FEDERAL CIRCUIT HOLDS THAT USPTO HAS BEEN SHORTCHANGING ON PATENT TERM ADJUSTMENTS

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If you hold a patent that issued more than three years after filing, you should check to see if it is entitled to a greater patent term adjustment than was calculated by the United States Patent and Trademark Office (USPTO) at the time of issuance. On January 7, 2010, the Federal Circuit held that the USPTO has been misinterpreting the patent term adjustment (PTA) statute, 35 U.S.C. § 154. *Wyeth v. Kappos*, Appeal No. 09–1120, *aff'g, Wyeth v. Dudas*, 580 F. Supp. 2d 138 (D.D.C. 2008).

The adjustment statute provides guarantees of patent term by providing adjustments due to periods of delay by the USPTO. A patent is entitled to a one-day extension of its term for every day that issuance of a patent is delayed by a failure of the USPTO to comply with deadlines under § 154(b)(1)(A), e.g., the deadline of fourteen months for a first office action. Delays of this type are called "A delays." A patent is also entitled to a one-day extension for every day greater than three years after the filing date that it takes the patent to issue, with certain exclusions, under § 154(b)(1)(B). Delays of this second type are called "B delays."

The extensions for A delays and B delays are subject to a limitation concerning "overlap"—that "[t]o the extent that periods of delay attributable to grounds specified in paragraph (1) overlap, the period of any adjustment granted under this statute shall not exceed the actual number of days the issuance of the patent was delayed." §154(b)(2)(A). The USPTO has been granting adjustments for the greater of the A delays or the B delays, but not A + B delays. In the USPTO's view, the entire period during which an application is pending is the "B period" for purposes of identifying "overlap."

In *Wyeth*, the Federal Circuit held that the USPTO has been incorrectly using the greater of the "A" delay period or the "B" delay period under 35 U.S.C. § 154 to determine the appropriate adjustment, rather than combining the two. The Federal Circuit held that if an A delay occurs on one day and a B delay occurs on a different day, those two days do not "overlap" under section 154(b)(2).

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On January 21, 2010, the USPTO announced that it would not appeal the *Wyeth* decision. On January 29, 2010, the USPTO made available a form PTO/SB/131, which permits a no-fee request for recalculation of the PTA for patents issued before March 2, 2010. The form also includes a 180-day cut off from the issue date up through March 2, 2010, and 180 days prior to January 29, 2010 is August 2, 2009. *See* http://www.uspto.gov/forms/sb0131.pdf and http://www.uspto.gov/patents/announce/pta_wyeth.pdf.

Even after the USPTO's announcement of the no-fee request form for PTA MORE▸

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recalculation, several "*Wyeth*" suits have still been filed in the District of Columbia. At least some of these suits appear to be made as a cautionary measure to preserve rights because the USPTO has not acted yet on a request for PTA recalculation. *See e.g., Galderma Research & Development v. Kappos*, Civil Action No. 10–cv–00271 (filed February 19, 2010) ("Although Galderma has filed a Request for Recalculation at the Patent Office, it is filing this action because the USPTO's Federal Register at 75 FR 5044 states: 'Patentees are reminded this is an optional procedure, and that any patentee who wishes to preserve his or her right to review in the U.S. District Court for the District of Columbia of the USPTO's patent term adjustment determination must ensure that he or she also takes steps required under 35 U.S.C. 154(b)(3) and (b)(4) and 37 CFR 1.705 in a timely manner.'"); *Boehringer Ingelheim Pharma GmbH & Co. KG v. Kappos*, Civil Action No. 10–cv–00253 (filed February 18, 2010) ("The USPTO has not yet acted on Boehringer Ingelheim's Form SB/131 submission, which is a newly available option for administrative relief;" and "Boehringer Ingelheim submits this Complaint… thereby preserving its rights to judicial relief."). *See also Arius Two, Inc. v. Kappos*, Civil Action No. 10–cv–00225 (filed February 16, 2010); and *Merck Sharp & Dohme Corp.*, Civil Action No. 10–cv–00203 (filed February 5, 2010).

At least one other case against the USPTO is seeking to challenge the 180-day deadline. *See General Hospital Corp. v. Dudas*, Civil Action No. 09–cv–00109 (filed January 16, 2009). In *General Hospital*, the patent issued on May 6, 2008, which meant that an action filed in the District of Columbia was due November 2, 2008. The Complaint alleges that the district court's decision in *Wyeth* on December 24, 2008, "constituted a change in the law sufficient to invoke the doctrine of equitable tolling to allow for the filing of this complaint at this time." It remains to be seen whether this challenge will be successful. On April 16, 2010, the court administratively closed the *General Hospital* case, while a stay of the case remains in effect. ■