

Reexamining Inter Partes Reexam

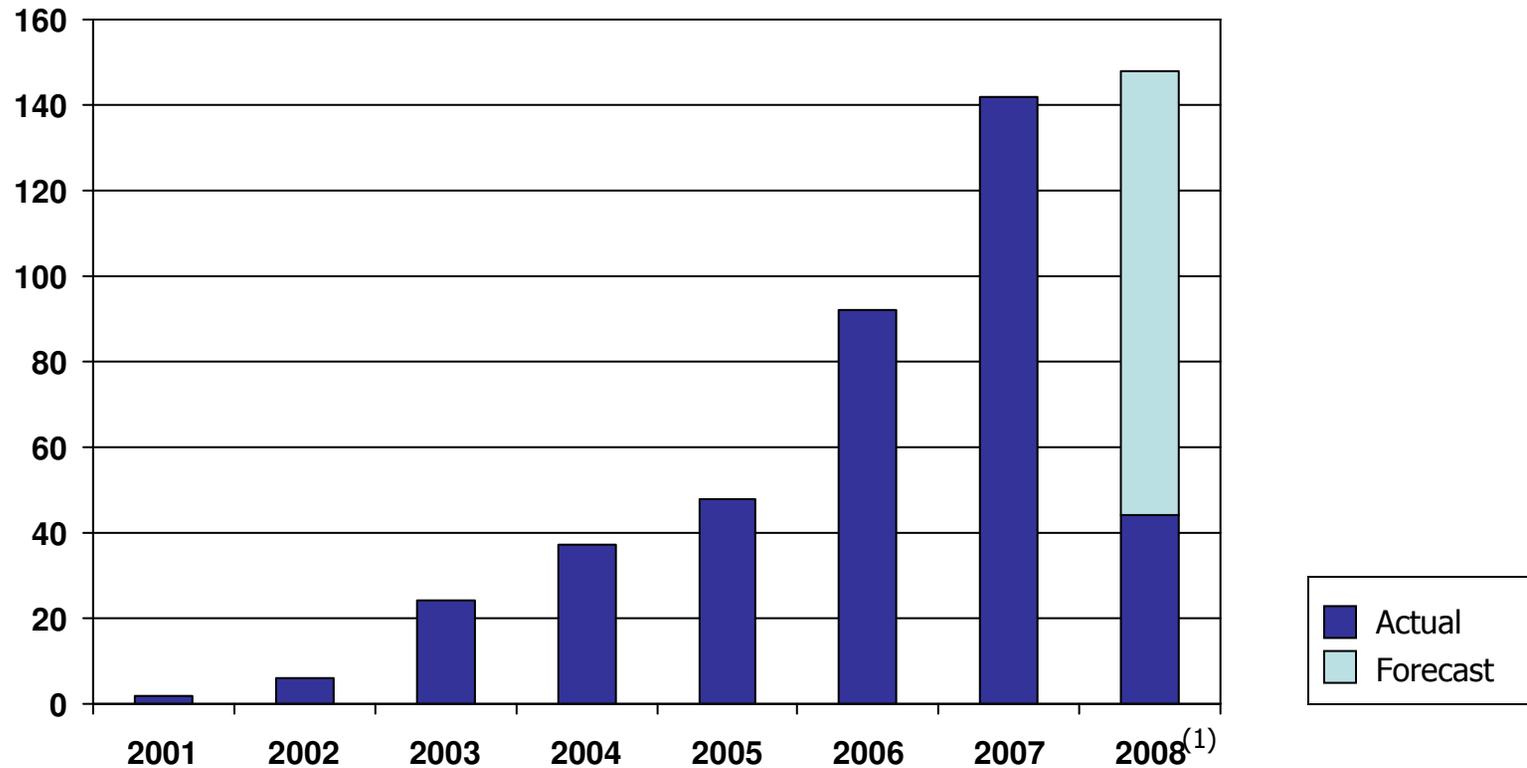
April 2008

Data Source and Method of Analysis

- All data was taken directly from the USPTO PAIR system
- Includes all Inter Partes Reexam cases and transactions listed through April 16, 2008
 - Includes 95/000,001 through 95/000,362 and 95/001,001 through 95/001,037 except for cases 95/001,007 and 95/001,025 for which there is no data in PAIR
 - Case 95/000,350 is excluded from timeline analysis since no date is recorded for “Receipt of Original Inter Partes Reexam Request”
- All transactions were downloaded from the Electronic File Wrapper, and were augmented with additional transactions from the Transaction History wherever missing elements were identified
- Obvious anomalies were corrected manually
 - For example:
 - “Receipt of Original Inter Partes Reexam Request” identified where missing
 - Many erroneous references to “Ex Parte Reexams” were reviewed and eliminated
 - Duplicate transactions (same case number, same transaction, same date) were eliminated
- Key milestones for each case were extracted along with their dates, and the analysis was performed on these transactions

