

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEVADA

JED MARGOLIN,

Plaintiff,

v.

NATIONAL AERONAUTICS
AND SPACE ADMINISTRATION,

Defendant.

Case No. 3:09-CV-00421-LRH-VPC

DECLARATION OF COURTNEY B. GRAHAM

I, COURTNEY B. GRAHAM, hereby declare under penalty of perjury as follows:

1. I am the Associate General Counsel for Commercial and Intellectual Property Law in the Office of General Counsel of the National Aeronautics and Space Administration (“NASA”), and respectfully submit this declaration in support of Defendant's opposition to Plaintiff's motion for summary judgment based upon my knowledge of the facts set forth herein, as well as my review of the pertinent documents referred to herein and annexed hereto.

2. I have been employed by NASA since October 6, 2006. I joined NASA as a Senior Attorney and began supervising the Commercial and Intellectual Property Law (“CIPL”) practice group in the Office of General Counsel in November 2008. I became Acting Associate General Counsel of the practice group in June 2009, and was permanently hired in that position on May 9, 2010.

3. My duties and responsibilities as the Associate General Counsel of the CIPL practice group include developing and implementing agency policies and processes for NASA's intellectual property portfolio and providing direct legal support in the areas of intellectual property protection, licensing and enforcement to NASA Headquarters Mission Directorates and mission support offices. Under my leadership, the CIPL practice group, under the authority of the Agency Counsel for Intellectual Property, is responsible for reviewing and providing the final agency determination on all administrative claims of patent infringement brought against NASA.

1 4. On June 28, 2008, Plaintiff filed FOIA request No. 08-270 seeking “all documents
2 related to the Administrative Claim of Jed Margolin for Infringement of U.S. Patent Nos.
3 5,566,073 and 5,904,724; NASA Case No. I-222.” *See* Plaintiff’s FOIA Request, FOIA No.
4 08-270, dated June 28, 2008 (annexed hereto as Exhibit A).

5 5. The FOIA Office at NASA Headquarters routes requests to the appropriate program
6 office based on the subject matter of the particular FOIA request.

7 6. Upon receipt of Plaintiff’s June 28, 2008 FOIA request, the FOIA Public Liaison
8 Specialist at NASA Headquarters determined that responsive records regarding the referenced
9 administrative claim for patent infringement, Case Number I-222, would have originated and
10 been maintained by the CIPL practice group in the NASA Headquarters Office of General
11 Counsel. Accordingly, Plaintiff’s FOIA request No. 08-270 was forwarded to the CIPL practice
12 group to conduct a records search. The FOIA Office at NASA Headquarters did not forward
13 Plaintiff’s FOIA request No. 08-270 to any NASA Field Center FOIA Office for action.

14 7. NASA Case Number I-222 is an administrative claim for patent infringement against
15 NASA that was submitted to the CIPL practice group by Plaintiff on June 7, 2003. *See*
16 Administrative Claim for Patent Infringement, dated June 7, 2003 (annexed hereto as Exhibit B).
17 Plaintiff owned the patents at the time Case Number I-222 was initiated, but the patents were
18 subsequently acquired by Optima Technology Corporation. Gary Borda, Agency Counsel for
19 Intellectual Property, issued a final determination denying Plaintiff’s claim on behalf of NASA
20 on March 19, 2009. *See* NASA Final Determination, Case I-222, dated March 19, 2009
21 (annexed hereto as Exhibit C).

22 8. By way of background, an administrative claim for patent infringement is a claim for
23 monetary damages for patent infringement against the Federal government. If the administrative
24 claim is denied, the claimant may bring an action in the Court of federal Claims under 28 U.S.C.
25 § 1498(a) seeking “reasonable and entire compensation” for the alleged infringement of his
26 patents.

27 9. When the CIPL practice group receives an administrative claim for patent
28 infringement, it is customary for the CIPL practice group reviewing attorneys to transmit a copy

1 of the claim to patent attorneys located at any NASA Field Centers likely to have relevant
2 technology or activities. The Field Center patent attorneys review the claim and are responsible
3 for conducting the local investigation of the allegations of infringement. This investigation
4 requires the patent attorneys to conduct interviews with scientists and engineers who may have
5 knowledge of relevant technology. The patent attorneys also review the asserted patents and
6 analyze the activities and technologies at the NASA Field Centers to determine whether the
7 asserted patents cover those activities. The Field Center patent attorneys then summarize the
8 results of the investigation and review and provide their legal opinion on the efficacy of the claim
9 to the CIPL practice group attorneys responsible for reviewing the claim. The CIPL practice
10 group maintains a file for each claim received.

