

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

PAUL MORINVILLE and GILBERT HYATT,

Plaintiffs,

v.

UNITED STATES PATENT AND TRADEMARK
OFFICE,

Defendant.

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)
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) Civil Action No. 1:19-cv-01779
)
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)
)

**REPLY BRIEF IN SUPPORT OF DEFENDANT'S
MOTION TO DISMISS PLAINTIFFS' FIRST AMENDED COMPLAINT**

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INTRODUCTION

The patent policy battle over the Sensitive Application Warning System (“SAWS”) came to a close in 2015, when the U.S. Patent and Trademark Office (“PTO”) announced it was ending the program. Gilbert Hyatt and Paul Morinville are among those who believe SAWS was misguided. But this is a Privacy Act case, not an open forum for Plaintiffs to further vent their grievances against a program that PTO is no longer implementing. The Privacy Act imposes specific duties on government agencies and limits the circumstances under which private individuals may bring an action for civil damages for failure to carry out those duties. Plaintiffs’ attempt to map their grievances about the SAWS program to the Privacy Act leaves much to be desired.

Plaintiffs’ principal claim pursuant 5 U.S.C. § 552a(g)(1)(C) is hobbled by numerous basic legal errors. They argue that PTO designated all “patent application file[s]” as “records” in its Privacy Act notice, even though the Notice explicitly states that it is only the name of a “*system* of records” while explaining that the actual “records in the system” are a much narrower group of documents. PTO delimited its Privacy Act notice in this manner because patent applications are about inventions, not inventors, and as such are not “records” about individuals. The First Amended Complaint fails to demonstrate how SAWS materials, which described the subject matter of patent applications, would constitute “records” about “individuals” under the Privacy Act either.

Plaintiffs also cannot identify a “determination” “adverse” to Plaintiffs as a consequence of PTO *not* including SAWS materials in patent application files, as they must for their § 552a(g)(1)(C) claim. The “blocking” of final decisions and “constructive denials” Plaintiffs complain about do not amount to “adverse determinations” because they do not represent the PTO’s binding determinations regarding Plaintiffs’ entitlement to patent rights. And the “harm” Plaintiffs assert from failure to include this data in their application files—the inability to challenge PTO’s SAWS classification decision—is not one the Privacy Act was intended to redress. Plaintiffs ignore or brush aside as

“dicta” many of the cases PTO relied upon in its opening brief, and cite virtually no authority for their sweeping application of the Privacy Act to patent prosecution. Their legally specious theory under § 552a(g)(1)(C) must be dismissed at the pleadings stage.

Plaintiffs’ remaining substantive claims lodged under 5 U.S.C. § 552a(g)(1)(D), added after PTO moved to dismiss their original complaint, fare no better. The SAWS program does not violate 5 U.S.C. § 552a(e)(7) because (1) SAWS materials are not “records” and (2) SAWS materials do not describe how individuals exercise rights guaranteed by the First Amendment. Plaintiffs’ arguments to the contrary are thinly supported and, like their theories regarding “records,” ignore the distinction between invention and inventor. Nor does the SAWS program run afoul of 5 U.S.C. § 552a(e)(2). SAWS materials could not result in “adverse determinations about an individual’s rights, benefits, and privileges” because they have no bearing on the patentability of inventions, and Plaintiffs have not pled facts that, if proven, would show that consulting them first for the information would have made a difference in the handling of their application by the PTO.

Plaintiffs have no tenable answer to Defendants’ remaining arguments for dismissal. While statute of limitations defenses may require discovery to resolve, the First Amended Complaint admits that Mr. Morinville was told by a patent examiner that an application for which an “allowance counted” had been noted in his application file had “entered a secondary review process.” At that time, he had enough information to know the PTO was not including information about a “secondary review process” in his application file, which is the gravamen of his Privacy Act claim. Since the conversation must have taken place while SAWS was operative—at a minimum, four years before he filed his complaint—his claim obviously does not satisfy the statute of limitations. Finally, D.C. Circuit law precludes bringing a declaratory judgment action alongside a § 552a(g)(1)(C) claim. Plaintiffs quibble with the multiple cases PTO cited that categorically reach the same holding, but cite no contrary authority.

For these reasons, PTO respectfully requests that the Court grant its motion to dismiss the First Amended Complaint, with prejudice.

ARGUMENT

I. Plaintiffs Have Not Stated a Claim for Failure to Maintain Complete and Accurate Records Under § 552a(g)(1)(C)

Congress limited the liability of agencies under the Privacy Act for failure to maintain records to specific acts involving certain types of information. Liability only attaches when an agency “fails to maintain any *record concerning any individual*,” and only when “a *determination* is made which is adverse to the individual” as a “consequence” of that failure to maintain the information. 5 U.S.C. § 552a(g)(1)(C) (emphasis added). But patent application files generally, and SAWS materials in particular, concern inventions, not individuals. PTO’s decision to exclude that data from patent application files is not a challengeable “adverse determination” under binding D.C. Circuit precedent. Accordingly, Count I must be dismissed.

