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OFFICE OF PETITIONS

In re Application of
Honegger
Application No. 09/235,374
Filed: January 21, 1999
Attorney Docket No. PCF 04.01
For: OFF ROAD VEHICLE WITH
ARTICULATABLE SUSPENSION

DENIAL

This is a decision on the reconsideration petition under 37 CFR 1.137(b), filed June 27, 2005, to revive the above-identified application.

The petition is **denied**.¹

BACKGROUND

This application became abandoned for failure to timely reply to the non-final Office action, mailed August 2, 2000, which set an extendable three month period for reply. No reply being received and no extensions of time being obtained, the application became abandoned on November 3, 2000. A Notice of Abandonment was mailed on March 9, 2001.

Petitioner's initial petition to revive under 37 C.F.R. 1.137(b), filed September 20, 2004, was **dismissed** on October 27, 2004 for failure to prove 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 37 C.F.R. 1.137(b) was unintentional.

Petitioner's first renewed petition under 37 C.F.R. 1.137(b), filed December 21, 2004 (certificate of mailing date December 14, 2004) was dismissed on April 25, 2005 for failure to prove that the

¹ This decision may be viewed as a final agency action within the meaning of 5 USC § 704 for purposes of seeking judicial review. See MPEP 1002.02. The terms of 37 C.F.R. 1.137(d) *do not apply* to this decision.

entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to 37 C.F.R. 1.137(b) was unintentional.

In the instant petition, petitioner once again renews his argument that the entire delay was unintentional in that applicant prudently relied on advice of counsel who was grossly negligent and that reliance resulted in applicant's decision to "let the application go." Affidavit of Ulrich S. Honeggar p. (4) (12/7/04).

Petitioner argues that the facts of this case fall into the exception to the Link v. Wabash R.R. general rule that a party cannot avoid the consequences of the acts or omissions of its freely selected attorney. 370 U.S. 626, 633-34 (1962). Petitioner asserts that his situation parallels an exception to the Link rule, as shown in Jackson v. Washington Monthly Co., 569 F.2d 119, 123 (D.C. Cir. 1977), where the court held that a client should not be bound by his attorneys actions if the attorney appears to have been grossly negligent toward his client, has intentionally misrepresented facts to the client, and the client has justifiably relied on those misrepresentations to his detriment.

STATUTE AND REGULATIONS

Effective December 1, 1997, a grantable petition to revive an abandoned application under the unintentional standard of 37 C.F.R. 1.137(b) must be accompanied by:

- (1) the required reply, unless previously filed. In a nonprovisional application abandoned for failure to prosecute, the required reply may be met by the filing of a continuing application. In an application or patent, abandoned or lapsed for failure to pay the issue fee or any portion thereof, the required reply must be the payment of the issue fee or any outstanding balance thereof;
- (2) the petition fee as set forth in 37 C.F.R. § 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 37 C.F.R. § 1.137(b) was unintentional. The Commissioner may require additional information where there is a question whether the delay was unintentional; and
- (4) any terminal disclaimer (and fee set forth in 37 C.F.R. § 1.20(d)) required pursuant to 37 C.F.R. § 1.137(c).

OPINION

As amended December 1, 1997, 37 C.F.R. § 1.137(b)(3) provides that a petition under 37 C.F.R. § 1.137(b) must be accompanied by 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 37 C.F.R. § 1.137(b) was unintentional," but provides that "[t]he Commissioner may require additional information where there is a question whether the delay was unintentional." 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 C.F.R. § 1.137(b) [emphasis added]. See *In re Application of G*, 11 USPQ2d 1378, 1380 (Comm'r Pat. 1989). The language of both 35 U.S.C. § 41(a)(7) and 37 C.F.R. § 1.137(b) is clear and unambiguous, and furthermore, without qualification. That is, the delay in tendering the reply to the outstanding Office action, as well as filing the first petition seeking revival, must have been, without qualification, "unintentional" for the reply to now be accepted on petition.

The patent statute at 35 U.S.C. § 41(a)(7) authorizes the Commissioner to accept a petition "for the revival of an unintentionally abandoned application for a patent." The legislative history of Public Law 97-247 reveals that the purpose of 35 U.S.C. § 41(a)(7) is to permit the Office to have more discretion than under 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 either a fee of \$500 or a fee of \$50 **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. 6-7 (1982), *reprinted in* 1982 U.S.C.C.A.N. 770-71 [emphasis added]. Clearly, the attempted revival of an intentionally abandoned application is antithetical to the meaning and intent of the statute and regulation.

