

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

PAUL MORINVILLE and GILBERT HYATT,

Plaintiffs,

v.

UNITED STATES PATENT AND TRADEMARK
OFFICE,

Defendant.

Civil Action No. 1:19-cv-01779

DEFENDANT'S MOTION TO DISMISS

Defendant United States Patent and Trademark Office hereby moves to dismiss the complaint for failure to state a claim upon which relief can be granted, pursuant to Civil Rule 12(b) (6). In support of the motion, Defendant submits the accompanying memorandum of law and proposed order.

Dated: September 26, 2019

Respectfully submitted,

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**MEMORANDUM IN SUPPORT OF
DEFENDANT'S MOTION TO DISMISS**

TABLE OF CONTENTS

INTRODUCTION.....1

BACKGROUND.....2

 I. Patent Application Files2

 II. PTO’s Privacy Act Notice Regarding Patent Applications Files4

 III. The Sensitive Application Warning System5

 IV. Plaintiffs’ Claims.....6

STANDARD OF REVIEW.....7

ARGUMENT.....8

 I. Plaintiffs Fail to State a Claim Under § 552a(g)(1)(C) of the Privacy Act8

 A. Neither Patent Application Files, nor SAWS Flags and Reports, Are Records
 Concerning an Individual.....9

 B. The Omission of SAWS Flags and Reports Is Not the “Proximate Cause” of any
 “Adverse Determination”12

 II. Plaintiffs’ Declaratory Judgment Claim Should Be Dismissed.....15

 III. Mr. Morinville Has Not Alleged His Claims Fall Within the Privacy Act’s Statute of
 Limitations.....16

CONCLUSION.....16

TABLE OF AUTHORITIES

Cases

Ashcroft v. Iqbal,
556 U.S. 662 (2009)7,8

Bell Atl. Corp. v. Twombly,
550 U.S. 544 (2007)7

Cause of Action Inst. v. Eggleston,
224 F. Supp. 3d 63 (D.D.C. 2016)8

**Chambers v. U.S. Dep’t of Interior*,
568 F.3d 998 (D.C. Cir. 2009)14

Christian v. Sec’y of the Army,
No. 11-0276, 2011 WL 345945 (D.D.C. Jan. 31, 2011).....16

Deters v. U.S. Parole Comm’n,
85 F.3d 655 (D.C. Cir. 1996) 8, 15

Doe v. Stephens,
851 F.2d 1457 (D.C. Cir. 1988) 2, 16

Fisher v. Nat’l Inst. of Health,
934 F. Supp. 464 (D.D.C. 1996).....10

Fletcher v. U.S. Dep’t of Justice,
905 F. Supp. 2d 263 (D.D.C. 2012)14

Hubbard v. U.S. Env’tl Prot. Agency,
809 F.2d 1 (D.C. Cir. 1986) 12, 13

Hyatt v. U.S. Patent & Trademark, Off.,
146 F. Supp. 3d 771 (E.D. Va. 2015) 14, 15

Kaempe v. Myers,
367 F.3d 958 (D.C. Cir. 2004)8

Kursar v. Transp. Sec. Admin.,
581 F. Supp. 2d 7 (D.D.C. 2008) 15, 16

Shewchun v. U.S. Customs Serv.,
No. 88-2967, 1989 WL 7351 (D.D.C. Jan. 11, 1998).....11

Sussman v. U.S. Marshall Serv.,
494 F.3d 1106 (D.C. Cir. 2007)11

Tijerina v. Walters,
821 F.2d 789 (D.C. Cir. 1987)16

**Tobey v. NLRB*,
40 F.3d 469 (D.C. Cir. 1994) 9, 10

Statutes

5 U.S.C. § 552a*passim*

35 U.S.C. § 1113

35 U.S.C. § 1123

35 U.S.C. § 1133

35 U.S.C. § 115 3, 4, 5

35 U.S.C. § 1311

35 U.S.C. § 1324

Privacy Act of 1974, Pub. L. No. 93-579, 88 Stat. 19861

Regulations

40 Fed. Reg. 28,949 (July 9, 1975) 12, 13

78 Fed. Reg. 19, 243 (Mar. 29, 2013)4, 5, 10, 11

Other Authorities

General Information Concerning Patents, U.S. Pat. & Trademark Office, <https://www.uspto.gov/patents-getting-started/general-information-concerning-patents>3

Sensitive Application Warning System, U.S. Pat. & Trademark Office,
<https://www.uspto.gov/patent/initiatives/patent-application-initiatives/sensitive-application-warning-system>..... 1, 5

