



PTAB Precedential Opinion Panel: Wired Funds Are Paid When Fedwire Transfer Is Complete

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On December 16, 2020, one day shy of the one-year statutory bar, the petitioner filed a petition for IPR and initiated a wire payment of the required filing fee to Treasury NYC, the USPTO's designated bank, using the Federal Reserve Fedwire System. Although the petitioner received immediate confirmation from its bank that the wire transfer was completed, the USPTO informed the petitioner that it had not received the filing fee on either that day or the following. The PTAB's internal records reflect that the payment was received on December 18, 2020, and the petition was accorded a filing date of the next business day, December 21, 2020. Accordingly, the petition was time-barred, having been filed more than one year after the patent owner served the petitioner with a district court complaint alleging infringement of the challenged patent.

The petitioner filed a motion to correct filing date, and a majority of the three-judge panel of the PTAB denied the motion and denied institution of IPR. The lone dissenting judge observed that the PTAB's decision penalized the petitioner for the government's delay in transferring payment.

The petitioner requested rehearing and review by the POP. The POP granted review on the issue of whether Fedwire confirmation of payment constitutes sufficient evidence of payment under 35 U.S.C. § 312(a) and 37 C.F.R. § 42.103(a), which require that a filing fee "accompany" a petition for IPR.

The POP vacated the majority's denial of the motion to correct filing date, stating that by December 16, 2020, the petitioner had complied with the USPTO's published instructions for

sending a wire payment through Fedwire. The POP observed that federal regulations repeatedly confirm that payment to a beneficiary coincides with receipt and acceptance of the full amount of payment by the beneficiary's bank. Accordingly, the POP concluded that the filing fee was paid when Treasury NYC received the full amount of the order, and the fee "accompanied" the IPR petition as required by 35 U.S.C. § 312(a) and 37 C.F.R. § 42.103(a). The POP therefore accorded the petition a filing date of December 16, 2020 and vacated the PTAB's decision denying institution of the IPR as time-barred.

Nonetheless, the POP denied the timely-filed petition because the Federal Circuit in a parallel proceeding had recently affirmed that all challenged claims in the asserted patent were invalid under 35 U.S.C. § 101. The POP considered it highly unlikely that the Federal Circuit's judgment would be overturned and thus declined to dedicate PTAB resources to assessing additional grounds of unpatentability.

Practice Tip: Among the various forms of payment accepted by the USPTO, wire transfer via Fedwire payment is deemed successful by the PTAB upon Fedwire payment confirmation. Therefore, when planning wire payments for post-grant review proceedings, practitioners using Fedwire payment can rely on the Fedwire system's confirmation as the USPTO's formal acceptance of those funds.

Toshiba Am. Elec. Components, Inc. v. Monument Peak Ventures, LLC, IPR2021-00330, Paper 19 (PTAB Jan. 14, 2022).

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