

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOSHIBA AMERICA ELECTRONIC COMPONENTS, INC.,
Petitioner,

v.

MONUMENT PEAK VENTURES, LLC,
Patent Owner.

IPR2021-00330
Patent 7,583,294 B2

Before JONI Y. CHANG, MICHAEL R. ZECHER, and
JULIET MITCHELL DIRBA, *Administrative Patent Judges*.

Opinion for the Board by *Administrative Patent Judge* CHANG.

Opinion dissenting filed by *Administrative Patent Judge* DIRBA.

CHANG, *Administrative Patent Judge*.

DECISION

Denying Petitioner's Motion to Correct Filing Date and
35 U.S.C. § 314

Denying Institution of *Inter Partes* Review
37 C.F.R. §§ 42.71 and 42.108

I. INTRODUCTION

Toshiba America Electronic Components, Inc. (“Petitioner”) filed a Petition requesting an *inter partes* review (“IPR”) of claims 1, 5, 10, 11, and 19 (“the challenged claims”) of U.S. Patent No. 7,583,294 B2 (Ex. 1001, “the ’294 patent”). Paper 1 (“Pet.”). The Petition was accorded the filing date of December 21, 2020. Paper 4 (Notice of Filing Date Accorded to Petition), 1. Petitioner was served with a complaint alleging infringement of the ’294 patent on December 17, 2019. Ex. 2001. The Petition is filed more than one year after service of the complaint, and thus, the Petition is time-barred under 35 U.S.C. § 315(b), unless the accorded filing date of the Petition is changed to December 17, 2020, or earlier. Pursuant to our prior authorization, Petitioner filed a Motion to Correct Filing Date, requesting to change the filing date to either December 16 or 17, 2020. Paper 5 (“Mot.”), 1, 9. According to Petitioner, the Petition complied with all statutory requirements, including paying the filing fee via a wire transfer, on December 16, 2020. *Id.* at 4–7. Monument Peak Ventures, LLC (“Patent Owner”) filed an Opposition, arguing that Petitioner fails to show that the U.S. Patent and Trademark Office (“USPTO”) received the payment before December 18, 2020. Paper 6 (“Opp.”). Petitioner filed a Reply to the Opposition. Paper 7 (“Reply”). Subsequently, Patent Owner filed a Preliminary Response, arguing that the Petition is time-barred under § 315(b). Paper 8 (“Prelim. Resp.”).

For the reasons set forth below, we deny Petitioner’s Motion to Correct Filing Date and deny the Petition as time-barred under § 315(b).

II. MOTION TO CORRECT FILING DATE

A. Principles of Law

The relevant portion of 35 U.S.C § 312(a) provides that “[a] petition filed under section 311 may be considered only if—(1) *the petition is accompanied by payment of the fee* established by the Director under section 311.” 35 U.S.C. § 312(a)(1)(emphasis added). The corresponding rule set forth in 37 C.F.R. § 42.103 provides “[a]n *inter partes* review fee set forth in § 42.15(a) *must accompany the petition*” and “[n]o filing date will be accorded to the petition until *full payment is received.*” 37 C.F.R. § 42.103 (emphases added). The relevant portion of 37 C.F.R. § 42.106 also provides unambiguously that “[a] petition to institute a *inter partes* review will not be accorded a filing date until” the petition is “*accompanied by the fee.*” 37 C.F.R. § 42.106 (emphasis added). As previous Board decisions have explained repeatedly, our rules follow the statutory requirement, establishing that *the full payment must be received*, not merely tendered, in order to be considered as “accompanying” the petition. *See, e.g., Luv’n Care, LTD. v. McGinley*, IPR2017-01216, Paper 13 at 5 (PTAB Sept. 18, 2017) (informative); *Cultec, Inc. v. StormTech LLC*, IPR2017-00526, Paper 14 at 3 (PTAB July 17, 2017).

In addition, the USPTO’s website provides extensive, consistent guidance stating that the payment of the filing fee is required to obtain a filing date for a petition. *See, e.g., Ex. 3001, 2* (“It is important to note that a petition will not be accorded a filing date unless it is *accompanied by a payment of the appropriated fees (e.g., a deposit account authorization).*”

(emphasis added)); *id.* at 7 (“[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 because the fees are required by statute.”); *id.* (a filing date requires the “[a]ppropriate fee *successfully* paid” (emphasis added)).

As the moving party, Petitioner has the burden of proof to establish that it is entitled to the requested relief—namely, a change of the filing date accorded to the Petition is warranted based on the evidence of record.

37 C.F.R. § 42.20(c).

B. Analysis

The parties’ dispute centers on the issue of whether the Petition was “accompanied by payment of the fee” before December 18, 2020. *See, e.g.*, Mot. 4–15; Opp. 1–14. Petitioner takes the position that the Petition is entitled to a filing date of either December 16 or 17, 2020, because the wire transfer of the fee payment was completed and accepted by Treasury NYC on December 16, 2020. Mot. 4–15; Reply 1–5. Patent Owner argues that Petitioner’s evidence establishes that, at best, it is entitled to a filing date no earlier than December 18, 2020, which is more than one year after service of the complaint alleging infringement of the ’294 patent, because the evidence shows that the filing fee was received by the USPTO on December 18, 2020. Opp. 1–9; Prelim. Resp. 7–9.