U.S. Patent & Trademark Office, Manual of Patent Examining Procedure4

U.S. Patent Statistics Chart Calendar Years 1963-2015, U.S. Pat. & Trademark Office,
https://www.uspto.gov/web/offices/ac/ido/oeip/taf/us_stat.htm 2, 3

INTRODUCTION

Congress directs the United States Patent and Trademark Office (“PTO”) to “cause an examination to be made” of every patent application it receives, 35 U.S.C. § 131, but leaves to PTO the task of determining how best to allocate the resources at its disposal to evaluate the hundreds of thousands of applications it receives every year. In 1994, PTO developed the Sensitive Application Warning System, or SAWS, “to allow patent examiners to alert leadership when a patent might issue on a sensitive matter” and ensure additional quality checks were performed on the patent application prior to final denial or issuance. *Sensitive Application Warning System*, U.S. Pat. & Trademark Office (Mar. 2, 2015), <https://www.uspto.gov/patent/initiatives/patent-application-initiatives/sensitive-application-warning-system>. “Sensitive” applications included those claiming politically or ethically controversial subject matter, as well as applications with a potentially significant economic impact. In 2015, PTO shuttered the program after concluding SAWS “ha[d] only been marginally utilized and provide[d] minimal benefit.” *Id.*

PTO’s policy interest in ensuring sensitive patent applications received additional review prior to a final decision on patentability is far removed from the concerns of the Privacy Act, 5 U.S.C. § 552a, which seeks “to protect the privacy of *individuals* identified in information systems maintained by Federal agencies” by “regulat[ing] the collection, maintenance, use, and dissemination of information by such agencies.” Privacy Act of 1974, § 2(a)(5), 88 Stat. 1896, Pub. L. No. 93-579, (emphasis added). Notwithstanding this disconnect, Plaintiffs, inventors who allege their patent applications were selected for review under SAWS, seek monetary damages against PTO based on its alleged failure to include SAWS flags and reports in Plaintiffs’ patent application files, preventing them from challenging the flagging of their applications. But Plaintiffs’ claims are based on a misunderstanding of patent application files and the SAWS program, both of which largely provide information about the substance of patent applications, not individual inventors. Plaintiffs have not

therefore alleged that the PTO failed to accurately maintain records concerning an individual, as is required for their damages claim. Such a claim also requires Plaintiffs to show that PTO's failure to include SAWS flags and reports in Plaintiffs' patent application files caused an "adverse determination." This Plaintiffs have failed to do as well. Plaintiffs claim that a SAWS flag delayed a final decision of patentability while the flag was "cleared" (although they do not claim that they were ultimately unable to obtain patent protection on a SAWS-flagged application). Thus, their claim is that the SAWS information caused the adverse determination, not that the omission of the SAWS information caused any adverse determination. The harm allegedly caused by the omission—the inability to challenge the flagging—is simply not an adverse determination.

Two further defects with Plaintiffs' complaint merit dismissal of the complaint, at least in part, at the pleadings stage. First, one of the Plaintiffs, Mr. Morinville, does not allege when he learned that his patent applications were subject to a SAWS flag or when he was unable to challenge the flag, a fact critical to determining whether Mr. Morinville filed suit within the Privacy Act's two-year statute of limitations. Second, in addition to their civil damages claim pursuant to 5 U.S.C. § 552a(g)(1)(C), Plaintiffs seek a declaratory judgment, but "the [Privacy] Act precludes other forms of declaratory and injunctive relief." *Doe v. Stephens*, 851 F.2d 1457, 1463 (D.C. Cir. 1988).

Accordingly, the Court should grant PTO's motion to dismiss for failure to state a claim and dismiss the complaint with prejudice.

BACKGROUND

I. Patent Application Files

PTO "is the federal agency responsible for examining patent applications and for issuing U.S. patents." Compl. ¶ 5, ECF No. 1. It receives hundreds of thousands of applications for new utility patents, the most common form of patent protection, each year. *See U.S. Patent Statistics Chart Calendar*

Years 1963-2015, U.S. Pat. & Trademark Office,

https://www.uspto.gov/web/offices/ac/ido/oeip/taf/us_stat.htm (Sept. 25, 2019) (noting 285,096 domestic utility patent applications and 293,706 foreign utility patent applications in 2014, the last full year of the SAWS program). Completed applications are substantively reviewed, or examined, by PTO in order to determine whether a patent should be awarded. “The examination of the application consists of a study of the application for compliance with the legal requirements and a search through U.S. patents, publications of patent applications, foreign patent documents, and available literature, to see if the claimed invention is new, useful and non-obvious and if the application meets the requirements of the patent statute and rules of practice.” *General Information Concerning Patents*, U.S. Pat. & Trademark Office (Oct. 2015), <https://www.uspto.gov/patents-getting-started/general-information-concerning-patents>.