11 10. Once all of the Field Center patent attorneys have completed their assessments of the
12 claim and provided their opinion to the CIPL practice group attorneys responsible for reviewing
13 the claim, those attorneys prepare a consolidated analysis in consultation with the Field Center
14 patent attorneys and develop the legal opinion supporting a final determination on the claim.

15 11. The NASA personnel supporting the investigation and review of Case I-222 at
16 NASA Headquarters were Gary Borda, Jan McNutt, Robert Rotella, Alan Kennedy and Kathy
17 Bayer. Mr. Borda is Agency Counsel for Intellectual Property and is currently employed by
18 NASA. Mr. McNutt is an attorney who retired from federal service in January 2010. Mr. Rotella
19 is a patent attorney currently employed by NASA. Mr. Kennedy is a patent attorney who retired
20 from federal service in February 2008. Ms. Bayer is a legal technician who is employed at the
21 NASA Headquarters Office of General Counsel.

22 12. In Case Number I-222, personnel supporting NASA Langley Research Center,
23 Johnson Space Center, and Dryden Flight Research Center were asked to investigate Plaintiff's
24 claims of infringement against NASA.

25 13. The NASA personnel supporting the investigation at NASA Langley Research
26 Center tasked with investigating Plaintiff's claims for infringement were Helen Galus and Barry
27 Gibbens. Ms. Galus is a patent attorney currently employed by NASA. Mr. Gibbens was a
28 patent attorney and is deceased.

1 14. The NASA personnel supporting the investigation at Johnson Space Center tasked
2 with investigating Plaintiff's claim for infringement were Edward Fein, Kurt Hammerle,
3 Theodore Ro and Francisco Delgado. Mr. Fein, Mr. Hammerle and Mr. Ro are patent attorneys
4 currently employed by NASA. Mr. Delgado is an aerospace engineer currently employed by
5 NASA.

6 15. The NASA personnel supporting the investigation at Dryden Flight Research Center
7 were Mark Homer and John Del Frate. Mr. Homer is a patent attorney currently employed by
8 NASA. Mr. Del Frate is a supervisory general engineer currently employed by NASA.

9 16. NASA Headquarters and Johnson Space Center personnel investigating Case
10 Number I-222 also communicated with persons associated with Rapid Imaging Software, Inc.
11 ("RIS"). RIS is a NASA contractor that creates flight visualization tools such as software that
12 permits users to fly through virtual terrain — a technical area related to Case Number I-222. RIS
13 had separately received allegations of infringement relating to the same patents asserted against
14 NASA in Case Number I-222. Because RIS' contract included the clause at Federal Acquisition
15 Regulation 52.227-1, Authorization and Consent, NASA is responsible for any infringing
16 activities conducted by RIS in the performance of its contracts. Under the circumstances, NASA
17 and RIS had a common interest in defending against Plaintiff's patent infringement claims.

18 17. In reviewing RIS' work, NASA communicated with Michael Abernathy, Benjamin
19 Allison, and Richard Krukar regarding the substance of the claims at issue in Case Number
20 I-222. Mr. Abernathy is the principal of RIS. Mr. Allison and Mr. Krukar are RIS' outside
21 attorneys. As a result of these discussions, RIS provided NASA with copies of attorney
22 work-product documents prepared by Mr. Krukar in anticipation of litigation in response to the
23 patent claims asserted against RIS. RIS also provided NASA with privileged attorney-client
24 communications between RIS and its attorneys. These documents were provided by RIS to assist
25 NASA's attorneys in determining the agency's potential liability as a result of the claims of
26 infringement against RIS, as a NASA contractor.

27 18. In reviewing Case Number I-222, the responsible CIPL practice group attorneys
28 communicated extensively with the patent counsel and technical personnel investigating the

1 claim in order to develop the evidence required to develop the March 19, 2009 Final
2 Determination on Case Number I-222.

