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In re Application of :
Georg Wall : DECISION ON PETITION
Application No. 09/974,188 :
Filed: 10/10/2001 :
Attorney Docket No. PILEPRO 203-KFM:

This is a decision on the "RENEWED PETITION UNDER 37 CFR § 1.137(b)," filed on July 12, 2007, to revive the above-noted application.

The petition is denied. This decision is a final agency action within the meaning of 5 U.S.C. § 704 for purposes of seeking judicial review. See MPEP 1002.02.

BACKGROUND

On April 17, 2003, the Office mailed a final Office action, which set a three-month shortened statutory period for reply. No extensions of the time for reply in accordance with 37 CFR 1.136(a) were obtained. Accordingly, the application became abandoned on July 18, 2003. On November 25, 2003, the Office mailed a Notice of Abandonment. On December 27, 2005, petitioners filed a "PETITION FOR REVIVAL OF AN APPLICATION FOR PATENT ABANDONED UNINTENTIONALLY UNDER 37 CFR 1.137(b)," and a reply in the form of an amendment. On June 2, 2006, petitioners filed a "BRIEF IN SUPPORT OF PETITION TO REVIVE APPLICATION."

On May 4, 2007, the Office mailed a decision dismissing the petition under 37 CFR 1.137(b).

In the decision of May 4, 2007, the Office noted that the original petition of December 27, 2005, was filed more than two years after the application became abandoned by operation of law for failure to submit a timely and proper reply to the final Office action of April 17, 2003, and the mailing of the courtesy notification of abandonment on November 25, 2003. Further, the decision stated that the evidence submitted in support of the petition raised a question as to whether the abandonment was unintentional and requested further explanation as to why the delay in responding to the final Office action, as well as in filing the petition, should be considered unintentional within the meaning of 37 CFR 1.137(b). Additionally, the decision included an Advisory Action, informing petitioners that the amendment filed on December 27, 2005, in response to the final Office action, did not place the application in condition for allowance. Thus, petitioners did not submit a timely and proper reply with the original petition as required by 37 CFR 1.137(b)(1). On July 12, 2007, petitioners filed the present renewed petition, accompanied by the Supplemental Declaration of inventor, Georg Wall, and a Request for Continued Examination (and fee).

In the original petition, petitioners indicated that at the time the Office mailed the final Office action on April 17, 2003, Mr. Wall was extremely ill. Specifically, Mr. Wall explained:

8. Due to my poor physical situation I was not able to arrive at a reasonable decision, when Mr. Czybulka asked me whether I wished to continue with the prosecution of the Application. The only thing I was interested in was to get well. Particularly since I was unable at that time to concentrate on the outstanding rejection of the claims, and was unaware of the possibility that the claims might eventually be allowed, I told Mr. Czybulka to allow the Application to fall abandoned.

Declaration of Wall dated 6/02/06, pp. 3-4

Petitioners stated that during the summer of 2003, Mr. Wall negotiated to sell the patent rights to all of his inventions to PilePro, LLC, a company formed by Mr. Wall's nephew, Richard Heindl, and Robert Wendt. On September 16, 2003, Mr. Wall's attorney prepared a list of patent and trademarks rights owned by Mr. Wall for transfer to PilePro, LLC. However, this application was not included on the list because it had been abandoned. On October 23, 2003, Mr. Heindl and Mr. Wendt signed an agreement with Mr. Wall for the purchase of his patent and trademark rights. Petitioners indicated that Mr. Heindl and Mr. Wendt, as well as the attorney for PilePro, LLC, Matthias Weigel, were unaware of the present application for more than two years, until November 24, 2005. Upon discovering that the application was abandoned, petitioners filed the original petition to revive the application and a reply.

On renewed petition, petitioners assert that Mr. Wall's poor health rendered him incapable of making a rational decision to prosecute or to abandon this application. Petitioners aver that the facts in Mr. Wall's original and supplemental declarations "are ample evidence that [Mr. Wall] did not make a deliberate, rational decision to discontinue the prosecution of this application in response to the Office Action issued April 17, 2003." *Petition dated 07/02/07, p. 4.*

Specifically, Mr. Wall explains:

4. Having suffered heart attacks in the years 1985, 1987, 1994, 2001 and 2002 (the years listed in my former Declaration are not fully correct), and having undergone a partial kidney resection in 2001, I believed in early 2003 that I was in mortal danger. Under these circumstances, after a lifelong business career, I decided to place my business affairs in order.