Requests for Inter Partes Reexams have been Rising Rapidly

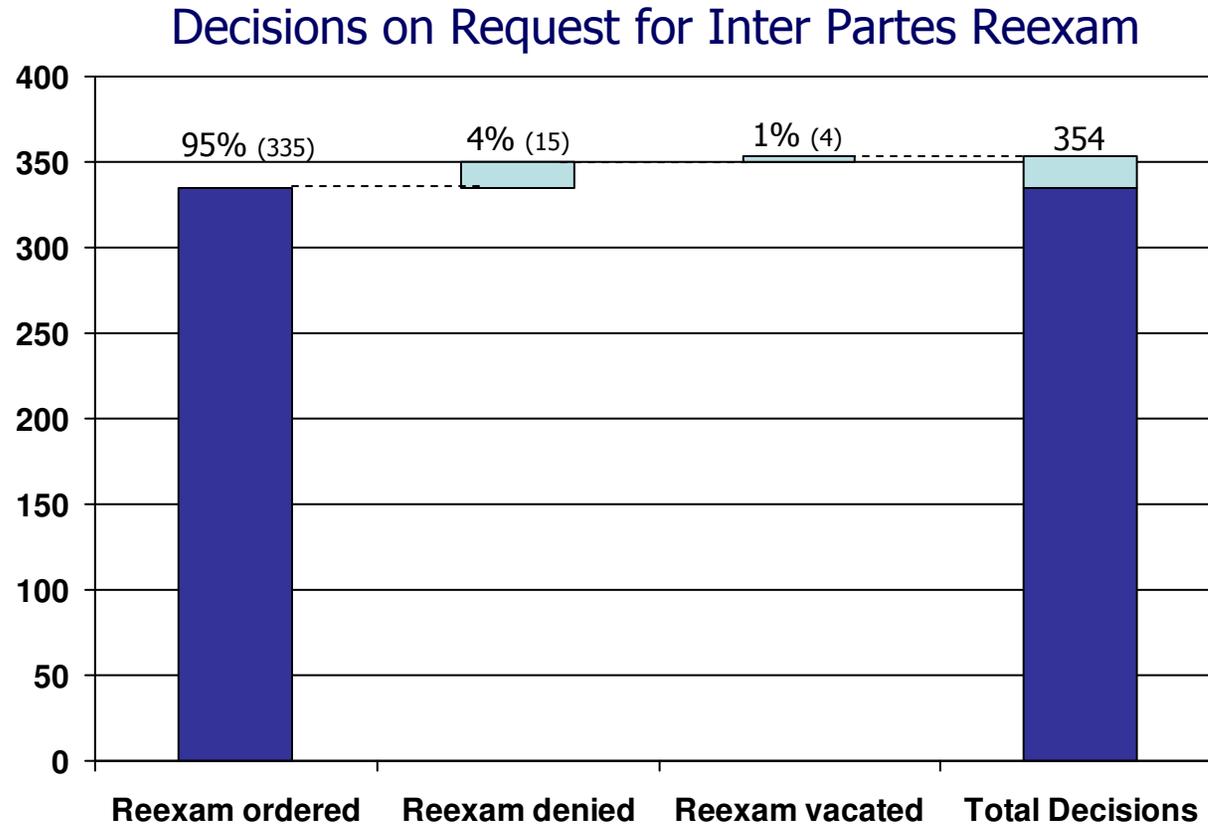
Request for Inter Partes Reexams by Year of Request



In 2007, there were ~6 times as many inter partes reexam requests as in 2003

(1) Actual through 4/16/2008, Forecast equals (108 days/365 days) X 44 reexam requests to date
Note: Reexam requests are based on calendar years rather than fiscal years as generally reported by the USPTO
Source: USPTO PAIR Database; Institute for Progress analysis

