

UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE PATENT TRIAL AND APPEAL BOARD

CULTEC, INC.,

Petitioner,

v.

STORMTECH LLC,

Patent Owner.

Case IPR2017-00526

U.S. Patent No. 8,672,583

**PETITIONER'S MOTION TO ACCORD A FILING DATE
OF JANUARY 5, 2017, TO THE PETITION FOR INTER PARTES
REVIEW OF U.S. PATENT 8,672,583**

I. STATEMENT OF THE PRECISE RELIEF REQUESTED

Petitioner Cultec, Inc., in accordance with the Patent Trial and Appeal Board's ("Board") email correspondence dated March 15, 2017, respectfully requests that this IPR2017-00526 be accorded a filing date of January 5, 2017. Petitioner initiated payment of the IPR filing fee on January 5, 2017 but, due to Petitioner's difficulties with the PTAB E2E System, the payment was not completed until January 6, 2017, and the IPR was thus accorded a January 6, 2017 filing date. The delay in completing payment was inadvertent and non-prejudicial to the Patent Owner or the Board, and Petitioner therefore requests that the petition be granted a filing date of January 5, 2017.

II. STATEMENT OF MATERIAL FACTS

1. Patent Owner brought suit against Petitioner asserting patent infringement of US Patent No. 8,672,583, the patent under review, and served the complaint on January 5, 2016. To be timely, the IPR filing was due by *January 5, 2017*. Accordingly, Petitioner's present motion seeks to have this IPR2017-00526 be accorded a filing date of *January 5, 2017* instead of January 6, 2017.

2. During the course of the suit, Patent Owner amended its complaint to add US Patent 9,255,394, which is a continuation patent of the first patent. Petitioner timely filed a second IPR with respect to the continuation, which is now pending as IPR2017-00777 with an accorded filing date of January 27, 2017. The

patentability issues presented in the two IPRs are effectively identical.

3. Petitioner took steps to prepare for the present IPR filing by initiating the matter on December 22, 2016 and reviewing the IPR filing steps. *See* Decl. of Jessica L. White, ¶3; Ex. 1011.

4. Petitioner uploaded the petition and all related documents and completed all online forms required for the IPR on January 5, 2017. *See* Decl. of Jessica L. White, ¶4; Ex. 1012.

5. Petitioner served Patent Owner's designated Correspondent (and counsel in this IPR proceeding) Finnegan, Henderson, Farabow, Garrett & Dunner, LLP via email with a courtesy electronic copy of the Petition and Exhibits on January 5, 2017. Decl. of Jessica L. White, ¶10.

6. Petitioner served Patent Owner with a paper copy of the Petition and Exhibits at the Patent Owner's Correspondence address via FedEx overnight delivery on January 5, 2017, which FedEx confirms was delivered on January 6, 2017 at 12:44 pm. Decl. of Jessica L. White, ¶11.

7. Petitioner intended to pay the \$25,600 IPR fee by credit card and initiated the electronic payment process on January 5, 2017. A Financial Manager message indicated that a credit card payment in excess of \$24,999.99 would be rejected (Ex. 1013), and accordingly Petitioner authorized the charge against the St. Onge Steward Johnston & Reens LLC USPTO deposit account; but this

payment attempt was not accepted, presumably because the amount in the account at that time was insufficient to cover the entire amount due. Petitioner investigated the possibility of splitting payment into two parts and paying each part separately by the deposit account and by the credit card, but the Financial Manager would not accommodate such a payment approach. Petitioner then tried again to authorize a credit card payment to pay the total IPR cost of \$25,600 through USPTO Financial Manager. The USPTO issued a Fees Payment Receipt (“Receipt”) at 7:10 pm which indicated that the payment status was “in process.” (Exhibit 1014). Since payment was “in process” Petitioner believed that payment would be accepted despite the earlier notice. Later in the evening, at about 11:00 pm, a status check revealed that the IPR had not been accepted for filing. A third payment modality, using a *debit* card attached to a checking account which had sufficient funds to cover the fee was attempted three times, but this was not accepted either. Decl. of Jessica L. White, ¶¶ 5-9, 12; Decl. of Stephen P. McNamara ¶¶ 3-9.