5. ... I therefore discussed the situation with members of my family and it was agreed that my nephew, Mr. Heindel, would take over all of my intellectual property rights relating to sheet piles and sheet pile connectors and that he would form a new business with his partner, Roberto R. Wendt, to commercialize these rights.

6. On information and belief, Messrs. Heindel and Wendt did found a business, which was named PilePro, LLC, to commercialize these intellectual property rights. ...

7. To characterize my discussions with my nephew Richard Heindel and his partner Roberto R. Wendt as a "negotiation" resulting in the "sale" of my patent and trademark rights, is quite misleading. Since I was gravely ill, my objective was merely to transfer my rights to persons in whom I could trust, prior to my death. It was never my intention to offer these rights to any other third party nor did I do so.

8. In view of my poor physical condition in 2003, which prompted me to turn over my affairs to Messrs. Heindel and Wendt, I was unable to concentrate on responding to an Office Action in the present Application. Consequently, I thoughtlessly informed my attorney, Mr. Uwe Czybulka, to allow this Application to fall abandoned. This decision was wholly unintentional in the sense that, had I been in the proper frame of mind, I would not have allowed the valuable patent rights claimed in this application to extinguish.

Supplemental Declaration of Wall dated 07/02/07, pp. 2-3

STATUTE AND REGULATION

35 U.S.C. § 41(a)(7) states:

(a)GENERAL FEES. - The Director shall charge the following fees:

...

(7)REVIVAL FEES. - On filing each petition for the revival of an unintentionally abandoned application for a patent, for the unintentionally delayed payment of the fee for issuing each patent, or for an unintentionally delayed response by the patent owner in any reexamination proceeding, \$1,500, unless the petition is filed under section 133 or 151 of this title, in which case the fee shall be \$500.

37 CFR 1.137(b) states:

Unintentional. If the delay in reply by applicant or patent owner was unintentional, a petition may be filed pursuant to this paragraph to revive an abandoned application, a reexamination prosecution terminated under §§ 1.550(d) or 1.957(b) or limited under § 1.957(c), or a lapsed patent.

A grantable petition pursuant to this paragraph must be accompanied by:

- (1) The reply required to the outstanding Office action or notice, unless previously filed;
- (2) The petition fee as set forth in § 1.17(m);
- (3) A statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unintentional. The Director may require additional information where there is a question whether the delay was unintentional; and
- (4) Any terminal disclaimer (and fee as set forth in § 1.20(d)) required pursuant to paragraph (d) of this section.

OPINION

35 U.S.C. § 41(a)(7) allows for payment of a fee to revive an application for a patent abandoned unintentionally. The legislative history of Public Law 97-247, § 3, 96 Stat. 317 (1982), reveals that the purpose of 35 U.S.C. § 41(a)(7) is to permit the Office to have more discretion than in 35 U.S.C. § 133 or § 151 to revive abandoned applications in appropriate circumstances, but places a limit on this discretion stating that "[u]nder this section a petition accompanied by [the requisite fee] would not be granted where the abandonment or the failure to pay the fee for issuing the patent was intentional as opposed to being unintentional or unavoidable." See H.R. Rep. No. 542, 97th Cong., 2d Sess. 6 (1982), reprinted in 1982 U.S.C.C.A.N. 770.

