

---

## *Federal Circuit Finds Patentees Entitled to Additional Patent Term Adjustment*

2014-01-21

In a pair of decisions on January 15, 2014, the Federal Circuit paved the way for many patent applicants to receive additional patent term. *Novartis AG et al. v. Lee*, No. 2013-1160 (Fed. Cir. 2014); *Exelixis, Inc. v. Lee*, No. 2013-1175, -1179 (Fed. Cir. 2014). The court adopted a statutory interpretation that allows for additional patent term adjustment for patents in which a request for continued examination (RCE) has been filed.

After the United States moved to a patent term of 20 years from the time of filing, patent term adjustment has been awarded under 35 U.S.C. § 154(b) to compensate patent applicants for time that would otherwise be lost from their patent term due to prosecution delays at the US Patent and Trademark Office (USPTO). In *Novartis* and *Exelixis*, the Federal Circuit found that in cases where an RCE has been filed to allow for further prosecution following a final rejection, the USPTO has been in part incorrectly calculating patent term adjustment.

Under § 154(b)(1)(B), "Guarantee of no more than 3-year application Pendency," a patent applicant is compensated for days the application is pending longer than three years. Certain exclusions apply, including "any time consumed by continued examination of the application requested by the applicant under section 132(b)." The USPTO had interpreted this provision to cut off patent term adjustment after the filing of an RCE.

The court agreed with the USPTO that "no adjustment time is available for any time in continued examination, even if the continued examination was initiated more than three calendar years after the application's filing." *Novartis*, Slip Op. at 13. However, the court agreed with *Novartis* that an applicant is entitled to patent term adjustment based on time between allowance and issuance, even following continued examination. *Id.* at 15. The court explained that "patent term adjustment time should be calculated by determining the length of time between application and patent issuance, then subtracting any continued examination time...and determining the extent to which the result exceeds three years." Slip Op. at 14.

Under § 154(b)(4), "Appeal of patent term adjustment determination," a patent applicant can file a civil action (now in the Eastern District of Virginia) within 180 days "after the date of the Director's decision on the applicant's request for reconsideration." The *Novartis* court found that the 180-day

statutory time limit applied to both provisional and final patent term adjustment determinations, and therefore barred claims challenging the USPTO's patent term adjustment determinations for many of the patents-in-suit. Slip Op. at 9-11. However, the decision will benefit patent applicants moving forward.

Read the opinions [here](#) and [here](#).

---

## *Contributors*

---



**Donald R. Steinberg**

PARTNER

---



**Emily R. Whelan**

PARTNER

---