Based on the evidence of record, we are not persuaded by Petitioner’s arguments. We address each of Petitioner’s arguments in turn below.

1. Whether Petitioner paid the filing fee on December 16, 2020

First, Petitioner argues that the filing date accorded to the Petition of December 21, 2020, is incorrect because it paid the filing fee on December 16, 2020, via a wire transfer that was sent through the Federal Reserve's Fedwire system to Treasury NYC, the USPTO's designated bank. Mot. 1–7. Petitioner contends that the Fees Payment Receipt (Ex. 1026) dated December 16, 2020 indicates “Payment Status” as “INPROCESS” and it “does not contain any error messages or other indication of any issue with Petitioner's payment.” *Id.*; Reply 4–5. Petitioner also avers that its Fedwire confirmation (Ex. 1023) establishes that the filing fee was withdrawn from its bank account and accepted by Treasury NYC on the USPTO's behalf on December 16, 2020, and that the Fedwire system is a “real-time” system in which payments are processed in real time. Mot. 6–7. Petitioner further contends that Petitioner's counsel and support staff had no subsequent interaction with the Patent Trial and Appeal Board (“PTAB”) End-to-End (“E2E”) system that would have altered the original filing date of the Petition. *Id.* 3–4. To support its arguments, Petitioner proffers a Declaration of Yasuyo Isono, a paralegal who filed the Petition with accompanying exhibits on December 16, 2020 (Ex. 1019), a Declaration of Douglas Stewart, Petitioner's attorney who supervised the filing of the Petition (Ex. 1018), and two web pages (Exs. 1030 and 1031) regarding Fedwire Funds Service.

We are not persuaded by Petitioner's arguments. The evidence of record does not show that the USPTO received the full payment for the Petition on December 16, 2020.

Ms. Isono testifies that she filed the Petition with accompanying exhibits, using the PTAB E2E system on December 16, 2020. Ex. 1019 ¶¶ 2–3. However, Ms. Isono also testifies that she did not select a payment option on the payment screen of the PTAB E2E system because the system does not present the user with the ability to select a payment option for wire transfer. *Id.* ¶ 4. Therefore, based on her testimony, Ms. Isono did not file the Petition with a fee payment on December 16, 2020. *Id.*

Petitioner's Fees Payment Receipt (Ex. 1026) also does not support Petitioner's argument that full payment for the Petition was received on December 16, 2020. Indeed, the "Payment Summary" section of Petitioner's Fees Payment Receipt explicitly states "No records found" and shows that all of the entries "Transaction Date," "Payment Method," "Description," "Fee Code," "Quantity," "Fee Amount," and "Fee Total" are *blank*. Ex. 1026, 2. Therefore, Petitioner's Fees Payment Receipt with the "INPROCESS" status, without more, does not establish that the USPTO received full payment for the Petition on December 16, 2020.

Petitioner's argument that the "fee payment receipt does not contain any error messages or other indication of any issue with Petitioner's payment" is inapposite. Mot. 7, 12. As we explain above, Petitioner's Fees Payment Receipt expressly states "No records found" and shows that all of the transaction entries are blank. Ex. 1026, 2. Such evidence is not

sufficient to establish that the USPTO received full payment for the Petition on December 16, 2020. The PTAB E2E system allows users to submit their petitions and fee payments over multiple days. It is not the USPTO's responsibility to make sure that a petitioner pays the filing fee for a petition before its statutory deadline. Therefore, Petitioner's reliance on its Fees Payment Receipt to show that the filing fee for its Petition was paid in full on December 16, 2020, is misplaced. Mot. 1–7, 11–12, 14; Reply 4–5.

In addition, we are not persuaded by Petitioner's argument that its Fedwire confirmation (Ex. 1023) establishes that the filing fee for the Petition was withdrawn from its bank account, accepted by Treasury NYC, and processed by the USPTO on December 16, 2020. Mot. 6–7. Notably, Mr. Stewart admits that, on both December 16 and 17, 2020, the Receipts Accounting Division (“RAD”) at the USPTO notified him that “the funds had not been received.” Ex. 1018 ¶¶ 7–8, 11; Ex. 1025 (RAD's email sent to Mr. Stewart on December 16, 2020); Ex. 1028 (RAD's email sent to Mr. Stewart on December 17, 2020). Mr. Stewart also admits that, on January 14, 2021, a paralegal supervisor at the USPTO informed him that “the PTAB's internal records indicated that the filing fee was received on December 18, 2020,” which was a Friday, and the next business day, “December 21, 2020, was the date the Petition and associated documents first appeared in the Trial Division's internal docketing system.” Ex. 1018 ¶ 13. Moreover, the USPTO's Fedwire Detail Report for Petitioner's wire transfer of the filing fee payment for the Petition shows a settlement date of December 18, 2020, when the USPTO received the payment. Ex. 3002, 1.

