

# **Patent Term Extension: What to do and what to avoid**

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## **I. Introduction**

As all patent practitioners know, under the Trade-Related Aspects of Intellectual Property Rights (TRIPs) of General Agreement on Trade & Tariffs (GATT), a great change was brought about to the term of an issued utility or plant patent. The old certainty of 17 years from the date of issue, no matter how long the pendency of the application, was replaced by a term that began on the issue date of the patent and ran for 20 years from the earliest effective filing date of the application that matured into the patent. The Uruguay Round Agreements Act (URAA)<sup>ii</sup> amended 35 U. S. C. 154 to reflect this change. True, as amended, 35 U. S. C. 154(b) contained provisions for extending the term of a patent for any of the following three reasons: interference delay, secrecy orders and a successful (from the applicant's point of view) appellate review by the Board of Patent Appeals and Interferences or a Federal court. Any allowable extension, however, was limited to a maximum of 5 years, required that the patent-in-question not be subject to a terminal disclaimer and was reduced by the period of time during which the applicant for patent did not act with due diligence, as determined by the Commissioner. URAA contained no remedy for lack of due diligence on the part of the Patent and Trademark Office. The Act was definitely intended to move the practitioner but not the examiner.

Then came the American Inventors Protection Act of 1999(AIPA)<sup>iii</sup> which amended 35 U. S. C. 154(b) to bring more equity and balance to the reasons that can give rise to patent term extensions. Changes were made to 37 C.F.R. Chapter 1, Subchapter A, Part 1, Subpart F. Many of the reasons added by the AIPA deal with administrative delays occurring at the PTO. Further, there is no maximum limitation to the length of extension allowable. This removes the injustice of having one's patent term truncated due to reasons entirely outside of the applicant's or the practitioner's control. Also, gone are the requirements of no terminal disclaimer and the minimum appeal pendency of three years as criteria for patent term adjustment for a successfully appealed application. The allowed adjustment is an extension, subject to limitations, of the patent term by one (1) day for each day of delay caused by reasons listed in 35 U.S.C 154 (b)(1).

## **II. The American Inventors Protection Act of 1999**

The patent term adjustment provisions of this Act came into effect as of May 29, 2000 and apply to all patents issuing from utility and plant applications, including continued prosecution applications, divisional and

continuation-in-part applications, filed on or after that date. During the prosecution of the application, the dates of various events, some of which may trigger an extension of the patent term or cause a reduction in the period of the extension, are kept track of by Patent Application Location and Monitoring (PALM), an automated patent application information system at the Patent and Trademark Office. Each patent issuing from a utility or plant application filed on or after May 29, 2000 has an indication of the patent term adjustment on the front page after the inventor or any assignee data. However, the practitioner's first encounter with a patent term adjustment occurs with the receipt of the Notice of Allowance and Issue Fee Due (PTOL-85). There, the initial adjustment will be notated in terms of 0 to any number of days. The final adjustment is calculated when the issue date of the patent is known and noted on the Issue Notification. Between the initial and final adjustments, the applicant has one opportunity to request reconsideration of the initial determination. After the patent issues, the patentee has thirty days after the date of issue to request reconsideration of the patent term adjustment. The only allowable ground for this after-issue reconsideration is that the patent was issued on a date (usually later) other than the issue date projected by the Notice of Allowance. Design applications and Requests for Continued Examination (RCE) of applications that were filed before May 29, 2000 are not eligible for patent term adjustment under the AIPA.

A. Reasons Giving Rise to Patent Term Extension:

- III. The USPTO fails to take required actions relative to an application within specified time limits. The required actions are:
  - IV. providing the initial Office Action on the merits, restriction or species election requirement or requirement for information within fourteen (14) months of filing or national stage entry date.
  - V. responding to a reply or appeal within four (4) months of the date the reply was filed or appeal taken.
  - VI. acting on the application within four (4) months after a decision by the Board of Patent Appeals and Interferences or a Federal court, which leaves at least one allowable claim in the application.
  - VII. issuing a patent within (4) months after payment of the issue fee and satisfaction of all outstanding requirements, whichever is later.
- VIII. The USPTO fails to issue a patent within three (3) years of the actual filing date of the application. But any time spent in continued examination requested by the applicant, any applicant-requested delays, interference proceedings, secrecy order or

appellate review either by BPAI or a Federal court does not count toward tolling this three (3)-year period.