Virtually all Requests for Inter Partes Reexamination are Granted

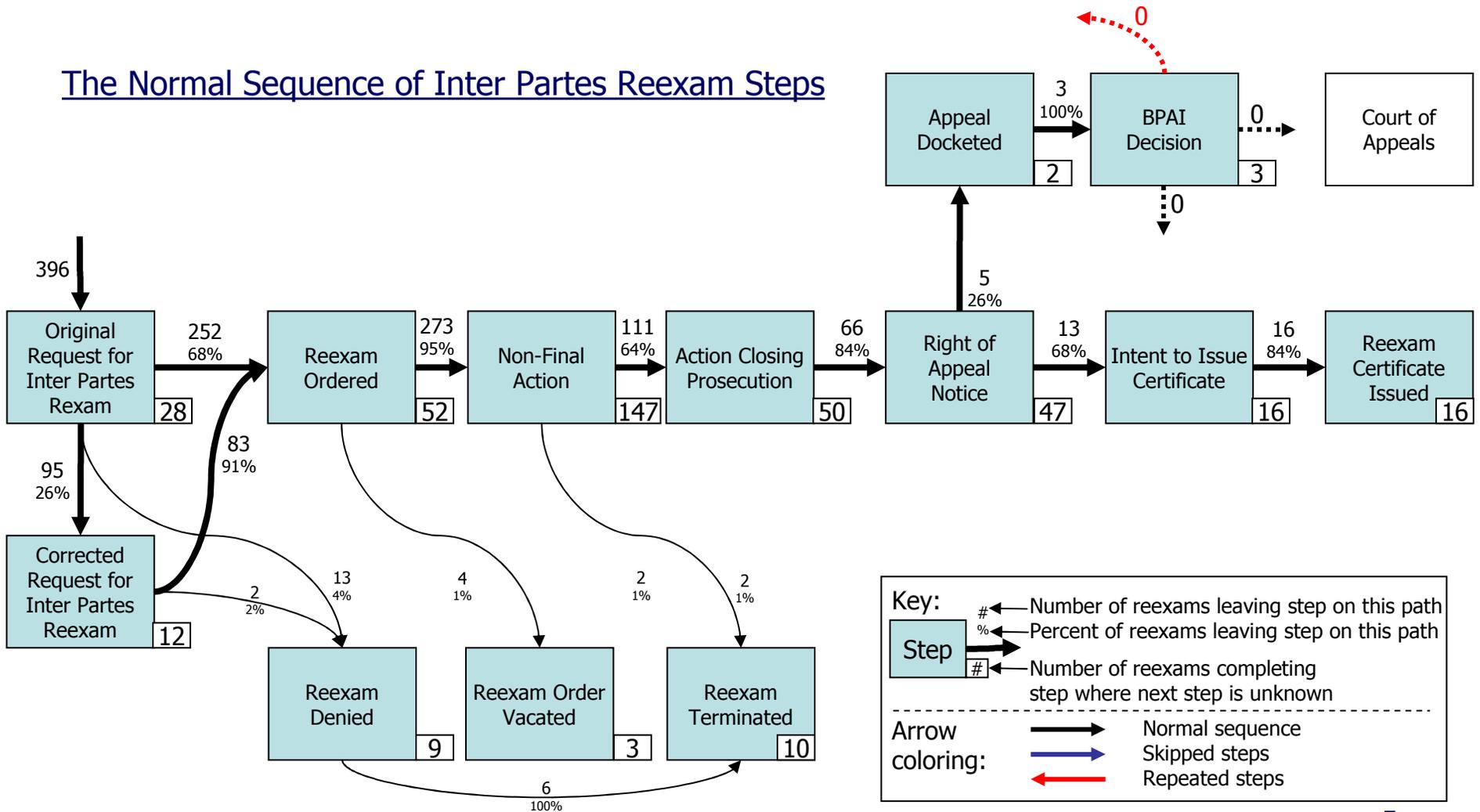


Among those rejected, several are for the same invention, and several others are design patents

Most Cases Follow the Main Sequence through the USPTO Inter Partes Reexamination Process

