

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

FILED

STARSIGHT TELECAST, INC.
39650 Liberty Street, 3RD Floor
Fremont, California 94538

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 22314

Defendant

2012 DEC 13 P 1:26

CLERK US DISTRICT COURT
ALEXANDRIA, VIRGINIA

Civil Action No. 1:12cv 1439

AJT/TRJ

COMPLAINT

Plaintiff Starsight Telecast, Inc. ("Starsight"), for its complaint against the Honorable David J. Kappos, states as follows:

NATURE OF THE ACTION

1. This is an action by the assignee of United States Patent No. 8,205,232 ("the '232 patent," attached hereto as Exhibit A) seeking judgment, pursuant to 35 U.S.C. § 154(b)(4)(A), that the patent term adjustment for the '232 patent be changed from 61 days to at least 1876 days, subject to any disclaimer that has been or will be filed.

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

PARTIES

3. Plaintiff Starsight is a California corporation, having a principal place of business at 39650 Liberty Street, 3rd Floor, Fremont, California 94538.

4. Defendant David J. Kappos is the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office (“USPTO”), acting in his official capacity. The Director is the head of the USPTO and is responsible for superintending or performing 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 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 judicial district under 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) and Fed. R. Civ. P. 6(a)(3).

BACKGROUND FACTS

8. Plaintiff Starsight is the assignee of the '232 patent, as evidenced by assignment documents recorded at the USPTO. The entire right, title, and interest to the '232 patent, including the right to sue and recover for past infringement thereof, is assigned to and is owned by Starsight. Starsight is therefore the real party in interest in this case.

9. Under 35 U.S. C. §154(a)(2), a successful patent applicant is entitled to a 20-year patent term beginning on the date its application was first filed with the USPTO.

Because this period starts to run with the filing of the application rather than with the grant of the patent, any administrative delay by the USPTO in processing of an application reduces the applicant's effective patent term.

10. To prevent such administrative delays from causing unfair losses of patent protection, 35 U.S.C. §154(b) requires that the Director of the USPTO 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. Accordingly, the USPTO must grant successful applicants upward adjustments of their patent terms to compensate for three categories of processing delay by the USPTO. Those three categories, set forth in 35 U.S.C. § 154(b)(1)(A), (B), and (C) are known as “A delays,” “B delays” and “C delays”, respectively. Only B delays are at issue in this case.

12. “B delays” occur when the USPTO fails to issue a patent within 3 years of the filing of the patent application, excluding certain specified periods of delay. 35 U.S.C. § 154(b)(1)(B). The statute provides for a day-for-day patent term adjustment to compensate for any “B delays”: “the term of the patent shall be extended by 1 day for each day after the end of that 3-year period until the patent is issued.” *Id.*

13. Under 35 U.S.C. 132(b), an applicant may make a request for continued examination (“RCE”) after the prosecution of an application is closed. 37 C.F.R. § 1.114.

14. The dispute in this case concerns the proper interpretation of the statute governing B delays when an applicant has filed an RCE more than three years after the application was filed.

15. In particular, the USPTO has taken the position that 35 U.S.C. § 154(b)(1)(B) allows the USPTO to reduce the PTA by the time attributable to an RCE where the RCE is filed after the expiration of the three year guarantee period specified by the statute.

16. This Court rejected the USPTO's interpretation of 35 U.S.C. § 154(b)(1)(B) in *Exelixis, Inc. v. Kappos*, No. 1:12cv96, 2012 U.S. Dist. LEXIS 157762 (E.D. Va. Nov. 1, 2012). In *Exelixis*, the Court granted summary judgment against the USPTO, holding that the USPTO's patent term adjustment calculation methodology was erroneous as a matter of law and inconsistent with the plain and unambiguous language of 35 U.S.C. § 154(b)(1)(B). *Id.* at *20-21. Specifically, in *Exelixis*, the Court held that 35 U.S.C. § 154(b)(1)(B) "clearly provides no basis for any RCE's to reduce PTA; instead, RCE's operate only to toll the three year guarantee deadline, if, and only if, they are filed within three years of the application filing date." *Id.* at *20.

17. The correct patent term adjustment methodology identified in the prior *Exelixis* action governs the USPTO's calculation of patent term adjustment (PTA) for Plaintiff's '232 patent.

18. 35 U.S.C. § 154(b)(4)(A) 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 the Eastern District of Virginia within 180 days after the grant of the patent. Chapter 7 of title 5 shall apply to such action."