The three necessary components of a complete patent application are defined by statute. *See* 35 U.S.C. § 111(a)(2). First, applicants must provide a “specification,” which “contain[s] a written description of the invention, and of the manner and process of making and using it,” and must “conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the inventor or a joint inventor regards as the invention.” *Id.* § 112(a)–(b). Second, “[t]he applicant shall furnish a drawing where necessary for the understanding of the subject matter sought to be patented.” *Id.* § 113. Third, each inventor must “execute an oath or declaration in connection with the application” that affirms the applicant “was authorized to be made by the affiant or declarant” and that the “individual believes himself or herself to be the original inventor or an original joint inventor of a claimed invention in the application.” *Id.* § 115(a)–(b). If an inventor is deceased, incapacitated, unavailable, or unwilling to submit the oath or declaration, a patent applicant can submit a “substitute statement” in lieu of the oath. *Id.* § 115(d).

Examiners provide written notice of their decisions regarding the patentability of an application’s claims through “office actions” sent to the patent applicant. *See General Information*

Concerning Patents. If PTO decides against awarding a patent on the claimed invention, it is required to provide the applicant with “the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application.” 35 U.S.C. § 132(a). The applicant can reply to an adverse office action by modifying their claims in response to the examiner’s concerns, or by providing specific reasons why the examiner’s conclusion is in error. The iterative process continues until a patent is awarded, the applicant appeals the examiner’s decision to PTO’s Patent Trial and Appeal Board (“Board”) after the examiner rejects any claims in the application twice, or the applicant abandons the application.

II. PTO’s Privacy Act Notice Regarding Patent Application Files

A patent application and the applicant’s subsequent interactions with PTO, including office actions and any appeals to the Board, all become part of the patent application file. *See* U.S. Patent & Trademark Off., Manual of Patent Examining Procedure § 719 (Jan. 2018). PTO’s most recent Privacy Act system of records notice (SORN) on patent applications, 78 Fed. Reg. 19,243 (Mar. 29, 2013), acknowledges “Patent Application Files” are a “system of records [that] maintains information on patent applicants and their authorized representatives.” But the only “records” in this system are the “[o]ath or declaration of applicant including name, citizenship, residence, [and] post office address,” “other information pertaining to the applicant’s activities in connection with the invention for which a patent is sought,” and “[s]tatements containing various kinds of information with respect to inventors who are deceased or incapacitated, or who are unavailable or unwilling to make application for patent.” *Id.*

This description tracks the requirements of § 115 for an inventor’s oath or other appropriate substitute statement. PTO’s Privacy Act notice explains that § 115 is a “source of authority” for maintaining patent application files as a system of records under the Privacy Act. *Id.* It further states that the purpose of patent application files is “[t]o carry out the duties of the USPTO to grant and

issue patents, including the collection of the inventor’s oath or declaration under 35 U.S.C. 115.” *Id.* The Privacy Act notice does not make reference to the substantive aspects of patent applications, such as the written description and drawings, or to the communications exchanged by the inventor and the examiner during the course of the prosecution. And it certainly does not contemplate internal flags or deliberative communications between patent examiners.

III. The Sensitive Application Warning System

PTO created SAWS in 1994. Compl. ¶ 14. Plaintiffs allege the program was not disclosed to the public until 2014, *id.* ¶ 15, and PTO discontinued it a year later, *see Sensitive Application Warning System*.

As alleged in the complaint, SAWS directed “PTO personnel . . . to flag ‘sensitive’ applications through various tracking mechanisms, including databases maintained by PTO examination groups and the PTO’s Patent Application Location and Monitoring (“PALM”) database.” Compl. ¶ 16. “Sensitive” applications were described as applications “that, if issued [as patents], would potentially generate high publicity or would potentially have a strong impact in the patent community.” *Id.* ¶ 18.¹ The complaint gives examples of the types of sensitive applications that might have been flagged for review under SAWS:

- Applications which have old effective filing dates (pre 6/8/1995, i.e. pre-[General Agreement on Tariffs and Trade]) and claims of broad scope (submarines). *Id.* ¶ 19. (Plaintiffs allege that “‘submarine’ is a pejorative term that refers to a patent application that has been purposefully delayed or manipulated by an applicant so as to emerge after the technology it covers is already in wide use.” *Id.* ¶ 20.)
- Applications “with pioneering scope.” *Id.* ¶ 21.
- Applications “dealing with inventions, which if issued would potentially generate extensive media coverage.” *Id.* ¶ 21.