A. Neither Patent Application Files Nor SAWS Materials Are “Records Concerning Any Individual”

1. PTO’s Privacy Act Notice Does Not Define “Patent Application Files” as “Records”

The key assumption underlying Plaintiffs’ § 552a(g)(1)(C) claim is that the patent application file is a “record” for purposes of the Privacy Act. Indeed, Plaintiffs aver that PTO has *already* “determin[ed] that patent application files are ‘records.’” Pls.’ Resp. in Opp’n to Def.’s Mot. to Dismiss, (“Pls.’ Br.”) 9, ECF No. 14; *see also id.* at 10 (“A patent application file is a collection or grouping of information and is, therefore, itself a ‘record,’ which is how the agency treated the matter in its system of records notice and how it handles patent application files in its systems.”). Focusing on the phrase “other information pursuant to the applicant’s activities in connection with the invention for which a patent is sought” in the PTO’s description of “categories of records in the system,” Privacy Act of 1974; System of Records, 78 Fed. Reg. 19,243 (Mar. 29, 2013), Plaintiffs argue

that “their patent-prosecution activities” are “akin to the kinds of activities (transactions, medical history, crimes, employment) that the statutory definition expressly recognizes to be ‘about an individual,’” Pls.’ Br. 9, which sweeps the entire application file within the Privacy Act. Plaintiffs assert that PTO has no right to “require that information improperly omitted from a record must itself be ‘about’ an individual; instead, it is only the record itself that must be about the individual.” Pls.’ Br. 11.

Plaintiffs’ argument fails at the outset because they have not read PTO’s Notice correctly. The Notice designates “patent application files” as the name of a “*system* of records,” Privacy Act of 1974; System of Records, 78 Fed. Reg. at 19,243 (Mar. 29, 2013), which “means a group of any records under the control of an agency from which information is retrieved by name of the individual,” 5 U.S.C. § 552a(a)(5). But just because information in a system of records is retrieved by the name of an individual does not mean that every piece of information in a system of records is a “record” as that term is defined by the Privacy Act (i.e., is about an individual). And nowhere does the Notice state that patent application files *are* “records.” Rather, PTO more narrowly defined the “categories of records” within the “system” of patent application files, as limited to:

Oath 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. Statements 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.

78 Fed. Reg. at 19,243. Plaintiffs appear to have understood the phrase “other information pertaining to the applicant’s activities in connection with the invention for which a patent is sought” as a catch-all that sweeps not just the entire patent application file (including drawings of the invention and the like), but all of PTO’s internal deliberations, within the coverage of the Privacy Act. That reading is implausible because those materials pertain to the invention, not the “applicant’s activities.” As PTO explained in its opening brief, PTO’s Br. 5–6, the description in the Notice tracks the legal

requirements of 35 U.S.C. § 115 for an inventor's oath or other appropriate substitute statement, and does not reference the entirety of the application file.¹ If PTO did indeed think that "patent application files are 'records,'" Pls.' Br. 9, without qualification, it would have simply said so, and there would have been no need to enumerate these specific categories of documents and information within the files as records.

PTO focused the Notice on the actual "records in the system," which, as PTO explained in its opening brief, tie back to the requirements of 35 U.S.C. § 115. The Notice further supports this interpretation by specifically relying upon § 115 as a source of authority for maintaining patent application files as a system of records and in defining the purpose of the system, while omitting the sections of the patent laws that define the requirements of the patent application and drawings. 78 Fed. Reg. 19,243. Contrary to Plaintiffs' contentions, PTO has not "determined that patent application files are 'records,'" Pls.' Br. 8–9, and is not estopped or prevented from taking that position in litigation.

2. The Text of the Privacy Act and Cases Applying It Do Not Justify Treating Patent Application Files or SAWS Materials as "Records"

PTO's narrow definition of the "categories of records" within patent application files comports with the requirements of the Privacy Act itself. The D.C. Circuit recognized the importance of the "records" limitation throughout the Privacy Act in *Sussman v. U.S. Marshals Service*, 494 F.3d 1106 (D.C. Cir. 2007), discussed in PTO's opening brief and left unaddressed by Plaintiffs in their response. In *Sussman*, the plaintiff sought disclosure of information under § 552a(d)(1), which mandates that agencies provide an individual's "record" in response to a request by an individual for

¹ For example, the declaration requires the applicant to represent that she authorized the filing of a patent application and that she "believe[s] that [she is] the original inventor or an original joint inventor of a claimed invention in the application." See U.S. Patent & Trademark Off., *Declaration (37 CFR 1.63) for Utility or Design Application Using an Application Data Sheet (37 CFR 1.76)* [hereinafter Declaration], <https://www.uspto.gov/sites/default/files/documents/aia0001.pdf>.

“access to his record or to any information pertaining to him which is contained in the system.” Recognizing the textual differentiation between “records” and “information pertaining to” individuals, as well as the “onerous” burden of “forc[ing] agencies to search every last datum they maintain, in case it might pertain to the requesting party,” the court held that § 552a(d)(1) “give[s] parties access only to their own records, not to all information pertaining to them that happens to be contained in a system of records.” *Sussman*, 494 F.3d at 1121.

