

On January 15, 2014 the US Court of Appeals for the Federal Circuit issued an opinion in *Novartis v. Lee* that will impact the term of many US patents.

Before the court was the issue of how the filing of a Request for Continued Examination (RCE) affects the amount of Patent Term Adjustment (PTA) awarded to a patent. Applicants for patents will often file an RCE in order to have claim amendments and additional remarks considered after the issuance of a Final Office Action.

35 USC 154(b)(1)(B)(i) provides a guarantee of no more than three years of patent pendency at the US Patent and Trademark Office (USPTO). If the USPTO fails to issue the patent within three years, the term of the patent is extended one day for each day after the end of the three-year period, not including any time consumed by continued examination of the application requested by the applicant. In interpreting 35 USC 154(b)(1)(B)(i), the court found that the filing of an RCE cuts off the amount of time extended from the filing of a first RCE until a Notice of Allowance is issued.

Under the court's interpretation, the amount of PTA due under 35 USC 154(b)(1)(B)(i) is calculated according to the following formula:

$$\begin{aligned} \text{[PTA under 35 USC 154(b)(1)(B)(i)]} &= \text{[Number of days from application} \\ &\quad \text{filing to patent issuance]} - \text{[3 years]} \\ &\quad - \text{[Number of days from RCE filing to} \\ &\quad \text{issuance of a Notice of Allowance]} \end{aligned}$$

Under the new formula, applicants will be awarded PTA from the issuance of a Notice of Allowance to the patent issue date, which was not previously included in the PTA calculated by the USPTO. In many cases it will be an additional three months or more of patent term.

Applicants can request reconsideration of the USPTO's calculation of PTA by filing an Application for Patent Term Adjustment within two months of patent issuance. This two month period is extendible up to seven months.

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