Therefore, the Fedwire confirmation (Ex. 1023) does not constitute sufficient evidence to support Petitioner's position that the USPTO received full payment for the Petition on December 16, 2020.

We also are not persuaded by Petitioner's argument that the Fedwire system is a "real-time" system in which payments are "individually processed and settled in central bank money *in real time*," and that settlement of funds through Fedwire "is *immediate*, final and irrevocable." Mot. 6–7. Petitioner's argument relies on the web pages (Exs. 1030 and 1031) regarding Fedwire Funds Service. Mot. 6–7. Such reliance is misplaced because those web pages provide general information regarding the services offered by Fedwire system. They do not contain any specific information regarding Petitioner's wire transfer of the fee payment for its Petition on December 16, 2020. Exs. 1030, 1031.

Even assuming that the funds were transferred from Petitioner's bank to Treasury NYC on December 16, 2020, "in real time," Petitioner fails to account for the time that it takes Treasury NYC to transfer the payment to the USPTO and make the funds available to the USPTO, and the USPTO to process the payment with the Petition. Petitioner also improperly treats Treasury NYC and the USPTO as the same entity.

As we discuss above, Petitioner's Fees Payment Receipt shows "No records found" and blank transaction entries in the "Payment Summary" section. Ex. 1026, 2. The USPTO's RAD notified Mr. Stewart on both December 16 and 17, 2020, that the USPTO had not received the fee payment. Exs. 1025, 1028. Mr. Stewart admits that a paralegal supervisor

at the USPTO informed him that “the PTAB’s internal records indicated that the filing fee was received on December 18, 2020,” which was a Friday, and the next business day, “December 21, 2020, was the date the Petition and associated documents first appeared in the Trial Division’s internal docketing system.” Ex. 1018 ¶ 13. Moreover, the USPTO’s Fedwire Detail Report for the Petitioner’s wire transfer shows a settlement date of December 18, 2020, when the USPTO received the payment. Ex. 3002, 1. Together the statute, regulations, guidance on the USPTO’s website, and prior Board decisions provide practitioners sufficient notice that a petitioner who files a petition near the statutory deadline should be well aware of the risks associated therewith. Therefore, Petitioner’s arguments that the Fedwire system is a “real-time” system in which payments are “individually processed and settled in central bank money *in real time*” and that settlement of funds through Fedwire “is *immediate*, final and irrevocable” are unavailing. Mot. 6–7.

Petitioner’s argument that its staff had no subsequent interaction with the PTAB E2E system that would have altered the original filing date of the Petition is misplaced. Mot. 3–4. Our rules follow the statutory requirement, establishing that the full payment must be received, not merely tendered, in order to be considered as “accompanying” the petition. *See, e.g.*, 37 C.F.R. §§ 42.103, 42.106; *Luv’n Care*, IPR2017-01216, Paper 13 at 5; *Cultec*, IPR2017-00526, Paper 14 at 3. As we discussed, Petitioner fails to show that the USPTO received the full payment for the Petition on December 16, 2020.

For the foregoing reasons, we are not persuaded that Petitioner has shown sufficiently that the Petition was accompanied by the filing fee payment on December 16, 2020, as required by 35 U.S.C. § 312(a)(1) and 37 C.F.R. §§ 42.103 and 42.106. At best, the evidence of record shows that the USPTO received full payment for the Petition on December 18, 2020, which is one day after the statutory deadline pursuant to § 315(b).

2. Whether the filing date should be accorded based on the “wire transfer date”

Second, Petitioner argues that we should accord the filing date based on the “wire transfer date” of December 16, 2020. Mot. 7–9; Reply 1–5. Petitioner avers that “[t]he applicable federal regulations are clear that a Fedwire payment is received by a beneficiary—here the [USPTO]—when the *beneficiary’s bank accepts the payment on the beneficiary’s behalf.*” Mot. 7–9; Reply 1–5. According to Petitioner, “[t]he Fedwire System is governed by 12 C.F.R. Subpart B, which incorporates Article 4A of the Uniform Commercial Code (‘UCC’),” and that “[u]nder Article 4A of the UCC, a wire transfer is deemed both *complete and accepted* when the beneficiary’s designated bank receives the full payment,” citing *U.S. v. BCCI Holdings (Luxembourg), S.A.*, 980 F. Supp. 515, 521 (D.D.C 1997), *Pereira v. Summit Bank*, No. 94 Civ. 1565, 2001 WL 563730, at *14 (S.D.N.Y. May 23, 2001), *Proper and Improper Execution of Payment Orders* by Thomas C. Baxter & Raj Bhala, 45 BUS. L.J. 1447, 1452 (1990) (“Baxter”), and 12 C.F.R. Appendix B, § 4A-209(b)(2) for support. Mot. 7–9; Reply 1–5.