The case law on delay and abandonment under 37 C.F.R. § 1.137(b) is also clear and unambiguous. A delay caused by the deliberate decision not to continue prosecution by filing a timely and appropriate reply in a pending application does not constitute a delay within the meaning of 37 C.F.R. § 1.137. See *In re Application of G*, 11 USPQ2d 1378, 1380 (Comm'r Pat. 1989). The intentional abandonment of an application precludes revival under 37 C.F.R. § 1.137(b), even when that application became abandoned by way of a good faith error on counsel's part. See *In re Maldague*, 10 USPQ2d 147, 1478 (Comm'r Pat. 1988). The Patent and Trademark Office must rely on the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant, and petitioner is bound by the consequences of those actions or inactions. *Link v. Wabash*, 370 U.S. 626, 633-34 (1962); *Huston v. Ladner*, 973 F.2d 1564, 1567, 23 USPQ2d 1910, 1913 (Fed. Cir. 1992); see also *Haines v. Quigg*, 673 F. Supp. 314, 317, 5 USPQ2d 1130, 1132 (D.N. Ind. 1987).

Attorney-Client Relationship: Attorney's Actions Normally Imputed to Client

As written above, applicant states that *Jackson v. Washington Monthly Co.*, 569 F.2d 119, 123 (D.C. Cir. 1977) is controlling precedent. Before a discussion of *Jackson* is explored, the Supreme Court Case of *Link v. Wabash* and its progeny should be reviewed. In 1962, through the vehicle of *Link*, the Supreme Court first articulated the concept that an applicant is bound by an attorney's actions, both good and bad, with the following:

There is certainly no merit to the contention that dismissal of petitioner's claim because of his counsel's unexcused conduct imposes an unjust penalty on the client. Petitioner voluntarily chose this attorney as his representative in the action, and he cannot now avoid the consequences of the acts or omissions of this freely

selected agent. Any other notion would be wholly inconsistent with our system of representative litigation, in which each party is deemed bound by the acts of his lawyer-agent and is considered to have 'notice of all facts, notice of which can be charged upon the attorney.' Link, 370 U.S. at 633-34.

The Court of Appeals for the Federal Circuit expounded on the Link holding in Huston with the following statement:

If we were to hold that an attorney's negligence constitutes good cause for failing to meet a PTO requirement, the PTO's rules could become meaningless and parties could regularly allege attorney negligence in order to avoid an unmet requirement. Huston, 973 F.2d at 1567.

In Jackson, the appellant challenged the decision of the United States District Court for the District of Columbia, which denied his motion pursuant to Fed. R. Civ. P. 60(b), for reinstatement of his lawsuit against appellee. It is noted that the lawsuit pertains to allegations of wrongful appropriation of portions of an written article, not a patent or trademark issue, and the Court of Appeals for the District of Columbia Circuit based its decision in large part on interpretation of Fed. R. Civ. P. 60(b).

Fed. R. Civ. P. 60(b) permits relief from a final judgment, order or proceeding for, among other reasons, (1) mistake, inadvertence, surprise or excusable neglect and (6) any other reason justifying relief from the operation of the judgment. A motion filed under Fed. R. Civ. P. 60(b) is addressed to the discretion of the court "upon such terms as are just". Wright & Miller, Federal Practice and Procedure 2864 (1991). It is noted that Link did not involve a motion for relief from judgment and that the application of Fed. R. Civ. P. 60(b) was not directly discussed.

The appellant in Jackson made a showing that it appeared his attorney might have been grossly negligent and might have misled him by reassuring him that litigation was continuing smoothly when in fact it was suffering severely from lack of attention. The appellant alleged that he repeatedly asked his attorney whether the case was in good order and invariably was told that it was. In the circuit court's estimation, it seemed from the evidence presented that the appellant may not have known the extent of his attorney's dilatory and deceptive conduct until after the case arrived in the circuit court. The circuit court held that because the district court could not have been aware of these all-important circumstances when it acted, that appellant should be given the opportunity to make his presentation for relief under Rule 60(b)(6).