All Inter Partes Reexams through April 16, 2008

The Normal Sequence of Inter Partes Reexam Steps

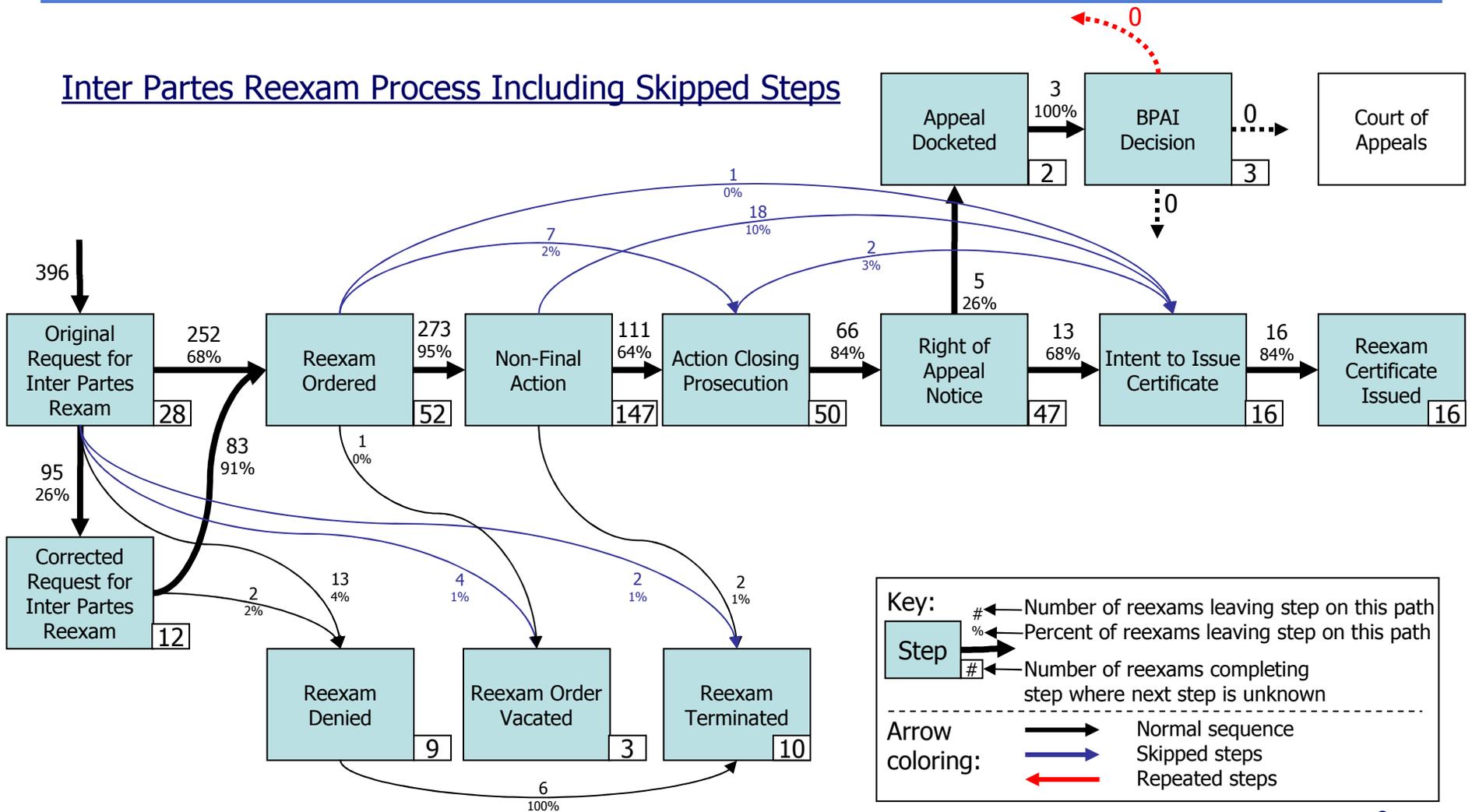


Some Cases Skip Steps...

Generally Due to Patent Holder Non Responsiveness

All Inter Partes Reexams through April 16, 2008

Inter Partes Reexam Process Including Skipped Steps

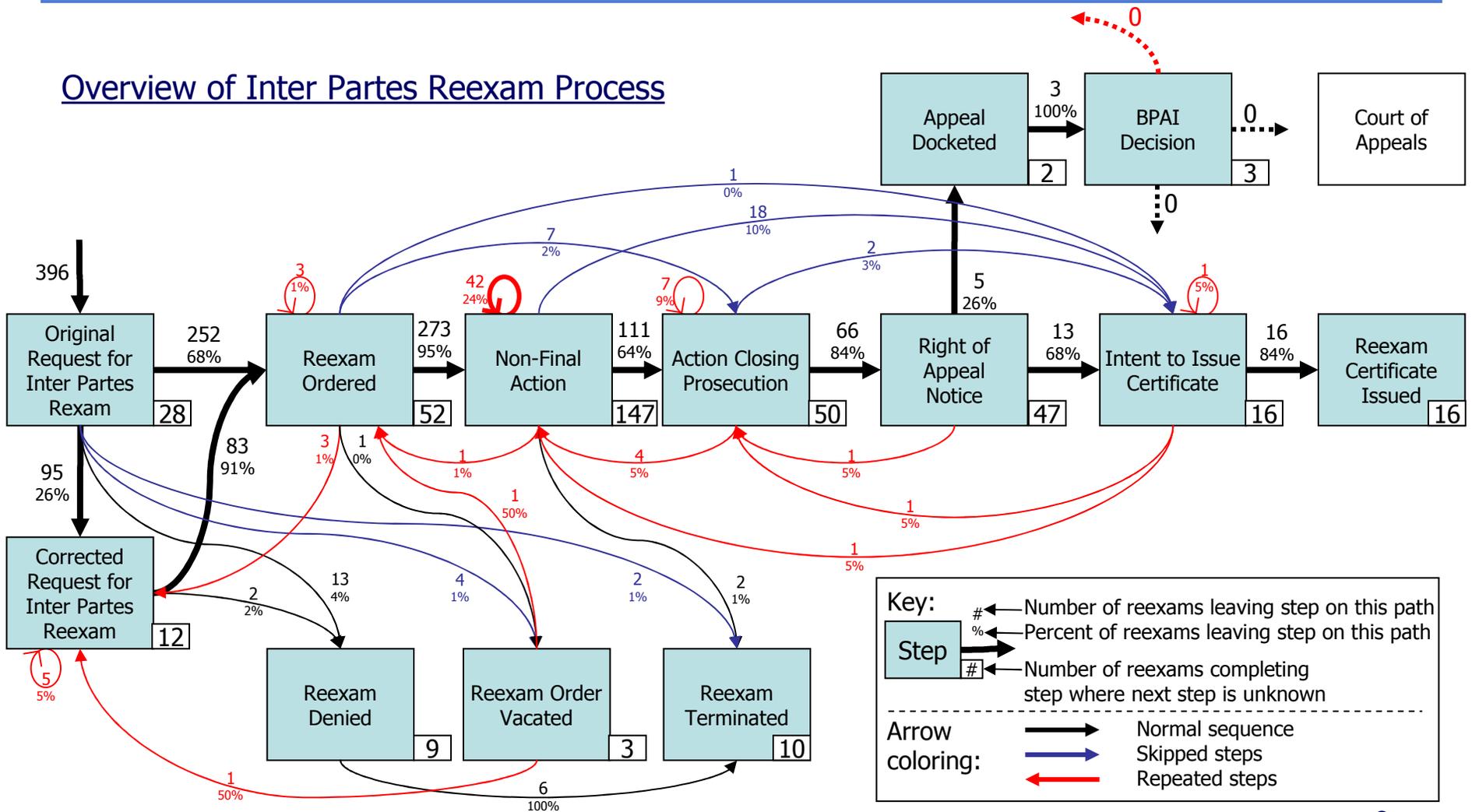


Note: Three other paths are not included on chart – A to F - 1,0%; A to G - 1,0%; B to G - 1,1%
Source: USPTO PAIR Database; Institute for Progress analysis

