



NYIPLA PTAB COMMITTEE

February 1, 2022

IPR PETITION FEE PAYMENTS – A CAUTIONARY TALE

Brian Murphy

BACKGROUND AND CONTEXT

IPR PETITION FEES AND OPTIONS FOR PAYMENT

- **35 U.S.C. 312 PETITIONS.**
- (a) **REQUIREMENTS OF PETITION.**—A petition filed under section 311 may be considered only if—(1) the petition is accompanied by **payment of the fee**

- **37 CFR § 42.103: Inter partes review fee**
- (a) An inter partes review fee set forth in § 42.15(a) must accompany the petition.
- (b) **No filing date** will be accorded to the petition **until full payment is received.**

- **37 CFR § 42.15(a) IPR Petition Fee - \$41,500** + excess claims fees (> 20)

BACKGROUND AND CONTEXT

IPR PETITION FEES AND OPTIONS FOR PAYMENT

- **USPTO ACCEPTED PAYMENT METHODS**
- **PTO Customer Account** – must be funded “in advance of use”
- **Credit Card Payment** – \$24,999.99 daily limit; “may not be split into two or more transactions over one or multiple days.”
- **Debit Card Payment** – no limit, BUT if PIN required debit card will be refused
- **Electronic Funds Transfer (EFT)** – via ACH Debit or Credit account
- **Check or Money Order** – payable to “Director of the USPTO”
- **Wire transfer** – Federal Reserve Fedwire system transfer to **Treas NYC**

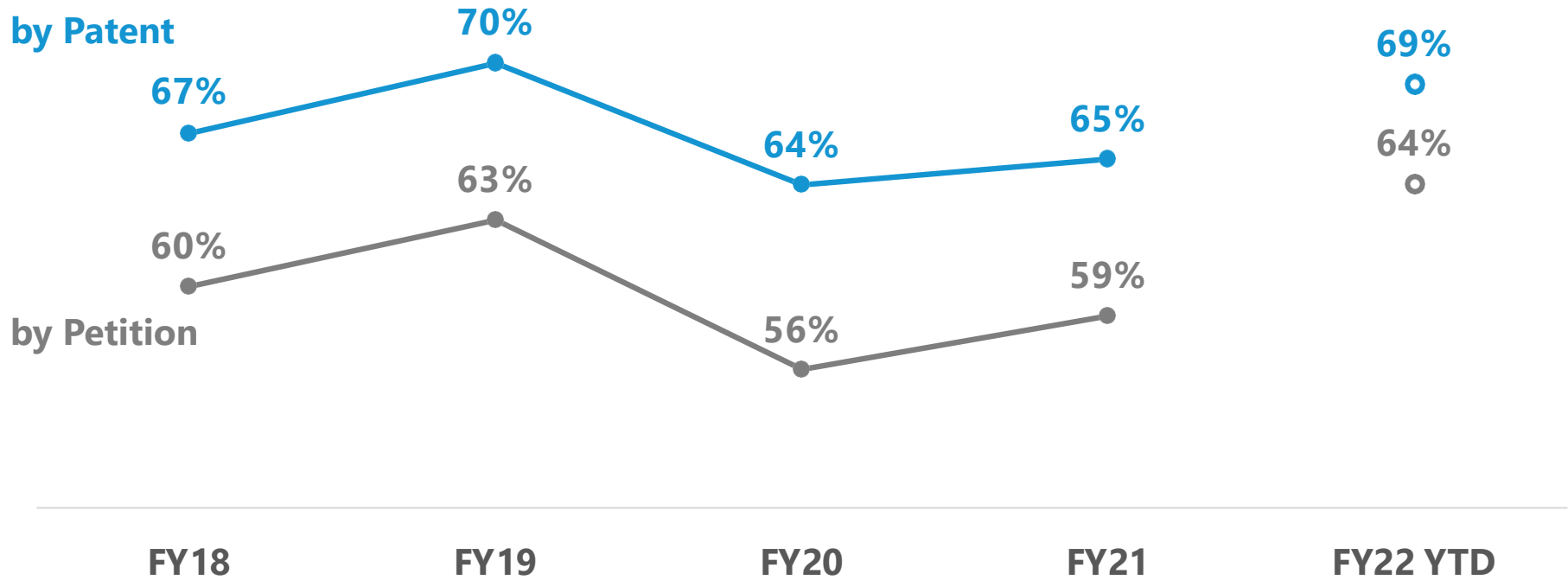
WHY DOES TIMELY FEE PAYMENT MATTER?

