



**Cantor Colburn Client Alert:
Court Ruling May Lead to Longer Patent Terms for Select Patents**

A recent district court decision may lead to longer patent terms for some recently-issued or future patents, and therefore would significantly impact filing strategy for requests for continuing examination (RCE). While this ruling is still subject to being overturned on appeal, we believe patent applicants should take action now to maximize the patent term of their patents and applications in their portfolios. Please let us know if you would like for us to review your patents and applications to determine if there is an opportunity to extend patent term. Time is of the essence on this issue as there are limited time periods for correcting the patent term in issued patents.

This decision may affect patents issued where an RCE was filed more than three years after the patent was filed with the USPTO; and applications where an RCE may be filed close to this three year date.

The *Exelixis, Inc. v. Kappos* district court decision allows for additional time to be added to the patent term adjustment (PTA) for certain types of cases. *Exelixis, Inc. v. Kappos*, Civ. No. 1:12cv96, 2012 WL 5398876, 2012 U.S. Dist. LEXIS 157762 (E.D. Va. November 1, 2012). The USPTO previously would not include any additional time due to examination of an RCE if the RCE was filed three years after the actual U.S. filing date. The district court held that this method of calculating PTA was incorrect. Therefore, the court held an RCE filed after the three year period has no impact on the PTA calculation. This ruling, which may be appealed to the Court of Appeals for the Federal Circuit, may lead to longer terms for affected patents.

Patent Term Adjustment

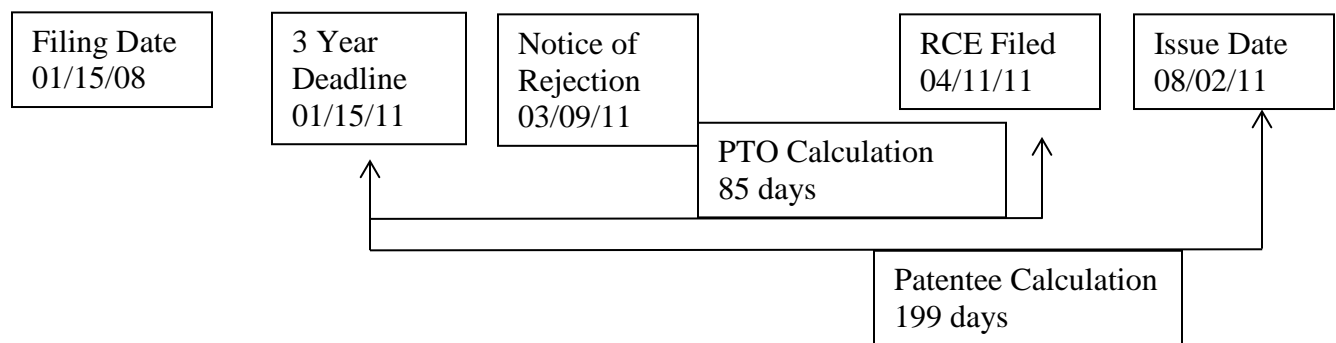
Patent terms are 20 years from the earliest filing date of a nonprovisional application. For national stage PCT filings under 35 USC 371(b), the PTA starts from the date the application is filed in the USPTO. PTA starts at three years after all national filing requirements have been completed, pursuant to 371(b). Patent terms can be adjusted due to delays by the PTO during the examination of the application. Subsection 154(b) of Title 35 governs the determination and measurement of PTA. 35 U.S.C. § 154(b)(1)(B). Paragraph (1) of this subsection, entitled “Patent term guarantees,” sets forth three general guarantees designed to expedite the application, prosecution, and examination process. This paragraph also describes the various categories of events that generate PTA, i.e., events that result in the extension of the patent term.

Subparagraph (B), entitled “Guarantee of no more than 3–year application pendency,” extends the patent term on a day for day basis “for each day after the end of that three year period until the patent is issued.” 35 U.S.C. § 154(b)(1)(B). Subparagraph (B) ensures that the patent prosecution and examination process proceeds expeditiously to preserve an approximately 17 year patent term measured from the date of issuance.

Certain events, such as time consumed by an RCE or by an applicant requested delay, are “not included” in the measurement.

In *Exelixis* (and a number of other pending lawsuits), the patentee and the USPTO disagreed as to whether these events are “not included” in the measurement of the guaranteed three year period (patentee’s position) or in the PTA calculation (the PTO’s position).

The difference in PTA is diagrammed below.



The PTO contended that there were 85 days of delay (thus adding an additional 85 days to the term of the patent). The PTO calculated this delay by subtracting the number of days attributable to the RCE, 114 days (April 11, 2011 to August 2, 2011), from 199 days (the number of days from the expiration of the three year period—January 15, 2008 to January 15, 2011—to the issuance of the patent on August 2, 2011).

Exelixis disagreed with the PTO’s decision to reduce the PTA by the RCE and argued instead that the proper delay calculation is 199 days, the number of days between the end of the § 154(b)(1)(B) guaranteed three year period (January 15, 2011) and the issuance of the patent (August 2, 2011).

The court agreed with the patentee:

In sum, the plain and unambiguous language of subparagraph (B) requires that the time devoted to an RCE tolls the running of the three year clock if the RCE is filed within the three year period. And, put simply, RCE’s have no impact on PTA if filed after the three year deadline has passed.

Exelixis, 2012 WL 5398876, at *8.

This decision, if not appealed, or if affirmed on appeal, will likely extend the PTA for any patent in which the PTO subtracted the delay due to an RCE filed after three years.

Options for Recalculation of PTA

A patent owner who may be affected by this decision can seek a recalculation of the PTA. There are two procedures for correcting PTA depending on when the patent was issued. Where the patent was issued within two months, a request for recalculation may be filed 37 CFR 1.705(d). For patents issued more than two months and fewer than 180 days, PTA corrections requiring the filing of a lawsuit in the Eastern District of Virginia 35 USC 154 (b)(4)(A).

For requests for reconsideration, it is not clear whether such a request will be granted at this time, but filing a request is highly advisable to preserve any rights a patentee would have to challenge the PTA calculation.

For Further Information and Assistance

The attorneys at Cantor Colburn LLP stand ready to answer any questions you may have about the new ruling and its impact on your portfolio. Please do not hesitate to contact us if you wish us to review your patents and applications to determine if there is an opportunity to extend patent term. Time is of the essence on this issue as there are limited time periods for correcting the patent term in issued patents. Please contact Jessica Lister, Director of Marketing at jlistner@cantorcolburn.com or 860-286-2929 ext. 1171.

Please note that each situation has its own unique circumstances and ramifications. This Client Alert is for informational purposes only and is not legal advice.