



# Client Alert

November 16, 2012

## Patent Term Adjustment Update - Exelixis v. Kappos

A recent ruling by the Eastern District of Virginia recently found that the United States Patent and Trademark Office (USPTO) had been incorrectly calculating a patent term adjustment statute concerning a Request for Continued Examination (RCE). The District Court's ruling states that an RCE filed after the 3-year deadline from filing an application has passed should have no impact on patent term adjustment.

Statute 35 U.S.C. 154(b)(1)(B) guarantees adjustment of a patent term if the patent has not issued within three years after the filing date of the application in the United States (i.e., "B-term delay"). If the patent takes longer than three years from the application filing date to grant, the life of the patent is extended one day for each day after the end of the 3-year period until the patent has issued. This 3-year guarantee is subject to the limitation of "any time consumed by continued examination of the application requested by the applicant." Prior to this decision, the USPTO interpreted the statute to read that the filing of any RCE would preclude any additional B-term delay. Thus, once an RCE was filed, an application would no longer be eligible for any B-term adjustment.

At issue in the Exelixis case was whether or not an application's patent term adjustment should be reduced by the time attributable to an RCE when the RCE is filed after expiration of the 3-year date from filing. The patent in question, 7,989,622, was filed on January 15, 2008. The 3-year date from filing was thus January 15, 2011. On April 11, 2011, Exelixis filed their first (and only) RCE. On April 27, 2011, the application received a Notice of Allowance and the application issued as a patent on August 2, 2011.

The USPTO awarded the '622 patent B-term delay for the period between January 15, 2011 and April 11, 2011. Exelixis argued, however, that the '622 patent should be awarded B-term delay from January 15, 2011 until the patent issued on August 2, 2011 because the RCE had been filed after the 3-year date. The District Court sided with Exelixis, ruling that the plain language of the statute states that the time devoted to an RCE tolls the running of the 3-year clock if filed prior to the 3-year date; however, the statute does not address the filing of an RCE after the 3-year date. As such, the District Court ruled that the time consumed by an RCE that is filed after the 3-year date should not be deducted from patent term adjustment. Put simply, if the first RCE that is filed during prosecution of an application occurs after the 3-year date, then B-term delay should not be reduced. Accordingly, the District Court awarded the '622 patent the amount of B-delay that occurred from January 15, 2011 until the patent issued on August 2, 2011.

The USPTO has not yet decided whether to appeal the decision; however, if you have a recently issued patent that was delayed by the USPTO for failure to issue within three years of the filing date of the application, you may benefit from a review by patent counsel.

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