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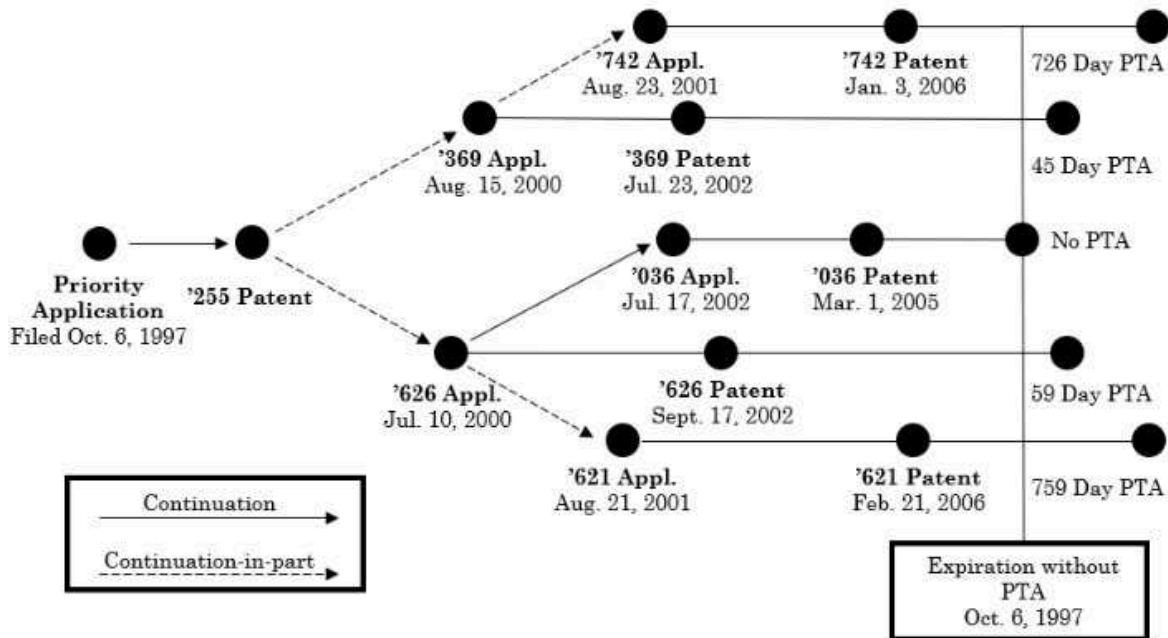
## **PATENT TERM ADJUSTMENT TAKES A HIT IN COLLECT DECISION**

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Recently, the Federal Circuit addressed a significant issue of first impression with respect to obviousness-type double patenting (ODP), holding that ODP applies to patent claims that claim priority to the same application and have different expiration dates due only to patent term adjustment (PTA).

The case involves several Collect patents ('369, '742, '626, '621, and '036) related to image sensors in personal digital assistants and phones. These patents are in a single patent family with a shared priority claim and 20-year expiration date. However, the patents received varying amounts of PTA due to delay in examination by the U.S. Patent Office. After Collect sued Samsung for infringement, Samsung requested *ex parte* reexamination of Collect's patents, asserting that they were unpatentable for ODP over earlier-expiring family members. The examiner agreed in each of the reexaminations and the Patent Trial and Appeal Board (the "Board") affirmed the unpatentability findings.



On appeal, Collect argued that PTA should be treated like patent term extension (PTE) for purposes of considering ODP, citing *Novartis v. Ezra*.<sup>[1]</sup> In *Novartis*, the Court held that PTE can be applied to a terminally disclaimed patent and that PTE extends disclaimed patents from the date resulting from the terminal disclaimer. Collect stressed that, based on *Novartis*, a statutorily mandated extension should not be reduced by a judge-made doctrine like ODP.

The Federal Circuit affirmed the Board, noting the "distinct purposes"<sup>[2]</sup> of PTE and PTA. Specifically, PTE is applied to a single patent to compensate for regulatory delay during FDA approval, whereas PTA is applied for delay by the Patent Office. Pointing to statutory language under 35 U.S.C. § 154 for PTA that differs from the provisions in § 156 for PTE, the Federal Circuit concluded that "ODP for a patent that has received PTA, regardless whether or not a

terminal disclaimer is required or has been filed, must be based on the expiration date of the patent after PTA has been added.”[3]

Finally, although holding the issue forfeited in this case, the Federal Circuit commented on the issue of “retroactive”[3] terminal disclaimer, observing that “terminal disclaimer is not an escape hatch to be deployed after a patent expires.”[4] Because the challenged patent claims had already expired, terminal disclaimer could not be used to cure the ODP issue.

This decision underscores the significance of ODP and the importance of properly managing large patent families and/or portfolios of patents with different terms. Patent applicants should continue to employ strategies to mitigate ODP risk, such as invoking restriction requirements and filing divisional applications, which are protected by the 35 U.S.C. § 121 safe harbor. Applicants must now carefully consider the consequences of whether and when to file a terminal disclaimer. Applicants should also be discerning about whether to file continuing applications and which claims to pursue in such applications, especially if PTA could be involved, given the potential ODP impact.

[1] *Novartis AG v. Ezra Ventures LLC*, 909 F.3d 1367 (Fed. Cir. 2018).

[2] *In re: Collect, LLC*, No. 2022-1293 (Fed. Cir. 2023), p. 18.

[3] *In re: Collect, LLC*, No. 2022-1293 (Fed. Cir. 2023), pp. 20-21. *See also* 35 U.S.C. § 154(b) (2)(B) (“No patent the term of which has been disclaimed beyond a specified date may be adjusted under this section beyond the expiration date specified in the disclaimer.”).

[4] *In re: Collect, LLC*, No. 2022-1293 (Fed. Cir. 2023), p. 25.

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