¹ Throughout the complaint, Plaintiffs include quotations from what appear to be PTO documents, but do not provide any citations to the documents being referenced. Because PTO must accept Plaintiffs’ allegations as true regardless of their provenance at the motion-to-dismiss stage, these internal quotation marks will be omitted when quoting the complaint.

- Applications with “financially important subject matter,” including consideration of whether “the stock of the invention’s owner [is] publicly traded” or any “press releases.” *Id.* ¶ 26.
- Applications with “subject matter which may raise legal or ethical objections.” *Id.* ¶ 26.
- Applications involving politically charged subject matter, such as abortion. *Id.* ¶¶ 21, 26.
- Applications “which have objectionable or derogatory subject matter in the specification and/or drawing(s).” *Id.* ¶ 21.

Within each examination group at PTO, a “SAWS [point of contact] was responsible for flagging SAWS-designated applications in the PTO’s tracking system, typically at the direction of the Supervisory Patent Examiner (‘SPE’), who had [s]ignatory [a]uthority to make such substantive determinations on behalf of the agency, determinations that would prevent sending a Notice of Allowance or an issuance of a patent.” *Id.* ¶ 23. “[P]atent examiners were directed to ‘report potential SAWS cases to their SPE,’ and, with the SPE’s approval and direction, the SAWS [point of contact] would flag the application in the PTO’s tracking system.” *Id.* ¶ 24. PTO personnel were subsequently “directed to prepare reports . . . identifying the factual basis for flagging applications under SAWS, including an ‘Impact Statement.’” *Id.* ¶ 26. SAWS applications were “reported to the Group Directors for transmittal to the Office of the Deputy Commissioner.” *Id.* ¶ 29. SAWS materials were also disclosed to the Patent Trial and Appeal Board (or its predecessor, the Board of Patent Appeals and Interferences), if an applicant appealed a patent rejection, and there was a special “review process” on appeal for SAWS-flagged applications. *Id.* ¶¶ 36–38.

IV. Plaintiffs’ Claims

Plaintiffs are inventors who have obtained patents and have numerous patent applications pending before PTO. Compl. ¶¶ 3–4. Plaintiffs claim that a SAWS flag had the effect of blocking a patent from issuing, irrespective of whether the statutory requirements for patentability were met. *Id.*

¶¶ 27, 40. “SAWS flags were themselves, and contributed to, determinations adverse to patent applications whose applications were flagged, including determinations to subject those applications to procedures resulting in additional scrutiny beyond the typical patent-examination process.” *Id.* ¶ 43. Plaintiffs allege that their applications have been subjected to SAWS flags, *id.* ¶¶ 47, 50; that SAWS flags and reports were not included in their patent application files accessible to them, *id.* ¶¶ 34, 48, 51, and that they therefore “had no ability to challenge the flagging of their applications or the basis for such flagging.” *Id.* ¶ 45. Plaintiffs alleged that their SAWS-flagged applications have been delayed and subjected to additional scrutiny, but do not allege they were ultimately denied patent protection as a result of SAWS. *Id.* ¶¶ 49, 52.

The complaint asserts two counts under the Privacy Act. First, it alleges that by omitting SAWS information from patent application files of flagged applications, the PTO failed to maintain those files “with such accuracy, relevance, timeliness, and completeness as is necessary to assure fairness in determinations relating to patent applicants’ procedural and substantive rights under the Privacy Act,” in violation of 5 U.S.C. § 552a(e)(5). *Id.* ¶¶ 63–64, 66. The complaint seeks civil damages against PTO under the Privacy Act’s civil damages provision, 5 U.S.C. § 552a(g)(1)(C). *Id.* ¶¶ 60–67. Second, the complaint seeks a declaration regarding PTO’s “obligation under the Privacy Act to include SAWS-related materials in patent application files.” *Id.* ¶¶ 68–70.