3 19. When the CIPL practice group received Plaintiff's FOIA request No. 08-270, the
4 group conducted a search of its records. A copy of the CIPL practice group file for Case Number
5 I-222 was forwarded to the FOIA office on January 21, 2009. The RIS documents, discussed in
6 Paragraph 17 above, had not been placed in the file and were not provided to the Headquarters
7 FOIA office so they were not considered as part of the initial determination on Plaintiff's FOIA
8 request No. 08-270. On May 14, 2009, the NASA Headquarters FOIA Office issued an initial
9 determination in response to Plaintiff's FOIA request No. 08-270 releasing responsive documents
10 to Plaintiff. *See* NASA's Initial Determination on Plaintiff's FOIA Request, FOIA No. 08-270,
11 dated May 14, 2009 (annexed hereto as Exhibit D).

12 20. The May 14, 2009 initial determination included 63 pages of responsive documents.
13 These documents were also included in the supplemental response to Plaintiff's FOIA request,
14 discussed at Paragraph 40, identified as Document Nos. 05605 through 05667. An additional
15 227 pages of responsive documents were identified in the initial determination as exempt from
16 disclosure under Section (b)(5) of the FOIA under the deliberative process privilege. These
17 documents are identified in the supplemental response as Document Nos. 04639 through 04866.
18 As discussed more fully in Paragraph 30, these documents were reviewed again for release in
19 November, 2009 and all but 22 pages were eventually released.

20 21. Plaintiff filed a timely appeal of the May 14, 2009 initial determination on June 10,
21 2009. In appealing the May 14, 2009 initial determination, Plaintiff specifically appealed: (1)
22 NASA's failure to provide a copy of the March 19, 2009 Final Determination on Case Number
23 I-222 in response to Plaintiff's FOIA request No. 08-270; (2) NASA's failure to provide a copy
24 of a "patent report" containing evidence related to the validity of the patent at issue in Case
25 Number I-222; and (3) NASA's failure to provide records between NASA and RIS "which
26 provided the synthetic vision system for the X-38 project." Plaintiff also requested an estimate of
27 the volume of responsive documents withheld under Exemption 5 in the May 14, 2008 initial
28 determination. *See* Margolin FOIA Appeal on FOIA Request, FOIA No. 08-270, dated June 10,

1 2009 (annexed hereto as Exhibit E).

2 22. The FOIA Office at NASA Headquarters routes appeals under FOIA to the
3 Headquarters Office of General Counsel. The Headquarters Office of General Counsel, as the
4 office responsible for interpreting the FOIA statute (*see* 14 CFR § 1206.501), reviews the record
5 supporting the initial determination and provides an opinion to support the final agency
6 determination on the request. The final agency determination is issued by the NASA
7 Administrator or his designee. *See* 14 CFR § 1206.607.

8 23. The final agency determination on Plaintiff's FOIA request No. 08-270 was issued by
9 Thomas S. Luedtke, NASA's Associate Administrator for Institutions and Management on
10 August 5, 2009. *See* NASA Final Determination on Plaintiff's FOIA Request, FOIA No. 08-270,
11 dated August 5, 2009 (annexed hereto at Exhibit F).

12 24. The final agency determination on FOIA No. 08-270 estimated that 100 pages were
13 withheld under Exemption 5. (As discussed above, at Paragraph 20, 227 pages of documents
14 were actually withheld in the initial determination.)

15 25. The final agency determination on FOIA No. 08-270 affirmed the initial
16 determination on the issues identified by Plaintiff on appeal. First, the March 19, 2009 Final
17 Determination on Case Number I-222 was already in Plaintiff's possession as evidenced by his
18 quoting it in his appeal. Second, the documents reviewed in FOIA No. 08-270 relevant to
19 NASA's evaluation of Case Number I-222 were either prepared by agency attorneys or
20 developed by NASA employees at the direction of agency's attorneys in order to evaluate the
21 claims of patent infringement asserted against the agency. As such, these records were created in
22 anticipation of litigation and constitute attorney work-product or privileged attorney-client
23 communications exempt from disclosure under Exemption 5. Finally, a general request for
24 records exchanged between NASA and its contractor, RIS, relating to the X-38 project was
25 determined to exceed the scope of the original June 28, 2008 FOIA request.