- **35 U.S.C. § 315(b) one-year statutory bar**; measured from date “petitioner is served with a complaint alleging infringement of the patent”

- **PTAB E2E FAQs**
 - D1: “[N]o filing date will be accorded if a statutory requirement is not satisfied. For example, for fee deficiencies, the Office will accord **the later submission date when all appropriate fees have been paid.**”
 - E1: “Can I pay the fees in PTAB E2E using **multiple forms of payment**? **No**, petitioners must pay the full amount in Financial Manager using one form of payment. Petitioners with a **special need** to use multiple forms of payment (e.g., deposit account and credit card) to pay the fees for a single IPR, PGR, or CBM petition should **contact the Board at 571-272-7822.**”
 - E2: “Can I pay the fees using **multiple credit/debit cards for one transaction**? **No**, only one credit/debit card may be used.”
 - E6: If a petitioner fails to include the excess claims fees, “**A filing date would not be accorded** unless the required fees are paid.”

Institution rates by patent and by petition

(FY18 to FY22 through Q1: Oct. 1, 2017 to Dec. 31, 2021)



LATE PAYMENTS – LITTLE SYMPATHY

“RULES ARE RULES”

- **Hapless Petitioners’ Fee Payment Episodes**
- *Cultec v. StormTech*, IPR2017-00526, Paper 14
 - IPR petition filed on last day to avoid 315(b) bar
 - **\$25,600 IPR fee** exceeded \$24,999.99 credit card limit
 - Deposit account payment rejected due to **insufficient funds**
 - Debit card payment failed because **card authorization denied**
 - Fee paid next day was too late: **315(b) bar**
- *Luv N’ Care v. McGinley*, IPR2017-01216, Paper 13 (Informative)
 - Petition filed one day before 315(b) bar date
 - Deposit account payment rejected due to **insufficient funds**
 - Petitioner funded deposit account **next day**
 - Petitioner waited 10 days to **re-initiate payment** on E2E system
 - PTAB **Order to Show Cause** but Petitioner failed to respond
 - **315(b) bar**: “full payment must be **received, not merely tendered**”
 - “The **PTO website** provides extensive, consistent guidance” regarding fee payment

ON WHAT DAY IS A “REAL-TIME” FEDWIRE TRANSFER RECEIVED?

- ***Toshiba America v. Monument Peak Ventures***, IPR2021-00330, Paper 20 (Jan. 14, 2022 Precedential (POP))

■ The Facts

- December 17, 2019 Toshiba served with patent infringement complaint
- December 16, 2020 Toshiba filed and served IPR petition
 - Toshiba chose to pay by **Fedwire transfer**
- December 16, 2020 Toshiba received a **“Completed Payments” receipt FBO USPTO**
- December 18, 2020 (Friday) USPTO received IPR fee payment from Treasury NYC
- December 21, 2020 Filing Date Accorded Toshiba’s petition; **Motion to Correct Filing Date**

■ PTAB Panel Denied Institution (Paper 9): **315(b) bar**

- USPTO **did not “receive full payment”** until December 18, 2020 (§ 42.103(b))
- Beneficiary’s bank (Treasury NYC) is not the beneficiary (USPTO)
- Petitioner’s reliance on **“real-time” settlement** of Fedwire funds **“misplaced”**
- No “good cause” to exercise discretion (37 CFR § 42.5(b), (c)(3)): “[A] petitioner who files a petition near the statutory deadline **should be well aware of the risks**”
- **Dissent:** “majority penalizes Petitioner for the **government’s delay**” in processing payment
- Petitioner complied with USPTO’s **published instructions**

PTAB WEBSITE INSTRUCTIONS FOR FEDWIRE PAYMENT

Instructions for sending a domestic wire payment to the USPTO:

Fedwire Field Tag	Fedwire Field Name	Required Information
{1510}	Type/Subtype	1000
{2000}	Amount	<i>(enter payment amount)</i>
{3400}	Receiver ABA Routing Number	021030004
{3400}	Receiver ABA Short Name (account is with the Federal Reserve Bank of New York)	TREAS NYC 33 Liberty Street New York, NY 10045

Toshiba Ex-1022, Page 1

PTAB WEBSITE INSTRUCTIONS FOR FEDWIRE PAYMENT

{3600}	Business Function Code	CTR <i>(or CTP)</i>
{4200}	Beneficiary ID Code	D
{4200}	Beneficiary Identifier (account number)	13100001
{4200}	Beneficiary Name	USPTO 600 Dulany Street Alexandria, VA 22314
{5000}	Originator	<i>(enter your company name)</i>
{6000}	Originator to Beneficiary Information (up to 4 lines of 35 characters each)	<i>(enter the brief purpose of payment and information that helps identify the transaction (e.g., maintenance fee, patent#, application#), and a phone number)</i>



