases the term of a patent when the USPTO is responsible for examination delays. Statute 35 USC 154(b)(1) provides compensation for untimely USPTO action in several circumstances, known as "A"-type, "B"-type and "C"-type delays. To summarize:

- A. "A"-type delays represent a failure by the USPTO to (1) provide a first Office Action within 14 months from the filing of an application, (2) respond to Office Action responses within four months, (3) act within four months of a Decision on Appeal, and (4) issue a patent within four months from payment of the issue fee.
- B. "B"-type delays represent a failure to issue a patent within three years of filing.
- C. "C"-type delays represent delays due to interference proceedings, secrecy orders, and appeals won by patentees.

In situations where these different categories of delay overlap, the statute limits the PTA to "the actual number of days the issuance of the patent was delayed."

The issue in *Wyeth* hinged on the interpretation of this "overlap" limitation with respect to the "A"-type delay and "B"-type delay. The USPTO argued that the statute should be interpreted such that patentees who experience both "A"-type and "B"-type delays should only obtain a PTA that reflects the longer of the two delays under a rationale that "A"-type delays drive "B"-type delay such that separately compensating patentees for both types of delay in the PTA would effectively provide patentees with more PTA than they deserve. The Federal Circuit rejected the USPTO's argument as contrary to the plain language of the statute. The court held that "overlaps" are determined by particular calendar dates and that "B"-type delay does not begin until three years from filing. Therefore "A"-type delays within the first three years from filing cannot overlap with "B"-type delay.

The situation in *Wyeth* may be clarified by an example. Suppose the USPTO mails a first Office Action two years from the filing date of an application (a 10-month "A"-type delay), and the application issues as a patent four years from the filing date (a 12-month "B"-type delay). Prior to *Wyeth*, the USPTO would have computed the PTA as only 12 months. However, according to *Wyeth*, the proper PTA would have been 22 months because the "A"-type and "B"-type delays did not occur at the same time. **Thus, patentees should understand that their patents may be entitled to additional PTA that would extend their patents' enforceable terms because the USPTO may have erred in its initial PTA assessment.**

In response to this decision, the USPTO has indicated that it will update its software for calculating PTA, but the update will not be in place until March 2, 2010. In the interim, the USPTO has instituted a new program to allow patentees to request a recalculation of PTA, without a fee, for patents issued prior to March 2, 2010. The request must be limited to the overlap issue identified in *Wyeth*, and must be filed within 180 days from the day the patent was granted.

For applications that have received a Notice of Allowance, but have not yet issued as a patent, the USPTO states that the proper procedure for requesting a PTA recalculation is to file a request for reconsideration under 37 CFR 1.705, along with the required fee.

Please contact your Thompson Coburn attorney or one of the Intellectual Property attorneys listed below if you own a patent for which the USPTO may have mistakenly computed the PTA. You may be entitled to additional patent term.

Dean Franklin	dfranklin@thompsoncoburn.com	(314) 552-6038
Alan H. Norman	anorman@thompsoncoburn.com	(314) 552-6284
Thomas A. Polcyn	tpolcyn@thompsoncoburn.com	(314) 552-6331
Benjamin L. Volk, Jr.	bvolk@thompsoncoburn.com	(314) 552-6352

For a [print version](#) of this e-mail, [click here](#).

If you would like to discontinue receiving future promotional e-mail from Thompson Coburn LLP, [click here to unsubscribe](#).

This e-mail was sent by Thompson Coburn LLP, located at One US Bank Plaza, St. Louis, MO 63101 in the USA. The choice of a lawyer is an important decision and should not be based solely upon advertisements. The ethical rules of some states require us to identify this as attorney advertising material.

This e-mail is intended for information only and should not be considered legal advice. If you desire legal advice for a particular situation you should consult an attorney.