8. On the morning of January 6, 2017 Petitioner was advised by a member of the help desk that the PTAB has received several calls regarding issues with payment via debit card and that the best form of payment—the only one the PTAB recommends—is a Deposit Account. Decl. of Jessica L. White, ¶ 13. On January 6, 2017 payment for the IPR was successfully completed using counsel’s Deposit Account through USPTO Financial Manager, and a payment receipt issued

indicating a payment status of “cleared.” Decl. of Jessica L. White, ¶ 14; Ex. 1015.

III. REASONS THE REQUESTED RELIEF SHOULD BE GRANTED

The Board has discretion to change the filing date under 37 CFR 42.5(b), which gives it the power to waive or suspend the requirements of its rules to “secure the just, speedy, and inexpensive resolution of [the] proceeding.” 37 C.F.R. §§ 42.1(b), 42.5(a), (b). The particular facts and circumstances presented by this motion make it appropriate for the Board to exercise its discretion and grant Petitioner the requested relief. Specifically:

1. Petitioner complied with all of the requirements of 37 C.F.R. §42.106 needed to obtain a filing date—it submitted a compliant petition, it made service of the petition on the correspondence address of record, and the petition was “accompanied by the fee to institute” in the form of a credit card authorization for the required amount as well as through the other payment modalities authorized. Petitioner was under the mistaken belief that the USPTO Financial Manager would be able to accommodate payment of the large fees required to file an IPR using the payment method it was accustomed to using for USPTO fees. Once it became clear that a Deposit Account payment was the only viable payment method, Petitioner promptly completed payment using that method.

2. In the absence of a January 5, 2017 filing date, this IPR will be considered untimely. The parties are currently involved in litigation in which

contentious motion practice is underway about staying the underlying District

Court case pending resolution of the two IPRs. It would be unfortunate to have the validity issues of US Patent 8,672,583 kicked back to the District Court to decide when the Board will already be addressing the identical issues in the co-pending IPR2017-00777 regarding the continuation US Patent 9,255,394. It would be wasteful of the resources of the parties, the Court, and the USPTO for two separate decision-makers to be reviewing and deciding the same issues on parallel tracks.

A. Fee Requirements for An IPR Filing Date

35 U.S.C. § 312(a)(1) requires that “the petition is accompanied by payment of the fee” but does not specify that the filing date is dictated by the USPTO date of deposit of a check or other acceptance of the payment. 37 C.F.R. §42.106 sets the requirements for a filing date including that the petition “Is accompanied by the fee to institute required in § 42.15(a).” §42.106 thus accords a filing date if the required fee is tendered by the petitioner. (To the extent 37 C.F.R. §42.103 expresses the requirement differently, Petitioner submits that §42.103 should not be considered to set a different standard than the statutory requirement of 35 U.S.C. § 312(a)(1) that “the petition is accompanied by payment.”)

Petitioner’s multiple tenders of payment proffered on January 5, 2017 complied with the requirement for payment set forth in the statute and regulations, even though the USPTO Financial Manager failed to process them, and thus the

IPR should be accorded a filing date of January 5, 2017.

B. Even if Petitioner's Payment Was Not Accepted Until January 6, 2017,
This is an Appropriate Case To Deem Filed on January 5

The Board has significant discretion to interpret its own rules, to determine a proper course of conduct in a proceeding, and to "waive or suspend a requirement" of the rules. 37 CFR § 42.5(a), (b); *ABB Inc. v. Roy-G-Biv Corp.*, Case IPR2013-00063 (PTAB Jan. 16, 2013) (Paper 21). *See also* 37 CFR 42.104(c).

The Board has exercised its considerable discretion on numerous occasions to grant an earlier filing date to a petition despite a lapse in compliance to statutory and regulatory requirements. In *ABB Inc. v. Roy-G-Biv Corp.*, the petitioner timely served the petition and paid the filing fee, but failed to file the correct exhibits on the filing date; this was deemed a correctible clerical error. Case IPR2013-00063 (PTAB Jan. 16, 2013) (Paper 21). *Accord Schott Gemtron Corp. v. SSW Holding Co. Inc.* IPR2014- 00367 (PTAB Sept. 22, 2014) (Paper 30); *Syntroleum Corp. v. Neste Oil OYJ.* IPR2013-00178 (PTAB July 22, 2013) (Paper 21). Importantly, the statutory requirements for payment of the IPR fee and for including the correct supporting documents with the petition stem from the same section of the code: 35 U.S.C. § 312. The Board's discretion can and should be applied in the same way to inadvertent lapses with respect to these requirements.