STANDARD OF REVIEW

Dismissal under Civil Rule 12(b)(6) is appropriate if, assuming the truth of all well-pled factual allegations, Plaintiffs have failed to state a claim upon which relief can be granted. To pass muster, a complaint must contain “sufficient factual matter” to “state a claim to relief that is plausible on its face.” *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (quoting *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 570 (2007)). A complaint that “tenders ‘naked assertion[s]’ devoid of ‘further factual enhancement’” warrants dismissal. *Id.* (quoting *Twombly*, 550 U.S. at 557). Although a court must accept well-pleaded

factual allegations as true and construe them in the light most favorable to the plaintiff, it need not accept “legal conclusions” or “mere conclusory statements.” *Id.* Neither is a court required to accept as true a complaint’s factual allegations if they “contradict exhibits to the complaint or matters subject to judicial notice.” *Kaempe v. Myers*, 367 F.3d 958, 963 (D.C. Cir. 2004). In addition to the facts alleged, a court may consider “documents attached as exhibits or incorporated by reference in the complaint, or documents upon which the plaintiff’s complaint necessarily relies.” *Cause of Action Inst. v. Eggleston*, 224 F. Supp. 3d 63, 70 (D.D.C. 2016) (internal quotation marks omitted).

ARGUMENT

I. Plaintiffs Fail to State a Claim Under § 552a(g)(1)(C) of the Privacy Act

The Privacy Act requires an agency to “maintain all records which are used by the agency in making any determination about any individual with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to assure fairness to the individual in the determination.”

5 U.S.C. § 552a(e)(5). A civil remedy, however, is only available when an agency:

fails to maintain any record concerning any individual with such accuracy, relevance, timeliness, and completeness as is necessary to assure fairness in any determination relating to the qualifications, character, rights, or opportunities of, or benefits to the individual that may be made on the basis of such record, and consequently a determination is made which is adverse to the individual;

5 U.S.C. § 552a(g)(1)(C) (emphasis added). Construing this statute, courts in this Circuit apply a four-part inquiry to Privacy Act claims under subsection (g)(1)(C): (1) the individual was “aggrieved by an adverse determination”; (2) the agency “failed to maintain [the individual’s] records with the degree of accuracy necessary to assure fairness in the determination”; (3) “the [agency’s] reliance on the inaccurate records was the proximate cause of the adverse determination”; and (4) “the [agency] acted intentionally or willfully in failing to maintain accurate records.” *Deters v. U.S. Parole Comm’n*, 85 F.3d 655, 657 (D.C. Cir. 1996).

Plaintiffs’ complaint fails to make out a Privacy Act civil damages claim for two principal

reasons. First, the thing Plaintiffs claim PTO failed to properly maintain, whether construed as either the patent application files or the SAWS information itself, is not a “record concerning any individual,” 5 U.S.C. § 552a(g)(1)(C). Both application files and SAWS information concern inventions, not inventors as individuals. Second, Plaintiffs have not pled that the failure to include SAWS flags or records in patent application files caused any adverse determinations to be made. Rather, they only claim that the omission of the SAWS information impeded their ability to challenge the SAWS determination itself, which does not amount to an adverse determination under the Privacy Act.

A. Neither Patent Application Files, nor SAWS Flags and Reports, Are Records Concerning an Individual

A threshold question in any Privacy Act case under subsection (g)(1)(C) is whether the information that the agency allegedly failed to maintain constitutes a “record concerning any individual.” The Privacy Act defines a “record” to mean “any item, collection, or grouping of information about an individual that is maintained by an agency . . . and that contains his name [or other identifying information].” *Id.* § 552a(a)(4). That definition “include[s], but [is] not limited to,” the individual’s “education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol, or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.” *Id.* Privacy Act “records” must be both (1) “‘about’ an individual” and (2) “contain the individual’s name or other identifying particular” to be considered a “record.” *Tobey v. NLRB*, 40 F.3d 469, 471 (D.C. Cir. 1994). That definition of course comports with the phrase “records concerning any individual” in subsection (g)(1)(C).

Tobey illustrates how the distinction between information “about an individual” and other types of information works in practice. In that case, the National Labor Relations Board used information from its case management system in a labor grievance proceeding against the plaintiff. 40 F.3d at 470. The case management system was “capable of tracking and monitoring unfair labor practice and representation case data, including case names, allegations made, dates of significant events and the

initials or identifying number of the field examiner assigned to the case.” *Id.* The system could be used to “retrieve files on cases assigned to that field examiner,” but contained “no express evaluation of the field examiner’s work.” *Id.* The plaintiff alleged that NLRB had violated the Privacy Act by not providing appropriate notice that its case management system was a “system of records.” But the D.C. Circuit disagreed, holding that the system “contain[ed] information ‘about’ NLRB cases,” and simply because the files “include[] the numbers and initials of the field examiner assigned to the case” did not mean the files were “about” the field examiners. *Id.* at 471.

