

FILED

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
2012 JUL -9 P 2:37  
CLERK OF DISTRICT COURT  
ALEXANDRIA, VIRGINIA

DECA-MEDICS, INC.  
2844 Mt. Holyoke Road  
Columbus, Ohio 43221,  
a corporation of the State of Ohio,

Plaintiff,

v.

HON. DAVID J. KAPPOS,  
Under Secretary of Commerce for  
Intellectual Property and Director of the  
United States Patent and Trademark Office  
Office of General Counsel,  
United States Patent and Trademark Office,  
P.O. Box 15667, Arlington, VA 22215  
Madison Building East, Rm. 10B20,  
600 Dulany Street, Alexandria, VA 23314,

Defendant.

Civil Action No.

1:12CV738

LMB/JFA

**COMPLAINT**

Plaintiff Deca-Medics, Inc., ("Deca-Medics") for its Complaint against the Honorable David J. Kappos, alleges as follows:

**NATURE OF THE ACTION**

1. This is an action by the assignee of United States Patent No. 8,092,404 ("the '404 patent") seeking judgment, pursuant to 35 U.S.C. § 154(b)(4)(A), that the patent term adjustment for the '404 patent be changed from 1,477 days to 2,141 days.

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

U.S.C. §§ 701 to 706.

### **THE PARTIES**

3. Plaintiff Deca-Medics is a corporation organized and existing under the laws of the State of Ohio, having a principal place of business 2844 Mt. Holyoke Road, Columbus, Ohio 43221

4. Defendant David J. Kappos is the Under Secretary of Commerce for Intellectual Property and Director of the U.S. Patent and Trademark Office ("PTO"), acting in his official capacity. The Director is the head of the PTO, charged by statute with providing management supervision for the PTO and for the issuance of patents. The Director is the official responsible for determining the period of patent term adjustment under 35 U.S.C. § 154.

### **JURISDICTION AND VENUE**

5. This Court has jurisdiction to hear this action and is authorized to issue the relief sought pursuant to 28 U.S.C. §§ 1331, 1338(a), and 1361, 35 U.S.C. § 154(b)(4)(A) and 5 U.S.C. §§ 701-706.

6. Venue is proper in this district by virtue of 35 U.S.C. § 154(b)(4)(A).

7. This Complaint is timely filed in accordance with 35 U.S.C. § 154(b)(4)(A).

### **FACTUAL BACKGROUND**

8. Kevin A. Kelly, Thomas E. Lach Ralph D. Lach and Arthur W. Handshy are the inventors of the invention claimed in the United States patent application no. 10/633,938 ("the '938 application") entitled "CHEST COMPRESSION APPARATUS FOR CARDIAC ARREST," which issued as the '404 patent on January 10, 2012. The '404 patent is directed to an apparatus for treating cardiac arrest, which is useful for treating heart attacks, *inter alia*. The

'404 patent is attached as Exhibit A.

9. Plaintiff Deca-Medics is the assignee of the '404 patent, as evidenced by the assignment document recorded at the PTO. Deca-Medics is therefore the real party in interest in this case.

10. Section 154 of title 35 of the United States Code requires that the Director of the PTO grant a patent term adjustment in accordance with the provisions of Section 154(b). Specifically, 35 U.S.C. § 154(b)(3)(D) 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 determining the patent term adjustment, the Director is required to extend the term of a patent for a period equal to the total number of days attributable to delay by the PTO under 35 U.S.C. § 154(b)(1), as limited by any overlapping periods of delay by the PTO as specified 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 delay attributable to the applicant under 35 U.S.C. § 154(b)(2)(C).

12. The Director made a determination of patent term adjustment pursuant to 35 U.S.C. § 154(b)(3) and issued the '404 patent reflecting that determination.

13. Section 154(b)(4)(A) of title 35 of the United States Code provides that "[a]n applicant dissatisfied with a determination made by the Director under paragraph (3) shall have remedy by a civil action against the Director filed in the United States District Court for Eastern District of Virginia within 180 days after grant of the patent. Chapter 7 of title 5 shall apply to

such an action.”

