**Keywords:** **Unintentional Abandonment; 37 C.F.R. § 1.137(b); 5 U.S.C. § 701; 35 U.S.C. § 133**

**General:** **The district court for the Southern District of New York granted summary judgment to defendant Autodesk. Specifically, the court found that the PTO's decision to grant plaintiff NYU's petition to revive an abandoned patent application arbitrary and capricious.**

***New York University v. Autodesk, INC.***
2007 WL 2020035 (S.D.N.Y.)
Decided July 13, 2007

## I. Facts

New York University ("NYU") is the assignee of two patents at issue, U.S. Patent Nos. 6,115,053 ("the '053 patent") and 6,317,132 ("the '132 patent"). These two patents claim priority back to the same patent application, U.S. Patent Application Serial No. 08/284,799 ("the '799 application"), filed on August 2, 1994. Initially, NYU's attorney of record was Eliot Gerber at the firm of Wyatt, Gerber, Burke & Badie. However, Eliot Gerber transferred his files relating to the '799 application to attorney Chris Kolefas of Kenyon & Kenyon. On April 14, 1997, a Final Office Action was mailed in the '799 application to NYU's attorney, Eliot Gerber. Gerber subsequently mailed the Final Office Action to Kolefas, as well as a copy of the cover letter to Patrick Franc, a member of NYU's Office of Industrial Liaison.

NYU failed to file a response to the Final Office Action. Moreover, *Kolefas confirmed abandonment on December 5, 1997 on a phone call with the PTO*. Gary Abelev of Kenyon & Kenyon took over the '799 application in May 1998. On November 4, 1998, Abelev filed a petition to revive the '799 application under 37 C.F.R. § 1.137(b). Abelev claimed the '799 application was *unintentionally abandoned* for failure to timely respond to the Final Office Action. Abelev provided no support for the representation that NYU's failure to file was unintentional. Abelev also failed to contact either Gerber or Kolefas. The PTO granted NYU's petition to revive on September 15, 1999. If the PTO had not revived the '799 application, neither the '053 patent nor the '132 patent would have issued.

NYU alleges that products manufactured by Autodesk infringe the '053 patent and the '132 patent. Autodesk moved for summary judgment on the ground that these two patents are invalid because the PTO acted unlawfully when it granted NYU's petition to revive the underlying '799 application after NYU had abandoned it.

## II. Issue

A. Did NYU intentionally abandon the '799 application?

B. Were the PTO's actions in granting NYU's petition to revive the '799 application arbitrary, capricious, an abuse or discretion, or otherwise not in accordance with law?

## III. Discussion

A & B. YES and YES: In an opinion written by Judge Rakoff, the district court granted Autodesk's motion for summary judgment. The district court found that NYU intentionally abandoned the '799 application and that the PTO's decision to revive the '799 application was arbitrary and capricious.

As set forth in 35 U.S.C. § 133, a patent application is deemed "abandoned" when the patent applicant "fail[s]…to prosecute the application within six months" of any PTO action. Federal regulations allow an

applicant to revive an abandoned application if the applicant can show that "such delay was unavoidable." Under 37 C.F.R. § 1.137(b)(3), an applicant can submit 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."

The district court turned to the Administrative Procedure Act, 5 U.S.C. § 701(2)(A), which states the "court shall…hold unlawful and set aside agency action, findings, and conclusions found to be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law." The Supreme Court previously held that under the narrow scope of review of the arbitrary and capricious standard, the agency (here, the PTO) *must examine the relevant data* and articulate *a satisfactory explanation* for its action including a rational connection between the facts found and the choice made.[1]

The district court reviewed the "administrative record already in existence."[2] The district court determined NYU was on notice that the PTO had deemed the '799 application abandoned as of December 5, 1997, the day Kolefas spoke with the PTO. The district court rejected NYU's argument that Kolefas merely confirmed the "fact" that the '799 application had been legally abandoned.

Turning to the PTO's decision to revive the '799 application, the district court determined that the PTO's decision more than meets the narrow criteria for arbitrary and capricious action. The PTO relied exclusively on NYU's conclusory statement that the delay was unintentional. However, the PTO failed to "articulate a *satisfactory explanation* for its action."[3] The PTO also failed to consider its own record of the phone call conversation with Kolefas confirming abandonment in the revival decision. The district court rejected the PTO's explanation for its decision – that it was relying on NYU's statement in the petition to revive. The PTO's explanation runs counter to the record, and does not remotely constitute a satisfactory explanation, as required by *State Farm*.

## IV. Conclusion

Note to PTO: Look at the entire record before granting a petition for revival. Do not take an applicant's statement that the abandonment was unintentional as gospel.

Note to NYU: Keep track of your patent applications, especially in light of the retainment rate of your legal counsel.

[1] *Motor Vehicles Mfrs. Ass'n of U.S., Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 43 (1983); *See In re Sang Su Lee*, 277 F.3d 1338, 1344 (Fed. Cir. 2002) (applying *State Farm* to PTO decision).
[2] *Camp v. Pitts*, 411 U.S. 138, 142 (1973) ("In applying [the arbitrary and capricious standard], the focal point for judicial review should be the administrative record already in existence, not some new record made initially in the reviewing court."
[3] *State Farm*, 463 U.S. at 43 (emphasis added).