

Examination Delay Earns Patent Term Adjustment Only In One Application

Article By:

Courtenay C. Brinckerhoff

In *Mohsenzadeh v. Lee*, the Federal Circuit affirmed the district court's decision that the USPTO's delay in issuing a Restriction Requirement in a parent application does not earn Patent Term Adjustment (PTA) for the ensuing divisional applications. Thus, while Mr. Mohsenzadeh's parent application earned 1,476 days of "A Delay" for a late Restriction Requirement, his divisional applications did not.

The USPTO Delay At Issue

The patents at issue are U.S. Patent 8,352,362 and U.S. Patent 8,401,963, directed to methods of transferring resources from one entity to another, and related methods. These two patents stemmed from divisional applications of U.S. Patent 7,742,984.

The patent application that issued as the parent '984 patent (the "parent application") was filed July 6, 2001 and issued June 22, 2010. The USPTO awarded 2,104 days PTA to the '984 patent, including 1476 days of "A Delay" for the USPTO's failure to issue a first Office Action within 14 months of the application's filing date.

The first Office Action issued in the parent application was a Restriction Requirement mailed September 21, 2006, **1476 days** after 14 months after the application was filed. The patent applications that issued as the '362 and '963 patents were filed on January 8, 2010. The '362 patent was issued on January 8, 2013, and the '963 patent was issued on March 19, 2013. The USPTO did not award any PTA to those patents.

Mr. Mohsenzadeh argued that the PTA calculations for the '362 and '963 patents should include the 1476 days of USPTO delay in issuing the Restriction Requirement in the parent application, because it is that Restriction Requirement that necessitated the filing of the applications that issued as the '362 and '963 patents.

The District Court Decision

The district court granted summary judgment in favor of the USPTO (and against Mr. Mohsenzadeh) for two reasons. First, the court determined that the language of the PTA statute (35 USC 154(b))

“plainly and unambiguously” only provides for PTA for delays that occurred during prosecution of the application from which the patent issued. Alternatively, the court found that to the extent the language of the PTA statute is ambiguous, the USPTO’s longstanding interpretation of the statute as set forth in 37 C.F.R. §§ 1.702, 1.703, and 1.704(c)(12), is “reasonable and entitled to some deference.”

The Federal Circuit Decision

The Federal Circuit Decision was authored by Judge Reyna and joined by Judges Moore and Schall.

The Federal Circuit focused on the plain language of the PTA statute, and quickly disposed of Mr. Mohsenzadeh’s arguments:

The language of the provision of the patent term adjustment statute at issue, 35 U.S.C. § 154(b)(1)(A), clearly shows that Congress intended delay in the prosecution of an application to be restored to a single patent, the patent issuing directly from that application. In other words, the term of any patent arising from a continuing application is not restored for delay in the prosecution of the parent patent’s application.

The Impact Of Patent Term Adjustment

The district court decision includes this chart comparing the enforceable patent terms of the patents at issue:

As reflected in this chart, even though all of the patents had the same 20-year term, the '984 patent had a much longer enforceable term because of the PTA award and also because the divisional patents were filed several years later. Indeed, although the district court made note of it, the Federal Circuit did not comment on Mr. Mohsenzadeh's decision to wait to several years after the Restriction Requirement to file the divisional applications.

Although this decision is not surprising, it does underscore the potential importance of which "invention" is elected for prosecution pursuant to a Restriction Requirement, especially one that is issued "late." Often the first application in a family undergoes a longer prosecution than its divisional and continuation applications, creating the potential to earn significant PTA.

© 2025 Foley & Lardner LLP

National Law Review, Volume V, Number 181

Source URL: <https://natlawreview.com/article/examination-delay-earns-patent-term-adjustment-only-one-application>