### CLAIM FOR RELIEF

14. The allegations of paragraphs 1 to 13 are incorporated in this claim for relief as if fully set forth.

15. The patent term adjustment for the ‘404 patent, as determined by the PTO under 35 U.S.C. § 154(b) and indicated on the face of the ‘404 patent, is 1,477 days. (*See* Exhibit A at 1). The determination of this 1,477-day patent term adjustment is in error because it fails to account for all of the delay caused *solely* by the PTO. In fact, as discussed below, the patent term adjustment calculated by the PTO completely ignores the time, consisting of *667 days*, from when it issued a so-called “final” Office action (i.e., *rejection*) on April 20, 2009, to when it unilaterally withdrew this “final” Office action on February 16, 2011. On this latter date of February 16, 2011, the PTO decided that it would start the process all over again by mailing a *nonfinal* Office action based on entirely different theories.

16. Much could be written of the gruesome history of this application in its travels through the PTO. This application suffered through nine (9) Office actions, of which, unbelievably, four (4) were labeled “final” though history would show that such was not the case. However, the complaint here focuses on the period outlined above in the prior paragraph from the filing of PTO’s “final” Office action on April 21, 2009, until the PTO withdrew this “final” Office action and issued a new, nonfinal Office action on February 14, 2011. The time from April 21, 2009, until February 14, 2011, will be referred to below as “the appeal period.”

17. During the appeal period, Applicant file his Notice of Appeal (on October 16, 2009), a Request for Extension of Time (October 16, 2009), an Appeal Brief (May 17, 2010), a second

request for extension of time (May 17, 2010), a revised (slightly) Appeal Brief (August 30, 2010) and a third request for extension of time (August 30, 2010). After all of this effort, the PTO, on February 16, 2011, *simply withdrew its final Office action*, which Applicants had appealed, and issued a new (and *nonfinal*) Office action (attached as Exhibit B). Stated in other words, the PTO did not allow the Board of Patent Appeals and Interferences (“BPAI”) to decide the patentability of Applicants' invention over the cited prior art. Rather, it threw in the proverbial towel and simply said that Applicants were right. The final Office action was completely unsupportable. But, it gets even worse. In withdrawing the final Office action of April 21, 2009, the brand new Office action of February 16, 2011, states, on page 2 (of Exhibit B), “1. In view of the appeal brief filed on August 30, 2010, PROSECUTION IS HEREBY REOPENED. *There are no art rejections.*” (Capitalization in original, italics added.)

18. The problem arises, however, that if Applicants had formally prevailed on their appeal and received a favorable decision from the BPAI, then the time the application spent before the BPAI would have been added to the term of the resulting patent. However, by the examiners giving up before the BPAI had the opportunity to decide the matter, the PTO deprived Applicants from recouping this time that their application had been held hostage before the BPAI.

19. Further, the rules of practice before the PTO (37 C.F.R.) restore to the patent's term the period of time that the underlying application sat before the BPAI if it receives a favorable *ruling* from the Board. But where, as here, the examining group withdraws the application from the appeal process after it has languished there for 22 months, the rules are silent. In fact, the clearly patentable application suffers the exact same fate visited upon an application that had *lost* before the BPAI; it loses all of this time for the patent that ultimately issues from it. By not addressing this particular

situation, the Rules violate the intent of the statutory demand for an appropriate patent term adjustment. It denies to an application that the PTO failed to handle appropriately the term that it deserves under the statute.

20. The statutory requirement for an appropriate patent term adjustment (PTA) appears in 35 U.S.C. § 154(b)(1)(B), which state in pertinent part:

(B) GUARANTEE OF NO MORE THAN 3-YEAR APPLICATION PENDENCY. – Subject to the limitations under paragraph (2) [relating to situations not encountered in the present matter], if the issue of an original patent is delayed due to the failure of the United States Patent and Trademark Office to issue a patent within 3 years after the actual filing date of the application in the United States, not including – [situations not encountered in the present matter] – the term of the patent shall be extended 1 day for each day after the end of that 3-year period until the patent is issued.