Flow of Cases through the USPTO Inter Partes Reexamination Process

All Inter Partes Reexams through April 16, 2008

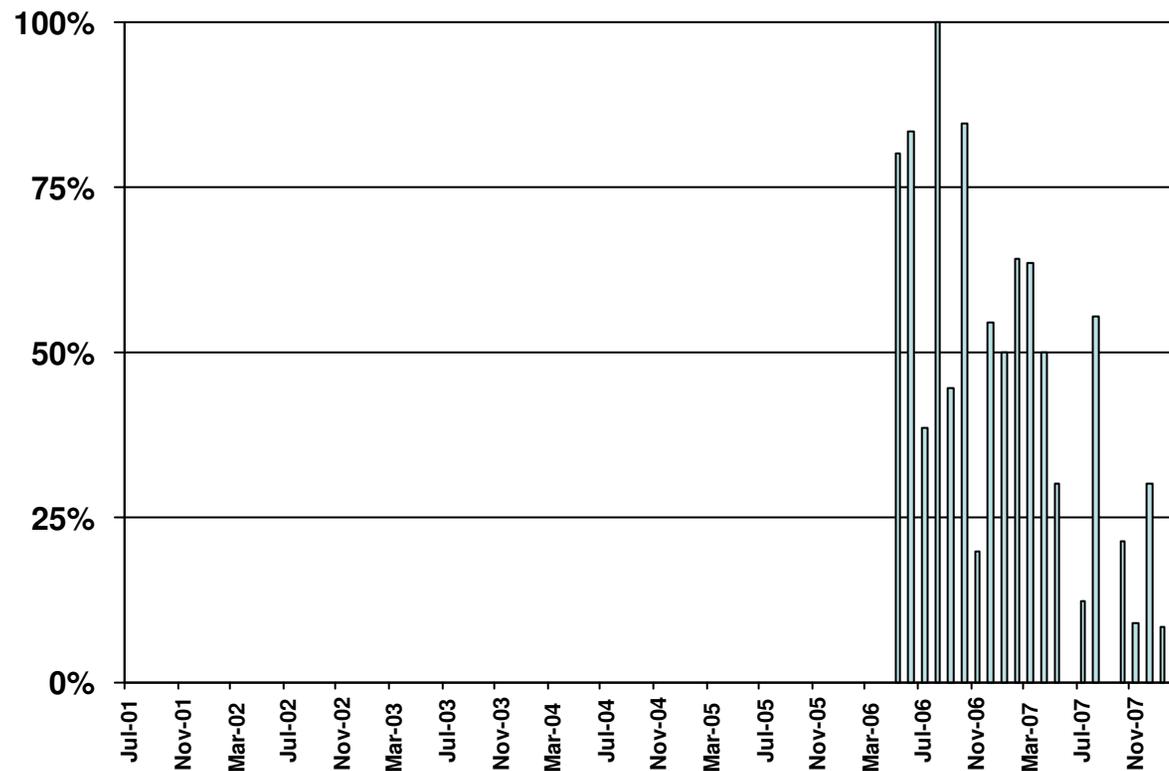
Overview of Inter Partes Reexam Process



Note: Three other paths are not included on chart – A to F - 1,0%; A to G - 1,0%; B to G - 1,1%
Source: USPTO PAIR Database; Institute for Progress analysis

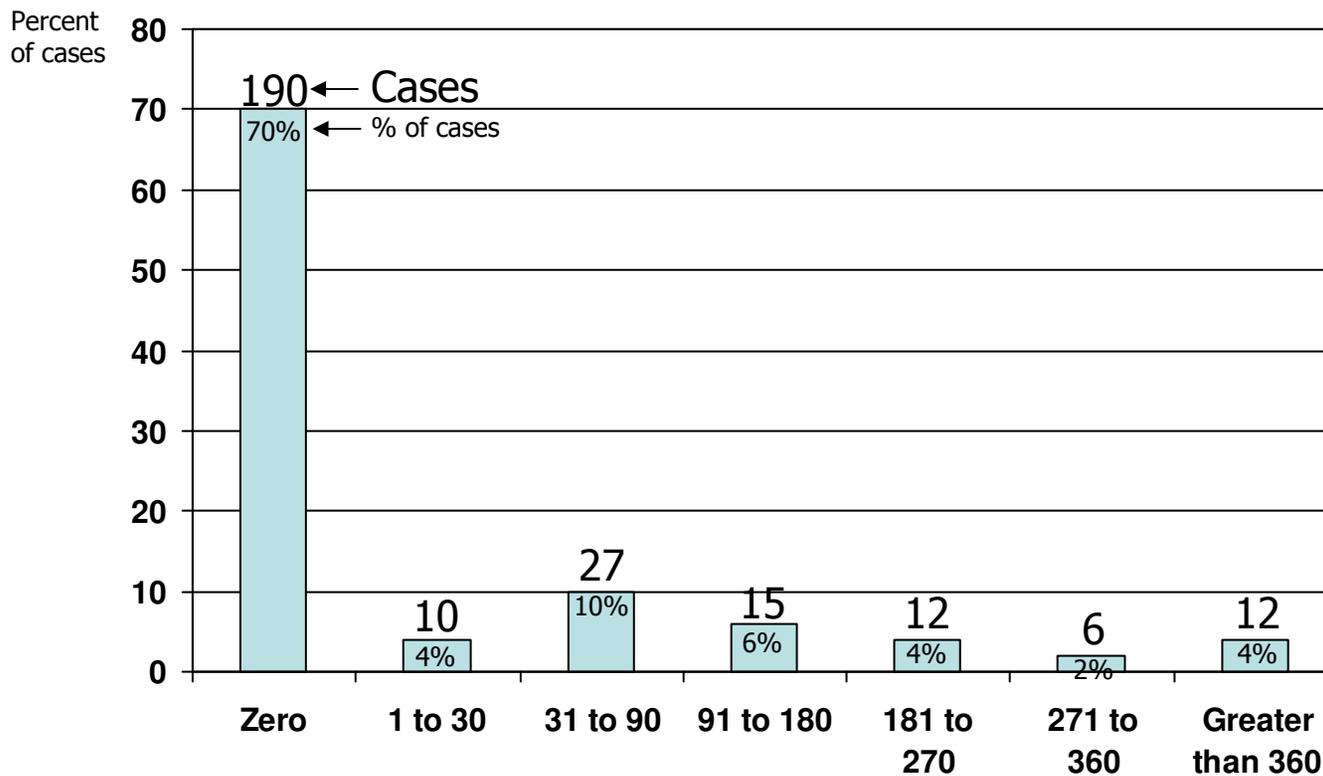
Correction of Inter Partes Reexam Requests Jumped in 2006, and has Subsided Since