Wires

Payment Information

Fed Ref # 12161B7032R016265

Payment ID 871

Type Wire

Name USPTO

Status Successful

Modified 12/16/2020 02:46 pm ET by CAUSEYK

Debit Account

Debit Account

Operating Account

Acct # [REDACTED] 2757 USD

Beneficiary

Beneficiary

USPTO

United States of America (US)

Acct # 13100001

Beneficiary Bank

TREAS NYC/FUNDS TRANSFER DIVISION

33 LIBERTY ST

WASHINGTON 10045

United States of America (US)

ABA # 021030004

Payment Details

Debit Currency USD - United States Dollar

Credit Currency USD - United States Dollar

Amount 41,500.00 USD

Value Date 12/16/2020

Cutoff 12/16/2020 05:30 pm ET

References

Originator to Beneficiary Information

OBI Filing fee for No. IPR 2021-00330

OBI Pat. No. 7,583,294

OBI Petitioner TAEC, Patent Owner MPV

OBI Doug Stewart,#51060, 206-402-1629

Originator

BRACEWELL LLP

711 LOUISIANA ST STE 2300

HOUSTON TX 770022770

United States of America (US)


Payment References

ID or Acct # 5436952757

Fees Payment Receipt



United States Patent and Trademark Office

 [Print Receipt](#)

USPTO
P.O.Box 1450
Alexandria, VA 22313-1450
www.uspto.gov

BILLING ADDRESS

Douglas Stewart
701 5th Ave, Suite 6200
Seattle, WA 98104

AIA REVIEW NUMBER

IPR2021-00330

AIA REVIEW TYPE

Inter Partes Review (IPR)

PATENT OWNER/RESPONDENT'S PATENT NUMBER

7583294

RECEIPT DATE

12/16/2020 16:25:45

PAYMENT STATUS

INPROCESS



TOTAL PAYMENT
\$41,500

Payment Summary

records per page

Filter

Transaction Date	Payment Method	Description	Fee Code	Quantity	Fee Amount	Fee Total
Total Fees						\$0

No records found.

[Return to Payment History](#)

POP PANEL GRANTED REHEARING: NO 315(B) BAR

■ POP panel concluded:

- “**Fedwire confirmation of payment** constitutes sufficient evidence to demonstrate that the required fee accompanies a petition under 35 U.S.C. § 312(a) and 37 C.F.R. § 42.103(a), and constitutes sufficient evidence to demonstrate that **‘payment is received’ under 37 C.F.R. § 42.103(b).**”

■ Reasoning

- The Fedwire confirmation “demonstrates that, on December 16, 2020, Petitioner complied with the USPTO’s **published instructions.**”
- The Fedwire confirmation “identifies the transfer as a **‘Completed Payment[]’** and indicates the wire transfer was **‘Successful’** as of 2:46 pm ET on December 16, 2020.”
- “Petitioner did everything in its power to pay the fee **as instructed.**”
- **UCC Sections 4A-406, -209** “dictate that, by operation of law, Petitioner paid the USPTO when Treasury NYC *received the full amount* of the payment order.” (emphasis in original)
- **UCC Section 4A-401** “provides that the *‘Payment date* of a payment order . . . , unless otherwise determined, is the day the order is received by the beneficiary’s bank.” (emphasis in original)

■ Surprise Ending

- Institution Denied. Fed. Cir. recently entered Rule 36 judgment - patent claimed **ineligible subject matter**. POP panel deemed judgment to have a “low probability” of being overturned.

TAKEAWAYS

- Make sure everyone, particularly paralegals, know the rules – especially the **PTAB website “rules”**
- Use your firm’s PTO deposit account (Customer number) to pay the fees
- Before filing, check your firm’s **deposit account funding** the same day
- If you use Fedwire, be sure to receive/inspect **Confirmation of Payment**
- Do everything humanly possible to file **at least 1 day before** 315(b) bar date
- When in doubt, call the PTAB Trials Hotline **571-272-7822** or email Trials@uspto.gov. They are extremely helpful!



Brian Murphy

HAUG PARTNERS LLP

745 Fifth Avenue
10th Floor
New York, NY 10151

+1-212-588-0800

One Post Office Square
31st Floor
Boston, MA 02109

+1-617-426-6800

1667 K St. NW,
Suite 500
Washington, DC 20006

+1-202-292-1530

www.haugpartners.com