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PATENT LAW UPDATE

USPTO PATENT TERM CALCULATIONS HELD TO BE INCORRECT

February 22, 2010 – In *Wyeth v. Kappos*, No. 2009-1120 (Fed. Cir. Jan. 7, 2010), the Court of Appeals for the Federal Circuit ruled that the U.S. Patent and Trademark Office (“USPTO”) has been incorrectly calculating Patent Term Adjustment under 35 U.S.C. § 154(b), which extends the term of an issued patent to compensate for USPTO prosecution delays, and that Wyeth was therefore entitled to additional patent term.

Patent Term Adjustment was first introduced in 1999 as part of a change in the patent expiration date from seventeen years from patent issuance to twenty years from the earliest related patent application filing. Patent Term Adjustment was implemented as a way to compensate patentees for the anticipated USPTO delays that would have a net effect of giving patentees less than seventeen years of patent term after this change in the expiration date of newly issued patents. Particularly, section 154(b) of the Patent Act provides patentees with a Patent Term Adjustment of one day for each day of delay if, among other things, (A) the USPTO does not issue a first action (e.g., a first office action on the merits, a written restriction requirement or species requirement, etc.) from the USPTO within fourteen months of application filing and/or the USPTO does not respond to certain applicant actions within four months (“A delay”), and (B) a patent is not issued within three years from the actual application filing date (“B delay”). The Adjustment is subject to limitations set forth in the Act. The Act states that, when both the A delay and the B delay overlap, the Adjustment will not exceed the number of days the issuance of the patent was delayed.

Prior to the *Wyeth* decision, the USPTO was using the greater of the A delay and the B delay to determine the Patent Term Adjustment. For example, in *Wyeth*, the USPTO calculated the Patent Term Adjustment to be the number of days in the A delay because that number was greater than the number of days in the B delay. The Federal Circuit disagreed with the USPTO’s approach and held that no “overlap” occurs unless the A delay and the B delay occur on the same calendar day and that the B delay cannot start until three years after the application filing. Therefore, the A delay and the B delay only overlap when the A delay occurs during the B delay (i.e., when the A delay occurs after three years from the filing date). The Federal Circuit’s position differs from the USPTO’s approach because the USPTO’s calculation allows the overlap to start as early as the application filing.

Based on *Wyeth*, the USPTO is revising its software for calculating Patent Term Adjustment. The USPTO has indicated that it expects to complete its software revisions by March 2, 2010. In the meantime, the USPTO has provided an interim procedure for requesting a recalculation in

view of *Wyeth*. According to this procedure, a Request for Recalculation of Patent Term Adjustment must be filed no later than 180 days from patent issuance. It should be noted that this procedure is for patents issuing before March 2, 2010. For patents issuing on or after March 2, 2010, a patentee must file a Request for Recalculation under 37 C.F.R. § 1.705(d) within two months of the date the patent issued.

Accordingly, if you have a patent that issued during the last 180 days, or that will issue before March 2, 2010, it is important that you consider filing a Request for Recalculation of your Patent Term Adjustment. The added term can be significant in many cases.

If you have any questions regarding Patent Term Adjustment, please do not hesitate to contact us. Of course, we will be contacting our clients with issued patents to discuss their options in connection with this issue in the upcoming weeks.

The complete *Wyeth* opinion can be found at: <http://www.byrnepoh.com/pubs/09-1120.pdf>.

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