Percent of Inter Partes Reexam Requests Requiring Correction



Seventy Percent of IPREs receive a 1st Office Action on the Same Day as the Reexam is Ordered

Distribution of IPRE Cases: Days between Reexam Order and 1st Office Action

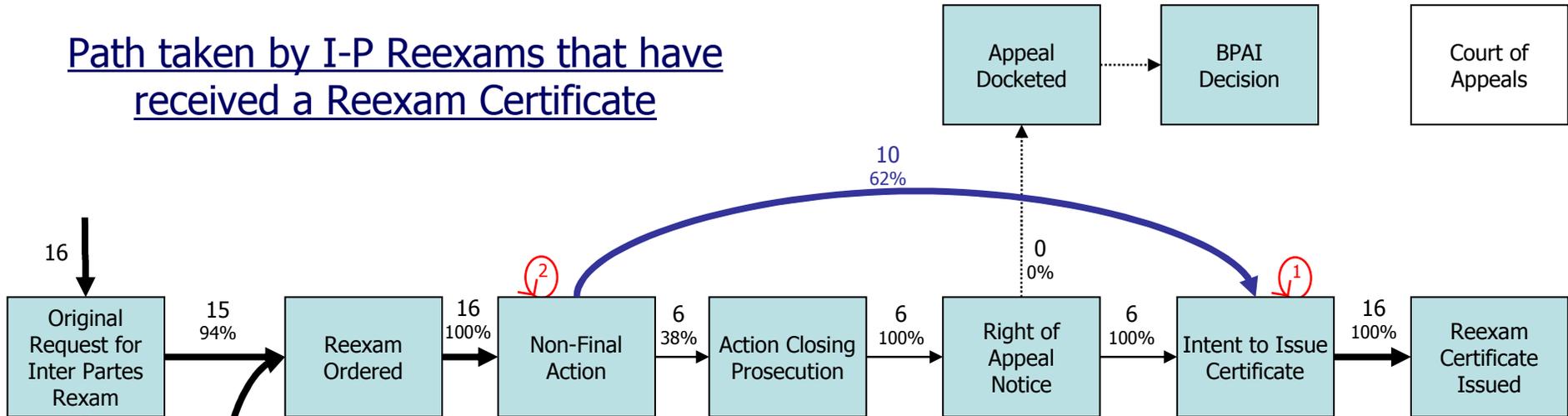


Days from Reexam Order to 1st Office Action

The patent holder is precluded from providing information to the examiner prior to the 1st Office Action

The USPTO Reports an Average Pendency of 28.5 Months;
This Estimate is Skewed by Cases that have Skipped Steps

Path taken by I-P Reexams that have received a Reexam Certificate



The 16 Inter Partes Reexams that have received a final certificate made it through the case because they skipped steps

- In 10 of 16 cases, the patent holder did not respond to an office action
- None of the patent holders appealed the decision

The low average pendency that the USPTO reports is driven by the cases that skipped steps

- Pendency for the 10 cases that skipped steps was ~24 months
- Pendency for the 6 cases that went through ACP and Right of Appeal was ~39 months

Note: The 16 cases here include all cases receiving a Reexam Certificate through April 16, 2008. The most recent data published by the USPTO includes only 12 cases through the end of their fiscal year (9/30/2007). The average pendency of these 16 cases is slightly longer (30.1 months) than the USPTO's statistic based on 12 cases.