A petition under 37 CFR 1.137(b) must include a statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition was

unintentional. However, the Director reserves the authority to require further information concerning the cause of abandonment and delay in filing a petition to revive where there is a question whether the delay was unintentional. MPEP 711.03(c)(II)(C); 37 CFR 1.137(b)(3). Where there is a question whether the delay was unintentional, the petitioner must meet the burden of establishing that the delay was unintentional within the meaning of 35 U.S.C. § 41(a)(7) and 37 CFR 1.137(b). See In re Application of G, 11 USPQ2d 1378, 1380 (Comm'r Pats. 1989). The language of 35 U.S.C. § 41(a)(7) and 37 CFR 1.137(b) is clear, unambiguous, and without qualification. That is, the delay in filing the reply to the outstanding Office action, as well as filing the petition seeking revival, must have been, without qualification, "unintentional" for the reply to now be accepted on petition. The Office requires that the entire delay be at least unintentional as a prerequisite to revival of an abandoned application to prevent abuse and injury to the public. See H.R. Rep. No. 542, 97th Cong., 2d Sess. 6 (1982), reprinted in 1982 U.S.C.C.A.N. 771 ("[i]n order to prevent abuse and injury to the public the Commissioner ... could require applicants to act promptly after becoming aware of the abandonment").

Petitioners should note that the issue is not whether some of the delay was unintentional by any party. Rather, the issue is whether the entire delay has been shown to the satisfaction of the Director to be unintentional. The relevant inquiry in determining whether a delay is intentional is whether the course of action resulting in the delay was deliberate. See In re Maldague, 10 USPQ2d 1477 (Comm'r Pat. 1988); In re Application of G, 11 USPQ2d 1378 (Comm'r Pat. 1989); Lawman Armor Corp. v. Simon, 2005 U.S. Dist. LEXIS 10843, 74 USPQ2d 1633 (E.D. Mich. 2005); Field Hybrids, LLC v. Toyota Motor Corp., 2005 U.S. Dist. LEXIS 1159 (D. Minn. Jan. 27, 2005). The question under 37 CFR 1.137(b) is whether the delay on the part of the party having the right or authority to reply to avoid abandonment (or not reply) was unintentional.

At the outset, the Office must consider the actions or inactions of Mr. Wall in determining whether the delay was unintentional. During the period for response to the final Office action, Mr. Wall was the party with the right to reply (or not to reply) to the Office action to avoid abandonment. Mr. Wall acknowledges that he was aware that action needed to be taken in the application, and it is undisputed that such action was not

taken. Specifically, Mr. Wall states that due to his poor medical condition he was "unable at that time to concentrate on the outstanding rejection of the claims, and **was unaware of the possibility that the claims might eventually be allowed**, [and] told [his attorney] to allow the Application to fall abandoned." *Declaration of Wall dated 6/02/06, p. 4 (emphasis added)*. Moreover, Mr. Wall admits that he "thoughtlessly informed [his attorney] to allow this Application to fall abandoned" and if he had been "in the proper frame of mind, [he] would not have allowed the valuable patent rights claimed in this application to extinguish." *Supplemental Declaration of Wall dated 07/02/07, p. 3*.

The Office sympathizes with Mr. Wall's condition. However, during the relevant period, Mr. Wall, through the assistance of counsel, was able to transfer his patent rights to Mr. Heindl and Mr. Wendt. Mr. Heindl stated that he and Mr. Wendt "negotiated with Mr. Wall to purchase his patent and trademark rights." *Declaration of Heindl dated 06/02/06, p. 2*. Therefore, as Mr. Wall was able to engage in the transfer of his patent rights during this period, it would appear that he could have sought the assistance of his attorney or other knowledgeable persons in determining the proper action to take to continue prosecution of the application.

It is well established that a delay resulting from a deliberately chosen course of action on the part of the applicant is not an "unintentional" delay within the meaning of 37 CFR 1.137(b).

Where the applicant deliberately permits an application to become abandoned (e.g., due to a conclusion that the claims are unpatentable, that a rejection in an Office action cannot be overcome, or that the invention lacks sufficient commercial value to justify continued prosecution), the abandonment of such application is considered to be a deliberately chosen course of action, and the resulting delay cannot be considered as "unintentional" within the meaning of 37 CFR 1.137(b). See In re Application of G, 11 USPQ2d 1378, 1380 (Comm'r Pat. 1989). An intentional course of action is not rendered unintentional when, upon reconsideration, the applicant changes his or her mind as to the course of

action that should have been taken. See In re Maldague, 10 USPQ2d 1477, 1478 (Comm'r Pat. 1988).

