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## PTO Term Adjustment Tweak May Extend Protections

By **Melissa Lipman**

*Law360, New York (July 23, 2009)* -- The U.S. Patent and Trademark Office has admitted that it has been incorrectly calculating patent term adjustments for patents issuing from the national stage filings of international applications and plans to change its formula, a move that could yield another three to 12 months of exclusivity for patent holders.

The PTO conceded that it had been setting adjustments for the patents resulting from 371 national stage filings based on the date that applicants completed their 371(c) requirements — such as the inventor's oath or declaration — instead of starting from when the national stage commenced or 30 months from the earliest priority date of the international application, Fish & Richardson PC attorney Jack Brennan said Thursday.

The firm announced Wednesday that the PTO had decided to extend the patent adjustment term for a patent belonging to Fish's pharmaceutical client Japan Tobacco Inc. from 653 days to 811 days based on the calculation error.

At issue are the so-called national stage filings of international patent applications filed under the Patent Cooperation Treaty, which allows inventors to lodge one international application that can then be used to open the national process in member countries including the United States.

The PTO has based its patent term adjustments for the 371 filings on the date that applicants submitted all of their 371(c) requirements. But inventors often submit the 371 applications without all of those components and then receive a notice from the patent office several months later alerting the inventor as to what items are missing from the application, according to Brennan.

As a result, the date applicants have completed the 371(c) requirements is often three months to a year later than the commencement date based on the earliest priority date

of the international application, meaning the PTO's concession that it should use the earlier date could produce significant term extensions for many patentees, Brennan said.

Fish challenged the term adjustment Japan Tobacco received in December 2008, arguing that the patent office should instead calculate the term based on the date of commencement as required under the law. The PTO agreed in a mid-June decision, resulting in an extra 158 days of patent term for the company.

But the patent office did decline to grant the full 1,322-day extension Fish had sought based on *Wyeth v. Dudas*. That decision held that the so-called A-delays — which occur when the PTO fails to meet certain deadlines during patent prosecution — and B-delays — which happen whenever the agency takes more than three years to issue a patent — only overlap if the two delays took place on the same day.

In December, the patent office appealed the district court ruling in that case to the U.S. Court of Appeals for the District of Columbia Circuit.

Regardless of the result in that case, the error the PTO conceded in the Japan Tobacco proceedings will still result in longer patent term adjustments in most cases, Brennan said.

Brennan noted that though the PTO's petitions attorney told him the agency plans to eventually correct the way it calculates the term adjustments for the national stage filings, it remains unclear when such a change might happen.

"We don't have any reason to expect the PTO has changed their internal systems to catch this error yet," Brennan said.

So in the meantime, patentees who have received patents within the last two months or those whose patents issue going forward should check the agency's calculation and request correction as necessary, Brennan said.

A representative for the USPTO could not be immediately reached for comment Thursday.

The patent-at-issue is U.S. Patent Number 7,465,444, which deals with a way to treat or suppress inflammatory bowel disease.