THE COUNT: U.S. PATENT NO. 8,205,232

19. The allegations of paragraphs 1-18 are incorporated in this claim for relief as if fully set forth.

20. Steven M. Schein, Sean A. O'Brien, Brian L. Klosterman, and Kenneth A. Milnes are the inventors of U.S. Patent Application No. 10/827,863 ("the '863 application"), entitled "Interactive Computer System For Providing Television Schedule Information," The '863 application was filed on April 19, 2004, and issued as the '232 patent on June 19, 2012. On July 2, 2007, the applicants filed with the USPTO a request for continued examination of the '232 application.

21. When the USPTO issued the '232 patent on June 19, 2012, it erroneously calculated the entitled patent term adjustment for the '232 patent as 61 days.

22. The determination of the 61-day patent term adjustment is in error because it fails to include an adjustment, as required by 35 U.S.C. § 154(b)(1)(B), for the time from three years after the filing date of the '863 application to the date the patent issued, including the period of time following Plaintiff's request for continued examination (*i.e.*, including the period of time between the July 2, 2007 filing of the RCE, and the June 19, 2012 grant of the patent). The number of the days in the period from April 19, 2007 (three years after the filing date of the '863 application) until June 19, 2012 (the day the patent was granted) is 1888 days. Therefore, the correct patent term adjustment for the '232 patent, including both the 425-day period determined by the USPTO attributed to USPTO examination delay, the 437-day period attributed to applicant delays, and this 1888-day adjustment under 35 U.S.C. §154(b)(1), is at least 1876 days.

23. Under 35 U.S.C. § 154(b)(1)(A), and according to the USPTO, the Plaintiff is entitled to an adjustment of the term of the '232 patent of a period of 425 days, which is the number of days attributable to USPTO examination delay ("A delay").

24. Under 35 U.S.C. § 154(b)(1)(B), because the RCE was filed on July 2, 2007 which is after April 19, 2007 (three years after the filing date of the '863 application), the Plaintiff is entitled to an additional adjustment of the term of the '232 patent of a period of 1888 days, which is the number of days the issue date of the '232 patent exceeds three years from the filing date of the application, including the period of time following Plaintiff's request for continued examination.

25. Section 35 U.S.C. § 154(b)(2)(A) states that "to the extent . . . periods of [A and B delay] overlap, the period of any adjustment granted under this subsection shall not exceed the actual number of days the issuance of the patent was delayed." For the '232 patent, there is no overlap between the periods of A and B delay. Therefore, there is no period of overlap to be excluded from the patent term adjustment calculation.

26. Thus, the total period of USPTO delay is 2313 days, which is the sum of the period of A Delay (425 days) and the period of B Delay (1888 days).

27. Pursuant to 35 U.S.C. § 154(b)(2)(C), the total period of USPTO delay is reduced by the period of applicant delay, which is 437 days as determined by the USPTO.

28. Accordingly, the correct patent term adjustment under 35 U.S.C. § 154 is at least 1876 days, which is the difference between the total period of USPTO delay (2313 days) and the period of applicant delay (437 days).

29. The Defendant's imposition of only 61 days of patent term adjustment for the '232 patent is arbitrary, capricious, an abuse of discretion, inconsistent with the language of 35 U.S.C. § 154 and related rules, or otherwise not in accordance with law and in excess of statutory jurisdiction, authority or limitation.

PRAYER FOR RELIEF

30. The allegations of paragraphs 1-29 are incorporated in this prayer for relief as if fully set forth.

WHEREFORE, Starsight prays that the Court:

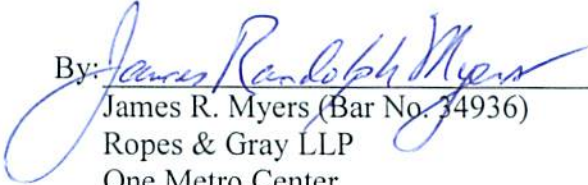
A. Issue an Order changing the period of patent term adjustment for the '232 patent from 61 days to at least 1876 days, and requiring Defendant to alter the term of the '232 patent to reflect the at least 1876-day patent term adjustment; and

B. Grant to Starsight such other and further relief as the nature of the case may admit or require and as this Court deems just and proper.

Respectfully submitted,

Dated: December 12, 2012

By:


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