Petitioner’s arguments in this regard are not persuasive. Petitioner improperly treats the beneficiary and the beneficiary’s bank as the same entity. Petitioner also incorrectly treats the “acceptance” of the payment by Treasury NYC as the “receipt” date when the USPTO receives full payment for the Petition.

Moreover, 12 C.F.R. Appendix B to Subpart B of Part 210—Article 4A¹ (“12 C.F.R. Appendix B”), Baxter, and the cited cases do not support Petitioner’s argument that the beneficiary (the USPTO) received the payment when the beneficiary’s bank (Treasury NYC) accepted the payment on behalf of the beneficiary. Mot. 7–9; Reply 1–5.

Notably, 12 C.F.R. Appendix B, §§ 4A-103(a)(2) and (a)(3) make clear that “beneficiary” and “beneficiary’s bank” are two separate entities. The term “beneficiary” is defined as “the person to be *paid by the beneficiary’s bank*,” and the term “beneficiary’s bank” is defined as “the bank identified in a payment order in which an account of the beneficiary is *to be credited* pursuant to the order or which otherwise *is to make payment* to an account.” 12 C.F.R. Appendix B, §§ 4A-103(a)(2) and (a)(3) (emphases added).

¹ Title 12 of the C.F.R. Appendix B to Subpart B of Part 210—Article 4A is available on the Electronic Code of Federal Regulations (“e-CFR”) website at https://www.ecfr.gov/cgi-bin/text-idx?SID=bfe5bfeaeb2f037b641722a739e520dc&mc=true&node=ap12.2.210_132.b&rgn=div9 (e-CFR data is current as of June 4, 2021).

More importantly, 12 C.F.R. Appendix B, § 4A-405(a) titled “Payment by Beneficiary’s Bank to Beneficiary” states, among other things, that the payment of the beneficiary’s bank occurs when the beneficiary’s bank credits the beneficiary’s account and the funds are made available to the beneficiary by the bank. In short, the beneficiary receives the payment when the beneficiary’s bank actually pays the beneficiary or credits the beneficiary’s account and makes the funds available to the beneficiary, not when the beneficiary’s bank accepts the wire transfer from the sender’s bank as alleged by Petitioner. 12 C.F.R. Appendix B, §§ 4A-103(a)(2), (a)(3), and 4A-405. Petitioner fails to account for the time that it takes for Treasury NYC to transfer the payment to the USPTO and make the funds available to the USPTO, as provided under 12 C.F.R. Appendix B, § 4A-405, and for the USPTO to process full payment for the Petition.

Petitioner’s reliance on 12 C.F.R. Appendix B, § 4A-209(b)(2) and Baxter is misplaced. As Petitioner admits, 12 C.F.R. Appendix B, § 4A-209(b)(2) and Baxter merely address the “acceptance” of the payment by the beneficiary’s bank, not the beneficiary itself. Mot. 8. Petitioner improperly conflates the “acceptance” by the beneficiary’s bank, with the “receipt” date when the beneficiary receives the payment from the beneficiary’s bank in accordance with 12 C.F.R. Appendix B, § 4A-405.

Petitioner’s reliance on *BCCI Holdings* and *Pereira* also is misplaced. Mot. 7–9; Reply 1–5 (citing *BCCI Holdings*, 980 F. Supp. at 521; *Pereira*, 2001 WL 563730, at *14). Those cases make clear that when the beneficiary’s bank accepts the payment on the beneficiary’s behalf, the

beneficiary's bank incurs an obligation to pay the beneficiary, but they are silent as to when the beneficiary actually receives the full payment. *BCCI Holdings*, 980 F. Supp. at 521; *Pereira*, 2001 WL 563730, at *14. Nothing in those cases supports Petitioner's premise that the beneficiary receives the full payment when the bank accepts the payment from the sender's bank, regardless of whether the beneficiary's bank pays the beneficiary. Petitioner does not appreciate the applicability of 12 C.F.R. Appendix B, § 4A-405, "Payment by Beneficiary's Bank to Beneficiary."

Therefore, we are not persuaded by Petitioner's arguments that the filing date should be accorded based on "the wire transfer date" and that a Fedwire payment is received by a beneficiary "when the *beneficiary's bank accepts the payment on the beneficiary's behalf*." Mot. 7–9; Reply 1–5.

3. Whether the Petition is entitled to a filing date no later than December 17, 2020

Third, Petitioner argues that its Petition is entitled to a filing date of no later than December 17, 2020. Mot. 9–10. According to Petitioner, "[f]ederal regulations governing the Fedwire System also establish that, to the extent a payment is not accepted on the payment date, the beneficiary's bank is obligated to accept the payment no later than 'one hour after the opening of the next business day'—i.e., December 17." *Id.* (quoting 12 C.F.R. Appendix B, § 4A-209(b)(3)).