Sussman’s lessons apply to Plaintiffs’ claim under 552a(g)(1)(C), as well. Congress provided a civil remedy for an agency’s failure to “maintain any *record* concerning any individual” when determinations are “made on the basis of such *record*.” 5 U.S.C. § 552a(g)(1)(C) (emphasis added). The word “record” in this provision “must be read in [its] context and with a view to [its] place in the overall statutory scheme.” *Davis v. Mich. Dep’t of Treasury*, 489 U.S. 803, 809 (1989). Not every document that “pertain[s]” to an individual and is found in (or excluded from) a “system of records” is a “record” under the Privacy Act. *Sussman*, 494 F.3d at 1121. Rather, as PTO explained in its opening brief, the civil remedy only becomes available when the government fails to maintain data that is “‘about’ [an individual]. That is, it must actually describe him in some way.” *Id.* (citing *Tobey v. NLRB*, 40 F.3d 469, 472 (D.C. Cir. 1994)). PTO is not asking the Court to “split the atom” by “carv[ing] out the portions of a patent application file it concedes are ‘about an individual’ and disregard the remainder for Privacy Act purposes.” Pls.’ Br. 9–10. Rather, it is asking the Court to limit § 552a(g)(1)(C) to claims for failure to properly maintain “records,” and not to countenance claims that go “beyond what a fair reading of the text requires.” *FAA v. Cooper*, 566 U.S. 284, 290 (2012). Even if the Court were to find PTO’s interpretation of the Privacy Act merely “plausible,” that interpretation must govern, as “[a]ny ambiguities in the statutory language are to be construed in favor of immunity” when money damages against the federal government are at stake. *Id.* at 290–91.

Plaintiffs’ attempts to argue that the patent application file in general, or SAWS materials in

particular, meet any accepted definition of “records” under D.C. Circuit law are unavailing. The cases they rely upon to establish that application files are “records” addressed materials that fall squarely within the category of information that the Privacy Act implicates, such as home addresses and employment history. *U.S. Dep’t of Def. v. Fed. Labor Relations Auth.*, 510 U.S. 487, 493–94 (1994) (home addresses of government employees are “records” under the Privacy Act); *Reuber v. United States*, 829 F.2d 133, 136 (D.C. Cir. 1987) (agencies “had wrongfully maintained in their records . . . copies of a highly critical letter of reprimand sent to [plaintiff] by his employer”); *Albright v. United States*, 631 F.2d 915, 917 (D.C. Cir. 1980) (video recording of a meeting in which government employees complain about their reclassification was a record).

Meanwhile, Plaintiffs try to distinguish *Tobey* and *Fisher v. National Institutes of Health*, 934 F. Supp. 464 (D.D.C. 1996), discussed at length in PTO’s opening brief, on the grounds that the records in those cases contained no information “about” individuals and do not “license or require courts to conduct a free-flowing inquiry into what a given grouping of information is *really* about.” Pls.’ Br. 10. Plaintiffs further assert that the requirement of *Tobey* and *Fisher* that an assemblage of data must contain “something ‘about’ an individual in addition to his or her name” is satisfied here because “the PTO acknowledges patent application files to contain additional information of the kind that has long been recognized to be ‘about’ individuals, including their citizenship, residence, address, and invention-related activities.” *Id.* As explained above, the premise of that argument is wrong, because PTO’s Notice does not state that the entire patent application file is a “record,” without qualification. Plaintiffs’ distinction between *Tobey*, *Fisher*, and this case is also immaterial. Outside of the “invention-related activities” and personal information found in the inventor’s oath or other materials prepared to satisfy § 115, which PTO acknowledges to be records and treats accordingly, the patent application file is “about” the purported invention described in the application, just as the case files in *Tobey* were “about” the NLRB’s enforcement actions, and the warning flags used in the databases in *Fisher* were

“about” underlying research papers.

It is not the inventor who is prosecuted before the PTO, but the invention. Unlike classic Privacy Act categories of records (education, financial transactions, medical history, criminal history, employment history), patent applications address a property right that stands apart from the person applying for a patent. This Court made the same point regarding property interests in the Privacy Act context in *Shenbun v. U.S. Customs Service*, 1989 WL 7351 (D.D.C. 1989), in which the plaintiff sought disclosure of a letter seeking “legal advice with respect to the disposition of certain of [plaintiff’s] merchandise then being held by the” U.S. Customs Service. 1989 WL 7351, at *1. This Court agreed with the government that the letter was not a record “because it relates not to [plaintiff], but to legal questions respecting the proper disposition of [plaintiff’s] merchandise being held by the Service,” and “lack[ed] a sufficient informational nexus with [plaintiff] (himself, as opposed to his property).” *Id.* Plaintiffs’ brief makes no attempt to distinguish or discredit *Shenbun*. Similarly, in *Fisher*, the Court distinguished a scientist’s research output from Privacy Act “records” in rejecting the plaintiff’s claim over the annotations in database files, over the plaintiff’s objection that “nothing tells more about a research scientist like Dr. Fisher than his scientific publications, speeches and the like.” *Fisher*, 934 F. Supp. at 469–70. The Privacy Act does not protect information that might give rise to such inferences.

The specific allegations Plaintiffs highlight in their response, which focus on the nature of SAWS materials themselves rather than the patent application files as a whole, do not make their Privacy Act claim any stronger under *Tobey* and *Fisher*. First, Plaintiffs point to allegations that “SAWS reports . . . included information obtained from Internet searches on inventors” that was “used to justify SAWS flags.” Pls.’ Br. 11; First Am. Compl. ¶¶ 33, 89, ECF No. 10.² Plaintiffs’ claim rests entirely on a phrase from a document PTO released under FOIA instructing examiners to do “a

² Plaintiffs’ brief cites paragraph six of the First Amended Complaint for this proposition, but this paragraph is a jurisdictional statement.