The Board has used its discretion to permit an earlier filing date despite a variety of deficiencies. *See, e.g., FLIR Sys. v. Leak Surveys, Inc.*, 2015 WL 906007

(PTAB Feb. 25, 2015) (insufficient filing fee); *Micron Tech., Inc. v. e.Digital Corp.*, Case IPR2015-00519 (PTAB Mar. 24, 2015) (Paper 14) (untimely paper service); *2Wire, Inc. v. TQ Delta, LLC*, Case IPR2015-00239 (PTAB Jan. 15, 2015) (Paper 10) (did not click “submit” until after midnight); *Oracle Corp. v. Maz Encryption Techs. LLC*, Case IPR2014-00472 (PTAB May 1, 2014) (Paper 9) (filing system malfunction); *ConMed Corp. v. Bonutti Skeletal Innovations LLC*, Case IPR2013-00624 (PTAB Mar. 14, 2014) (Paper 18) (did not click “submit” until several days later).

Petitioner’s failure to appreciate that the Deposit Account payment would be the only viable payment method to pay the IPR filing fee was a “clerical error” of the same type excused in *ABB Inc. v. Roy-G-Biv Corp.* and other cases. Petitioner’s payment mishaps are no more serious than the errors that have been excused in the earlier cases noted above. Petitioner made numerous unsuccessful attempts to pay the fee, rectified the deficiency as soon as possible on January 6, and made timely service of the petition on Patent Owner. The Patent Owner has not been prejudiced in its ability to prepare its response.

Please accord this IPR2017-00526 a filing date of January 5, 2017.

Respectfully submitted,

March 23, 2017

/s/Stephen P. McNamara/

Stephen P. McNamara, Reg. No. 32,745

Benjamin C. White, Reg. No. 60,649

Stephen S. Zimowski, Reg. No. 75,294

IPR2017-00526
U.S. Patent No. 8,672,583

Paper No. 8
03739-R0120A

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EXHIBIT LIST

Exhibit No.	Description
1001	US Patent No. 8,672,583 to Mailhot et al (“583” or “583 patent”)
1002	US Patent No. 8,491,224 to Cobb et al. (“Cobb”)
1003	US Patent No. 4,360,042 to Fouss et al. (“Fouss”)
1004	US Patent No. 6,497,333 to Ellis et al. (“Ellis”)
1005	US Patent No. 4,759,661 to Nichols et al. (“Nichols”)
1006	US Patent No. 7,306,399 to Smith (“Smith”)
1007	US Patent No. 2,876,801 to November (“November”)
1008	Designing with Plastics and Composites A Handbook, by Rosato, DiMattia, & Rosato (1991) (“Rosato”)
1009	Declaration of Russell L. Herlache
1010	Patent Prosecution File History of US Patent No. 8,672,583 to Mailhot et al
1011	Screenshot of E2E System showing case initiation date
1012	Screenshot of E2E System showing document upload date
1013	Financial Manager payment error message
1014	January 5, 2017 USPTO Fees Payment Receipt
1015	January 6, 2017 USPTO Fees Payment Receipt
1016	Copies of PTAB Decisions as cited in Motion To Accord A Filing Date Of January 5, 2017

CERTIFICATE OF SERVICE

Pursuant to 37 C.F.R. § 42.6, the undersigned hereby certifies that service was made to the correspondence address of record for the '583 patent as listed in the records of the United States Patent and Trademark Office.

Date of Service: March 23, 2017
Manner of Service: Electronic Mail and the PTAB E2E System
Documents Served: Petitioner's Motion To Accord A Filing Date Of January 5, 2017 To The Petition For Inter Partes Review Of U.S. Patent 8,672,583

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Dated: March 23, 2017

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