26 26. On August 11, 2009, I received a notice that Plaintiff had filed a lawsuit against
27 NASA. *See* NASA Headquarters Action Tracking System, No. A/2009-00202, dated August 11,
28 2009 (annexed hereto as Exhibit G).

1 27. On August 12, 2009, I issued a notice to preserve evidence relevant to the lawsuit to
2 NASA Langley Research Center, Johnson Space Center and Dryden Flight Research Center. I
3 also asked the patent attorneys at each Center responsible for reviewing Case Number I-222 to
4 provide me with copies of all documents in their possession so I could review them in connection
5 with the litigation. *See* E-Mail, ACTION REQUIRED: Margolin FOIA Suit, dated August 12,
6 2009 (annexed hereto at Exhibit H).

7 28. I received over 5600 pages of documents from the NASA Field Centers in response
8 to my request. Many documents were duplicates because the NASA personnel investigating the
9 claims consulted closely with one another by e-mail and telephone while reviewing Case Number
10 I-222, so e-mails and documents were received by multiple people simultaneously.

11 29. After reviewing these documents, I made the determination that, given the number of
12 responsive documents received from the NASA Field Centers, it would be appropriate for NASA
13 to supplement the documents provided with the May 12, 2009 initial determination with
14 responsive records from the NASA Field Centers that supported the review of Case Number
15 I-222 even though Plaintiff sent his FOIA request only to NASA Headquarters.

16 30. I also learned at that time that the RIS documents had not been included in the file
17 provided to the FOIA office in response to Plaintiff's FOIA request No. 08-27. Therefore, I
18 initiated a review of the RIS documents to determine whether any of those documents were
19 releasable.

20 31. I also initiated a second review of document numbers 04639 through 04866 — the
21 227 pages of documents that were withheld in connection with the May 12, 2009 initial
22 determination — to determine whether any of those documents contained segregable material
23 that could be released. Of these, 205 pages were released in whole or in part as a result of the
24 second review. Only 22 pages withheld under the original request were withheld after the second
25 review. These 22 pages are identified at lines 364 through 379 of the index. *See* Margolin FOIA
26 Withheld Index Final (annexed hereto as Exhibit I). Each of these 22 pages was withheld under
27 Exemption 5 of the FOIA as each of these records contains privileged communications among
28 the NASA attorneys investigating Case I-222.

1 32. Many of the newly identified documents were released. If releasable information and
2 information exempt from disclosure under the FOIA appeared in the same document and could
3 be segregated, the document was redacted and released. These redacted documents were marked
4 with the asserted FOIA exemption when redacted.

5 33. Redacted information included personal information such as telephone numbers,
6 street addresses, personal e-mail addresses and bank account information which was withheld
7 under FOIA Exemption 6. Redacted information included segregable portions of pre-decisional
8 communications exchanged among the NASA attorneys and between NASA attorneys and
9 technical personnel regarding the review of Case Number I-222. These redactions were withheld
10 under FOIA Exemption 5 under the deliberative process privilege and as attorney-client
11 privileged communications and attorney work product.

12 34. Other redacted information included Optima Technology Corporation's offers of
13 settlement, with specific information regarding license fees and other financial details relating to
14 the patents asserted in Case Number I-222. This information was withheld as confidential
15 commercial or financial information received from a person under FOIA Exemption 4.

16 35. Certain agency records received from the NASA Field Centers were withheld in their
17 entireties under FOIA Exemption 3. Two copies of RIS' contract proposal to NASA under the
18 NASA Small Business Innovation Research program were revealed by the search. These
19 documents were withheld under Exemption 3 as prohibited from disclosure under another federal
20 statute. Section 2305(g) of Title 10 (applicable to NASA under Section 2303 of Title 10)
21 prohibits disclosure of contractor proposals under the FOIA unless the proposal was incorporated
22 by reference into the resulting contract. A review of the contract documents between NASA and
23 RIS showed that the proposal was not incorporated into the RIS contract and was therefore
24 specifically exempted from disclosure by statute. These documents are identified at lines 220
25 and 381 of the Margolin FOIA Withheld Index Final (annexed hereto as Exhibit I).