- IX. Delays occurred due to interferences, secrecy order imposition or a successful appellate review.

Factors Limiting Patent Term Adjustment:

- 1) In cases of overlapping delays based on concurrent reasons, no extension is allowed beyond the actual number of days delayed. i.e. The numbers of delay days attributable to the multiple reasons are not cumulative.
- 2) No extension is allowed beyond the date set in a terminal disclaimer.
- 3) The adjustment period is reduced by the length of the time period during which applicant failed to engage in reasonable efforts- due diligence- to conclude prosecution of the application.

**X. Do's and Don'ts for the Practitioner to Avoid Reduction in Patent Term Adjustment**

A. Do:

- 1) Reply to any Office action within three (3) months from the mailing date of the action. The period for reply set in the Office action has no effect on the calculation of any patent term adjustment.
- 2) Use Express Mail or facsimile to file papers.
- 3) Submit a complete reply, addressing all aspects of the Office action.
- 4) Submit any amendment or paper well in advance of one (1) month before an Office action or notice of allowance that requires the mailing of a supplemental Office action or notice of allowance.
- 5) If a provisional application has been filed, then file a non-provisional application that claim benefit of the provisional application, rather than converting the provisional to a non-provisional.
- 6) Frequently check the Patent Application Location and Monitoring (PALM) system to assure that submitted papers are accorded proper dates.
- 7) Carefully check any initial patent term adjustment and, if necessary, file a request for reconsideration with or before payment of the issue fee, stating the correct adjustment, the bases for the adjustment, yes or no terminal disclaimer and any pertinent statement regarding applicant's failure to engage in reasonable efforts to conclude prosecution.
- 8) Request reinstatement of any period reduced due to failure to reply within three (3) months. Show, to the satisfaction of the Commissioner, that the failure occurred "in spite of all due care."

- 9) File a request for reconsideration within thirty (30) days of patent issue to correct an erroneous patent term adjustment appearing on the patent.
- 10) File a civil suit under 35 U.S.C.154 (b)(4)(A) against the Director in the United States District Court for the District of Columbia within 180 days after the patent issue if dissatisfied with the patent term adjustment determination.

**B. Don't:**

- 1) Request suspension of action or deferral of issuance of a patent unless necessary.
- 2) Abandon the application.
- 3) Fail to file a timely petition to withdraw an improper holding of abandonment.
- 4) Convert a provisional to a non-provisional application.
- 5) Submit a supplemental reply or paper unless requested by the Examiner
- 6) Submit an amendment after a notice of allowance.
- 7) Count on the date of the certificate of mailing to be used in calculating the patent term adjustment. The date of receipt at the PTO is used for the calculation.

#### **IV Conclusion**

The American Inventors Protection Act of 1999 placed on the PTO the requirement for more predictable and prompt service to the inventor, thereby ameliorating the potentially term-shortening effect of the Uruguay Round Agreements Act. There are quantifiable consequences, in the form of patent term adjustments, to the PTO's failures to act on a pending application within specified times. However, due to the reductions to patent term adjustment that can arise from lack of due diligence on the part of the applicant, the practitioner has to be ever more vigilant during the prosecution of an application if he/she is to provide fully competent service to the applicant and not suffer the loss of any part of the life of the issued patent.

The path to the final determination of term adjustment may at times be torturous which makes it imperative that the practitioner monitor closely the various events and their dates during the pendency of an application.

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<sup>ii</sup> Public Law 103-465 (December 8, 1994).

<sup>iii</sup> Public Law 106-113 (November 29, 1999).