Google search of the invention, the inventors, and owner or assignee.” First Am. Compl. ¶ 33. But simply because information can be pulled using a person’s name or initials does not mean the information is a “record” in a Privacy Act sense. *Tobey*, 40 F.3d at 471 (noting the NLRB’s regional director pulled applicant’s case file “by means of a field search using Tobey’s initials”); *see also Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 557 (2007) (allegations that are “merely consistent with” unlawful conduct do not suffice, under Civil Rule 8, to move a claim past the pleadings stage). The only bases for justifying SAWS review after an application is flagged deal with the application’s “subject matter,” and regardless of whether that subject matter is “financially important,” “politically charged,” or “may raise legal or ethical objections,” the subject matter of a patent application is distinct from the individual applicant. First Am. Compl. ¶ 32. This is confirmed by the PTO documents Plaintiffs actually relied upon to draft their complaint, which recommended Google searches as a means “to find external information indicating the sensitivity of the subject matter” of the patent application. Def.’s Mot. to Dismiss Pls.’ First Am. Compl. (“PTO’s Br.”) 16 n.2, ECF No. 12 (emphasis added) (citing Exhibit A, at 11–12).³ Those documents remove any doubt that SAWS materials are not “records” of individuals.

Next, Plaintiffs point to their allegation that “PTO also flagged applications based on the identity of the applicant or applicants.” First Am. Compl. ¶ 26. This is the only SAWS criteria that Plaintiffs even attempt to argue is “about” the inventor, as opposed to the invention; all of the others address the subject matter of the patent application. And unlike the other criteria described in the complaint, which were taken directly from PTO’s FOIA release about SAWS, Plaintiffs’ assert their allegation is premised on “analysis of patent prosecution histories” that are described nowhere in the First Amended Complaint. Pls.’ Br. 11 n.8. But even crediting this allegation, Plaintiffs do not explain

³ The Court may consider documents “referred to in the complaint and . . . central to the plaintiff’s claim” at the motion-to-dismiss stage “without converting the motion to one for summary judgment.” *Strumsky v. Washington Post Co.*, 842 F. Supp. 2d 215, 218 (D.D.C. 2012) (quoting *Vanover v. Hantman*, 77 F. Supp. 2d 91, 98 (D.D.C. 1999)).

in what sense merely flagging the application based on the inventor's identity would "describe[] the individual in some way" for Privacy Act purposes separate from the patent application being flagged. *Tobey*, 40 F.3d at 472. All the flag does, according to Plaintiffs, is "prevent[] issuance of a patent," First Am. Compl. ¶ 36, and as explained above, the SAWS reports used to justify or explain the flagging of an application must address the sensitivity of a patent's subject matter, not the inventor. Plaintiffs cannot sidestep the reality, manifest even from their complaint, that SAWS materials "provide[d] [the PTO] with information 'about' the [patent application] described in each file and does not provide information 'about'" Plaintiffs, regardless of what criteria may have been used to flag them. *Fisher*, 934 F. Supp. at 470. Because the complaint does not plead facts that suggests PTO flagged patents or directed Google searches of individuals to generate information that would constitute "records," it does not properly allege a failure to maintain records under §552a(g)(1)(C). *Twombly*, 550 U.S. at 557.

Finally, Plaintiffs assert that the omitted SAWS materials "served as a 'scarlet letter'" identifying applicants as "submariners" and abusers of the patent system. First Am. Compl. ¶¶ 1, 23–24. This "scarlet letter" theory of what constitutes a "record" is difficult to square with Plaintiffs' argument that PTO violated § 552a(g)(1)(C) because they chose *not* to include SAWS data in publicly accessible patent application files. But even if the public could have accessed SAWS materials and drawn unflattering inferences about Plaintiffs from them, they would not be "records" under the Privacy Act. This Court already rejected a similar argument in *Fisher*, where the plaintiff alleged that "a user of the database files could infer that the annotations placed on the database files were meant to indicate that [he] had been found guilty of scientific misconduct." 934 F. Supp. at 470. The mere "possib[ility] for a reasonable person to interpret information as describing an individual does not mean the information is about that individual for purposes of the Privacy Act." *Id.*

Accordingly, Count I can be dismissed on the grounds that neither patent application files in total, nor the SAWS materials at issue, are "records."

B. Omission of SAWS Materials from Patent Application Files Is Not the Proximate Cause of Any “Adverse Determinations”

Count I fails for another independent reason: Plaintiffs have not shown that PTO’s failure to properly maintain their patent prosecution files led to a “determination . . . adverse to the individual.” 5 U.S.C. § 552a(g)(1)(C). To survive scrutiny under Civil Rule 12(b)(6), Plaintiffs’ complaint had to articulate how the failure to include SAWS materials in their patent application files led to the “denial of a right, benefit, entitlement, or employment by an agency.” Privacy Act Guidelines, 40 Fed. Reg. 28,949-01, 28,969 (July 9, 1975). The Plaintiffs’ theory as to why they meet this standard goes like this: SAWS flags are themselves “a seriously adverse determination” because they “blocked allowance and issuance of applications, thereby precluding the applicant from obtaining a patent on his or her application.” Pls.’ Br. 12 (citing First Am. Compl. ¶¶ 27, 36–38, 53). Because PTO “had no defined process to remove a SAWS flag beyond an initial screening mechanism,” Plaintiffs allege that the SAWS flags constituted a “secret constructive denial of a patent application, as well as additional adverse determinations like objections and claim rejections.” *Id.* (citing First Am. Compl. ¶¶ 36–38, 53). Plaintiffs contend that they “had no ability to dispute the information and conclusions contained in those reports” because they were kept “secret.” *Id.* (citing First Am. Compl. ¶¶ 42). And Plaintiffs further speculate that “[h]ad PTO maintained its patent application files with such completeness as was necessary for patent applicants to understand what the agency was doing . . . the adverse determinations that it made could never have stood.” *Id.* at 13. This theory fails for at least two reasons.

