



Wyeth v. Kappos: The New Calculation for Patent Term Adjustment

On January 7, 2010, the Federal Circuit affirmed the decision of a district court in *Wyeth* that the United States Patent and Trademark Office (“PTO”) has been miscalculating patent term adjustments granted due to PTO delays in patent prosecution.¹ In compliance with the *Wyeth* decision, on February 1, 2009, the PTO published an interim procedure for patentees to request a recalculation of a patent term adjustment.² Patent owners should be aware of the *Wyeth* decision and the newly available procedures and should consider reevaluating the patent term adjustment on plant or utility applications filed on or after May 29, 2000.³

I. Patent Term Guarantees - 35 U.S.C. § 154(b)

35 U.S.C. § 154(b) codifies the promise to reimburse an applicant for the patent term lost due to prosecution delays caused by the PTO. Section 154(b) provides three distinct guarantees: (A) the guarantee of prompt PTO responses (“A” guarantee); (B) the guarantee of less than a three year application pendency (“B” guarantee); and (C) the guarantee to make adjustments for delays due to interferences, secrecy orders, and appeals (“C” guarantee).

The A and B guarantees are both subject to the “overlap” limitation of 35 U.S.C. § 154(b)(2)(A), which limits the adjustment of A and B when they overlap. At issue in *Wyeth* was the interplay between the A guarantee, the B guarantee, and the overlap limitation.

II. The Old Calculation

From May 29, 2000 until *Wyeth*, the patent term adjustment calculation was based on the presumption that B delays can occur anytime after filing since A delays cause B delays, i.e., the PTO’s failure to respond to an application within 14 months of filing (A delay) would influence whether the patent issued within three years (B delay). Under this presumption, the PTO routinely chose the greater of the A or B delay and then subtracted the applicant delay to arrive at the patent term adjustment. For *Wyeth*’s U.S. Patent No. 7,179,892, there was 610 days of A delay, 559 days occurring before 3 years and 51 days occurring after the 3 years, and 345 days of B delay. There was also 148 days of applicant delay. Thus, the PTO calculated the patent term adjustment to be 462 days by choosing the greater of the A delay and the B delay (610 days) and subtracting the 148 days of applicant delay.

III. The New Calculation

In *Wyeth*, the Federal Circuit affirmed that the PTO was misapplying the overlap limitation of 35 U.S.C. § 154(b)(2)(A). The Federal Circuit reasoned there can be no B delay prior to the three year mark and thus no overlap until after 3 years from filing. Under this reasoning, *Wyeth*’s new patent term adjustment is 610 days of A delay added to 345 days of B delay, minus the 51 days of overlap and the 148 days of applicant delay, resulting in a patent term adjustment of 756 days.



Simply, the new formula for patent term adjustment is = (days of A delay) + (days of B delay) + (days of C delay) – (days of overlap of A and B delay) – (days of overlap of A and C delay) – (applicant delay). The A and B days of overlap are the number of B days minus the number of A days that occurred after 3 years.

IV. What This Means For You

Patents may be separated into 4 categories for purposes of evaluating and fixing an incorrect patent term adjustment. Each category requires an application filing date on or after May 29, 2000.

Group 1 – Group 1 includes applications that have received a notice of allowance but will not issue until after March 2, 2010. The applicant should review the patent term adjustment calculation for any *Wyeth* errors. Upon finding an incorrect patent term adjustment, the applicant may submit a request for reconsideration *on or before* payment of the issue fee.

Group 2 – Group 2 includes applications where the applicant has paid the issue fee but the patent will not issue until after March 2, 2010. The applicant should review the patent term adjustment calculation for any *Wyeth* errors. Upon finding an incorrect patent term adjustment, the applicant may submit a request for reconsideration under 37 C.F.R. § 1.705(d) within *2 months* of the date of issuance that complies with the requirements of 37 C.F.R. § 1.705(b)(1) and (2).

Group 3 – Group 3 includes patents issuing between August 1, 2009 and March 2, 2010. The PTO has instituted an interim procedure for recalculation of the patent term adjustment for patents within Group 3. This procedure does not require a fee and is currently active. The necessary form must be submitted no later than *180 days* after the patent has issued.⁴ This 180-day window makes the ability to adjust an incorrect patent term adjustment under the interim procedure very time sensitive.

Group 4 – Group 4 includes patent issued before August 1, 2009. Unfortunately, at this time there is no simple way to adjust an incorrect patent term adjustment. There is no interim procedure and there is no indication as to whether the PTO will provide for a retroactive fix for patents that fall into this Group. Some parties in Group 4 have filed lawsuits in an effort to correct the patent term adjustment. The affect of *Wyeth* on these lawsuits is still to be determined.

¹ *Wyeth v. Kappos*, No. 09-1120, 2010 U.S. App. LEXIS 300, 93 U.S.P.Q.2D (BNA) 1257 (Fed. Cir. 2010), *aff'g Wyeth v. Dudas*, 580 F. Supp. 2d 138 (D.D.C. 2008).

² 75 Fed. Reg. 5043.

³ See MPEP § 2710.

⁴ The form is available on the PTO website at <http://www.uspto.gov/forms/sb0131.pdf>.