It is noted that the circuit court did **not** base relief under Fed. R. Civ. P. 60(b)(1), which permits relief from judgment for mistake, inadvertence, surprise or excusable neglect.

It is important to bear in mind that the cases cited by petitioner in the instant reconsideration petition address the situation when a litigant suffers an adverse judgment solely because of his attorney's misconduct and the courts must decide how the litigant should be permitted to proceed: by granting relief from the prior judgment pursuant to Rule 60 (b)(6) or by steering the litigant toward a malpractice suit against the attorney. Link did not expressly deal with Rule

60(b), it dealt with principles of agency law.

Petitioner argues that Jackson is like the instant case because the former attorneys of record were purportedly grossly negligent and misled the applicant, and that therefore, the Link rule should not apply. On this matter, the Office does not agree with applicant.

The courts have not definitively provided a rule regarding the permissibility of attributing an attorney's gross negligence to a client with respect to patent law. Even if the courts had, petitioner has not demonstrated gross negligence on the part of the former attorneys.

The evidence of record shows that the former attorneys of record wrote applicant a letter dated August 17, 2000 that stated in pertinent part, "The Examiner does not appear to be disposed to allow a patent for your invention. While we do not agree with this assessment, it will be costly to argue with the Examiner in an effort to change his mind. I estimate that a timely responsive amendment will require at least 10 hours to prepare and file. In accordance with the firm's policies, we will need a retainer of ...(\$1,500.00), as well as your authorization to proceed before we will begin preparing an amendment."

Applicant decided to "let the application go" based on this letter. Applicant unfortunately interpreted the former attorney's conservative estimation of the likelihood of success and a request for authorization to proceed, coupled with a sizable retainer, as a death knell for the invention. Applicant was informed that the former attorneys would not prepare an amendment until they received authorization and a retainer from applicant. Applicant felt discouraged and chose not to pursue prosecution.

On March 19, 2001, the former attorneys of record mailed applicant a copy of the Notice of Abandonment and asked applicant to contact them if he had any questions. Applicant did not respond to the March 19, 2001 letter because he "had previously decided... to cease pursuing a patent." Honegger affidavit p. (4).

There is no evidence on the record that Honegger continued a dialogue with the former attorneys of records about prosecution of the invention. Honegger was not intentionally and repeatedly misled. Honegger simply gave up without seeking clarification of his options, despite the former attorneys' demonstrated willingness to discuss his options.

Petitioner was given the opportunity to reply timely to the Office action at issue by responding to his attorneys and requesting their further assistance. The final decision on how to proceed was applicant's and he chose to abandon prosecution based on information from his attorneys that he did not fully understand or make the effort to understand.

Where the applicant (or his chosen representative) deliberately permits an application to become abandoned due to a conclusion that a rejection in an Office action cannot be overcome, 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).

Delay resulting from a failure in communication between a party and his or her registered practitioner is a delay binding upon petitioner. See In re Kim, 12 USPQ2d 1595 (Comm'r Pat. 1988); Ray v. Lehman, 55 F.3d 606, 610, 34 USPQ2d 1786, 1789 (Fed. Cir. 1989).

The facts of this case do not justify circumvention of the well established precedent that a client is bound by his attorney's actions or inactions. If the former attorneys of record handled the prosecution improperly (the resolution of this issue is not at all clear), then the client bears the responsibility. There was no active deceit on the part of the former attorneys of record and no diligence on the part of the applicant. Applicant admittedly chose to abandon prosecution.

Petitioner is reminded that the Patent and Trademark Office is not the forum for resolving a dispute between an applicant and his duly appointed and freely selected representative. See Ray v. Lehman, 55 F. 3d 606,610, 34 USPQ2d 1786,1789 (Fed. Cir. 1989).

DECISION

A review of the entire record reveals that the abandonment of this application was not unintentional within the meaning of 35 U.S.C. § 41(a)(7) and 37 C.F.R. § 1.137(b). Because the intentional abandonment of this application cannot be excused, this application will not be revived and will remain abandoned.

This abandoned application is being forwarded to the Files Repository.

Telephone inquiries concerning this decision should be directed to Petitions Attorney E. Shirene Willis at (571) 272-3230.



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