First, it is not sufficient for Plaintiffs to point to alleged “adverse determinations” made by PTO about their patent applications. Rather, Plaintiffs have to allege “an adverse determination by a government agency that was *caused by [PTO’s] alleged failure to accurately maintain [their] records*”—in this case, the failure to include SAWS information in Plaintiffs’ files. *Chambers v. U.S. Dep’t of Interior*, 568 F.3d 998, 1007 (D.C. Cir. 2009) (emphasis added). The facts, as pled by Plaintiffs, do not hew to this

standard. The SAWS determinations themselves are insufficient because the SAWS materials Plaintiffs believe should have been included in their files are the consequence of the determination, and not the other way round. See *Hubbard v. U.S. Env'tl Prot. Agency*, 809 F.2d 1, 6 (D.C. Cir. 1986) (“[A]lthough the hiring decision caused the passover document to be prepared, the passover document did not cause the hiring decision”). The only harm Plaintiffs identify from excluding SAWS materials from the files—that is, from the failure to accurately and completely maintain the files—is that they might have been able to challenge the SAWS classification otherwise, but, as demonstrated in Defendants’ opening brief, such harms do not constitute “adverse determinations,” as a matter of law. Defs.’ Mot. at 18; *Chambers*, 568 F.3d at 1007 (lost record hampered plaintiff’s ability to apply for work within the federal government); *Fletcher v. U.S. Dep’t of Justice*, 905 F. Supp. 2d 263, 268 (D.D.C. 2012) (“Although Plaintiff argues that he needs the information to challenge his conviction or assist in his . . . parole hearing, this is insufficient” to state a Privacy Act claim (citation omitted)). Plaintiffs do not even attempt to distinguish these authorities, relying instead on a “cf.” citation to a case about what the Due Process Clause requires. Pls.’ Br. 13-14. Absent a showing that the *exclusion* of SAWS materials from Plaintiffs’ files led to an “adverse determination,” the claim fails.

Second, inclusion in the SAWS program is not an “adverse determination” under the Privacy Act because no “right, benefit, entitlement, or employment” is being denied to inventors whose applications were reviewed under the program. Plaintiffs contend PTO “refuses to accept the truth of the Complaint’s detailed allegations . . . that a SAWS flag was a determination that a patent application would be blocked from allowance and issuance” and that PTO’s position is “flatly at odds with the Complaint’s well-pleaded factual allegations.” Pls.’ Br. 13–14 (citing First Am. Compl. ¶¶ 27, 36–38). But what PTO disputes is not the alleged facts, but Plaintiffs’ conclusory legal arguments that inclusion of a patent for review in the SAWS program is an “adverse determination.” See *Kaemmerling v. Lappin*, 553 F.3d 669, 677 (D.C. Cir. 2008) (“[W]e need not accept inferences unsupported by the

facts alleged in the complaint or “legal conclusions cast in the form of factual allegations.” (quoting *Hentborn v. Dep’t of Navy*, 29 F.3d 682, 684 (D.C. Cir. 1994)). Being “blocked from allowance and issuance” or “constructively denied” simply means the application remains pending before the PTO, neither allowed nor denied, and Plaintiffs do not dispute this. Indeed, Plaintiffs plead only that they have “pending” patent applications, delayed allegedly as a result of SAWS flags, not that any of their applications have been denied because they were flagged as sensitive. First Am. Compl. ¶¶ 3-4, 57, 59, 62; *see also id.* ¶¶ 27, 36-38. Courts have expressed doubt that such delays, in themselves, can constitute an “adverse determination” under the Privacy Act. *Rose v. United States*, 905 F.2d 1257, 1259 (9th Cir. 1990). And Plaintiffs have not pled any facts sufficient to show that the alleged delays constitute constructive denials, or cited any cases in which similar delays have been deemed adverse determinations. Plaintiffs plead vaguely that the delays have been “extensive,” *id.* ¶¶ 59, 62, but the only specific delay due to SAWS given is 9 months. *Id.* ¶ 57.

Plaintiffs assert that this posture “conflicts with the PTO’s obligations under the Patent Act to allow and issue patents that satisfy the criteria for patentability with applicants’ right to issuance of such patents.” Pls.’ Br. 12. Yet “absent statutory instruction to the contrary, it is for the PTO to decide how to effectuate Congress’s goal” of effective review of patent applications “as to a given claim set,” not Plaintiffs. *Hyatt v. U.S. Patent & Trademark Off.*, 146 F. Supp. 3d 771, 784 (E.D. Va. 2015). “PTO is under no legal obligation to cause an expeditious—or even an efficient—examination of a patent application.” *Id.* at 783. It makes no difference that claims can be subject to varying levels of scrutiny within PTO before issuance, or even that there may not be a “defined process” to advance prosecution in every circumstance. First Am. Compl. ¶ 37. Plaintiffs cite no authority to the contrary and do not even address the *Hyatt* decision in their brief. “Congress avoided setting a deadline, giving an admonition, or stating an aspiration” with respect to how patent prosecution should be conducted, and that “makes perfect sense in light of the special nature of PTO action.” *Hyatt*, 146 F. Supp. 3d at

783–84. Mr. Hyatt’s APA action did not succeed in forcing PTO to prosecute patents in the manner he saw fit, and this Court should not allow Plaintiffs to use the Privacy Act for that purpose, either.