This Court built upon the definition of what constitutes information “about an individual” in *Fisher v. Nat’l Inst. of Health*, 934 F. Supp. 464 (D.D.C. 1996). The plaintiff in *Fisher* was the chairman of a medical research group that performed studies comparing the effectiveness of different forms of breast cancer surgery. 934 F. Supp. at 466. The research group discovered that one of the researchers contributing to these studies had engaged in misconduct by altering patient records, leading to investigations by Congress and the Office of Research Integrity. *Id.* at 466–67. In the meantime, annotations began appearing in databases of medical literature maintained by NIH noting that studies published by the research group and its chairman were being reanalyzed due to misconduct allegations. *Id.* at 467. The chairman challenged the annotations as a violation of the Privacy Act, but this Court, relying on *Tobey*, concluded “that the database files are ‘about’ the articles and not Dr. Fisher or the other authors listed,” even if “a user of the database files could infer that the annotations placed on the database files were meant to indicate that Dr. Fisher had been found guilty of scientific misconduct.” *Id.* at 470.

The correct result in this case follows naturally from *Tobey* and *Fisher*. Plaintiffs allege that the entire patent application file is a “record” that has not been adequately maintained, presumably based on the allegation that patent application files are a “system of records,” citing 78 Fed. Reg. at 19,243. Compl. ¶¶ 11, 64. But a Privacy Act claim cannot be maintained simply because a piece of information

“happens to be contained in [or left out of] a system of records.” *Sussman v. U.S. Marshall Serv.*, 494 F.3d 1106, 1121 (D.C. Cir. 2007). Rather, the information challenged must actually describe individuals in some way. *Id.* Patent application files are not “about” inventors personally; rather, they are about the purported invention on which patent protection is sought. *See Shewchun v. U.S. Customs Serv.*, No. 88-2967, 1989 WL 7351, at *1 (D.D.C. Jan. 11, 1998) (“The letter may tangentially implicate a property interest that belongs to [plaintiff], but it does not contain information ‘about’ [the plaintiff].”). Even though application files do contain some information about individuals, such as the inventor’s oath, that does not make the entire patent application file a “record” for Privacy Act purposes, as PTO’s Privacy Act notice recognizes. Plaintiff cites the PTO’s Privacy Act notice, Compl. ¶ 11, but that notice expressly provides that the only Privacy Act “records” in patent application files primarily relate to the inventor’s oath, one of the three required parts of a patent application. The Privacy Act notice narrowly describes the “records” within patent application files as the “[o]ath or declaration of applicant including name, citizenship, residence, post office address and other information pertaining to the applicant’s activities in connection with the invention for which a patent is sought,” as well as information the applicant must provide to PTO in lieu of an inventor’s oath when an inventor is incapacitated or deceased, or is unwilling or unable to make a patent application. 78 Fed. Reg. at 19,243. The notice correctly excludes from its scope the written description and the drawings, the other parts of the patent application that actually describe the claimed invention. The patent application file is therefore closely analogous to the case management system at issue in *Tobey*, which included the number and initials of the field examiner, but did not fall under the coverage of the Privacy Act because it was “about” the NLRB’s cases, not the field examiners personally.

SAWS flags and SAWS reports are not information “about” individuals, either. The SAWS program merely generated information “about” the substance of a patent application, as set forth in the written description and drawings. This is manifest from the Plaintiffs’ own description of the

types of applications that might have been flagged for review under SAWS. Compl. ¶¶ 18–21. Plaintiffs do not allege that applications were flagged because of the identity of the *inventor*; rather, applications were flagged because of the characteristics of the *claimed invention*: claim scope, priority date, subject matter, economic impact, and the like. *Id.* Such information is not analogous to information about a person’s medical, educational, financial, criminal, or employment history that Congress sought to protect when it limited the scope of the Privacy Act’s civil remedy provision to records “concerning any individual.” And even if some of the reasons for flagging an application could be perceived as “pejorative” to inventors, *id.* ¶ 20, there is no Privacy Act claim when information that is not “about” an individual could be used to draw unfavorable inferences or conclusions about that individual’s work. *Fisher*, 934 F. Supp. at 470.

B. The Omission of SAWS Flags and Reports Is Not the “Proximate Cause” of any “Adverse Determination”

As noted above, an element of a claim for damages under subsection (g)(1)(C) of the Privacy Act is that the agency’s reliance on the inaccurate records was the proximate cause of the adverse determination against an individual. A determination is “adverse” if it “result[s] in the denial of a right, benefit, entitlement, or employment by an agency which the individual could reasonably have been expected to have been given if the record had not been deficient.” *Privacy Act Implementation: Guidelines and Responsibilities*, 40 Fed. Reg. 28,949, 28,969 (July 9, 1975). Plaintiffs allege that the omission of SAWS information from patent application files of flagged applications prevented the applicants from challenging the flagging of their applications, Compl. ¶ 45, but that harm does not amount to an adverse determination, nor is the harm caused by the PTO’s reliance on the application file without the SAWS flags and reports in it. Accordingly, the complaint fails to state a claim under 5 U.S.C. § 552a(g)(1)(C) for this reason as well.