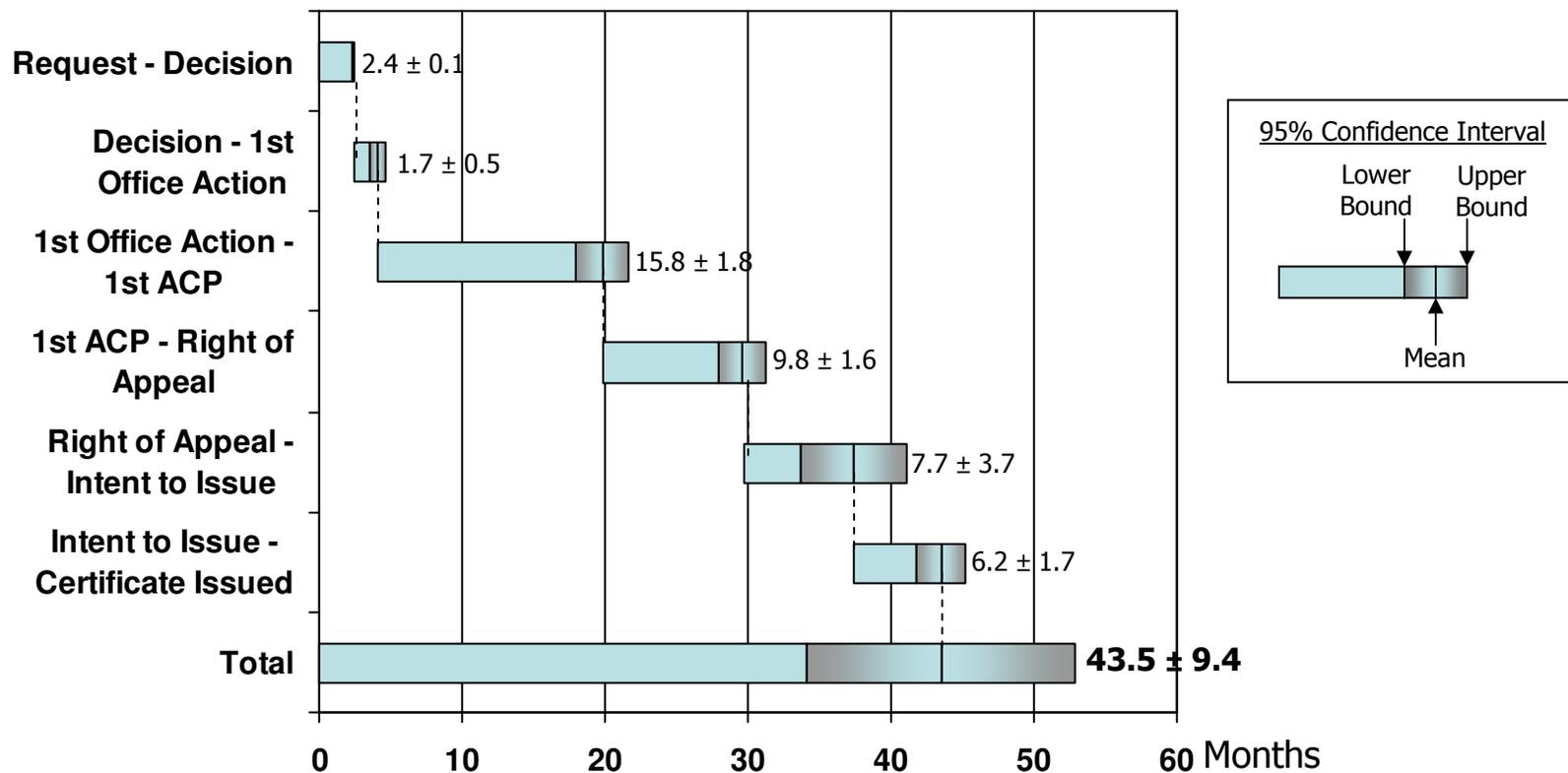
Source: USPTO PAIR Database; Institute for Progress analysis

Key:

- # ← Number of reexams leaving step on this path
- % ← Percent of reexams leaving step on this path
- Step →
- Arrow → Normal sequence
- coloring: → Skipped steps

The Normal IPRE Process Takes Much Longer than the USPTO's 28.5 Months – even without an appeal

