

The USPTO May Be Miscalculating Patent Term Adjustments

WRITTEN BY

Tate L. Tischner | Olivia K.T. Block | Ann Slade

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The U.S. Patent and Trademark Office released a final rule on June 16, 2020, to revise how it calculates patent term adjustment.[1] But the USPTO's PTA algorithm does not yet fully account for its final rule.

Patent applicants may be entitled to additional or less PTA than what the USPTO has calculated and it is an applicant's responsibility to seek PTA corrections.

What Are PTAs?

In general, a U.S. patent is afforded a 20-year statutory term calculated from its earliest nonprovisional filing date, so any delay by the USPTO in examining a patent application could deny a patentee enforceable patent term at the front end.

PTA is added to the back end of a patent's statutory term to compensate for this delay. Any PTA arising from USPTO delay is reduced by examination delay caused by an applicant.

The USPTO makes PTA calculations using an internal algorithm. Qualifying USPTO delay is codified under Title 35 of the U.S. Code, Sections 154(b)(1)(A)–(C). Excluding certain overlaps, one day of PTA may be added to the patent's term for each day the USPTO fails to act within certain statutory time periods.

Offsetting applicant delay is codified under Title 35 of the U.S. Code, Sections 154(b)(2)(C)(i)–(iii). Assuming PTA from USPTO delay exists, one day of PTA is subtracted from the PTA calculation for each day the applicant fails to take action beyond certain shortened statutory periods.

Upon allowance of a patent application, the USPTO calculates PTA and notifies the applicant of its determination in an issue notification letter sent after payment of the issue fee and approximately three weeks before a patent issues.

Notice of the PTA also appears on the Patent Application Information Retrieval and Patent Center portals.

What Is Causing PTA Miscalculations?

Most applicants likely assume that the noticed PTA is correct, but a careful review of a PTA determination may reveal calculation errors. This is because the USPTO's PTA algorithm has not yet been updated to reflect the 2020 final rule changes to PTAs, and this may be especially true when an applicant filed documents after receiving a notice of allowance.

On June 16, 2020, in response to the U.S. Court of Appeals for the Federal Circuit's 2019 *Supernus Pharmaceuticals Inc. v. Iancu* decision, the USPTO published a final rule revising how it calculates PTA. The rule applies to original plant and utility patent applications filed on or after May 29, 2000, in which a notice of allowance was mailed on or after July 16, 2020.

Among other things, the final rule revises the PTA calculation in an applicant's favor for actions taken by the applicant after the mailing of a notice of allowance. For example, an applicant's submission of an amendment under Title 37 of the Code of Federal Regulation, Section 1.312, is not considered applicant delay if filed in response to a USPTO request within three months.

The filing of other papers after a notice of allowance, such as a response to an examiner's statement of reasons for allowance, a request to correct an error or omission in a notice of allowance, or a communication on the substance of an interview where the interview resulted in a notice of allowance are also not considered applicant delay. See page 36339 of the final rule for additional examples.

Of note, these new exclusions to applicant delay are not registering with the USPTO's current PTA algorithm. Thus, the USPTO's PTA calculations do not currently fully account for the rule change to Title 37 of the Code of Federal Regulation, Section 1.704(c)(10).

We are aware of several instances where PTA was miscalculated where documents were filed after a notice of allowance was received. In these instances, there were miscalculations that both granted more PTA and less PTA than warranted under the 2020 final rule.

We confirmed PTA miscalculations for two separate patent applications in two separate phone calls with a senior legal adviser at the USPTO's Office of Patent Legal Administration on March 8, 2022. In those calls, the USPTO advised us that the PTA algorithm has not yet been updated for the 2020 final rule.

At least until the USPTO's PTA algorithm is updated, applicants need to confirm PTA calculations because a miscalculation may deny a patentee valuable term at the back end of a patent or give more term than entitled. Indeed, in view of the duty of candor, applicants may be required to confirm PTA calculations.

According to Section 2733 of the Manual of Examining Procedure:

If a registered practitioner receives a patent term adjustment ... that is longer than expected, the practitioner may disclose the error to the Office in a letter in compliance with the practitioner's duty of candor and good faith in practice before the Office.

With over 15,000 granted patents receiving PTA in January 2022 alone — of the 28,387 patents granted in January — USPTO PTA determinations for your recently issued patent may be inaccurate.

How to Catch and Correct PTA Miscalculations

It is possible to detect PTA miscalculations by closely reviewing the PTA tab in the Patent Application Information Retrieval system. It is best to double-check each relevant date and perform independent calculations to make sure the PTA calculated by the USPTO is consistent with the current rules.

The recent miscalculations discussed in this article arose in cases where documents were filed by the applicant after receiving a notice of allowance. Special attention to that situation is warranted until the USPTO PTA calculation algorithm is updated.

If your PTA calculations are inconsistent with the USPTO's calculations, a legal adviser at the USPTO's Office of Patent Legal Administration can be contacted for consultation.

Correction of a PTA miscalculation is sought through a petition based on Title 37 of the Code of Federal Regulations, Section 1.705(b). Petitions must be filed within two months of the issue date of the patent — with five months of extensions available upon payment of extension fees.

The USPTO currently takes about seven months to make a decision on a petition, according to recent statistics.[3]

[1] <https://www.govinfo.gov/content/pkg/FR-2020-06-16/pdf/2020-11786.pdf>.

[2] (85 Fed. Reg. 36335).

[3] <https://www.uspto.gov/dashboard/patents/petitions.html>.

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