Plaintiffs received a term extension because of the pendency of their application exceeding the permissible three years. This has amounted to 1,477 days. However, this extension did not include the time that the application remained under appeal due to a “final” Office action that the P.T.O. subsequently withdrew. This unconscionable loss of term forms the basis of the present Complaint and receives discussion throughout the remainder of this pleading.

21. If the Patent Office refuses to allow and issue an application for a patent and the applicant brings a successful appeal in order to obtain the patent, then he or she obtains an extension of the patent for the time that the appeal took as stated in 35 U.S.C. § 154(b)(1)(C):

(C) GUARANTEE OR ADJUSTMENTS FOR DELAYS DUE TO INTERFERENCES, SECRECY ORDERS, AND APPEALS. – Subject to the limitations under paragraph (2), if the issue of an original patent is delayed due to –

\* \* \* \* \*

(iii) appellate review by the Board of Patent Appeals and Interferences or by a Federal court in a case in which the patent was *issued under a decision in the review reversing an adverse determination of patentability*, the term of the patent shall be extended 1 day for each day of the pendency of the proceeding, order, or review, as the case may be.

(Italics added.) As the above shows, if the applicant appeals a decision of nonpatentability to the Board of Patent Appeals and Interferences and *prevails*, then, not unexpectedly, the applicant received an extension equal to the time that the application spent on appeal. If the applicant loses on appeal, then he or she does not receive that extension.

22. As stated in the prior two paragraphs, if the applicant appeals a decision refusing to allow his or her patent application, and wins (i.e., obtains a reversal of the rejection of the application) then the time that it took to obtain the decision of the appellate body is added to the term of the patent when it issues. Obviously and reasonably, an adverse decision by the reviewing tribunal (i.e., the patent application is no patentable) does not result in such an addition to the term of the patent when and if it issues.

23. The patent rules, however, are actually more specific as to patent-term extension after appellate review. Thus, 37 C.F.R. § 1.702 states, in pertinent part:

**§ 1.702 Grounds for adjustment of patent term due to examination delay under the Patent Term Guarantee Act of 1999 (original applications, other than designs filed on or after May 29, 2000).**

\* \* \* \* \*

(b) Failure to issue a patent within three years of the actual filing date of the application. Subject to the provisions of 35 U.S.C. 154(b) and this subpart, the term of an original patent shall be adjusted if the issuance of the patent was delayed due to the failure of the Office to issue a patent within three years after the date on which the application was filed under 35 U.S.C. 111(a) or the national stage

commenced under 35 U.S.C. 371(b) of (f) in an international application, but not including:

\* \* \* \* \*

(4) Any time consumed by review by the Board of Patent Appeals and Interferences or a Federal court;

The last paragraph seems to eliminate from the extension the time required to obtain a favorable result from the BPAI or a Federal court. But, what the Rules take away with one hand, they appear to give back with the other. Thus, section § 1.702(e) states:

(e) *Delays caused by successful appellate review.* Subject to the provisions of 35 U.S.C. And this subpart, the term of an original patent shall be adjusted if the issuance of the patent was delayed due to review by the Board of Patent Appeals and Interferences under 35 U.S.C. 134 or by a Federal court under 35 U.S.C. 141 or 145, if the patent was issued under a decision in the review reversing an adverse determination of patentability. If an application is remanded by a panel of the Board of Patent Appeals and Interferences and the remand is the last action by a panel of the Board of Patent Appeals and Interferences prior to the mailing of a notice of allowance under 35. U.S.C. 151, the remand shall be considered a decision by the Board of Patent Appeals and Interferences as that phrase is used in 35 U.S.C. 154(b)(1)(A)(iii), a decision in the review reversing an adverse determination of patentability as that phrase is used in 35 U.S.C. 154(b)(1)(C)(iii), and a final decision in favor of the applicant under § 1.703(e).

(Underlining added.) Thus, a remand by the BPAI constitutes a final decision by the Board and entitles the applicant to an extension of the time that the application spent before the Board.