Once again, Petitioner's reliance on 12 C.F.R. Appendix B, § 4A-209(b)(3) is misplaced. As we explain above, 12 of C.F.R. Appendix B, § 4A-209(b)(3) is directed to the "acceptance" of payment by

the beneficiary's bank, not the beneficiary. The payment to the beneficiary is addressed in 12 C.F.R. Appendix B, § 4A-405. Petitioner again improperly presumes that the beneficiary receives the payment when beneficiary's bank accepts the payment from the sender's bank, ignoring 12 C.F.R. Appendix B, §§ 4A-103(a)(2), (a)(3), and 4A-405. Moreover, as discussed above, the evidence of record shows, at best, that the USPTO received full payment for the Petition on December 18, 2020. *See, e.g.*, Ex. 1018 ¶¶ 7–8, 11, 13; Exs. 1025, 1028; Ex. 3002.

Therefore, we are not persuaded by Petitioner's argument that its Petition is entitled to a filing date no later than December 17, 2020. Mot. 9–10; Reply 1–5.

4. Whether good cause exists to change the accorded filing date

Fourth, Petitioner argues that “the Board should waive the requirement that the filing fee accompany the Petition and amend the accorded filing date to December 16, 2020, when Petitioner complied with all statutory requirements.” Mot. 10–11. Petitioner contends that good cause exists to change the filing date to December 16, 2020, because the filing fee was withdrawn from Petitioner's account on that date, and “Petitioner's wire confirmation shows that the filing fee was received and accepted on the [USPTO's] behalf by the [USPTO's] bank on that date.” *Id.* at 11. According to Petitioner, it “was entitled to rely on this evidence, particularly given federal regulations and UCC requirements governing the Fedwire System, which apply to the [USPTO] and confirm that Treasury NYC received payment on the [USPTO's] behalf on December 16, 2020.”

Id. at 11. Petitioner also avers that good cause exists to change the filing date because Petitioner's Fees Payment Receipt did not indicate any issues with Petitioner's payment. *Id.* at 11–13; Reply 4. Petitioner further cites *Garrett M. Salpeter v. ARP Manufacturing, LLC*, IPR2019-01382, Paper 10 at 1–6 (PTAB Oct. 24, 2019), and *Sirius XM Radio Inc. v. Fraunhofer-Gesellschaft Zur Forderung Der Angewandten E.V.*, IPR2018-00690, Paper 29 at 10–13 (PTAB Aug. 19, 2019) for support. Mot. 11–13; Reply 4.

We are not persuaded by Petitioner's arguments. Section 312(a)(1) of Title 35 of the United States Code requires that “the petition is accompanied by payment of the fee.” Our rules follow the statutory requirement, establishing that the full payment must be received, not merely tendered, in order to be considered as “accompanying” the petition. *See, e.g.*, 37 C.F.R. §§ 42.103, 42.106; *Luv'n Care*, IPR2017-01216, Paper 13 at 5; *Cultec*, IPR2017-00526, Paper 14 at 3. As we discuss above, Petitioner fails to show that the USPTO received full payment for the Petition before December 18, 2020. Thus, we do not agree with Petitioner that it complied with all statutory requirements as of December 16, 2020.

We also are not persuaded by Petitioner's argument that good cause exists to change the filing date to December 16, 2020. The withdrawal from Petitioner's account on December 16, 2020, is merely an attempt to tender the fee payment. Petitioner fails to show that the USPTO received full payment for the Petition on December 16, 2020. Mr. Stewart admits that on both December 16 and 17, 2020, the USPTO notified him that “the funds had not been received.” Ex. 1018 ¶¶ 7–8, 11; Ex. 1025; Ex. 1028.

Mr. Stewart also admits that, on January 14, 2021, a paralegal supervisor at the USPTO informed him that “the PTAB’s internal records indicated that the filing fee was received on December 18, 2020,” which is a Friday, and “December 21, 2020, was the date the Petition and associated documents first appeared in the Trial Division’s internal docketing system.” Ex. 1018 ¶ 13. Moreover, the USPTO’s Fedwire Detail Report for the Petitioner’s wire transfer of the filing fee payment for the Petition shows a settlement date of December 18, 2020, when the USPTO received the payment. Ex. 3002.

In addition, as discussed above, 12 C.F.R. Appendix B, §§ 4A-103(a)(2), (a)(3), 4A-209(b)(2) and 4A-405, Baxter, and the cases cited by Petitioner, *BCC Holdings* and *Pereira*, do not support Petitioner’s argument that the beneficiary (the USPTO) receives the payment when the beneficiary’s bank accepts the payment. Indeed, 12 C.F.R. Appendix B, §§ 4A-103(a)(2), (a)(3), and 4A-405 make clear that the beneficiary receives the payment when the beneficiary’s bank actually pays the beneficiary, or credits the beneficiary’s account and makes the funds available to the beneficiary, not when the beneficiary’s bank accepts the wire transfer from the sender’s bank as alleged by Petitioner.