Because Plaintiffs cannot establish that the decision to place a patent application in the SAWS program is an “adverse determination,” the Court can dismiss this count without reaching the question left open by *Deters v. U.S. Parole Commission*, 85 F.3d 655 (D.C. Cir. 1996) of whether a preliminary denial of a “right, benefit, entitlement, or employment” can be remedied under the Privacy Act. But even if it did, Plaintiffs provide no sound reason for ignoring the “difficulties” of the plaintiff’s argument in *Deters* that a decision to not grant parole in a preliminary posture triggered the Privacy Act. *Id.* Such a rule would vastly expand the scope of the Privacy Act merely because an agency decided further review was necessary before making a final decision on an individual’s rights, benefits, entitlements, or employment.

Plaintiffs’ remaining arguments are high on rhetoric but low on substance. They aver that SAWS flags could have led to “additional adverse determinations like objections and claim rejections,” and that PTO is “render[ing] make-or-break decisions on patent issuance based on secret law and secret facts, while keeping applicants in the dark as to the true status of their applications.” Pls.’ Br. 12–13 (citing First Am. Compl. ¶¶ 36–38, 53). Of course, SAWS determinations “make or break” nothing of substance in terms of patent law. Even if PTO officials had some ulterior motive for denying a patent, it would be legally irrelevant, as PTO can only defend denials of patent protection on the legal and factual grounds it actually discloses to the patentee during examination, and SAWS applications were prosecuted against the same legal rules as every other patent application. 35 U.S.C. § 132(a); *In re Applied Materials, Inc.*, 692 F.3d 1289, 1294 (Fed. Cir. 2012). Plaintiffs further allege that PTO’s actions have created a “Catch-22”: “After withholding from applicants the basis for its SAWS-flag determinations as well as the determinations themselves, the PTO now argues that applicants lack the factual basis to demonstrate that those determinations were caused by an incomplete or inaccurate

record.” Pls. Br. at 14. But there is only a “Catch-22” if one assumes Plaintiffs’ legal conclusion that inclusion for review under SAWS is a “determination”; as PTO has demonstrated, it is not.

Finally, Plaintiffs argue that the secrecy of the SAWS program, and PTO’s decision to end the program several years ago, creates “[t]he obvious inference” that “SAWS could not and did not withstand scrutiny, because it was unlawful,” and that the policy “could never have stood” had PTO properly disclosed it. *Id.* at 13. They argue that PTO “should not be rewarded because it chose to keep *the entire factual and legal basis* of its determinations secret, as opposed to only part of it.” *Id.* at 14 (emphasis original). These policy arguments about the SAWS program are, of course, far removed from Plaintiffs’ Privacy Act claims. Moreover, the value of keeping deliberative materials confidential in agency decision-making has long been recognized. Indeed, another judge on this Court already concluded that “[PTO’s] desire to avoid generating public bias toward patents that had been selected for the SAWS program” served the legitimate purpose of “protect[ing] against public confusion that might result from disclosure of reasons and rationale that were not in fact ultimately the grounds for an agency’s action.” *Huntington v. U.S. Dep’t of Commerce*, 234 F. Supp. 3d 94, 110 (D.D.C. 2017) (quoting *Def. of Wildlife v. Dep’t of Agric.*, 311 F. Supp. 2d 44, 57 (D.D.C. 2004)).

Accordingly, because the complaint does not properly plead an “adverse determination” resulting from the failure to include SAWS materials within Plaintiffs’ patent application files, the Court should dismiss Count I of Plaintiffs’ complaint.

II. Plaintiffs Have Not Stated a Claim That PTO Collected Information Describing How Individuals Exercised First Amendment Rights Under § 552a(e)(7)

Because SAWS materials are not “records,” Plaintiffs’ § 552a(e)(7) claim (Count III) can be dismissed for the same reasons given with respect to Plaintiffs’ § 552a(g)(1)(C) count. *See supra* at 3–10. But even if Plaintiffs were to overcome that hurdle, they would still need to allege how SAWS materials “describ[ed] how any individual exercises rights guaranteed by the First Amendment.”

§ 552a(e)(7). And although the patent system is nearly as old as the Constitution itself, *see* Patent Act of 1790, 1 Stat. 109, Plaintiffs fail to cite a single case that even hints at the application of the First Amendment to patent prosecution, much less cases showing that the types of materials found in SAWS files “describe” First Amendment activity on any level. Accordingly, this count should also be dismissed.

