

FILED

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

2013 MAY 30 P 12:34

CLERK US DISTRICT COURT
ALEXANDRIA, VIRGINIA

THE REGENTS OF THE UNIVERSITY
OF CALIFORNIA,
1111 Franklin Street
Oakland, California 94607,

Plaintiff,

v.

HON. TERESA STANEK REA,
Acting Under Secretary of Commerce for
Intellectual Property and Acting Director of the
United States Patent and Trademark Office,
Office of the General Counsel
United States Patent and Trademark Office
Madison Building East, Room 10B20
600 Dulany Street
Alexandria, Virginia 22314,

Defendant.

Civil Action No. 1:13 cv 647
TSE/JFA

COMPLAINT

Plaintiff, the Regents of the University of California, ("Plaintiff") for its Complaint against Defendant, the Honorable Teresa Stanek Rea ("Defendant" or "the Director"), in her official capacity as Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the United States Patent and Trademark Office ("USPTO"), respectfully alleges the following:

NATURE OF THE ACTION

1. This is an action by Plaintiff seeking review of the determination by Defendant of the patent term adjustment under 35 U.S.C. § 154(b) ("PTA") for U.S. Patent No. 8,324,192

(“the ‘192 Patent”), attached hereto as Exhibit A. Specifically, this is an action by Plaintiff pursuant to 35 U.S.C. § 154(b)(4)(A) and 5 U.S.C. §§ 701-706 seeking a judgment correcting the PTA for the ‘192 Patent from 870 days to a number of days no less than 1564 days.

2. This action arises under the Patent Act, 35 U.S.C. § 154, and the Administrative Procedure Act, 5 U.S.C. §§ 701-706.

THE PARTIES

3. The Regents of the University of California is a corporation organized and existing under the laws of the State of California with a place of business at 1111 Franklin Street, Oakland, California 94607.

4. The Director is the Acting Under Secretary of Commerce for Intellectual Property and Acting Director of the USPTO, and is sued here in her official capacity. The Director is head of the USPTO and is responsible for all duties required by law with respect to the granting and issuing of patents. The Director is designated by statute as the official responsible for determining PTA under 35 U.S.C. § 154 for any patent granted or issued by the USPTO.

JURISDICTION AND VENUE

5. This Court has jurisdiction to hear this action and to grant Plaintiff’s requested relief pursuant to 28 U.S.C. §§ 1331, 1338(a), and 1361; 35 U.S.C. § 154; and 5 U.S.C. §§ 701-706.¹

6. Venue is proper in this judicial district pursuant to 35 U.S.C. § 154(b)(4)(A).

7. This Complaint is being filed within 180 days of the issuance of the ‘192 Patent, and is therefore timely filed in accordance with 35 U.S.C. § 154(b)(4)(A).

¹ Plaintiff recognizes that H.R. 6621, signed into law on January 14, 2013, *may* govern this action. Because the ‘192 Patent issued on December 4, 2012, it is unclear whether H.R. 6621 governs this action or not. Accordingly, Plaintiff has filed this Complaint within 180 days of the issuance of the ‘192 Patent to preserve its right to challenge Defendant’s PTA determination.

THE '192 PATENT

8. Ranjan Dohil, John Bastian, and Seema S. Aceves are named as the joint inventors of the inventions claimed in the '192 Patent. The named inventors or their respective assigns, have each assigned their interest in the '192 Patent to Plaintiff, as evidenced by the assignments recorded in the USPTO at Reel/Frame Nos. 020625/0587, 020625/0663, and 024367/0126. Accordingly, Plaintiff is the owner by assignment of all right, title, and interest in and to the '192 Patent. Plaintiff is therefore the real party in interest in this action, and has standing to request the relief prayed for herein.

9. The '192 Patent issued from United States Patent Application No. 11/595,513 ("the '513 Application"), which was filed with the USPTO on November 9, 2006.

PATENT TERM GUARANTEE AND DEFENDANT'S PTA DETERMINATION

10. Title 35, Section 154 of the United States Code requires the Director to determine the PTA for each patent issued by the USPTO, and to do so in accordance with Section 154(b). Specifically, 35 U.S.C. § 154(b) states that "[t]he Director shall proceed to grant the patent after completion of the Director's determination of a patent term adjustment under the procedures established under this subsection, notwithstanding any appeal taken by the applicant of such determination."

11. In making this PTA determination, the Director must account for periods of delay, including periods of USPTO delay under 35 U.S.C. § 154(b)(1)(A) ("A Delay"), periods of USPTO delay under 35 U.S.C. § 154(b)(1)(B) ("B Delay"), any overlap among periods of A Delay and B Delay under 35 U.S.C. § 154(b)(2)(A), any disclaimer of patent term by the applicant under 35 U.S.C. § 154(b)(2)(B), and any periods of applicant delay under 35 U.S.C. § 154(b)(2)(C).