In addition, *Salpeter* and *Sirius* cited by Petitioner do not support its argument that good cause exists to change the filing date to December 16, 2020. Mot. 11–13; Reply 4. The facts in this proceeding are distinguishable from those in *Salpeter* and *Sirius*. In *Salpeter*, the fees payment receipt shows that the payment was received and “CLEARED” on the requested

filing date. *Salpeter*, Paper 10 at 3. In contrast, Petitioner’s Fees Payment Receipt here shows “No records found” and blank entries in the “Payment Summary” section. Ex. 1026, 2.

In *Sirius*, the filing fee payment was received by the USPTO on the requested filing date because the petitioner filed a petition and provided authorization for the USPTO to charge its USPTO Deposit Account and debit card on the requested filing date, both of which had sufficient funds to pay the filing fee. *Sirius*, Paper 29 at 13; *see also Sirius*, Ex. 1018, 1. In contrast, the instant Petition was not accompanied by an authorization for the USPTO to charge Petitioner’s USPTO Deposit Account or debit card on December 16, 2020. Ex. 1019 ¶ 4. Indeed, the full payment was not received by the USPTO until December 18, 2020. Ex. 1018 ¶¶ 7–8, 11, 13; Exs. 1025, 1028, 3002. Therefore, neither *Salpeter* nor *Sirius* supports Petitioner’s arguments that good cause exists to change the filing date to December 16, 2020. Mot. 11–13; Reply 4.

For the foregoing reasons, we find that Petitioner has not shown that good cause exists to change the filing date to December 16, 2020. We decline to waive the requirement that the petition must be accompanied by full payment.

5. Whether Patent Owner would not be prejudiced

Fifth, Petitioner argues that Patent Owner will not be prejudiced by changing the accorded filing date to December 16, 2020, because Petitioner served the Petition and corresponding exhibits on counsel for Patent Owner on December 16, 2020. Mot. 13.

Patent Owner counters that it would be prejudiced by a waiver of the filing requirement and such a waiver would render the one-year statutory bar of § 315(b) meaningless. Opp. 10–11. Patent Owner also argues that “alteration of the accorded filing date to any date prior to December 18, 2020, will subject Patent Owner to the necessity of incurring time and expenses in connection with the preparation and filing of a preliminary response and, possibly, to defending a trial.” *Id.* at 11.

We agree with the Patent Owner. We decline to impose upon Patent Owner the burden and expense of a trial, especially when Petitioner did not comply with all the statutory requirements for filing the Petition. In addition, as we discuss above, we are not persuaded by Petitioner’s argument that good cause exists to change the filing date to December 16, 2020. For the reasons stated above, we decline to waive the requirement that the petition must be accompanied by the full payment or change the accorded filing date to December 16, 2020.

6. Whether denying Petitioner’s request to change the accorded filing date would be arbitrary and capricious

Lastly, Petitioner argues that “it would be arbitrary and capricious to deny Petitioner a filing date of December 16, 2020,” because “such a result would directly conflict with federal regulations and the law governing the Fedwire System.” Mot. 13–14 (citing *BCCI Holdings*, 980 F. Supp. at 521; *Baxter* BUS. L.J. at 1452 (1990); 12 C.F.R. Appendix B. § 4A-404(a)).

Patent Owner counters that Petitioner was not diligent in attending to the fee deficiency at the time it filed its Petition, and that prior Board

decisions put petitioners on notice that attempting to file a petition on or near the one-year statutory deadline under § 315(b) is made at a petitioner's own peril. Opp. 12–14.

We agree with Patent Owner. A petitioner who files a petition near the statutory deadline should be well aware of the risks associated therewith. The Board has provided consistent guidance in its prior decisions not to wait until the last minute to file a petition so as to avoid any unexpected issues.

In addition, we are not persuaded by Petitioner's arguments that "it would be arbitrary and capricious to deny Petitioner a filing date of December 16, 2020," and that "such a result would directly conflict with federal regulations and the law governing the Fedwire System." Mot. 13–14. As we explain above, Petitioner did not comply with the requirement that "the petition is accompanied by payment of the fee," as set forth in 35 U.S.C. § 312(a) and 37 C.F.R. §§ 42.103 and 42.106, on December 16, 2020. And Petitioner fails to show that the USPTO received full payment for the Petition before December 18, 2020. *See, e.g.*, Ex. 1018 ¶¶ 7–8, 11, 13; Exs. 1025, 1028; Ex. 3002. Nor are we persuaded by Petitioner's reliance on 12 C.F.R. Appendix B, Article 4A, Baxter, *BCC Holdings*, and *Pereira*, and argument that good cause exists to change the filing date to December 16, 2020.

For all these reasons, Petitioner's arguments that "it would be arbitrary and capricious to deny Petitioner a filing date of December 16, 2020," and that "such a result would directly conflict with federal

regulations and the law governing the Fedwire System” are unavailing.
Mot. 13–14.

C. Conclusion on the Motion to Correct Filing Date

Based on the totality of circumstances, we determine that Petitioner has not met its burden of establishing that its Petition is entitled to have the filing date changed to either December 16 or 17, 2020. Additionally, we decline to waive the requirement that the Petition is accompanied by full payment. We also are not persuaded that good cause exists to change the filing date to December 16, 2020.