The Privacy Act does not provide a remedy for mishandling information in the abstract. For instance, in *Hubbard v. U.S. Env’tl Prot. Agency*, the plaintiff pursued a Privacy Act claim based on

inaccurate statements contained in a “passover letter” generated by an agency after it denied him employment. 809 F.2d 1, 3 (D.C. Cir. 1986). Although “the Privacy Act permits a federal job applicant to recover damages for an adverse personnel action actually caused by an inaccurate or incomplete record,” it was undisputed that the passover document was not prepared until *after* the decision not to hire the plaintiff was made. *Id.* at 5–6. That doomed the plaintiff’s Privacy Act claim: “although the hiring decision caused the passover document to be prepared, the passover document did not cause the hiring decision,” and the requisite causal relationship was not present. *Id.* at 6.

Plaintiffs make numerous allegations as to how the SAWS program unfairly prejudiced the prosecution of their patent applications. But Plaintiffs only have a Privacy Act damages claim if PTO’s alleged failure to properly maintain their records—in this case, the exclusion of SAWS information from their application files—proximately caused an “adverse determination.” Plaintiffs claim that the SAWS flag designation itself, not the exclusion of information about that designation from the patent application file, blocked an application from issuing, and that “SAWS flags thereby denied applicants their rights under the Patent Act.” Compl. ¶ 40. The only harm Plaintiffs allege that plausibly arises from the *omission* of SAWS information from patent application files is that Plaintiffs were unable to contest PTO’s classification of their patent applications as “sensitive” and avoid the delays and heightened scrutiny associated with the SAWS program. *Id.* ¶ 45. Since they could not contest the SAWS flag, Plaintiffs contend that the “omissions contributed to determinations by PTO that were adverse to patent applicants whose applications were flagged under SAWS.” *Id.* ¶ 65. Importantly, Plaintiffs allege no such “determinations” with respect to their patent applications, just delays and “additional procedural burdens.” *Id.* ¶¶ 47–52. But Plaintiffs’ alleged inability to contest the SAWS flag falls well short of the “denial of a right, benefit, entitlement, or employment by an agency” necessary to constitute an “adverse determination.” 40 Fed. Reg. at 28,969.

As noted above, not just any injury qualifies as an “adverse determination.” For instance, in

Chambers v. U.S. Dep't of Interior, the Interior Department lost an employee's performance appraisal, and the employee sued, alleging that the lost appraisal "had an 'adverse effect' in that it has 'hampered [her] in her ability to apply for jobs in the federal government by the lack of a performance appraisal.'" 568 F.3d 998, 1007 (D.C. Cir. 2009). The D.C. Circuit held this was "not enough to make out a claim under subsection (g)(1)(C), which requires a specific 'adverse determination' resulting from an agency's failure to maintain accurate records." *Id.* And in *Fletcher v. U.S. Dep't of Justice*, the plaintiff made a FOIA request for his grand jury indictment and arrest warrant in order to "challenge his conviction or assist in his . . . parole hearing," but his case file had been destroyed decades prior to the request. 905 F. Supp. 2d 263, 265, 268 (D.D.C. 2012). He sought damages for the destruction of records under the Privacy Act, but this Court, applying *Chambers*, rejected the argument that he had sustained an "adverse determination," holding that his "need[] [for] the information" to seek post-conviction remedies was "insufficient." *Id.* at 268.

Even assuming the confidential nature of the SAWS program may have prevented Plaintiffs from disputing the classification of their patent applications and pretermittting the delay and additional layers of review attendant to SAWS review, prosecution delay and additional quality checks are not "adverse determinations." At most, they are "adverse effects" of SAWS materials remaining confidential, much like the difficulties in obtaining federal employment faced by the plaintiff in *Chambers*, or the obstacles the plaintiff in *Fletcher* faced in challenging his prior conviction. There is no legal right to a decision on patentability within a certain time frame, or to a particular set of PTO procedures in the review of patent applications. Indeed, one of the Plaintiffs has already had similar arguments rebuffed in litigation against PTO. In *Hyatt v. U.S. Patent & Trademark Off.*, 146 F. Supp. 3d 771 (E.D. Va. 2015), Mr. Hyatt brought an Administrative Procedure Act claim against PTO, alleging it had "unreasonably delayed final agency action on 80 of plaintiff's approximately 400 pending patent applications." 146 F. Supp. 3d at 773. The district court held that there was "no agency action

to compel, and therefore no need to assess whether delay was unreasonable, because PTO had fulfilled its statutory mandate of putting the applications under examination.” *Id.* at 780–86. The Court explained that “PTO is under no legal obligation to cause an expeditious—or even an efficient—examination of a patent application.” *Id.* at 783.²