12. The Director made a determination that the PTA for the '192 Patent is 870 days, which is reflected on its cover page.

13. The bases underlying the Director's PTA determination for the '192 Patent are set forth in the USPTO's Patent Application Information Retrieval ("PAIR") system. A copy of the PAIR record reflecting the bases of the Director's PTA determination for the '192 Patent is attached hereto as Exhibit B.

14. The Director identified two periods of A Delay that occurred during the pendency of the '513 Application, including a period of time from January 10, 2008 to and including October 2, 2009 (632 days) and a period of time from April 14, 2011 to and including May 12, 2011 (29 days). Accordingly, the Director determined that the total amount of USPTO A Delay for the '192 Patent is 661 days (632 days + 29 days = 661 days).

15. The Director identified one period of B Delay that occurred during the pendency of the '513 Application, which is a period of time from November 10, 2009 to and including December 12, 2010 (398 days). Accordingly, the Director determined that the total amount of USPTO B Delay for the '192 Patent is 398 days.

16. The Director identified no periods of overlapping A Delay and B Delay. Accordingly, the Director determined that the total USPTO delay for the '192 Patent is 1059 days (661 days + 398 days = 1059 days).

17. The '192 Patent is not subject to a terminal disclaimer or to any other disclaimer that would shorten its term to a period ending earlier than 20 years from the filing date of the '513 Application, plus any applicable adjustment or extension of its term under the provisions of 35 U.S.C. §§ 154-156 and 173.

18. The Director identified four periods of applicant delay that occurred during the pendency of the '513 Application, including a period of time from November 3, 2009 to and including November 22, 2009 (20 days), a period of time from October 1, 2010 to and including December 13, 2010 (74 days), a period of time from August 13, 2011 to and including November 14, 2011 (94 days), and a one-day period of time on May 7, 2012 (1 day). Accordingly, the Director determined that the total amount of applicant delay for the '192 Patent is 189 days (20 days + 74 days + 94 days + 1 day = 189 days).

19. The Director determined that the total PTA for the '192 Patent is 870 days (1059 days – 189 days = 870 days).

LEGAL STANDARD FOR DETERMINING B DELAY

20. 35 U.S.C. § 154(b)(1)(B) states that “if the issue of an original patent is delayed due to the failure of the [USPTO] to issue a patent within 3 years after the actual filing date of the application in the United States, not including...any time consumed by continued examination of the application requested by the applicant under section 132(b); ...the term of the patent shall be extended for 1 day for each day after the end of that 3-year period until the patent is issued.” This “1 day for each day” extension is referred to above as “B Delay.”

21. On November 1, 2012, in *Exelixis, Inc. v. Kappos*, Civil Action No. 1:12-cv-00096, 2012 WL 5398876, at *6-*8 (E.D. Va. Nov. 1, 2012), this Court held that PTA awards arising from the failure of the USPTO to grant a patent within three years of an application's actual filing date in the United States (“B Delay”) are not tolled by the filing of a request for continued examination (“RCE”) under 35 U.S.C. § 132(b), when the first filing of an RCE in an

application occurs more than three years after the actual filing date of the application in the United States.²

22. On information and belief, the Director has tolled and continues to toll the accrual of B Delay pursuant to 35 U.S.C. § 154(b)(1)(B), even when the first filing of an RCE in an application occurs more than three years after the actual filing date of that application in the United States.

23. The Director's conduct in this respect is arbitrary, capricious, an abuse of discretion, and otherwise not in accordance with the law, and in excess of statutory jurisdiction, authority, and limitation.

THE B DELAY DETERMINATION FOR THE '192 PATENT

24. The actual filing date of the '513 Application in the United States is November 9, 2006. November 9, 2009 is the date that is three years from the actual filing date in the United States ("the three-year date").

25. No RCE was filed in the '513 Application on or before the three-year date, i.e., on or before November 9, 2009.

26. An RCE was filed in the '513 Application on December 13, 2010, which is more than three years after the actual filing date of the '513 Application in the United States. This RCE was the first RCE filed in the '513 Application.

27. Under 35 U.S.C. § 154(b)(1)(B), the '513 Application began to accrue B Delay starting on November 10, 2009.

² This Court reached a contrary result in *Exelixis, Inc. v. Kappos*, Civil Action No. 1:12-cv-00574-LMB-TRJ, 2013 WL 314754, at *5-*9 (E.D. Va. Jan. 28, 2013). This later judgment was appealed to the United States Court of Appeals for the Federal Circuit pursuant to a Notice of Appeal filed by Exelixis, Inc. on February 6, 2013.