26 36. Certain agency records received from the NASA Field Centers were withheld in their
27 entireties under FOIA Exemption 5. These documents include e-mails among NASA attorneys
28 and technical personnel discussing Case Number I-222 and, as such, constitute pre-decisional

1 communications within the deliberative process privilege of Exemption 5. Further, many of
2 these documents were either prepared by agency attorneys or developed by NASA employees at
3 the direction of agency attorneys in order to evaluate the claims of patent infringement asserted
4 against the agency in Case Number I-222. As such, these records were created in anticipation of
5 litigation and constitute attorney work-product or privileged attorney-client communications
6 exempt from disclosure under Exemption 5. NASA also created claim charts to assist attorneys
7 in evaluating Plaintiff's patent infringement claim. These claim charts thus constitute attorney
8 work product.

9 37. Certain agency records were withheld in their entirety under FOIA Exemption 4 as
10 confidential commercial or financial information received from Optima Technology Corporation.
11 These records include offers of settlement, with specific financial terms, received from Optima
12 Technology Corporation — the owner of the patents asserted in Case I-222. Examples of these
13 documents are identified at lines 7 through 12 of the Margolin FOIA Withheld Index Final
14 (annexed hereto as Exhibit I).

15 38. Additional records withheld under Exemption 4 included specific attorney
16 work-product and privileged communications between RIS and its attorneys, Mr. Allison and Mr.
17 Krukar. These documents were disclosed to NASA by RIS to support NASA's review of the
18 agency's potential liability for infringement by RIS as a NASA contractor under Case Number
19 I-222. These records also consist of draft documents that embody information communicated in
20 confidence by RIS to its attorneys.

21 39. NASA provided RIS with notice under 14 C.F.R. § 1206.610 (a) and (f) advising RIS
22 that a FOIA request for RIS information had been received by the agency and that litigation had
23 been commenced seeking disclosure of the RIS documents. In response to this notice, RIS
24 provided a basis for its objection to NASA's proposed disclosure of these records. NASA made a
25 determination to withhold the RIS records as privileged attorney-client communications and
26 attorney work product under Exemption 4. *See* Letter from Courtney Graham to Benjamin
27 Allison, dated January 11, 2010 (annexed hereto as Exhibit J). NASA's notice to RIS and RIS
28 objections are not attached to this Declaration as they include information sufficient to identify


1 the withheld documents. Examples of these documents are identified at lines 221 through 247 of
2 the Margolin FOIA Withheld Index Final (annexed hereto as Exhibit I).

3 40. As a result of my determination to release documents from the NASA Field Centers
4 and the additional review of the earlier withheld documents, approximately 4000 pages of
5 additional records were fully or partially released to Plaintiff by the NASA Headquarters FOIA
6 office on November 5, 2009. See NASA Supplemental FOIA Response, dated November 5,
7 2009 (annexed hereto as Exhibit K). If NASA were to disclose any of the withheld information
8 referenced in this declaration or the index, Optima Technology Corporation and Rapid Imaging
9 would likely refrain from turning over information to the agency in the future for fear that the
10 agency would again release the information. Under the circumstances, the government's ability
11 to obtain necessary information would be impaired.

12 41. In responding to Plaintiff's June 28, 2008 FOIA request, NASA did not act in bad
13 faith towards the Plaintiff. The NASA Headquarters FOIA Office maintained a significant
14 backlog of requests in 2008 and 2009. The NASA Headquarters FOIA Office reported a backlog
15 of 210 FOIA requests at the end of Fiscal Year 2008 and a backlog of 195 FOIA requests at the
16 end of Fiscal Year 2009. See NASA FOIA Report for Fiscal Year 2009 at page 17 (annexed
17 hereto as Exhibit L). NASA also took steps to ensure that responsive documents at NASA Field
18 Centers were provided to Plaintiff once they were identified even though Plaintiff sent his FOIA
19 request only to NASA Headquarters.

20
21 I hereby declare under the penalty of perjury that the foregoing is true and correct to the
22 best of my information and belief.

23
24 Dated: September 7, 2010


COURTNEY B. GRAHAM
Associate General Counsel for Commercial
and Intellectual Property Law of NASA
Office of General Counsel