



COMMENTARY  
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## Supernus: Federal Circuit Provides Clarity on USPTO Discretion on Patent-Term Adjustment Calculations

### IN SHORT

**The Situation:** The USPTO took a long time to issue Supernus's patent application. Although Supernus would otherwise have been entitled to significant patent term adjustment, the USPTO ruled that the accumulated term should be reduced by nearly two years because Supernus filed a supplemental information disclosure statement ("IDS") nearly two years after it filed a request for continued examination of a pending application ("RCE"). That is a seemingly normal fact pattern and a seemingly normal result. The hitch, and the basis for Supernus's appeal, was that Supernus filed the supplemental IDS to inform the USPTO about a document that did not exist when Supernus filed its RCE. It only came into existence 100 days before Supernus filed its IDS. Supernus therefore believed it should not lose more than 100 days of its accumulated term.

**The Result:** The Federal Circuit agreed with Supernus and ruled that Supernus's accumulated term could not be reduced by more than the 100 days between when the document came into existence and when Supernus filed its IDS.

**Looking Ahead:** If the USPTO wants to reduce a patentee's accumulated patent-term adjustment based on the patentee's delay, it needs to show that the patentee could have avoided the delay with reasonable efforts.

Although calculating patent-term adjustment can be remarkably technical, knowing how to properly calculate the term—rather than just relying on the calculation by the USPTO—can be very important. The Federal Circuit recently gave Supernus almost a year and a half of extra patent term, beyond what the USPTO had initially calculated. The *Supernus* decision, [Supernus Pharmaceuticals, Inc. v. Iancu](#), No. 17-1357 (Fed. Cir. Jan. 24, 2019) significantly limits the USPTO's discretion in calculating patent term adjustment when it conflicts with the patent-term adjustment statute.

Normally, patents expire twenty years after the earliest U.S. filing date for their non-provisional patent application. However, because it would be unfair for a patentee to lose their significant term based on delay by the USPTO, Congress enacted a law requiring the USPTO to adjust the term to account for various delays. See 35 U.S.C. § 154(b)(1) for reference. The statute, however, provides that the patentee can lose accumulated term "equal to the period of time during which the applicant failed to engage in **reasonable efforts** to conclude prosecution of the application," § 154(b)(2)(C)(i) (emphasis added).



By implication, when the statute allows the USPTO to reduce term for an applicant's failure to engage in 'reasonable efforts,' it is forbidding the USPTO from reducing term under any other circumstance.



Only a small portion of the complicated prosecution history is relevant here. On February 2, 2011, Supernus filed a Request for Continued Examination ("RCE"). 546 days later, on August 21, 2012, the European Patent Office ("EPO") sent Supernus a third-party opposition on a

related application. 100 days after that, on November 20, 2012, Supernus filed a supplemental information disclosure statement ("IDS") with the USPTO that included the EPO opposition. Ultimately, Supernus's patent was issued.

The issue was the amount of adjustment to which Supernus was entitled. The USPTO concluded that it was responsible for a delay of nearly six years in examining Supernus's patent, but it reduced the accumulated term by more than two years. Of that reduction, 646 days came from the period between the date Supernus filed the RCE and the date it filed the supplemental IDS.

Supernus appealed. It conceded that it was responsible for the 100 days between when it received the EPO opposition and when it submitted the supplemental IDS, but it argued that it could not be faulted for not submitting an EPO opposition that did not yet exist. Accordingly, it believed that it should not lose any adjustment based on the 546 days between when it filed its RCE and when the EPO sent it the opposition. The USPTO argued that the statute was ambiguous, and, under *Chevron*, the USPTO deserved deference when deciding what does or does not count as a "reasonable effort."

The Federal Circuit agreed with Supernus. By implication, when the statute allows the USPTO to reduce term for an applicant's failure to engage in "reasonable efforts," it is forbidding the USPTO from reducing term under any other circumstance. No "reasonable efforts" could have allowed Supernus to file a supplemental IDS on an EPO opposition that did not yet exist, so the USPTO was without authority to reduce Supernus's adjustment for the time before the EPO sent the opposition.

## TWO KEY TAKEAWAYS

1. Calculating patent term adjustment is very complicated. If the patent term is valuable, do not blindly assume the USPTO calculated it correctly. It can make mistakes—here amounting to more than a year of term.
2. A patentee can lose otherwise available patent term adjustment for not acting reasonably. But the USPTO cannot simply take away term in order to make bright-line rules.



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