Accordingly, Petitioner’s Motion to Correct Filing Date is *denied* and, as a result, the filing date remains December 21, 2020.

III. STATUTORY BAR UNDER 35 U.S.C. § 315(b)

Whether Petitioner is barred from pursuing an *inter partes* review under § 315(b) is a threshold issue. Section 315(b) of Title 35 of the United States Code provides:

An *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.

Here, it is undisputed that Petitioner was served with a complaint alleging infringement of the ’294 patent on December 17, 2019. Ex. 2001. The Petition was accorded the filing date of December 21, 2020. Paper 4.

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The Petition is filed more than one year after service of the complaint.
Accordingly, the Petition is time-barred under § 315(b).

IV. ORDER

For the foregoing reasons, it is hereby:

ORDERED that Petitioner's Motion to Correct Filing Date is *denied*;
and

FURTHER ORDERED that institution of an *inter partes* review of the
challenged claimed of the '294 patent is *denied* under 35 U.S.C. § 315(b).

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

TOSHIBA AMERICA ELECTRONIC COMPONENTS, INC.,
Petitioner,

v.

MONUMENT PEAK VENTURES, LLC,
Patent Owner.

Before JONI Y. CHANG, MICHAEL R. ZECHER, and
JULIET MITCHELL DIRBA, *Administrative Patent Judges*.

DIRBA, *Administrative Patent Judge, dissenting*.

The majority penalizes Petitioner for the *government's* delay in internally processing a wire transfer sent by Petitioner to pay the Petition's filing fee. I cannot charge Petitioner with this delay, so I respectfully dissent.

The salient facts are undisputed. On Wednesday, December 16, 2020, Petitioner: (1) filed the Petition and all associated documents via the PTAB's electronic docketing system, (2) served Patent Owner via overnight mail and email, and (3) wire transferred the Petition's filing fee. That wire transfer was initiated before 3:00pm ET, fully complied with the USPTO's wiring instructions, and was successful—funds were transferred to the U.S.

Treasury Department, the USPTO's designated recipient, the same day.² No further action was taken by Petitioner to effect the filing of this Petition, and the record reveals (and the majority identifies) no errors or deficiencies in Petitioner's actions on December 16, 2020. In short, by midnight, Petitioner's work was done.

Yet the majority concludes that the Petition should be accorded a filing date on or after December 18, 2020, because the USPTO's internal records show that the wire transfer was accorded a "Settlement Date" on December 18, 2020.³ I do not agree.

² The evidence shows that the U.S. Treasury received the funds on December 16, 2020 and notified the USPTO the same day. *See* Ex. 1023 (transferor bank identifying "Status" as "Successful" and "Modified" as "12/16/2020 02:46 pm ET"); Ex. 3002 (Treasury identifying "ACCEPTANCE-DATE" as "1216" (i.e., December 16) and "ACCEPTANCE-TIME" as "1456" (i.e., 2:56pm ET)); Ex. 1026 (USPTO fee payment receipt listing "RECEIPT DATE" of "12/16/2020 16:25:45," i.e., 4:25pm ET); *see also, e.g.*, Exs. 1030, 1031 (characterizing the wire transfer as "immediate" and "real-time"); Ex. 1018 ¶ 10 (indicating that Treasury had the wire transfer no later than December 17). The evidence further shows that Petitioner's wire transfer complied with the USPTO's instructions. *Compare* Ex. 1022 (USPTO wire transfer instructions), *with* Ex. 1023 (Petitioner's wire transfer confirmation); *see generally* Opp. (identifying no errors or deficiencies in Petitioner's wire transfer).

³ I agree with the majority that, under 35 U.S.C. § 315(b), Petitioner is barred from filing a petition on or after December 18, 2020 because it was served with a complaint alleging infringement of the '294 patent on December 17, 2019. So, for purposes of this proceeding, it does not matter whether the filing date is Friday, December 18 (the "Settlement Date") or Monday, December 21 (the filing date actually accorded by the Board).

First, in my view, the “Settlement Date” is irrelevant. This appears to be the day that Treasury settled the transaction, which allowed the USPTO to use the funds. *See* Ex. 1018 ¶ 13; Ex. 3002 (Treasury document identifying that transaction was accepted on December 16 and settled on December 18, 2020). The majority’s reliance on this date is premised on the assumption that the filing fee must be received by the USPTO—as opposed to its designated recipient, the U.S. Treasury—in order for a filing date to be accorded. But the majority identifies (and I perceive) no law, regulation, or publicly-available guidance to support this assumption. The majority cites 37 C.F.R. § 42.103, which specifies that the fee “must accompany the petition” and “[n]o filing date will be accorded to the petition until full payment is received.” However, this does not specify *which* specific governmental entity must have “received” the payment. *Accord* 35 U.S.C. § 312(a)(1) (requiring petition to be “accompanied by payment of the fee” in order to be considered); 37 C.F.R. § 42.106(a)(3) (filing date accorded when petition “[i]s accompanied by the fee to institute”).⁴

