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Warning! Warning! Danger Will Robinson!

In IPR, React in Fear of Danger to Anything That is Arguably a "Warning"

By Charles W. Shifley

January 16, 2018 — In the 1960s, a short-lived science fiction television show was "Lost in Space." The show attempted at first to be a drama about a Robinson family trying to colonize a new planet after an off-course space flight, but the drama became overwhelmed by the "comedic cowardice and villainy" of a "troublesome, self-centered, incompetent" character Dr. Smith, who sparred with another character Robot. Robot was consistently thrashing its arms around and shouting, "Warning! Warning!" and at least once, a phrase that still lives today, "Danger Will Robinson!" Best memory is that nobody took Robot's "warnings" seriously, because it warned of events that weren't dangers at all. Even Robot's silly non-robotic appearance was dismissible—image nearby. Will Robinson, as shown, hardly reacted to Robot's warning in any way that indicated danger, with his hands behind his back, expression of mild attention only.

As it happens, *inter partes* review also has what the Patent Trial and Appeal Board calls "warnings." One came up in *Luv'N Care, Ltd. v. McGinley*, IPR2017-01216. It cost the petitioner the whole IPR proceeding. Unlike Robot's warnings, it should not have been ignored—if it even was ignored.

According to the affidavit of a paralegal, Luv'N Care filed a petition for the IPR and went through a process for paying the required fee. *Id.* at Exhibit 1011. The paralegal "submitted a payment." *Id.* Luv'N Care got a "Fee Payment Receipt." The receipt had a statement of "Payment Status" that was "In Process" and an indication of "Total Payment" of "$23,000." The receipt, consistently with "In Process," also stated "Your Payment Has Not Been Cleared …" It further stated, "Please call system administrator *with any questions*" (emphasis added). After a filing receipt was not received, the paralegal called in and "was informed that there was an internal software problem with the PTAB E2E system." *Id.*

Luv'N Care found out much later, however, that it had funded a USPTO deposit account it used to pay the fee out of sequence with its efforts to pay the fee. USPTO records indicated that "at the time [an] attempt was made to pay the … fee, Petitioner's account held insufficient funds …" *Id.* Paper 13 at 3. On the same day, sufficient funds were deposited, but according to the USPTO, "no attempt was made at that time to pay." *Id.*

The reason we know any of this is that the PTAB denied the IPR due to late payment. *Id.* at 7. Luv'N Care unquestionably paid the fee 10 days later. *Id.* But on that later date, the IPR petition was barred by 35 U.S.C. § 315(b), which requires that any IPR petitions that are to be filed by a person sued for patent infringement be filed no later than one year after they are served with the complaint of infringement. *Id.* Luv'N Care's undisputed payment, considered an essential part of filing its petition, was made more than a year after it was served. *Id.*

According to the PTAB, Luv'N Care "did not address the explicit warning message" of its payment receipt "that the payment had not cleared." *Id.* at 4. That was fatal to its IPR, petition denied.

Was there a "warning"? Was there an indication of actual danger? The word "warning" was not used. No one cried out, "Danger Will Robinson!" The indication of the alleged warning was about "Your Payment," surely an indication there had been a payment. It was also that the payment "Has Not Been Cleared," surely not an indication that the thing called "Your Payment" had not been made. The "warning" was "boxed" inside a text box, in bold, but many other parts of the "Fees Payment Receipt" were also in bold. The receipt asked that you "please" call the system administrator, but only "with any questions."

It could certainly have been argued that Luv'N Care received no warning that its fee was not paid. But unlike Will and the other Robinsons reacting to Robot in "Lost in Space," participants in IPR should apparently not react with mild attention. Rather, IPR participants should be attentive to anything that appears awry or amiss, particularly if it relates to satisfaction of IPR requirements. The USPTO, unlike Robot, apparently does not wave its arms and shout, "Warning! Warning!" It uses arguably mild and potentially misdirective language. But a failure to satisfy IPR requirements, on time, in full, presents real dangers in IPR.

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