WILMERHALE

Federal Circuit Affirms Decision Granting Patentees Additional Patent Term

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Yesterday the Federal Circuit issued its much-awaited decision in Wyeth v. Kappos. The Court affirmed the decision of the D.C. District Court granting summary judgment in favor of patentees challenging the U.S. Patent and Trademark Office's (PTO) calculation of patent term adjustment under 35 U.S.C. § 154(b). Under that provision, the term of a patent is extended to compensate for certain PTO delays in prosecuting the patent application.

At issue in this case were two types of PTO delay established in § 154(b)(1): so-called "A delay" and "B delay." "A delay" is defined as delay by the PTO in meeting statutory deadlines during prosecution, such as deadlines to mail office actions. "B delay" arises when the PTO does not issue a patent within three years from the filing date of an application. Under the statute, the term of a patent is extended by one day for each day of "A delay" and "B delay," with one important caveat central to this case: "[t]o the extent that periods of ["A delay" and "B delay"] overlap, the period of any adjustment granted under this subsection shall not exceed the actual number of days the issuance of the patent was delayed." 35 U.S.C. § 154(b)(2)(A).

The question before the Federal Circuit was whether the patentee is entitled to only the longer of the two periods (the PTO's position) or to a

combination of the two (as urged by Wyeth and Elan).

In determining whether A delay and B delay "overlap," it has been the PTO's practice to consider "B delay" as starting when an application is filed, rather than three years from the filing date. Thus, according to the PTO, any "A delay" necessarily overlaps with a "B delay," and the overall prosecution delay is the greater of the "A delay" or the "B delay," but never the combination of the two.

The Federal Circuit agreed with the district court that the PTO's interpretation is contrary to the plain language of the statute. The Federal Circuit said that § 154(b) "makes it clear that no 'overlap' happens unless the violations occur at the same time." Further, "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)." Thus, "[s]ection 154(b)'s language is clear, unambiguous, and intolerant of the PTO's suggested interpretation. For that reason, this court accords no deference to the PTO's greater-of-A-or-B rubric."

Thus, except to the extent that days actually overlap, an applicant is entitled to an adjustment equal to the sum of A delay plus B delay.

Following the district court's decision in this case, many patent applicants and patentees filed petitions with PTO and civil actions against the PTO challenging patent term adjustment determinations that had been calculated using the PTO's "greater-of-A-or-B" framework. Many of the petitions have been denied or held in abeyance, and many of the civil actions have been stayed, pending the Federal Circuit's decision.

We all await the PTO's action in complying with this decision.

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