Plaintiffs’ response begins by asserting that “filing and prosecuting a patent applica[tion] is a First Amendment-protected petitioning activity.” Pls.’ Br. 16–17. At a high level of generality, of course, there is a “cognate right[]” to petition the government about any topic under the sun, regardless of what legal structures are in place to receive those petitions. *Borough of Duryea, Pa. v. Guarnieri*, 564 U.S. 379, 388 (2011) (quotation omitted). But the First Amendment does not “guarantee” a patent system at all, much less a right to file and prosecute a patent application as that system is actually structured today. Plaintiffs argue their position is supported by numerous cases that “arise under the Sherman Act, when the plaintiff alleges that a defendant has engaged in abusive patent prosecution conduct and the defendant alleges that its conduct is protected by the *Noerr-Pennington* doctrine.” Pls.’ Br. 16. But in the sole district court case Plaintiffs cite for this argument, *Crocs, Inc. v. Effervescent, Inc.*, 248 F. Supp. 3d 1040 (D. Colo. 2017), the anticompetitive activity alleged by the counter-plaintiff “relate[d] to a pattern of sham litigation and the *enforcement* of fraudulently procured patents.” *Id.* at 1054 (emphasis added). In the patent-antitrust context, *Noerr-Pennington* can only be invoked if the patentee seeks to enforce patents against an alleged infringer through the court system. It does not follow from the fact that individuals have a First Amendment right to access the court system to redress grievances, *see Sure-Tan, Inc. v. NLRB*, 467 U.S. 883, 896–97 (1984), that the First Amendment guarantees the right to apply for patents, a system that exists solely as a matter of Congress’s policy judgment.

Plaintiffs next argue that “the SAWS program turns on and describes the contents of patent

applications, which are the speech of the inventor.” Pls.’ Br. 17. Of course, Plaintiffs have not pled any facts regarding the content of *their* patent applications, much less alleged that they are of the type that could constitute First Amendment protected speech. First Am. Compl. ¶¶ 57–62. But even if it were the case that Plaintiffs had sought patent protection for the sort of “politically charged” or ethically challenging inventions Plaintiffs emphasize in their argument, Pls.’ Br. 17, their Privacy Act claim cannot succeed. Section 552a(e)(7) hinges on what the materials at issue “describe,” not whether the materials are “speech.” *Reuber*, 829 F.2d at 142 (D.C. Cir. 1987) (“The relevant question is not whether rights secured by the First Amendment have been invaded but whether the agencies kept a record on *how such rights were exercised*.” (emphasis added)). When viewed against this more precise standard, Plaintiffs’ claim fails.

Even conceding for a moment that PTO “flagged applications based on the identity of inventors” or the subject matter of the application, these categories are not synonymous with “First Amendment activity,” and Plaintiffs do not articulate (or plead facts about) what the act of flagging “describes” about an inventor. Rather, the patent system is about *inventions*, which are “new and useful process[es], machine[s], manufacture[s], or composition[s] of matter,” or improvements thereof. 35 U.S.C. § 101. Patent applications, in turn, must describe that invention and “the manner and process of making and using it” in sufficient detail so that those “skilled in the art” can “make or use the same,” the price the applicant pays to the public for the benefit of a time-limited monopoly over the invention. *Id.* § 112(a). Applications, outside the confines of what is required to satisfy § 115, do not describe inventors or their activities, much less their First Amendment activities. And SAWS reports, according to Plaintiffs own allegations, describe “the factual basis for flagging applications under SAWS,” based on the “subject matter” of the patent application, not the First Amendment activities of the inventor. First Am. Compl. ¶ 32. Therefore, regardless of whether a First Amendment right to seek patent protection exists, the materials in the application file do not describe First Amendment

activity, but the property right the inventor hopes to obtain through patenting.

As was the case in *England v. Commissioner of Internal Revenue*, 798 F.2d 350 (9th Cir. 1986) (yet another case relied upon by Defendants that Plaintiffs do not address in their response), there is a significant difference, for Privacy Act purposes, between “internally generated reports relating to the filing of” patents with certain subject matter (or by certain people), and creating internal classifications of individuals “because of speeches or writings in the absence” of such filings. *Id.* at 352 (emphasis added), with only the latter being prohibited by the Privacy Act. Accordingly, because patent application files describe “inventions,” rather than inventors’ exercise of First Amendment protected activity, there is no violation of § 552a(e)(7).

III. Plaintiffs Have Not Stated a Claim Regarding the Collection of Information Under § 552a(e)(2)

To make out a claim under § 552a(e)(2), Plaintiffs had to plead facts showing that information PTO examiners collected from Google searches “may [have] result[ed] in adverse determinations about an individual’s rights, benefits, and privileges under Federal programs.” This requirement must be read in a manner consistent with § 552a(g)(1)(C)’s limitation of liability to failures to properly maintain records where “consequently a determination is made which is adverse to the individual.” As explained earlier, SAWS materials do not result in “adverse determinations about an individual’s rights, benefits, and privileges” because (1) the delay introduced by SAWS is not a “determination” and (2) SAWS criteria are not relevant to the determination of whether or not a patent should issue. *See supra* at 10–15. Because Plaintiffs have not plead the existence of any adverse determination that could have resulted from SAWS materials, this claim (Count IV) must be dismissed.

In response, Plaintiffs chide PTO for not addressing whether the SAWS program is consistent with its obligation under § 552a(e)(2) to “collect information to the greatest extent practicable directly from the subject individual,” even though PTO did not present such arguments. Pls.’ Br. 18–20.

