

Client Alert

April 2013

New Opportunities for Seeking Patent Term Adjustment Under the AIA

Technical corrections to the America Invents Act (AIA) of 2011 were enacted on January 14, 2013, and among these technical corrections are modifications to the criteria for calculating patent term adjustment (PTA) and to the process for correcting U.S. Patent and Trademark Office (PTO) errors in PTA. On April 1, 2013, the PTO issued interim rules to implement these changes. For applicants who may be entitled to PTA in patents, these changes streamline the process for challenging PTA determinations to allow for maximization of patent term.

As amended, Section 154(b)(1) of the U.S. patent laws provides that an applicant may be awarded a day-for-day term extension under the PTA calculation for PTO delay if: (A) the PTO fails to issue a first Office Action within 14 months of the filing date or the date of commencement of the national stage under Section 371(b) or (f), or fails to reply to a response within four months (A delay); (B) the PTO fails to issue a patent within three years of filing date under Section 111(a) or the date of commencement of the national stage under Section 371(b) or (f) (B delay); or (C) the time is consumed by a successful appellate review. See 35 U.S.C. § 154(b)(1); *see also* 37 C.F.R. § 1.702(b).

The statutory change and accompanying rules clarify that:

- The 14-month date for PTA is the filing date or the date of commencement of the national stage under 35 U.S.C. § 371(b) or (f). This harmonizes the start date for both the A delays and B delays, codifying the correction of the “Japan Tobacco error.”¹
- The three-year date for PTA is the actual filing date of the patent application under 35 U.S.C. § 111(a) or the date of commencement of the national stage under 35 U.S.C. § 371(b) or (f). This change eliminates any ambiguity on the calculation of the B delay.
- A single notice of PTA determination will be mailed no later than the date of the issuance of the patent. This eliminates the redundancy of two notices, one before grant and one after grant.
- A single request for reconsideration of PTA (Request) may be filed within two months of patent grant, but extensions of time under 37 C.F.R. § 1.136(a) are permitted. Patent holders may benefit from this change because a patent owner need only file a single challenge to PTA determination after patent grant, when all the possible PTA is known. Also, patent owners may now avail themselves of extensions of time that can push dates (similar to normal prosecution). Another advantage is in the situation of a new question of law concerning PTA determination. For example, if one party is challenging its PTA determination in court, and the court rules in favor of that party less than seven months after grant of another patent, this other patentee can still file a Request based on the first party’s successful challenge.

¹ The PTO practice was to begin the B Delay three years after completion of the requirements under 35 U.S.C. § 371(c) not 371(b) or (f) as required by the statute.

- A challenge to PTA by the PTO determination must be filed in U.S. District Court for the Eastern District of Virginia (EDVA) within 180 days *after* a decision by the PTO on a Request. Thus, patent owners must first exhaust administrative remedies before seeking judicial review.

Notably, the law change includes a “Catch 22” because under 35 U.S.C. § 154(b)(3)(C) a patentee may seek to reinstate PTA that was lost due to applicant delay if the applicant makes a showing that excuses the delay, but requires that the showing be made prior to the issuance of the patent. Under the law change, patentee would not be notified of the calculation of applicant delay until that deadline has passed, because the PTO will not provide its initial PTA determination until the patent issues. Therefore, the patentee may not be able to seek to challenge the determination of applicant delay in a timely manner, because it would not be provided this information within the time for filing a challenge. In order to avoid this situation, we recommend that applicants check the PTA tab on PAIR before paying the issue fee in any allowed application.²

Thus, for patent owners interested in preserving their PTA rights under the new rules, a Request may be filed with the PTO within two months of the patent grant, now extendible for an additional five months. It is recommended that patent owners file a Request with the PTO within two months of the patent grant to avoid increased extension of time fees, especially if they are interested in taking advantage of the pending *Exelixis* appeal.³

Hunton & Williams LLP lawyers are available to assist patent applicants in their efforts to maximize patent term, and we will work with our clients to take advantage of increased flexibility provided by these new rules.

Contacts

Laurence H. Posorske, Ph.D.
lposorske@hunton.com

Christopher J. Nichols, Ph.D.
cnichols@hunton.com

² Publicly available PTO electronic records database.

³ In *Exelixis v. Kappos I* the EDVA held that the filing of a Request for Continued Examination *after* the three-year date did not affect PTA.