Timeline of Inter Partes Reexams Without Appeal

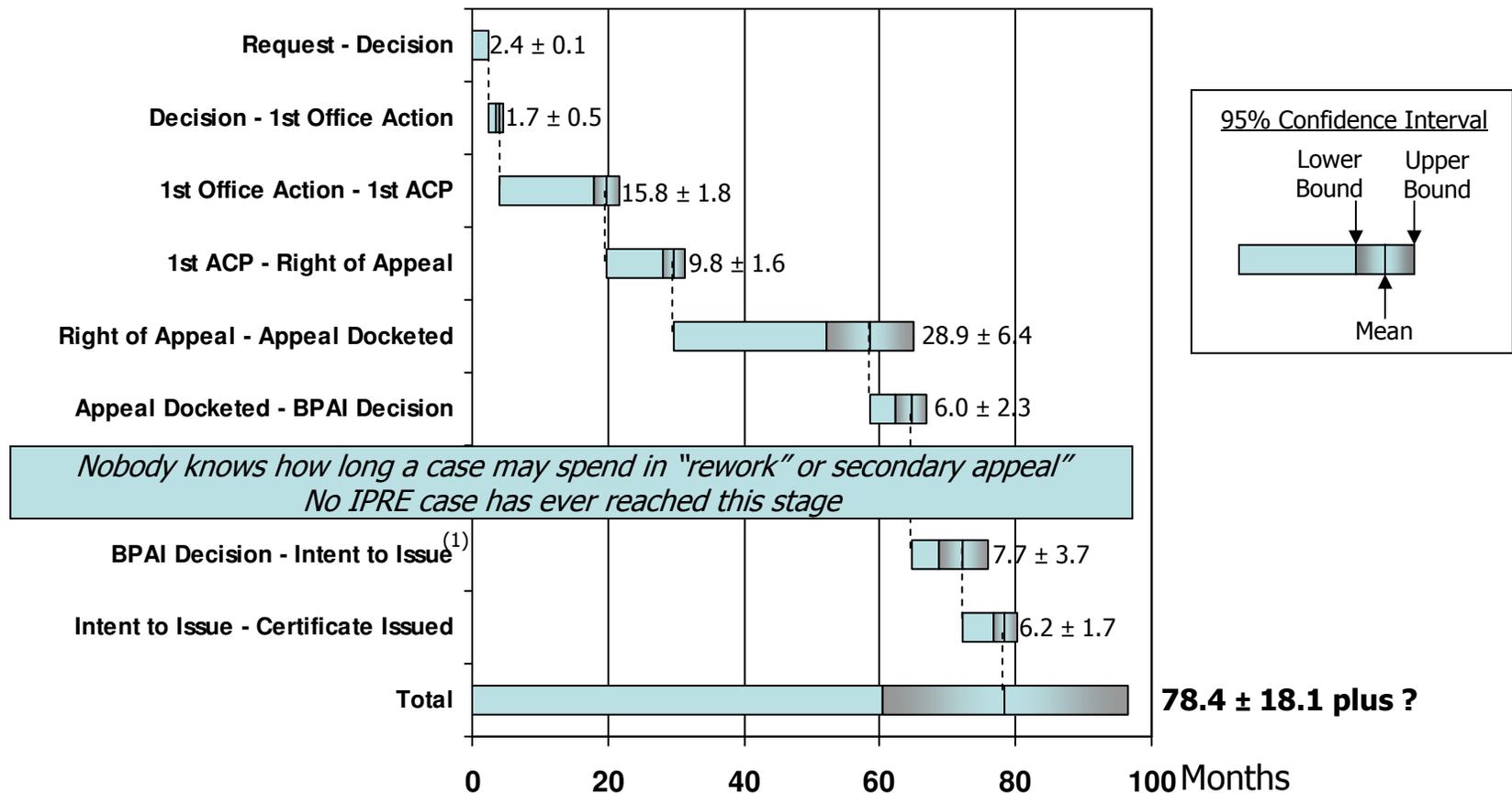


Without an appeal, the average expected pendency period for inter partes reexams is between 34 and 53 months

With an Appeal, the IPRE Process Takes at least Five to Eight Years

This Estimate Does Not Include "Rework" and Secondary Appeals

Timeline of Inter Partes Reexams With Appeal



With an appeal, the pendency period for inter partes reexams is AT LEAST 60 to 97 months (5-8 years!)
...and that doesn't include "rework" after an appeal or secondary appeals

(1) Assumes the same time from BPAI Decision – Intent to Issue as for Right of Appeal – Intent to Issue

Source: USPTO PAIR Database; Institute for Progress analysis

How Far Have the Inter Partes Reexams Gotten? Where Does the Work-In-Process Sit?

All Inter Partes Reexams through April 16, 2008



IPRE Cases by Year of Original Request and Last Step COMPLETED

Original Request for Inter Partes Reexam	Reexam Ordered	Non-Final Action	Action Closing Prosecution	Right of Appeal Notice	Intent to Issue Certificate	Reexam Certificate Issued
'07 – 5 <u>'08 – 23</u> Tot – 28	'05 – 2 '06 – 12 '07 – 34 <u>'08 – 4</u> Tot – 52	'03 – 2 '04 – 10 '05 – 11 '06 – 40 '07 – 72 <u>'08 – 12</u> Tot – 147	'02 – 1 '03 – 2 '04 – 6 '05 – 10 '06 – 22 <u>'07 – 9</u> Tot – 50	Appeal Docketed '03 – 2 Tot – 2	BPAI Decision '02 – 1 <u>'03 – 2</u> Tot – 3	Court of Appeals
Corrected Request for Inter Partes Reexam '07 – 7 <u>'08 – 5</u> Tot – 12	Reexam Denied '05 – 3 <u>'07 – 6</u> Tot – 9	Reexam Order Vacated '03 – 2 <u>'07 – 1</u> Tot – 3	Reexam Terminated '05 – 3 '06 – 4 <u>'07 – 3</u> Tot – 10	'02 – 3 '03 – 8 '04 – 14 '05 – 13 '06 – 7 <u>'07 – 2</u> Tot – 47	'03 – 4 '04 – 2 '05 – 3 '06 – 4 <u>'07 – 3</u> Tot – 16	'01 – 2 '02 – 1 '03 – 2 '04 – 5 '05 – 3 <u>'06 – 3</u> Tot – 16

Source: USPTO PAIR Database; Institute for Progress analysis