



ASX Announcement

21 October 2010

Stat Mux II Reexam Update

ipernica ltd

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Australian Stock Exchange:

Code: IPR

Board of Directors

Non-executive Chairman:
Ross Norgard
Managing Director:
Graham Griffiths
Non-executive Directors:
Conrad Crisafulli
Karl-Christian Agerup
Stuart Nixon

Senior Management:

Group Chief Financial Officer:
Mark Maitland
General Counsel:
Jonathan Lawe Davies

Capital Structure

Fully-Paid Shares on Issue:
323.1 million
Unlisted Options on Issue:
7.76 million @ 16c
27.38 million @ 20c
12.50 million @ 40c
47.64 million

Cash Reserves:

A\$9.2M as at 30 Sept 2010

Perth, Western Australia – Diversified technology and intellectual property group, ipernica ltd (ASX:IPR), today announced that it has succeeded in its appeal of the re-examination of its Statistical Multiplexing (“Stat Mux”) patent. The decision of the Board of Patent Appeals and Interferences (“BPAI”) of 20 October 2010 confirmed that the claims of the Stat Mux patent are valid in their original form.

The Stat Mux patent is the subject of ipernica’s Stat Mux II patent litigation against Ericsson, which was stayed in August 2009 pending the outcome of the re-examination appeal. This result clears the way for ipernica to recommence the Stat Mux II lawsuit against Ericsson.

Background

ipernica has been involved in two rounds of litigation in respect of the Stat Mux patent, referred to as the “Stat Mux I” and “Stat Mux II” cases. Both cases were commenced by ipernica in the Eastern District of Texas (Marshall), claiming damages for patent infringement and other remedies. ipernica is represented by prominent US law firm Fulbright & Jaworski L.L.P on a contingency fee basis.

The Stat Mux Patent covers a widely used methodology for ensuring that telecommunications switches and routers operate efficiently, in circumstances where capacity of the switches or routers is threatened by an overflow of traffic.

In Stat Mux I, ipernica sued major global telecommunications companies Cisco, Alcatel, Lucent, Juniper Networks and Nortel Networks for infringement of the Stat Mux patent. Prior to the trial in April 2007, ipernica settled with all parties except Nortel, obtaining gross pre-trial revenues of US\$15 million. At trial, the judge and jury held that Nortel had wilfully infringed the Stat Mux patent. The claim against Nortel was eventually settled for US\$12 million in March 2008.

ipernica initiated the Stat Mux II case in April 2007 against several telecommunication companies. Since then, ipernica has reached settlement agreements with all Stat Mux II defendants except Ericsson, and has negotiated the grant of a license to one company which is not a defendant to the litigation. The gross revenues from the Stat Mux II program to date are US\$4 million. On 27 August 2009 the Court granted a request from Ericsson to stay the infringement proceedings pending the result of the re-examination of the Stat Mux patent. As a condition of the stay, Ericsson agreed that it will not argue invalidity at trial based on any of the prior art considered in the re-examination proceedings, and will not file any future re-examination proceedings in relation to the Stat Mux patent.

about ipernica

ipernica is a diversified technology and intellectual property ("IP") commercialisation group which is focused on the creation and exploitation of IP rights on a global basis, including 100% owned subsidiary NearMap.com, a location based media company that creates high quality, current and changing PhotoMaps.

Further Information:	Graham Griffiths, Managing Director, ipernica Ltd Tel: +618 9420 8500 Email: graham.griffiths@ipernica.com Website: http://www.ipernica.com
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