28. In making the PTA determination for the '192 Patent, the Director tolled the accrual of B Delay from December 13, 2010 to and including December 4, 2012. Thus, in making the PTA determination for the '192 Patent, the Director tolled the accrual of B Delay from the date when the first RCE was filed in the '513 Application to the date when the '513 Application issued as the '192 Patent.

29. Because December 13, 2010 is more than three years after the actual filing date of the '513 Application in the United States, the Director's conduct in this respect was arbitrary, capricious, an abuse of discretion, and otherwise not in accordance with the law, and in excess of statutory jurisdiction, authority, and limitation.

30. Under 35 U.S.C. § 154(b)(1)(B), the correct period of B Delay for the '192 Patent runs from November 10, 2009 to and including December 4, 2012, which is the issue date of the '192 Patent. This period of time includes 1121 days.

31. The period of B Delay from November 10, 2009 to December 4, 2012 overlaps with a period of A Delay identified above in Paragraph 14, i.e., the period of A Delay from April 14, 2011 to May 12, 2011. The overlap includes 29 days.

32. Accordingly, for the '192 Patent, the sum of the total USPTO A Delay and the total USPTO B Delay, minus their overlap, is 1753 days ($661 \text{ days} + 1121 \text{ days} - 29 \text{ days} = 1753 \text{ days}$). Thus, under 35 U.S.C. § 154(b), the correct total USPTO delay for the '192 Patent is 1753 days.

33. The difference between the correct total USPTO delay (1753 days) and the total applicant delay determined by the Director (189 days) for the '192 Patent is 1564 days. Thus, under 35 U.S.C. § 154(b), the correct PTA for the '192 Patent is a number of days no less than 1564 days.

CLAIMS FOR RELIEF

COUNT 1: CORRECTION OF PTA DETERMINATION – 35 U.S.C. § 154(b)(4)(A)

34. Plaintiffs incorporate by reference the allegations set forth in Paragraphs 1-33 above, as if fully set forth herein.

35. The Director's determination of PTA for the '192 Patent was based on an interpretation of 35 U.S.C. § 154(b)(1)(B) that is arbitrary, capricious, an abuse of discretion, and otherwise not in accordance with the law, and in excess of statutory jurisdiction, authority, and limitation, and which improperly excluded otherwise compensable USPTO delay that by law continued to accrue on and after December 13, 2010 up to and including December 4, 2012.

36. Plaintiffs are legally entitled to PTA for the '192 Patent in an amount not less than 1564 days, which is greater than the 870 days of PTA that the Director determined.

37. Because this Complaint is filed within 180 days of the issuance of the '192 Patent, Plaintiffs are entitled to challenge the Director's incorrect PTA determination in this Court and to request correction thereof pursuant to 35 U.S.C. § 154(b)(4)(A).

COUNT 2: CORRECTION OF PTA DETERMINATION – 5 U.S.C. §§ 701-706

38. Plaintiffs incorporate by reference the allegations set forth in Paragraphs 1-37 above, as if fully set forth herein.

39. The Director's determination of PTA for the '192 Patent was based on an interpretation of 35 U.S.C. § 154(b)(1)(B) that is arbitrary, capricious, an abuse of discretion, and otherwise not in accordance with the law, and in excess of statutory jurisdiction, authority, and limitation, and which improperly excluded otherwise compensable USPTO delay that by law continued to accrue on and after December 13, 2010 up to and including December 4, 2012.

40. Plaintiffs are legally entitled to PTA for the '192 Patent in an amount not less than 1564 days, which is greater than the 870 days of PTA that the Director determined.

41. Because the Director's determination of PTA for the '192 Patent is a final agency action, Plaintiffs are entitled to challenge the Director's incorrect PTA determination in this Court and to request correction thereof pursuant to 5 U.S.C. §§ 701-706.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs respectfully pray that this Court:

- a. Issue an Order changing the PTA for the '192 Patent from 870 days to a number of days no less than 1564 days, and require Defendant to issue a Certificate of Correction for the '192 Patent reflecting a PTA of no less than 1564 days;
- b. Enjoin Defendant from assessing additional periods of applicant delay against the total PTA for the '192 Patent, particularly if Defendant seeks to do so pursuant to any regulations or other public notices promulgated or announced after the issue date of the '192 Patent; and
- c. Grant such other and further relief as the nature of the case may admit or require, including additional PTA for the '192 Patent if further errors are identified and found in the Director's PTA determination, and any such other relief as may be deemed just and equitable by this Court.

Dated: May 30, 2013

Respectfully submitted,

Handwritten signature of Eric M. Gold in black ink, written over a horizontal line.

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