A delay resulting from a deliberately chosen course of action on the part of the applicant does not become an "unintentional" delay within the meaning of 37 CFR 1.137(b) because:

(A) the applicant does not consider the claims to be patentable over the references relied upon in an outstanding Office action;

(B) the applicant does not consider the allowed or patentable claims to be of sufficient breadth or scope to justify the financial expense of obtaining a patent;

(C) the applicant does not consider any patent to be of sufficient value to justify the financial expense of obtaining the patent;

(D) the applicant does not consider any patent to be of sufficient value to maintain an interest in obtaining the patent; or

(E) the applicant remains interested in eventually obtaining a patent, but simply seeks to defer patent fees and patent prosecution expenses.

Likewise, a change in circumstances that occurred subsequent to the abandonment of an application does not render "unintentional" the delay resulting from a previous deliberate decision to permit an application to be abandoned. These matters simply confuse the question of whether there was a deliberate decision not to continue the prosecution of an application with why there was a deliberate decision not to continue the prosecution of an application.

MPEP 711.03(c)(II)(C)(1).

In this instance, Mr. Wall attempts to explain the reasons why he decided to allow the application to become abandoned. However, the relevant inquiry is whether there was a deliberate decision not to continue the prosecution of this application. The record supports a conclusion that the delay resulted from a deliberate course of action on the part of Mr. Wall. Moreover,

petitioners did not provide the Office with a statement from Mr. Wall's treating physician or copies of medical records in English¹ to show that Mr. Wall's illness was of such a nature and degree as to render him unable to conduct business (e.g., correspond with the Office) during the relevant period.

As previously stated, when the issue of revival is addressed, the focus must be on the rights of the parties at the time of abandonment. See Kim v. Quigg, 718 F. Supp. 1280, 1284, 12 USPQ2d 1604, 1607 (E.D. Va. 1989). As the courts have made clear, it is pointless for the USPTO to revive a long abandoned application without an adequate showing that the delay did not result from a deliberate course of action. See Lawman Armor Corp. v. Simon, 2005 U.S. Dist. LEXIS 10843, 74 USPQ2d 1633 (E.D. Mich. 2005); Field Hybrids, LLC v. Toyota Motor Corp., 2005 U.S. Dist. LEXIS 1159 (D. Minn. Jan. 27, 2005); Lumenyte Int'l Corp. v. Cable Lite Corp., Nos. 96-1011, 96-1077, 1996 U.S. App. LEXIS 16400, 1996 WL 383927 (Fed. Cir. July 9, 1996) (unpublished) (patents held unenforceable due to a finding of inequitable conduct in submitting an inappropriate statement that the abandonment was unintentional); Aristocrat Techs. v. Int'l Game Tech., 491 F. Supp. 2d. 916 (N.D. Cal. 2007) (USPTO misapplication of the standards of revival overturned causing patent invalidation).

Mr. Heindl and Mr. Wendt acquired ownership of Mr. Wall's patent rights after he made the deliberate decision to abandon the application. As successors-in-interest, Mr. Heindl and Mr. Wendt remain bound by Mr. Wall's deliberate course of action. See Garfield v. Western Electric Co., 298 F. 659 (D.N.Y. 1924). Whether Mr. Heindl and Mr. Wendt acted reasonably after they acquired ownership is immaterial. See Kim v. Quigg, 718 F. Supp. 1280, 12 USPQ2d 1604 (E.D. Va. 1989).

As the delay in filing a reply to the final Office action stems from the deliberate course of action to allow the application to become abandoned, revival is precluded. Thus, petitioners have failed to meet their burden of establishing to the satisfaction

¹ Petitioner submitted copies of what appears to be Mr. Wall's medical records. Unfortunately, these documents are in a foreign language without an English language translation.

of the Director that the delay in prosecution of the application was unintentional. The petition under 37 CFR 1.137(b) is denied.

As the Office will not consider the Request for Continued Examination filed with the renewed petition, the Office will refund the \$395.00 fee to the Deposit Account.

Telephone inquiries related to this decision should be directed to Christina Tartera Donnell, Senior Petitions Attorney, at (571) 272-3211.

A handwritten signature in cursive script, appearing to read "Charles A. Person".

Charles A. Person
Director
Office of Petitions