Plaintiffs also assert that they have caught the PTO in a contradiction regarding the purpose of SAWS, *Id.* at 20, but there is nothing contradictory in maintaining that the types of considerations that warrant additional review for a patent application prior to a final decision on patentability are not, in themselves, bases upon which PTO can rely to ultimately deny patent protection.

Plaintiffs also argue that they have suffered “adverse effect[s],” as required by § 552a(g)(1)(D), as a result of patent examiners conducting Google searches of their names in order to prepare a SAWS report, namely, (1) the preparation of SAWS reports, (2) the flagging of applications for inclusion in SAWS, (3) “extra burdens, costs, and delays on patent applicants,” and (4) that “flags blocked allowance and issuance of flagged applications.” Pls.’ Br. 20–21. The first two categories are purely internal PTO actions that do not impact Plaintiffs at all. As to the last two, Plaintiffs do not plead facts that explain how obtaining information needed to compile the SAWS report from the inventors, rather than the Internet, would have in any way changed the “burdens, costs, and delays” associated with SAWS review or the decision to put allowance of the patent on hold. Having failed to plead a set of facts showing “how an interview with [Plaintiffs] would have altered the substance of [their] records in any way that would have averted the agency’s decision to” review their patents under SAWS, this count is subject to dismissal. *Gard v. U.S. Dep’t of Educ.*, 789 F. Supp. 2d 96, 109 (D.D.C. 2011).

IV. Mr. Morinville Has Not Pled Facts Demonstrating His Claim Is Timely

Mr. Morinville alleges that he “believed [his applications] to have been flagged under SAWS” because an “examiner pointed out [to him] . . . the absence of the Notice of Allowance” in a patent application he was prosecuting. First Am. Compl. ¶ 57. According to the examiner, this “indicated the application had ‘entered a secondary review process,’ suggesting [to Mr. Morinville] that the application was subject to a SAWS flag.” *Id.* If Mr. Morinville’s application was indeed held up for SAWS review, the conversation between Mr. Morinville and the examiner must have taken place before the SAWS program was ended by PTO in 2015. Yet Mr. Morinville waited until 2019 to bring

this suit, well outside the statute of limitations prescribed by the Privacy Act. *See* Def.'s Mot. at 24; *Tijerina v. Walters*, 821 F.2d 789, 798 (D.C. Cir. 1987); *see also* 5 U.S.C. § 552a(g)(5).

Of course, as Plaintiffs point out, “[w]hat matters” for purposes of the statute of limitations “is when Mr. Morinville knew or had reason to know about PTO’s violation of his rights, not when PTO claims it ceased violating his rights.” Pls.’ Br. 22 n.12. But the First Amended Complaint all but admits that Mr. Morinville knew he had a patent application that had been held up for “secondary review” no later than 2015, despite indications that a notice of allowance was supposed to issue on the application. These allegations go to the core of his claim that PTO violated his rights under the Privacy Act by concealing from him the reason his notice of allowance was being withheld, thereby preventing him from challenging that determination.

Contrary to Plaintiffs’ argument, the statute of limitations issue has nothing to do with whether Mr. Morinville was aware of the SAWS program. Even assuming, for purposes of argument, that Mr. Morinville did not have reason to know that one of his patents had been flagged by SAWS, Mr. Morinville still could have sued PTO for failure to include the grounds on which his notice of allowance was being held back after his conversation with the examiner, the core of his claim in this case. The facts necessary to make his Privacy Act claim were just as available to him then as they are now. As such, Mr. Morinville’s claim is “conclusively time-barred,” *Hagan v. United States*, 197 F. Supp. 3d 30, 35 (D.D.C. 2016) (Kollar-Kotelly, J.), and should not be allowed to proceed past the pleadings stage.

V. Plaintiffs’ Declaratory Relief Count Should Be Dismissed

Plaintiffs have failed to plead a Privacy Act violation, and as such, their request for declaratory relief (Count II) is subject to dismissal. Even so, as Defendants argued in their opening brief, PTO’s Br. at 23–24, “even if a claim of a violation of the Privacy Act could be made out, [Plaintiffs] would not be entitled to the declaratory . . . relief [they] seek[], such relief not being among those expressly

made available to remedy past disclosures made in violation of the Privacy Act.” *Hastings v. Judicial Conf. of United States*, 770 F.2d 1093, 1104 (D.C. Cir. 1985) (collecting cases from other jurisdictions). Plaintiffs identify no case entertaining the sort of claim they plead here. Instead, they poke holes at the authoritativeness of the cases PTO relies upon, calling them “dicta” and distinguishing the circumstances in which they arose, Pls.’ Br. 15–16, but the D.C. Circuit itself classified this rule as a holding of the *Hastings* case. *Doe v. Stephens*, 851 F.2d 1457, 1463 (D.C. Cir. 1988) (“The Act’s subsection on civil remedies authorizes entry of injunctive relief in only two specific situations. In so doing, *as we have held*, the Act precludes other forms of declaratory and injunctive relief, including the orders sought by [plaintiff].” (internal citation omitted) (emphasis added)). Plaintiffs also attempt to draw distinctions between injunctive and declaratory relief, but the point of *Doe* and *Hastings* is that *no other remedies* beside those laid out in the Privacy Act are available to plaintiffs. This gives the Court yet another ground for dismissal of Count II.

CONCLUSION

For all these reasons, as well as the reasons set forth in Defendant's opening brief, the Court should grant PTO's motion to dismiss the First Amended Complaint.

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Respectfully submitted,

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