24. However, Rule 37 C.F.R. § 1.702(e) appears to leaves one situation uncovered. There, as in the present application, the applicant of a patent application languishing before the BPAI for an extended period of time and, during that time, establishing an entitlement to a patent, can still lose for his or her patent, when issued, all of the time the application spent on appeal. This situation results from the necessity of an “appeal conference” once the applicant has filed an acceptable brief before



the BPAI. Section 1207.01 of the Manual of Patent Examining Procedure (“M.P.E.P.”) covers this occurrence, and a copy of this section is attached as Exhibit C. Simply stated, an “appeal conference” is mandatory and requires a committee of at least three persons of the Patent and Trademark Office, including at least one supervisor. These three persons (“Conferees”) must decide that the the appeal should go forward, i.e., that the final Office action actually has merit.

25. If the appeal conference determines that the final Office action under appeal is clearly not sustainable, then the examiner may simply reopen prosecution and once again reject the application. This procedure appears in M.P.E.P Section 1207.04, a copy of which is attached as Exhibit D. After *the examiner reopens prosecution*, and if the Office action doing so contains a new and different rejection, the applicant simply files a reply (under 37 C.F.R. 1.111). Stated in other words, the final Office action that necessitated the applicant to prepare and file an appeal brief was simply wrong; it should not have been issued in the first place. The case is withdrawn from appeal *by the examiner*, and the process started all over again.

26. This withdrawal of the final Office action which necessitated the appeal by the applicant in the present case is exactly the situation that is described above. On April 21, 2009, the P.T.O mailed the “final” office action in the present application. (See the U.S. P.T.O.'s “Transaction History” of the '404 patent (attached as Exhibit E), entry for 4-21-2009.) Applicants filed their appeal on October 16, 2009, and their appeal brief on August 30, 2010, which they revised, at the insistence of the P.T.O August 30, 2010. On February 16, 2011, the P.T.O. simply *withdrew* the Office action of April 21, 2009, which had caused Applicants to prepare and file their appeal, their appeal brief, and their revised appeal brief. Stated in stark terms, on February 16, 2011, the P.T.O. simply stated that the “final” Office action of April 21, 2009, was simply wrong; it never should have been mailed. It

was withdrawn. (See Exhibit E, entry for 02-16-2011.)

27. The problem arises because of the unsupportable “final” Office action of April 21, 2009. A total of 671 days elapsed until the P.T.O. realized that it had clearly made a mistake. And, it did not take the Board of Patent Appeals and Interferences to tell them so.

28. However, had not the P.T.O. withdrawn the “final” Office action of April 21, 2009, and allowed the BPAI to render its decision that the final Office action was unsupportable, then Applicants (now patentees) would have received a patent term extension of 671 days due to the appeal *alone* (in addition to the 1,477 they have already received). This would have been pursuant to 37 C.F.R. § 1.702(e). But, since the final Office action of April 21, 2009, was clearly not of the quality that it could (or should) be defended before the BPAI, the applicants simply lose this time from the term of their patent. Clearly, this constitutes an unjust result that contravenes the requirements of the statute, 35 U.S.C. § 154(b)(1)(B), GUARANTEE OF NO MORE THAN 3-YEAR APPLICATION PENDENCY. As a consequence, the Court is requested to order the P.T.O to provide an additional term of 671 days to Plaintiffs' United States Patent No. 8,092,404

#### **PRAYER FOR RELIEF**

Accordingly, Deca-Medics demands judgment against Defendant and respectfully requests that this Court enter an order:

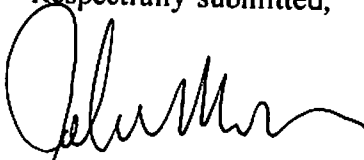
a. Changing the period of patent term adjustment for the '404 patent term from 1,477days to 2,148 days and requiring the Director to extend the term of the '404 patent to reflect the 2,148 day patent term adjustment;

b. Granting such other and future relief as the nature of the case may admit or

require and as may be just and equitable.

Dated: July 9, 2012

Respectfully submitted,



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