

The America Invents Act (AIA) changed the landscape in the United States for those seeking to challenge the validity of an issued patent outside of litigation. The AIA introduced several new mechanisms, and phased out others, for challenging the validity of a granted patent at the United States Patent and Trademark Office (USPTO).

On September 16, 2012 Inter Partes review (IPR) will replace the current Inter Partes reexamination (IPX) procedures. **Clients should consider whether their objectives can be better served by the current (soon to disappear) IPX procedures or the new IPR procedures.** An overview of advantages and disadvantages of each procedure and a detailed comparison of the impending changes follows. **NOTE:** Final Rules relating to these and other AIA procedures will be issued by the USPTO by August 16, 2012 and thus although planning should start now, flexibility will be important during the transition.

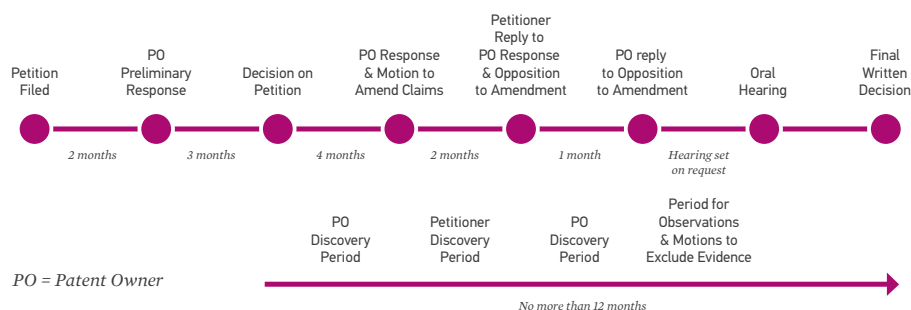
INTER PARTES REEXAMINATION (IPX)

Advantages:	Disadvantages:
Less expensive proceedings due to lower and flat filing fee and lack of fees associated with Discovery (not permitted under the rules)	Typically slow, with an average pendency in the USPTO of about three years. But, some IPX can take much longer, including an appeal within the USPTO
No page limits on requests for IPX; all possible rejections on all claims can be developed	No option for settlement by the parties – once started, the reexam will proceed to conclusion and estoppel will attach
Estoppel applies only to subsequent civil actions and USPTO proceedings	Discovery not available
No prohibition on requesting IPX if there is concurrent litigation	Limited to patents issuing from an original application filed on or after 11/29/1999

Last day for filing IPX is **September 15, 2012.**

INTER PARTES REVIEW (IPR)

Advantages:	Disadvantages:
Speed (12-18 months) – a representative timeline is shown below	Proceedings will likely be more expensive due to significantly increased basic filing fees, filing fees in connection with the number of claims to be challenged, and fees associated with discovery
Limited discovery is available, e.g., expert depositions	Proposed rules limit petitions to 50 pages , which may practically limit the number of challengeable claims and multiple attacks against the same claim; but multiple IPR petitions may be filed for different claims of the same patent
Higher quality decisions are expected	No USPTO appeal from initiation of proceeding; appeal directly to the Court of Appeals for the Federal Circuit
All patents are eligible (including those patents previously exclude from IPX)	Director may impose limit on number of petitions filed during the first 4 years
Settlement possible by joint request – estoppel will not attach if settled before PTAB's final written decision	Cannot institute IPR in some situations: <ul style="list-style-type: none"> if petitioner has previously filed Declaratory Judgment suit if more than 1 year has passed since patent infringement action filed against petitioner Estoppel is on a claim-by-claim basis and applies to subsequent ITC proceeding, civil actions and USPTO proceedings (including ex parte reexamination), broader in scope than the estoppel in IPX IPR estoppel attaches upon PTAB's final written decision, much earlier than the estoppel in IPX.