In my view, the Petition was accompanied by the requisite fee on December 16 because both the Petition and the payment were sent (and received) pursuant the USPTO’s explicit instructions. *See, e.g.*, Ex. 1022

⁴ Moreover, in my view, Petitioner persuasively argues that under federal banking regulations, the payment was constructively received by the USPTO when Treasury accepted the payment on the USPTO’s behalf. *See* Mot. 7–9 (citing, *inter alia*, 12 C.F.R. Appendix B, § 4A-104(a) (“A funds transfer is completed by acceptance by the beneficiary’s bank of a payment order for the benefit of the beneficiary”)).

(authorizing payment by wire transfer and specifying those payments should be sent to the U.S. Treasury). It matters not whether the Petition and payment were sent via different electronic systems or stored in different databases. In my view, the majority's contrary interpretation is untenable because a petitioner's wire transfer would be deemed effective only when Treasury credits the payment to the USPTO, no matter how long that intragovernmental process takes. The result is a trap for the unwary. In light of the majority's decision, a petitioner would be well-advised that wire transfers effectively cannot be used to pay for a petition near a petitioner's bar date.

Second, Petitioner could not reasonably have anticipated this issue. The USPTO does not publicly state that a wire transfer will be deemed paid (and a filing date will be accorded) only when the Treasury Department credits the USPTO's account, or that this process can take two business days or more. Indeed, the USPTO's wire transfer instructions and the PTAB's filing instructions appear to be to the contrary (*see* Ex. 1022; Ex. 3001, 7, 11), and on this point, the majority is silent. It does not appear that stakeholders have been provided notice of this policy, and even the fatal Settlement Date does not even appear in the public record. *See* Ex. 1018 ¶ 13 (Petitioner learned date from call with PTAB staff); *see also* Mot. 14 n.4 (requesting access); Opp. 8–9 (referring only to Petitioner's declaration as evidence of this date); *cf.* Ex. 3002 (Board introduced exhibit to provide evidence of date). Thus, I perceive no reason why Petitioner should have

anticipated this issue, and as a result, I find it fundamentally unfair to penalize Petitioner for it.

Finally, there is no reason to believe that the delay between acceptance and settlement of the wire transfer was in any way caused by Petitioner's action or inaction. This readily distinguishes the cases cited by the majority, where Petitioner made identifiable mistakes, such as attempting payment from an account without sufficient funds or using an unauthorized method of payment. *See Luv'n Care, LTD. v. McGinley*, IPR2017-01216, Paper 13 at 2–4 (PTAB Sept. 18, 2017) (informative) (explaining that Petitioner's deposit account had insufficient funds when Petitioner attempted to pay the filing fee and that Petitioner failed to respond to the Board's show cause order); *Cultec, Inc. v. StormTech LLC*, IPR2017-00526, Paper 14 at 4–6 (PTAB July 17, 2017) (explaining that Petitioner attempted to pay by credit card despite receiving an express warning that "Treasury will reject the payment" because the amount exceeds "Treasury's credit card daily limit").

For these reasons, I would grant Petitioner's Motion and accord the Petition a filing date of Wednesday, December 16, 2020. *See* 37 C.F.R. § 42.106(a) (listing requirements for receiving a filing date). Moreover, even if the law required the wire transfer payment to the USPTO to be settled, I would find good cause to waive this requirement in this proceeding (*see* 37 C.F.R. § 42.5(b), (c)(3)) because: (1) Petitioner, on December 16, 2020, took all steps necessary to effect a filing of the Petition, including serving Patent Owner with a copy of the Petition and associated documents;

(2) Petitioner's account was debited on December 16, 2020; (3) the U.S. Treasury (the USPTO's designee) received the funds on December 16, 2020; (4) Petitioner had no reason to expect that a wire transfer would require more than a business day to process; (5) there is no evidence that Petitioner's actions or omissions caused the unexpected two-day processing time to settle the wire transfer; and (6) Petitioner's investigation on December 16 and 17, 2020 was reasonable under the circumstances. Thus, I would not find the Petition to be time-barred under 35 U.S.C. § 315(b).

Furthermore, I would institute *inter partes* review because Petitioner has demonstrated a reasonable likelihood that it will prevail in showing that the challenged claims are unpatentable. For each limitation of each challenged claim, Petitioner provides a detailed showing that Yow discloses the limitation and/or that it would have been obvious to a person of ordinary skill in the art. *See* Pet. 10–20, 44–53. Petitioner's showings are reasonable and supported by the testimony of its declarant, Dr. Trevor Darrell (Ex. 1003). At this stage, Patent Owner does not dispute any of Petitioner's substantive allegations (*see generally* Prelim. Resp.), and I would find that discretionary denial is not warranted (*see id.* at 1–7).

Accordingly, I respectfully dissent.

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