

Client Alert

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Five Things You Should Know About The Replacement of *Inter Partes* Reexamination with *Inter Partes* Review on September 16, 2012

The enactment of the Leahy-Smith America Invents Act (AIA) on September 16, 2011, significantly revamped the mechanisms for third-party postgrant challenges to patents within the United States Patent & Trademark Office (USPTO). One of the most significant changes is the replacement of the current *inter partes* mechanism for challenging patents in the USPTO — *inter partes* reexamination — with the newly created *inter partes* review. This change will go into effect on September 16, 2012. Here are five things you should know about the transition from *inter partes* reexamination to *inter partes* review.

1. Pending *inter partes* reexaminations will continue under the old system.

There were 1,200 *inter partes* reexaminations pending at the end of the second quarter 2012, according to official USPTO filing statistics.¹ Although no new *inter partes* reexaminations will be permitted after September 16, 2012, any *inter partes* reexamination requests filed up to and including September 15, 2012, if granted, will continue unaffected by the new law.

2. Some parties who are eligible for *inter partes* reexamination now will not be eligible for *inter partes* review.

Defendants in litigation often wait to file *inter partes* reexaminations for many months after being sued for patent infringement. In some cases, defendants filed *inter partes* reexamination only after receiving an adverse jury verdict or judgment in district court. This tactic is no longer permitted with the new *inter partes* review. According to the AIA, “[a]n *inter partes* review may not be instituted if the petition requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.” Accordingly, parties who have been sued for patent infringement will need to act quickly before losing their ability to lodge an *inter partes* challenge of the patent in the USPTO. In cases where a lawsuit was served on September 16, 2011, or earlier, the only way to institute an *inter partes* proceeding in the USPTO is to file an *inter partes* reexamination before September 16, 2012.

3. Some parties who were not eligible for *inter partes* reexamination now will be eligible for *inter partes* review.

Inter partes reexamination, created by the American Inventor’s Protection Act of 1999, allowed for the first time a postgrant procedure with requester participation. However, only patents filed on or after November 29, 1999, are available for *inter partes* reexamination. Many third parties who were skeptical of filing an *ex parte* reexamination due to the limited ability to participate in the proceeding opted not to pursue

¹ Available at http://www.uspto.gov/patents/stats/Reexamination_Information.jsp. The number of pending reexaminations is calculated from the number filed minus the sum of the number denied plus the number of certificates issued.

reexamination at all. Unlike *inter partes* reexamination, *inter partes* review is available regardless of the filing date of the patent being challenged. Therefore, those who did not file a postgrant challenge in the USPTO due to the unavailability of *inter partes* reexamination may reconsider and file an *inter partes* review after September 16, 2012.

4. *Inter partes* review will generally cost more than *inter partes* reexamination.

The fee for filing a petition for an *inter partes* reexamination is \$8,800. According to the Proposed Rules under the AIA,² in order to recover the estimated average cost to the of the processing, services or materials associated with the proceedings, the fee for filing a petition for an *inter partes* review of the first 20 claims will be \$27,200. The proposed fees for *inter partes* review escalate substantially when the number of challenged claims exceeds 20. Those who want to challenge a patent with a large number of claims may find that filing an *inter partes* reexamination is a much more cost-effective approach than a *inter partes* review. They will need to act quickly, though, because *inter partes* reexamination will no longer exist after September 15, 2012.

5. Those interested in a rapid proceeding should wait to file an *inter partes* review.

There are no statutory time limits for completion of an *inter partes* reexamination. Although there are some indications that the USPTO has made recent progress in shortening the pendency of *inter partes* reexamination, its length has been a concern for some. According to the USPTO, the average pendency³ of an *inter partes* reexamination, from filing date to certificate issue date, is a little more than 36 months. Unlike *inter partes* reexamination, *inter partes* review is subject to statutory time limits for completion of 12 to 18 months from its institution. The USPTO has acknowledged these timelines. According to the Proposed Rules,⁴ the pendency of an *inter partes* review before the Board, once instituted, is 12 months, extendible by up to six months. Thus, the pendency for *inter partes* review from filing date should be about 18 to 24 months. Accordingly, those who want a more rapid proceeding may choose to wait until September 16, 2012, and file an *inter partes* review.

Hunton & Williams' lawyers have many years of experience with post-grant proceedings in the USPTO, including both *inter partes* and *ex parte* reexamination, as well as interference proceedings. Our joint patent litigation and reexamination practice provides synergy to effectively and efficiently manage the related USPTO proceedings to the advantage of our clients. At every stage of these proceedings, from the pre-planning diligence through appeal to the Court of Appeals for the Federal Circuit, members of our IP practice have represented both patentees and third-party patent challengers. Our lawyers have played an active role in the implementation of the AIA and are adept at dealing with the procedural and tactical nuances of the USPTO. We welcome the opportunity to assist with, prepare and plan for, and help clients understand the changing landscape of USPTO post-grant practice.

² Available at http://www.uspto.gov/aia_implementation/77fr7041nprm.pdf

³ Available at http://www.uspto.gov/patents/stats/Reexamination_Information.jsp.

⁴ Available at http://www.uspto.gov/aia_implementation/77fr7041nprm.pdf.

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