	Current Inter Partes Reexam (IPX)	Inter Partes Review (IPR)
Code Sections	35 U.S.C. §§311-318	35 U.S.C. §§311-319
What is the effective date?	September 16, 2011 – September 15, 2012	September 16, 2012
What patents are affected?	Limited to patents issuing from an original application filed on or after November 29, 1999	Applies to any patent issued before, on or after September 16, 2012
Who can request?	Any person other than the patent owner and who is not otherwise estopped	Any person other than the patent owner
On what bases?	§102 (novelty) & §103 (obviousness) issues ONLY	§102 (novelty) & §103 (obviousness) issues ONLY
What is the standard for granting request?	Reasonable likelihood to prevail with respect to at least one challenged claim	Reasonable likelihood to prevail with respect to at least one challenged claim
What are the grounds for invalidity?	Patents and printed publications	Patents and printed publications ¹
Are there page limits?	No page limit for requests, 50 pages for responses	Proposed rules propose page limits that may practically limit the number of attacks or claims attacked in a single petition. But multiple petitions may be filed for a single patent, and final rules likely will provide some flexibility. Currently, 50 pages for petitions,² 15 pages for motions and replies to petitions, 5 pages for replies to motions
Who adjudicates request to initiate?	USPTO Director - within 3 months (decision not appealable)	USPTO Director - within 3 months (decision not appealable)
Who can participate?	Patentee and single party requesting IPX	Patentee, parties requesting IPR; and other joined parties at the discretion of the USPTO director
Is there anonymity?	No – Real party in interest must be named	No – Real party in interest must be named
When to request?	After patent is granted (but NO LATER THAN September 15, 2012)	9 months after patent is granted or issuance of a reissue patent; OR after any Post-grant Review; AND no later than 1 year after service of infringement complaint
What is the extent of discovery/evidence?	Declaration	Declaration & Discovery: limited depositions of witnesses submitting affidavits or declarations & "what is otherwise necessary in the interest of justice"
How is the procedure conducted?	Amendment-and-response	Trial-like
Who conducts the procedure?	Patent examiners in the Central Reexamination Unit	Patent Trial and Appeal Board (PTAB) w/ Administrative Law Judges
Is pre-decision settlement possible?	No	Yes, and estoppel will not apply
Can litigation be stayed?	Patentee can obtain stay of pending litigation, unless court decides that a stay would not serve the interests of justice	No provision for stays, but stays are not prohibited
How long is the process?	Typically slow, with an average pendency in the USPTO of 3 years. But, some IPX can take much longer, followed by an appeal to the Federal Circuit (approx. 1 year)	Will be completed in the USPTO within 12-18 months, followed by appeal to the Federal Circuit (approx. 1 year)
Estoppel from a prior proceeding (i.e., USPTO, civil action)?	Yes, reexamination cannot be requested or maintained on the basis of any issue raised or could have been raised in decided civil action or Inter Partes Reexamination.	No estoppel from prior civil action; estopped by prior IPR decision with respect to any ground raised or that could have been raised in prior proceeding.
Estoppel in later proceedings (i.e., USPTO, civil action)?	Yes – in civil actions; estoppel as to issues that were raised or could have been raised by requestor, when appeals exhausted	Yes – unless there is a settlement, estoppel will apply in civil actions, USPTO, ITC proceedings; estoppel as to issues that were raised or reasonably could have been raised by petitioner, when PTAB issues final written decision
Who has the right to appeal?	Both parties can appeal to Board of Patent Appeals and Interferences and then to Federal Circuit	Both parties can appeal only to Federal Circuit
What is the USPTO fee?	\$8,800 (but a refund of \$7,970 if not granted)	~\$27,200 - \$68,000, depending on number of claims

¹Cannot use product as prior art, prior use or sale. ²Page limit does not include a table of contents, a table of authorities, a certificate of service, or appendix of exhibits.

Note: The proposed USPTO Rules implementing provisions of the AIA are subject to change and Final Rules are anticipated no later than August 16, 2012. Provisions believed likely to change are indicated above with **rust-colored text**. Please call your Perkins Coie contact or check the Federal Register for the latest updates.

Sources: 77 Fed. Reg. 6868, 6869 (Feb. 9, 2012) (to be codified at 37 C.F.R. pt. 42); Hung H. Bui, An Overview of Patent Reform Act of 2011: Navigating the Leahy-Smith America Invents Act Including Effective Dates for Patent Reform, 93 J. Pat. & Trademark Off. Soc'y 441 (2011); Andrei Iancu & Ben Haber, Post-Issuance Proceedings in the America Invents Act, 93 J. Pat. & Trademark Off. Soc'y 476 (2011).