Accordingly, because the omission of SAWS flags and SAWS reports from Plaintiffs’ patent application files is not a proximate cause of any adverse determination that could be the focus of a Privacy Act claim, Plaintiffs’ claim for civil damages under § 552(g)(1)(C) claim must be dismissed.

II. Plaintiffs’ Claim for Declaratory Relief Should Be Dismissed

In addition to their principal civil damages claim, Plaintiffs seek a declaration “that the PTO’s omission of SAWS materials from patent application files violates the Privacy Act,” invoking the Privacy Act and the Declaratory Judgment Act, presumably to prompt PTO to include SAWS materials in patent application files that were reviewed under the program. Compl. pg. 12 (prayer for relief); *see also id.* ¶¶ 68–70 (Count II). This claim is also subject to dismissal because “the Privacy Act ‘authorizes entry of injunctive relief in only two specific situations’: (1) when an individual succeeds in a suit for amendment of the individual’s records pursuant to § 552a(g)(1)(A), and (2) when an individual succeeds in a suit for disclosure of agency records pursuant to § 552a(g)(1)(B). . . . ‘In so doing, . . . the [Privacy] Act precludes other forms of declaratory and injunctive relief,’ including such

² Nor does the SAWS flag or information itself lead to any “adverse determination.” As the complaint alleges, SAWS “prevented issuance of a patent application, irrespective of whether it claimed subject matter satisfying the statutory criteria for patentability.” Compl. ¶¶ 27, 43. The D.C. Circuit has been “skeptical” of efforts to categorize . . . preliminary assessments as “adverse determinations.” *See Deters*, 85 F.3d at 655 (raising doubts that preliminary assessments of parole applications were “adverse determinations” when the assessment did not result in parole being granted, because the preliminary assessment was “a determination that the prisoner must follow the standard course and appear at a hearing” before parole could be granted, “not a decision to deny parole”). SAWS merely flagged patents for additional review prior to a final decision on the application, and was not a basis for ultimately denying or granting patent protection. As such, SAWS information “determines” nothing of legal significance under the patent laws, and does not meet the legal test for an “adverse determination.”

relief for suits under § 552a(g)(1)(C).” *Kursar v. Transp. Sec. Admin.*, 581 F. Supp. 2d 7, 19 (D.D.C. 2008) (quoting *Stephens*, 851 F.2d at 1463); *see also Christian v. Sec’y of the Army*, No. 11-0276, 2011 WL 345945, at *1 (D.D.C. Jan. 31, 2011) (ordering that plaintiff’s complaint requesting the correction of his military records be construed as an action under the Privacy Act because it “provides an adequate remedy for addressing plaintiff’s claims” that displaces, *inter alia*, writs of mandamus and the Declaratory Judgment Act). As such, Count II is subject to dismissal.

III. Mr. Morinville Has Not Alleged His Claims Fall Within the Privacy Act’s Statute of Limitations

The Privacy Act employs a two-year statute of limitations from the date on which “the plaintiff knows or should know of the alleged violation.” *Tijerina v. Walters*, 821 F.2d 789, 798 (D.C. Cir. 1987); *see also* 5 U.S.C. § 552a(g)(5). But the complaint at issue here does not contain sufficient factual allegations to establish that Mr. Morinville filed suit within this two-year window. Mr. Morinville alleges that he has had 26 patent applications pending before the PTO since February 2000, Compl. ¶ 3, but he does not provide any indication of when he learned that his patent applications were flagged under SAWS or when he was prevented from challenging the flagging. *See id.* ¶ 47-49. Because the complaint does not contain sufficient factual matter to establish Mr. Morinville satisfied the statute of limitations, particularly in light of the SAWS program being retired in 2015, it should be dismissed for failure to state a claim upon which relief can be granted as to Mr. Morinville.

CONCLUSION

For these reasons, the Court should grant PTO’s motion and dismiss the complaint with prejudice.

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Respectfully submitted,

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